

May 20, 2020



New Residential Investment Corp. Bolsters Strong Capital Position and Provides Company Updates

NEW YORK--(BUSINESS WIRE)-- New Residential Investment Corp. (NYSE: NRZ; “New Residential” or the “Company”) today announced a \$600 million capital raise through entry into a private senior secured loan agreement structured and led by Canyon Partners, LLC (“Canyon”) with participation from credit funds managed by affiliates of Fortress Investment Group LLC (“Fortress”).

“This partnership with Canyon and Fortress provides us with additional financial flexibility, bolsters our balance sheet and creates a pool of capital to be opportunistic,” said Michael Nierenberg, Chairman, Chief Executive Officer and President of New Residential. “Today’s announcement is a testament to the value of our overall platform and we believe this capital raise will enable us to continue executing on our strategy of generating long-term value for our shareholders.”

Canyon and Fortress will also receive warrants to acquire the Company’s common stock at specific prices over a three year period. The senior secured loan agreement and the issuance of the warrants were unanimously approved by the independent members of the Company’s board of directors and by the members of the audit committee of the Company’s board of directors.¹

Additional Company Updates

Liquidity Update

- As of May 15, 2020, the Company had approximately \$516 million of cash and cash equivalents on its balance sheet.
- Following the closing of the announced capital raise, the Company expects to have approximately \$1.1 billion of cash and cash equivalents on its balance sheet.

Book Value Update

- The Company announced that estimated book value per common share as of May 15, 2020 is unchanged relative to March 31, 2020 reported book value per common share of \$10.71.²

Financing Update

- *Residential Loan Financing* – The Company has preliminary agreements on term non mark-to-market financing with various counterparties which are anticipated to close within the next 30 days. Upon closing, approximately 90% of the outstanding

residential loan portfolio will be term non mark-to-market financed.

- *Residential Securities Financing* – Continued success in terming out non-agency exposure, including residential mortgage backed securities, with limited mark-to-market risk.
- *MSR Financing* – As part of New Residential’s broader initiative across the mortgage servicing rights (“MSR”) portfolio, the Company has a preliminary agreement with its largest bank lender to extend the existing MSR financing through the end of 2020.

NewRez LLC (“NewRez”) Origination Activity Update

- NewRez originated \$2.7 billion UPB in April 2020.
- We are maintaining our FY’20 origination volume guidance of \$45 billion UPB.
- NewRez continues to focus its origination activity on Fannie Mae, Freddie Mac and Ginnie Mae eligible loans across its four origination channels.
- Gain on sale margins continue to be robust.

Servicing Portfolio and Advance Financing Update

- NewRez is committed to supporting homeowners overcome financial hardship and helping borrowers stay in their homes by offering all available relief and protections for which they are eligible under the CARES Act and other applicable guidelines.
- Forbearance requests have continued to be lower than previously forecasted.
 - Through May 15, 2020, a total of approximately 240,000 borrowers in our portfolio, representing approximately 8.0% of our aggregate MSR portfolio, have been granted COVID-19 forbearances.
 - The rate of borrowers in forbearance making their monthly payments continues to be higher than modeled, further reducing our projected advancing obligations.
 - The average daily number of COVID-19 forbearance requests in May 2020 is less than 3,000 per day after peaking at over 21,000 in a single day in late March 2020.
- We continue to work with Ginnie Mae on an advance financing facility (principal and interest (“P&I”), taxes and insurance (“T&I”) and corporate advances).
- Since March 31, 2020, we have increased our committed advance financing capacity by \$1.8 billion, to a total of \$5.25 billion.³

Summary of Recent Policy Announcements Impacting Servicer Advances

- Recent programs announced by the Federal Housing Finance Agency (“FHFA”), Fannie Mae, Freddie Mac, and Ginnie Mae have been supportive of the servicing industry and are expected to help homeowners.
- The announcement from Ginnie Mae on May 14, 2020 provides issuers with temporary relief from enforcement of Ginnie Mae’s delinquency thresholds by removing delinquencies occurring on or after April 2020 when calculating Ginnie Mae delinquency ratios.
- The announcement from FHFA on May 13, 2020 offering a streamlined deferral program (starting July 1, 2020) limits New Residential’s projected advancing obligations on GSE loans by incentivizing servicers to offer deferrals to homeowners in

COVID-19 forbearances.

