



FOR IMMEDIATE RELEASE

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## **Nationstar Mortgage Announces Definitive Agreement to Acquire Servicing Assets of Aurora Bank**

Lewisville, TX (March 6, 2012) – Nationstar Mortgage LLC (“Nationstar”) announced today that it has signed a definitive agreement to acquire approximately \$63 billion in residential mortgage servicing assets, as measured by unpaid principal balance, and certain other assets from Aurora Bank FSB (“Aurora”), a subsidiary of Lehman Brothers Bancorp Inc. Aurora is the 19th largest servicer of residential mortgages in the US, according to Inside Mortgage Finance as of December 31, 2011.

The cash purchase price of the mortgage servicing rights (“MSRs”) is approximately \$268 million. The cash purchase price of the related servicing advance receivables is approximately \$210 million, net of financing. Nationstar expects to enter into approximately \$1.45 billion of advance financing facilities to fund the balance of the related servicing advance receivables. The composition of the total portfolio is expected to be approximately 75% non-conforming loans in private label securitizations and approximately 25% conforming loans in GSE pools.

Nationstar will fund up to approximately \$170 million of the MSR purchase price with the proceeds of a co-investment by Newcastle Investment Corp. (“Newcastle”) whereby Nationstar will sell to Newcastle the right to receive approximately 65% of the excess Mortgage Servicing Rights after receipt of a fixed basic servicing fee per loan. Nationstar will retain approximately 35% of the excess Mortgage Servicing Rights and all ancillary income associated with servicing the loans. Under the terms of the investment, to the extent that any loans in this portfolio are refinanced by Nationstar, the resulting mortgage servicing right will be included in the portfolio, subject to certain limitations.

Nationstar estimates that the transaction will close in the second quarter of 2012, subject to regulatory and third-party approvals.

Aurora was advised by Keefe, Bruyette & Woods, Inc.

### **Forward-Looking Statements**

This press release contains forward looking statements that are based on assumptions and existing information and involve certain risks and uncertainties that could cause actual results to differ materially from future results expressed or implied by such forward looking statements.

Important factors that could affect these statements include, but are not limited to, the delay in Nationstar's foreclosure proceedings due to inquiries by certain state Attorneys General, court administrators and state and federal government agencies; the impact of the ongoing implementation of the Dodd-Frank Act on Nationstar's business activities and practices, costs of operations and overall results of operations; the impact on Nationstar's servicing practices of enforcement consent orders and agreements entered into by certain federal and state agencies against the largest mortgage servicers; increased legal proceedings and related costs; the continued deterioration of the residential mortgage market, increase in monthly payments on adjustable rate mortgage loans, adverse economic conditions, decrease in property values and increase in delinquencies and defaults; the deterioration of the market for reverse mortgages and increase in foreclosure rates for reverse mortgages; Nationstar's ability to efficiently service higher risk loans; Nationstar's ability to mitigate the increased risks related to servicing reverse mortgages; Nationstar's ability to compete successfully in the mortgage loan servicing and mortgage loan originations industries; Nationstar's ability to maintain or grow the size of its servicing portfolio and realize its significant investments in personnel and its technology platform by successfully identifying attractive acquisition opportunities, including mortgage servicing rights, subservicing contracts, servicing platforms and originations platforms; Nationstar's ability to scale-up appropriately and integrate its acquisitions to realize the anticipated benefits of any such potential future acquisitions; Nationstar's ability to obtain sufficient capital to meet its financing requirements, including, but not limited to, our ability to obtain advance finance facilities sufficient to fund the purchase price for this acquisition; Nationstar's ability to grow its loan originations volume; the termination of Nationstar's servicing rights and subservicing contracts; changes to federal, state and local laws and regulations concerning loan servicing, loan origination, loan modification or the licensing of entities that engage in these activities; and the loss of Nationstar's licenses. These factors and other risks and uncertainties are discussed in Nationstar's registration statement on Form S-1 (File No. 333-174246) filed with the Securities and Exchange Commission ("SEC") on March 6, 2012.

### **About Nationstar Mortgage**

Based in Lewisville, Texas, Nationstar currently services over 645,000 residential mortgages totaling nearly \$107 billion in unpaid principal balance. Nationstar is also one of a few non-bank mortgage servicers to offer integrated loan origination capabilities, enabling the company to both mitigate its portfolio run-off and improve credit quality for loan investors. In addition, Nationstar offers a diverse array of complementary services for mortgage investors to improve asset performance including REO management and credit recovery. The company currently employs approximately 2,600 people, entirely based in the United States.