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## Section 1: 8-K (NATIONSTAR MORTGAGE HOLDINGS INC. 8-K)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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### FORM 8-K

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of report: November 2, 2017**

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## **Nationstar Mortgage Holdings Inc.**

(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**001-35449**  
(Commission File Number)

**45-2156869**  
(I.R.S. Employer  
Identification Number)

**8950 Cypress Waters Boulevard  
Coppell, Texas 75019**  
(Address of Principal Executive Offices)

**(469) 549-2000**  
(Registrant's Telephone Number, Including Area Code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 2.02 Results of Operations and Financial Condition.**

On November 2, 2017, Nationstar Mortgage Holdings Inc. (the “Company”) issued a press release announcing its financial results for the third quarter ended September 30, 2017. A copy of the press release is attached as Exhibit 99.1 and will be published in the Investor Information section on the Company’s website at [www.nationstarholdings.com](http://www.nationstarholdings.com). In connection with the release and the related conference call, the Company posted a presentation relating to its third quarter 2017 financial results in the Investor Information section on the Company’s website.

The press release and presentation include certain non-generally accepted accounting principles financial measures. Reconciliations to the most directly comparable generally accepted accounting principles financial measures are included in the press release and the presentation.

The information furnished pursuant to this Item 2.02 shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

| Exhibit Number | Description  |
|----------------|--|
| 99.1           | Press release of Nationstar Mortgage Holdings Inc., dated November 2, 2017 |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Nationstar Mortgage Holdings Inc.

Date: November 2, 2017

By: /s/ Amar Patel  
Amar Patel  
Chief Financial Officer

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**EXHIBIT INDEX**

| Exhibit Number       | Description  |
|----------------------|--|
| <a href="#">99.1</a> | <a href="#">Press release of Nationstar Mortgage Holdings Inc., dated November 2, 2017</a> |

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**Section 2: EX-99.1 (EXHIBIT 99.1)**

- **Quarterly GAAP net income of \$7 million, \$0.07 per diluted share and \$43 million adjusted pretax income, \$0.44 per diluted share**
- **Adjusted servicing profitability of 5.0 basis points (bps)**
- **Largest servicing portfolio in company history with \$533 billion and 3.3 million customers**
- **Servicing GAAP pretax income of \$15 million, adjusted pretax income of \$65 million**
- **Originations GAAP pretax income of \$45 million, adjusted pretax income of \$46 million**
- **Xome GAAP pretax income of \$11 million, adjusted pretax income of \$12 million**

DALLAS--(BUSINESS WIRE)--November 2, 2017--Nationstar Mortgage Holdings Inc. (NYSE: NSM) today reported GAAP net income of \$7 million, or \$0.07 per diluted share for the third quarter 2017. On an adjusted basis, the Company reported earnings for the third quarter of \$43 million, or \$0.44 per diluted share.

"Nationstar continued to board new customers and grow both servicing and originations volume in the third quarter on the strength of our integrated business model and our focus on the customer," said Jay Bray, Chief Executive Officer. "We have boarded \$128 billion in mortgage servicing this year while achieving solid operational results at 5 basis points in adjusted servicing profitability. We look forward to ending the year with over three million customers. Originations exceeded our target again this quarter with funded volume increasing twenty percent. We continue to focus on disciplined expense management even as we invest in our businesses, and we believe we have additional significant opportunities to drive further growth and efficiency over the long term."

### Servicing

Servicing earned \$15 million GAAP pretax income or \$65 million adjusted pretax income (5.0 basis points). Servicing profitability increased 11% quarter-over-quarter, driven by the largest portfolio in the company's history. The Company ended the quarter with over \$533 billion mortgage servicing and the lowest historical delinquency rate of 3.2%.

During the quarter the Company boarded loans totaling \$58 billion, primarily subservicing portfolios with attractive returns that provide an opportunity for Nationstar to offer a variety of corresponding mortgage solutions. Through our focus on expense management, we are realizing the benefits of scale within our platform as we board these loans without an increase in labor costs from the prior quarter.