- The announcement from the FHFA on April 21, 2020 to limit servicer P&I advance obligations on Fannie Mae and Freddie Mac loans to four months significantly reduces New Residential's projected advancing obligations for GSE loans in COVID-19 forbearances.
- The announcement from Ginnie Mae on April 10, 2020 establishing the Pass-Through Assistance Program ("PTAP") provides Ginnie Mae issuers with a 100% LTV financing solution of last resort for Ginnie Mae P&I advances.

Moelis & Company and Citigroup Inc. served as strategic advisors to New Residential. Skadden, Arps, Slate, Meagher & Flom LLP served as legal counsel to New Residential. Sullivan & Cromwell LLP served as legal counsel to Canyon.

CAUTIONARY NOTE REGARDING 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, including, but not limited to, the expected use of proceeds of such capital raise, the ability to continue executing on our long-term strategy and support the growth of our portfolio, the Company's expected cash and cash equivalents following the closing of the transaction, statements relating to the Company's estimated book value as of May 15, 2020, ability to reduce our short-term or mark-to-market financing exposure, ability to settle the various financings, our FY'20 origination volume guidance and facilities described above, limits on New Residential's projected advancing obligations, ability to create long term shareholder value and preserve the Company's estimated book value. 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 our control, including the ongoing impact of the COVID-19 crisis. 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" in the Company's most recent annual report on Form 10-K and quarterly report on Form 10-Q, as well as the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" from the Company's most recently filed annual and quarterly reports. In addition, new risks and uncertainties emerge from time to time, including risks related to the COVID-19 crisis, risks related to the extreme volatility and turmoil that currently riles the financial markets and risks related to changes in the value of our assets that could result in an increase in the amount of our obligations and cause us to take additional actions to generate additional liquidity, 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.

The securities of the Company to be sold in the transactions described above have not been

and will not be registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration with the U.S. Securities and Exchange Commission or an applicable exemption from such registration requirements.

This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities of the Company, nor will there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

ABOUT NEW RESIDENTIAL

New Residential is a leading provider of capital and services to the mortgage and financial services industry. The Company's mission is to generate attractive risk-adjusted returns in all interest rate environments through a portfolio of investments and operating businesses. New Residential has built a diversified, hard-to-replicate portfolio with high-quality investment strategies that have generated returns across different interest rate environments over time. New Residential's portfolio is composed of mortgage servicing related assets (including investments in operating entities consisting of servicing, origination, and affiliated businesses), residential securities (and associated called rights) and loans, and consumer loans. New Residential's investments in operating entities include its mortgage origination and servicing subsidiary, NewRez, and its special servicing division, Shellpoint Mortgage Servicing, as well as investments in affiliated businesses that provide services that are complementary to the origination and servicing businesses and other portfolios of mortgage related assets. Since inception in 2013, New Residential has a proven track record of performance, growing and protecting the value of its assets while generating attractive risk-adjusted returns and delivering approximately \$3.3 billion in dividends to shareholders. New Residential is organized and conducts its operations to qualify as a real estate investment trust ("REIT") for federal income tax purposes. New Residential is managed by an affiliate of Fortress Investment Group LLC, a global investment management firm, and headquartered in New York City.

¹ For additional information, please refer to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 20, 2020.

² The estimated book value is based primarily on management's estimates of its assets as of May 15, 2020 and not on third party valuations. While the Company believes that such estimates are based on reasonable assumptions and information available to it as of May 15, 2020, actual results may vary, and such variations may be material. Furthermore, the extreme volatility and turmoil that currently riles the financial markets makes estimates of asset values even less reliable than usual.

³ \$625 million of \$1.8 billion additional capacity has been agreed to in principle but is subject to definitive documentation. There can be no assurance that we will complete such definitive documentation or close such financing.

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