



# New Residential Quarterly Supplement

*Third Quarter 2017*

# Disclaimers

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**IN GENERAL.** This disclaimer applies to this document and the verbal or written comments of any person presenting it. This document, taken together with any such verbal or written comments, is referred to herein as the "Presentation."

**FORWARD-LOOKING STATEMENTS.** Certain statements regarding New Residential Investment Corp. (together with its subsidiaries, "New Residential," "NRZ," the "Company" or "we") in this Presentation may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, the ability to succeed in various interest rate environments, the Company's expectations for closing, funding and financing various MSR transactions, our targeted lifetime IRRs and yields, expected or projected cash flows, expected returns, sustainability of earnings or our dividend, ability to create shareholder value, ability to continue diversifying servicing counterparties, actual unpaid principal balance of loans subject to our call rights and Excess MSRs, expected shortening or acceleration of callability timelines for call rights, projected overall callable balance of call rights, the ability to execute and profit from our deal collapse strategy, the value of call rights increasing as interest rates decline, ability to execute future servicer advance and mortgage loan securitizations and call rights, potential to be subject to certain claims and legal proceedings, ability to maintain prepayment speeds, ability to help protect returns in the event of a rise in voluntary prepayment rates, the Prosper Consortium's plans to issue securitizations on a quarterly basis, expectation of potential future upside as advance balances continue to decline, investments benefiting from an increase in interest rates or an improving macro backdrop, the potential deployment of additional capital in 2017, performance of residential loans and consumer loans, the continuing decline of delinquencies, the ability of the Company to terminate servicing and subservicing contracts, and statements regarding the Company's investment pipeline and investment opportunities. 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. New Residential can give no assurance that its expectations will be attained. Accordingly, you should not place undue reliance on any forward-looking statements made in this Presentation. 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 Operations" in the Company's most recent reports on Form 10-Q and Form 10-K and other filings with the U.S. Securities and Exchange Commission (the "SEC"), 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 Presentation. New Residential 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.

**CAUTIONARY NOTE REGARDING ESTIMATED / TARGETED RETURNS AND YIELDS.** The Company calculates the estimated return/yield, or the IRR, of an investment as the annualized effective compounded rate of return (assuming monthly compounding) earned over the life of the investment after giving effect, in the case of returns, to existing leverage. Life-to-date IRR, including life-to-date IRRs on the overall MSR portfolio, servicer advance investments, Non-Agency securities portfolio, residential loans and consumer loans, is based on the purchase price for an investment and the estimated value of the investment, or "mark," which is calculated based on cash flows actually received and the present value of expected cash flows over the life of the investment, using an estimated discount rate. Targeted returns and targeted yields reflect a variety of estimates and assumptions that could prove to be incorrect, such as an investment's coupon, amortization of premium or discount, costs and fees, and our assumptions regarding prepayments, defaults and loan losses, among other things. Income and cash flows recognized by the Company in future periods may be significantly less than the income and cash flows that would have been recognized had expected returns been realized. As a result, an investment's lifetime return may differ materially from an IRR to date. In addition, the Company's calculation of IRR may differ from a calculation by another market participant, as there is no standard method for calculating IRRs. Statements about estimated and targeted returns and targeted yields in this Presentation are forward-looking statements. You should carefully read the cautionary statement above under the caption "Forward-looking Statements," which directly applies to our discussion of estimated and targeted returns and targeted yields.

**PAST PERFORMANCE.** Past performance is not a reliable indicator of future results and should not be relied upon for any reason.

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**NON-GAAP MEASURES.** This Presentation includes non-GAAP measures, such as Core Earnings. See "Appendix" in this presentation for information regarding this non-GAAP measure, including a definition, purpose and reconciliation to net income, the most directly comparable GAAP financial measure.