(\$ in millions)

|                                    | Quarter Ended |        |        |        |
|------------------------------------|---------------|--------|--------|--------|
|                                    | Q2'17         |        | Q3'17  |        |
|                                    | \$            | BPS    | \$     | BPS    |
| Operational                        | \$ 302        | 24.4   | \$ 299 | 23.0   |
| Amortization                       | (66)          | (5.3)  | (60)   | (4.6)  |
| Mark-to-market                     | (90)          | (7.3)  | (48)   | (3.7)  |
| Total revenue                      | 146           | 11.8   | 191    | 14.7   |
| Expenses                           | (175)         | (14.2) | (185)  | (14.2) |
| Total other income (expenses), net | (13)          | (1.0)  | 9      | 0.7    |
| Income before taxes (GAAP)         | (42)          | (3.4)  | 15     | 1.2    |
| Mark-to-market                     | 90            | 7.3    | 48     | 3.7    |
| Adjustments                        | 7             | 0.5    | 2      | 0.1    |
| Adjusted pretax income             | \$ 55         | 4.5    | \$ 65  | 5.0    |

|                                  | Quarter Ended |        |       |        |
|----------------------------------|---------------|--------|-------|--------|
|                                  | Q2'17         |        | Q3'17 |        |
| Ending UPB (\$B)                 | \$            | 498    | \$    | 533    |
| Average UPB (\$B)                | \$            | 494    | \$    | 521    |
| 60+ day delinquency rate         |               | 3.5%   |       | 3.2%   |
| Annualized CPR                   |               | 14.2%  |       | 13.8%  |
| Annualized CPR, net of recapture |               | 12.3%  |       | 11.9%  |
| Modifications and workouts       |               | 12,038 |       | 12,550 |

We enter the fourth quarter with a focus on boarding the remaining \$44 billion UPB of the full year's approximately \$172 billion total, delivering

radical service to our new customers, and exceeding our adjusted profitability target of 5.0 basis points.

### Originations

The Originations segment posted \$45 million GAAP pretax income or \$46 million adjusted pretax income which exceeded our quarterly target of \$40 million. Nationstar funded approximately \$5.1 billion in loans in the third quarter, a 20% improvement over the second quarter, with 61% of the volume from the consumer direct channel.

|                            | Quarter Ended |       |
|----------------------------|---------------|-------|
|                            | Q2'17         | Q3'17 |
| <i>(\$ in millions)</i>    |               |       |
| Adjusted Pretax Income:    |               |       |
| Income before taxes (GAAP) | \$ 53         | \$ 45 |
| Adjustments                | 3             | 1     |
| Adjusted pretax income     | \$ 56         | \$ 46 |

|  | Quarter Ended |          |
|--|---------------|----------|
|  | Q2'17         | Q3'17    |
| <i>(\$ in millions)</i>                          |               |          |
| Total pull through adjusted lock volume          | \$ 4,200      | \$ 4,930 |
| Funded volume                                    | \$ 4,254      | \$ 5,102 |
| Recapture percentage                             | 24%           | 24%      |
| Purchase volume as a percentage of funded volume | 29%           | 36%      |

The Originations segment has posted pretax income above \$40 million for fourteen out of the past fifteen quarters. Accordingly, the Company continues to make investments to further develop the purchase business by expanding channels and product offerings. Launching in the first half of next year, a digital mortgage application portal will also target new and existing customer growth.

### Xome

The Xome segment posted \$11 million GAAP pretax income or \$12 million adjusted pretax income for the third quarter. Xome achieved property sales of 2,772, while maintaining REO inventory as third-party inflows offset sales volume.

|                               | Quarter Ended |       |
|-------------------------------|---------------|-------|
|                               | Q2'17         | Q3'17 |
| <i>(\$ in millions)</i>       |               |       |
| Adjusted Pretax Income:       |               |       |
| Income before taxes (GAAP)    | \$ 17         | \$ 11 |
| Adjustments                   | (5)           | 1     |
| Adjusted pretax income        | \$ 12         | \$ 12 |
| GAAP pretax income margin     | 22%           | 17%   |
| Adjusted pretax income margin | 16%           | 18%   |

Xome continues to develop new relationships and diversify its revenue stream, evidenced by third party inventory increases of 41% quarter-over-quarter. The segment gained nine new title clients consisting of various top financial institutions, which will contribute to future earnings. The referral program launched earlier this year and is expected to generate approximately 800 closings this year.

|   | Quarter Ended |        |
|---|---------------|--------|
|   | Q2'17         | Q3'17  |
| Default property listings sold                          | 3,074         | 2,772  |
| Default property listings at period end                 | 4,174         | 4,082  |
| Xome services completed orders                          | 107,220       | 99,407 |
| Percentage of revenue earned from third-party customers | 35%           | 33%    |

We look forward to bolstering Xome's future prospects through the continued expansion of third-party business as well as offering new products and technologies.

