

October 6, 2014



# New Residential Announces \$2.6 Billion Asset-Backed Refinancing

NEW YORK--(BUSINESS WIRE)-- New Residential Investment Corp. (the “Company” or “New Residential”; NYSE: NRZ) announced today that the Company, along with Springleaf Finance, Inc. and subsidiaries (“Springleaf”), and Blackstone Tactical Opportunities Advisors L.L.C. (collectively the “co-investors”), have completed a \$2.6 billion asset backed secured refinancing of a consumer loan portfolio (the “SpringCastle portfolio”) with an unpaid principal balance (“UPB”) of approximately \$2.7 billion as of October 2014.

The SpringCastle portfolio, with an original UPB of \$4.2 billion, was acquired from HSBC Finance Corporation (“HSBC”) in April 2013 by New Residential and the other co-investors for a total purchase price of approximately \$3.0 billion. The investment was financed using \$2.2 billion of asset backed notes and approximately \$800 million of equity. New Residential initially invested \$241 million of equity to acquire a 30% interest in the SpringCastle portfolio.

Since the acquisition, the credit performance of the portfolio has improved meaningfully. Charge-off rates have declined 42% in the past 18 months, from 12.2% to 7.1%, and the overall average FICO score improved from 629 to 637.

Through a combination of distributions and refinancing proceeds, the Company has received total life-to-date cash flows of \$460 million. On its initial equity investment, the Company has generated an internal rate of return (“IRR”) of 71% to date. The Company continues to expect substantial cash flow from the SpringCastle portfolio in the future.

Michael Nierenberg, the Company’s CEO, commented, “We are excited to announce this refinancing as it further enhances our estimated lifetime returns and improves our financing terms on the SpringCastle portfolio. As a result of this transaction, we will have additional liquidity to redeploy into our core business strategy going forward.”

## **ABOUT NEW RESIDENTIAL**

*New Residential focuses on opportunistically investing in, and actively managing, investments related to residential real estate. The Company primarily targets investments in: (1) mortgage servicing related assets, (2) residential mortgage backed securities (“RMBS”), (3) residential mortgage loans and (4) other related investments. New Residential is organized and conducts its operations to qualify as a real estate investment trust (“REIT”) for federal income tax purposes. The Company is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm.*

## **FORWARD-LOOKING STATEMENTS**

*Certain statements in this press release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 such as the statement*

*that the Company expects to receive substantial cash flow from the SpringCastle portfolio in the future, the statement regarding the Company's expectation of enhanced lifetime returns, and the statement regarding the current intention to redeploy liquidity into the Company's core business strategy. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements, many of which are beyond the Company's control, such as economic conditions and their impact on investment opportunities, and the risk of a deterioration in collateral performance as a result of higher than expected delinquencies. Estimated lifetime returns, or IRRs, will be affected by collateral performance, and the assumptions about collateral performance that we use to calculate expected returns could differ materially from actual results. Income and cash flow recognized by the Company in future periods may be significantly less than the income and cash flow that would have been recognized if an expected return were actually realized. In addition, an investment's lifetime return may differ materially from an IRR to date, which represents the annualized effective rate of return earned over the life to date of the investment after giving effect to existing leverage. The Company can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements contained in this press release. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operation" incorporated by reference in the Company's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, which are available on the Company's website ([www.newresi.com](http://www.newresi.com)). In addition, new risks and uncertainties emerge from time to time, and it is not possible for the Company to predict or assess the impact of every factor that may cause its actual results to differ from those contained in any forward-looking statements. Such forward-looking statements speak only as of the date of this press release. The Company expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.*

*This announcement is for informational purposes only and does not constitute an offer to purchase, or solicitation of an offer to sell.*

New Residential Investment Corp.  
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Source: New Residential Investment Corp.