# New Residential Overview \*

*New Residential (NYSE: NRZ) is a publicly traded mortgage real estate investment trust ("REIT") with a \$5.3 billion market capitalization <sup>(1)</sup>*



**MANAGE A  
PORTFOLIO OF  
DIVERSIFIED ASSETS**

**\$533 Billion**  
UPB of MSRs  
**~\$155 Billion**  
UPB of Call Rights

*Target investments in mortgage related assets & have a proven track record of making opportunistic investments*



**TARGET  
MID-TEENS  
RETURNS**

**12-18%**  
Targeted Lifetime  
Net Yields

*Potential for additional upside from execution around NRZ's call rights strategy <sup>(2)</sup>*



**WELL POSITIONED FOR  
VARIOUS INTEREST RATE  
ENVIRONMENTS <sup>(2)</sup>**

**Actively Manage  
Portfolio**  
to help protect against  
rate changes

*Manage business for different rate environments & portfolio consists of high-quality assets capable of generating stable returns across rate cycles <sup>(2)</sup>*



**ACHIEVED STRONG  
& STABLE  
TRACK RECORD**

**~19 %**  
Total Return 2017 YTD <sup>(1)</sup>  
**2 Dividend Increases**  
2017 YTD <sup>(1)</sup>

*Dividend increases reflect NRZ's longstanding commitment to grow earnings and optimize returns for shareholders*



**ROBUST PIPELINE &  
LARGE, ADDRESSABLE  
MARKET <sup>(2)</sup>**

**\$25 Trillion**  
Total value of U.S. housing  
market <sup>(3)</sup>  
**\$2.5 Trillion**  
of unsecured consumer debt <sup>(4)</sup>

*Large investment pipeline of mortgage assets – including loans, MSRs, and other opportunistic investments <sup>(2)</sup>*

\* Detailed endnotes are included in the Appendix.

# Strong Financial Performance

## Third Quarter 2017:

- ✓ GAAP Net Income of \$226 million, or \$0.73 per diluted share
- ✓ Core Earnings of \$199 million, or \$0.64 per diluted share <sup>(1)</sup>
- ✓ Third quarter dividend of \$0.50 per common share

	3Q'17		2Q'17	
	(\$mm)	(\$ / diluted share) <sup>(2)</sup>	(\$mm)	(\$ / diluted share) <sup>(2)</sup>
<b>GAAP Net Income</b>	\$226	\$0.73	\$322	\$1.04
<b>Core Earnings <sup>(1)</sup></b>	\$199	\$0.64	\$318	\$1.03
<b>Common Dividend</b>	\$154	\$0.50	\$154	\$0.50
<b>Total Basic Shares Outstanding (As of Quarter End)</b>	307,361,309 Shares		307,361,309 Shares	

1) Core earnings is a non-GAAP measure. See Appendix for additional information, including a reconciliation to the most comparable GAAP measure.

2) Per share calculations of GAAP Net Income and Core Earnings are based on 309,207,345 weighted average diluted shares during the quarter ended September 30, 2017, and 309,392,512 weighted average diluted shares during the quarter ended June 30, 2017.



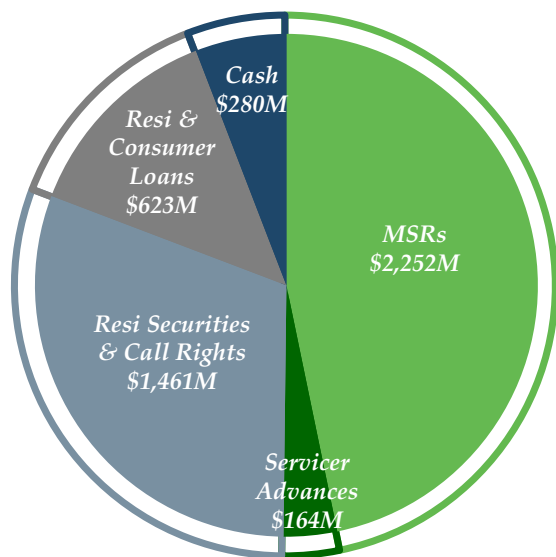
# New Residential Today \*

- Portfolio is well positioned for various interest rate environments
- Potential for upside from the continued implementation of our Call Rights strategy

## Net Investment <sup>(3)</sup>

## Net Investment & Targeted Lifetime Net Yield

(\$ in mm)