### Capital & Liquidity

Nationstar maintained a robust capital position with ratios well above current regulatory guidelines. Nationstar's sustained operating cash flows generated throughout the third quarter allowed the Company to purchase \$26 million of unsecured senior notes due between 2018 and 2022 during the quarter. Year-to-date the Company has purchased \$120 million of unsecured senior notes.

### Conference Call Webcast and Investor Presentation

The Company will host a conference call on November 2, 2017 at 9:00 A.M. Eastern Time. The conference call may be accessed by dialing 855-874-2685, or 720-634-2923 internationally. Please use the participant passcode 96127627 to access the conference call.

A simultaneous audio webcast of the conference call will be available in the Investor Information section of <http://www.nationstarholdings.com>. A replay will also be available by dialing 855-859-2056, or 404-537-3406 internationally. Please use the passcode 96127627 to access the replay. The replay will be accessible through November 16, 2017.

### Non-GAAP Financial Measures

The Company utilizes non-GAAP (or "adjusted") financial measures as the measures provide additional information to assist investors in understanding and assessing the Company's and our business segments' ongoing performance and financial results, as well as assessing our prospects for future performance. The adjusted financial measures facilitate a meaningful analysis and allow more accurate comparisons of our ongoing business operations because they exclude items that may not be indicative of or are unrelated to the Company's and our business segments' core operating performance, and are better measures for assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses these non-GAAP financial measures in making financial, operational and planning decisions and evaluating the Company's and our business segment's ongoing performance. Adjusted earnings (loss) in the servicing segment eliminates the effects of mark-to-market adjustments which primarily reflects unrealized gains or losses based on the changes in fair value measurements of MSRs and their related financing liabilities for which a fair value accounting election was made. These adjustments, which can be highly volatile and material due to changes in credit markets, are not necessarily reflective of the gains and losses that will ultimately be realized by the Company. Adjusted earnings (loss) also eliminates in each segment, as applicable, transition and integration costs, gains (losses) on sales of fixed assets, certain settlement costs that are not considered normal operational matters, and other adjustments based on the facts and circumstances that would provide investors a supplemental means for evaluating the Company's core operating performance.

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### Forward Looking Statements

Any statements in this release that are not historical or current facts are forward looking statements. These forward looking statements include, but are not limited to, statements regarding our number of customers and growth prospects, Servicing's profitability and expected boardings, Originations product set and income, Xome's potential acquisitions and products, and the repayment of 2018 unsecured senior notes. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Certain of these risks and uncertainties are described in the "Business" and "Risk Factors" sections of our most recent annual report and other required documents as filed with the SEC which are available at the SEC's website at <http://www.sec.gov>. Nationstar undertakes no obligation to publicly update or revise any forward looking statement or any other financial information contained herein, and the statements made in this press release are current as of the date of this release only.

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### Financial Tables

**NATIONSTAR MORTGAGE HOLDINGS INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(dollars and shares in millions, except per share data)

|  | Quarter Ended |                    |
|--|---------------|--------------------|
|  | June 30, 2017 | September 30, 2017 |
| <b>Revenues:</b>                         |               |                    |
| Service related, net                     | \$ 302        | \$ 299             |
| Total MTM                                | (90)          | (48)               |
| Net gain on mortgage loans held for sale | 167           | 154                |
| Total revenues                           | <u>380</u>    | <u>406</u>         |

|   |                  |                |
|---|------------------|----------------|
| <b>Total expenses</b>                                       | 369              | 368            |
| <b>Other income (expense):</b>                              |                  |                |
| Interest income   | 139              | 157            |
| Interest expense  | (186)            | (181)          |
| Other income (expenses)                                     | 7                | (2)            |
| Total other income (expenses), net                          | (40)             | (26)           |
| Income (loss) before income tax expense (benefit)           | (29)             | 12             |
| Income tax expense (benefit)                                | (10)             | 5              |
| <b>Net income (loss)</b>                                    | (19)             | 7              |
| Net income (loss) attributable to non-controlling interests | 1                | —              |
| <b>Net income (loss) attributable to Nationstar</b>         | <u>\$ (20)</u>   | <u>\$ 7</u>    |
|   |                  |                |
| Earnings per share attributable to common stockholders:     |                  |                |
| Basic   | <u>\$ (0.20)</u> | <u>\$ 0.07</u> |
| Diluted   | <u>\$ (0.20)</u> | <u>\$ 0.07</u> |
| Weighted average shares of common stock outstanding         |                  |                |
| Basic   | <u>98</u>        | <u>98</u>      |
| Diluted   | <u>98</u>        | <u>99</u>      |