	As of 3/31/17 <sup>(1)</sup>	As of 6/30/17 <sup>(2)</sup>	As of 9/30/17 <sup>(3)</sup>	Targeted Lifetime Net Yield*
MSRs	\$2,137	\$1,712	\$2,252	12 – 18%
Servicer Advances	\$96	\$202	\$164	20 – 25%
Residential Securities & Call Rights	\$1,322	\$1,564	\$1,461	15 – 20%
Residential & Consumer Loans	\$469	\$595	\$623	15%+
Cash	\$237	\$560	\$280	15%

\*Detailed endnotes are included in the Appendix. Targeted lifetime net yields represent management's view and are estimated based on the current composition of our investment portfolio and a variety of assumptions, many of which are beyond our control, that could prove incorrect. As a result, actual yields may vary materially with changes in the composition of our investment portfolio, changes in market conditions and additional factors described in our reports filed with the SEC, which we encourage you to review. We undertake no obligation to update these estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.



# 3Q 2017 & Subsequent Highlights

## MSRs

- Agreed to acquire \$110 billion UPB of Non-Agency MSRs from Ocwen in July for an aggregate purchase price of ~\$400 million. In addition, NRZ also agreed to acquire approximately \$3 billion UPB of flow Agency MSRs during the quarter. <sup>(1)(2)</sup>

## Non-Agency Securities & Call Rights

- Executed clean-up calls on 43 seasoned Non-Agency deals, totaling \$948 million UPB, during the quarter
- During and subsequent to the third quarter, NRZ completed 2 Non-Agency loan securitizations totaling \$1.1 billion
- Purchased \$435 million face value of Non-Agency RMBS during the quarter, bringing net equity to ~\$1.37 billion as of 3Q17

## Servicer Advances

- Advance balances continued to decline meaningfully in 3Q17, down 32% YoY, to \$4.3 billion as of 3Q17 from \$6.3 billion as of 3Q16; expect potential future upside as advance balances continue to decline <sup>(3)</sup>

## Other

- **Consumer Loan Investments:** Continue to generate strong returns across portfolios
  - Prosper - Investment continues to outperform original underwriting expectations, achieving LTD IRR +20%
  - SpringCastle - Generated a LTD IRR of 89% through a combination of distributions and refinancing proceeds
- **Residential Loans:** Active portfolio management continues to drive expedited loan resolutions and portfolio performance, achieving quarterly returns of approximately 15%

1) In exchange for lump sum restructuring fee payments totaling up to ~\$400 million, Ocwen will transfer to New Residential Mortgage LLC ("NRM"), a wholly-owned subsidiary of NRZ, approximately \$110 billion UPB of seasoned Non-Agency MSRs. Concurrently with the MSR transfer agreement, NRM entered into a 5-year subservicing agreement with Ocwen, pursuant to which Ocwen will subservice the mortgage loans underlying the transferred MSRs. Stated UPB is as of June 30, 2017. UPB and total restructuring fee payments will likely be lower at the time of settlement due to amortization of the UPB of the MSR portfolio. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