**NATIONSTAR MORTGAGE HOLDINGS INC. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED BALANCE SHEETS**  
(dollars in millions)

|   | June 30, 2017    | September 30, 2017 |
|---|------------------|--------------------|
| <b>Assets</b>                                       |                  |                    |
| Cash and cash equivalents                           | \$ 184           | \$ 224             |
| Restricted cash                                     | 424              | 356                |
| Mortgage servicing rights at fair value             | 3,051            | 2,961              |
| Advances and other receivables, net                 | 1,594            | 1,625              |
| Reverse mortgage interests, net                     | 10,604           | 10,299             |
| Mortgage loans held for sale at fair value          | 1,543            | 1,646              |
| Mortgage loans held for investment, net             | 148              | 143                |
| Property and equipment, net                         | 133              | 127                |
| Derivative financial instruments at fair value      | 81               | 76                 |
| Other assets  | 515              | 547                |
| Total assets  | <u>\$ 18,277</u> | <u>\$ 18,004</u>   |
| <b>Liabilities and Stockholders' Equity</b>         |                  |                    |
| Unsecured senior notes, net                         | \$ 1,899         | \$ 1,873           |
| Advance facilities, net                             | 881              | 797                |
| Warehouse facilities, net                           | 2,523            | 2,774              |
| Payables and accrued liabilities                    | 1,122            | 1,188              |
| MSR related liabilities - nonrecourse at fair value | 1,134            | 1,066              |
| Mortgage servicing liabilities                      | 50               | 53                 |
| Derivative financial instruments at fair value      | 6                | 7                  |
| Other nonrecourse debt, net                         | 8,997            | 8,569              |
| Total liabilities                                   | <u>16,612</u>    | <u>16,327</u>      |
| Total stockholders' equity                          | <u>1,665</u>     | <u>1,677</u>       |
| Total liabilities and stockholders' equity          | <u>\$ 18,277</u> | <u>\$ 18,004</u>   |

**UNAUDITED SEGMENT STATEMENT OF**  
**OPERATIONS & EARNINGS RECONCILIATION**  
(dollars in millions, except per share data)

Quarter ended June 30, 2017

|   | Servicing      | Originations | Xome         | Corporate and Other | Elim.       | Consolidated     |
|---|----------------|--------------|--------------|---------------------|-------------|------------------|
| <b>Revenues:</b>                                    |                |              |              |                     |             |                  |
| Service related, net                                | \$ 146         | \$ 15        | \$ 76        | \$ —                | \$ (24)     | \$ 213           |
| Net gain on mortgage loans held for sale            | —              | 143          | —            | —                   | 24          | 167              |
| <b>Total revenues</b>                               | <b>146</b>     | <b>158</b>   | <b>76</b>    | <b>—</b>            | <b>—</b>    | <b>380</b>       |
| <b>Total expenses</b>                               | <b>175</b>     | <b>102</b>   | <b>67</b>    | <b>24</b>           | <b>—</b>    | <b>369</b>       |
| <b>Other income (expense):</b>                      |                |              |              |                     |             |                  |
| Interest income                                     | 123            | 11           | —            | 5                   | —           | 139              |
| Interest expense                                    | (136)          | (13)         | —            | (37)                | —           | (186)            |
| Other expense                                       | —              | —            | 8            | (1)                 | —           | 7                |
| <b>Total other income (expense)</b>                 | <b>(13)</b>    | <b>(2)</b>   | <b>8</b>     | <b>(33)</b>         | <b>—</b>    | <b>(40)</b>      |
| <b>Pretax income (loss)</b>                         | <b>\$ (42)</b> | <b>\$ 53</b> | <b>\$ 17</b> | <b>\$ (57)</b>      | <b>\$ —</b> | <b>\$ (29)</b>   |
| Income tax expense (benefit)                        |                |              |              |                     |             | (10)             |
| Noncontrolling interest attributable to Nationstar  |                |              |              |                     |             | 1                |
| <b>Net income (loss) attributable to Nationstar</b> |                |              |              |                     |             | <b>\$ (20)</b>   |
| <b>Earnings per share</b>                           |                |              |              |                     |             |                  |
| Basic   |                |              |              |                     |             | <b>\$ (0.20)</b> |
| Diluted   |                |              |              |                     |             | <b>\$ (0.20)</b> |
| <b>Adjusted Earnings:</b>                           |                |              |              |                     |             |                  |
| Pretax income (loss)                                | \$ (42)        | \$ 54        | \$ 17        | \$ (57)             | \$ —        | \$ (29)          |
| MTM   | 90             | —            | —            | —                   | —           | 90               |
| Adjustments   | 7              | 3            | (5)          | 1                   | —           | 6                |
| <b>Adjusted pretax income (loss)</b>                | <b>\$ 55</b>   | <b>\$ 56</b> | <b>\$ 12</b> | <b>\$ (54)</b>      | <b>\$ —</b> | <b>67</b>        |
| Income tax expense (benefit)                        |                |              |              |                     |             | (25)             |
| <b>Adjusted earnings (loss)</b>                     |                |              |              |                     |             | <b>\$ 42</b>     |
| <b>Adjusted EPS</b>                                 |                |              |              |                     |             | <b>\$ 0.43</b>   |

**UNAUDITED SEGMENT STATEMENT OF OPERATIONS & EARNINGS RECONCILIATION**

(dollars in millions, except per share data)

Quarter ended September 30, 2017

|   | Servicing    | Originations | Xome         | Corporate and Other | Elim.       | Consolidated   |
|---|--------------|--------------|--------------|---------------------|-------------|----------------|
| <b>Revenues:</b>                                    |              |              |              |                     |             |                |
| Service related, net                                | \$ 191       | \$ 16        | \$ 65        | \$ —                | \$ (20)     | \$ 252         |
| Net gain on mortgage loans held for sale            | —            | 134          | —            | —                   | 20          | 154            |
| <b>Total revenues</b>                               | <b>191</b>   | <b>150</b>   | <b>65</b>    | <b>—</b>            | <b>—</b>    | <b>406</b>     |
| <b>Total expenses</b>                               | <b>185</b>   | <b>106</b>   | <b>54</b>    | <b>23</b>           | <b>—</b>    | <b>368</b>     |
| <b>Other income (expense):</b>                      |              |              |              |                     |             |                |
| Interest income                                     | 141          | 14           | —            | 2                   | —           | 157            |
| Interest expense                                    | (130)        | (13)         | —            | (38)                | —           | (181)          |
| Other expense                                       | (2)          | —            | —            | —                   | —           | (2)            |
| <b>Total other income (expense)</b>                 | <b>9</b>     | <b>1</b>     | <b>—</b>     | <b>(36)</b>         | <b>—</b>    | <b>(26)</b>    |
| <b>Pretax income (loss)</b>                         | <b>\$ 15</b> | <b>\$ 45</b> | <b>\$ 11</b> | <b>\$ (59)</b>      | <b>\$ —</b> | <b>\$ 12</b>   |
| Income tax expense (benefit)                        |              |              |              |                     |             | 5              |
| Noncontrolling interest attributable to Nationstar  |              |              |              |                     |             | —              |
| <b>Net income (loss) attributable to Nationstar</b> |              |              |              |                     |             | <b>\$ 7</b>    |
| <b>Earnings per share</b>                           |              |              |              |                     |             |                |
| Basic   |              |              |              |                     |             | <b>\$ 0.07</b> |
| Diluted   |              |              |              |                     |             | <b>\$ 0.07</b> |

**Adjusted Earnings:**

|                               |              |              |              |                |             |                |
|-------------------------------|--------------|--------------|--------------|----------------|-------------|----------------|
| <b>Pretax income (loss)</b>   | \$ 15        | \$ 45        | \$ 11        | \$ (59)        | \$ —        | \$ 12          |
| MTM                           | 48           | —            | —            | —              | —           | 48             |
| Adjustments                   | 2            | 1            | 1            | 3              | —           | 7              |
| Adjusted pretax income (loss) | <u>\$ 65</u> | <u>\$ 46</u> | <u>\$ 12</u> | <u>\$ (56)</u> | <u>\$ —</u> | <u>\$ 67</u>   |
| Income tax expense (benefit)  |              |              |              |                |             | (24)           |
| Adjusted earnings (loss)      |              |              |              |                |             | <u>\$ 43</u>   |
| Adjusted EPS                  |              |              |              |                |             | <u>\$ 0.44</u> |

**CONTACT:**

Nationstar Mortgage Holdings Inc.  
Megan Portacci, 469-426-3118

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