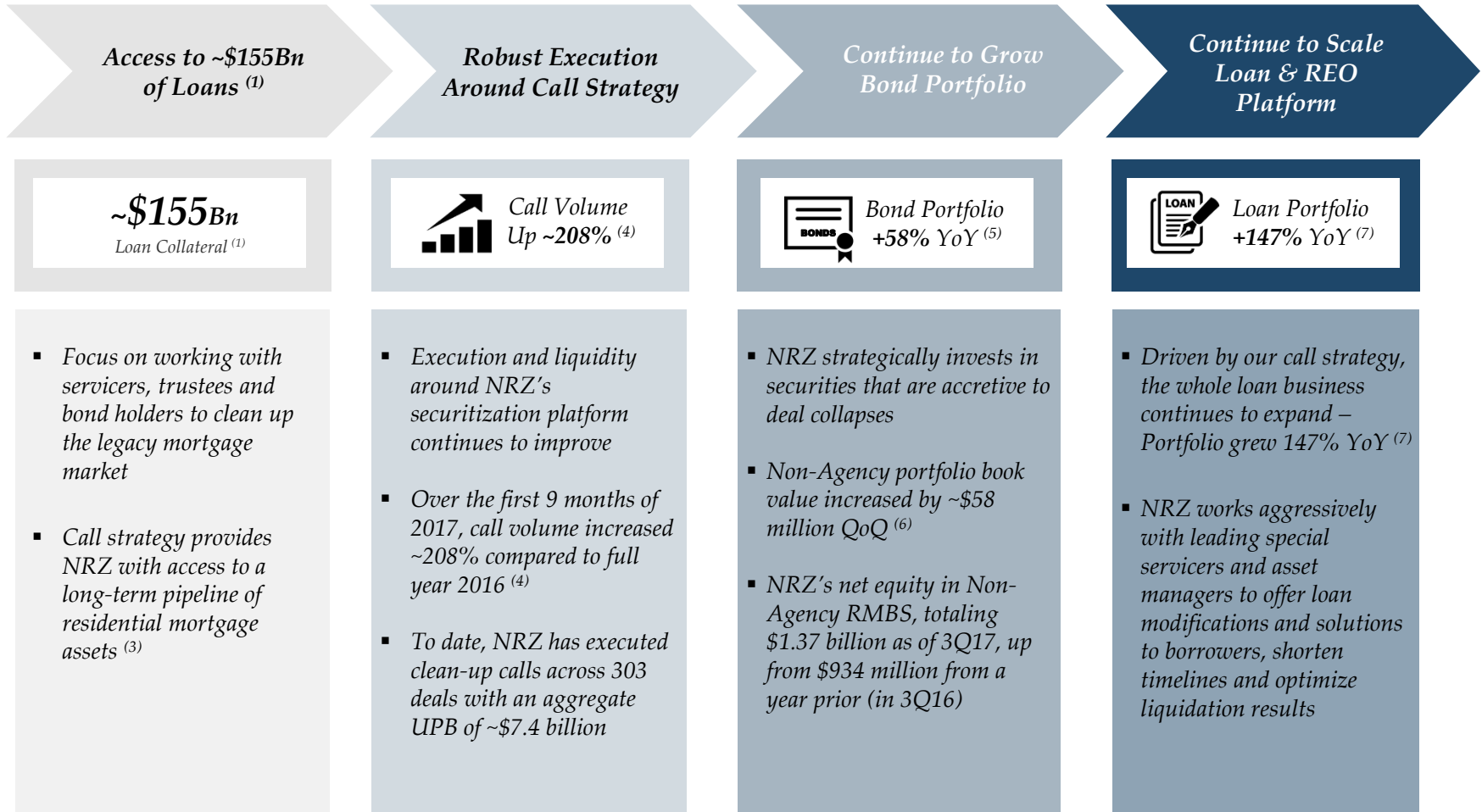
2) Ocwen MSR transfer remains subject to NRZ's satisfaction of certain contractual requirements and certain customary closing conditions, including but not limited to certain third party consents. The \$3 billion UPB flow MSR purchase remains subject to routine GSE settlement procedures. There can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

3) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.



# Non-Agency Securities & Call Rights – Call Rights Opportunity\*

NRZ has access to ~\$155 billion of mortgage collateral, representing ~30% of the Non-Agency market <sup>(1)(2)</sup>



\* Detailed endnotes are included in the Appendix.

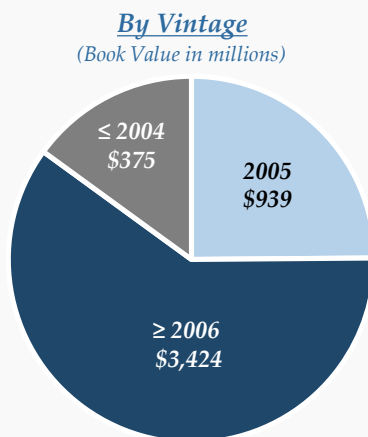
# Non-Agency Securities & Call Rights – Bond Portfolio Overview \*

*Improving fundamentals and limited supply continue to drive Legacy Non-Agency MBS pricing*

- \$66 million mark-to-market increase in 3Q17 as a result of higher bond prices, driven by continued improvements in fundamental performance and favorable technical support
- During the quarter, NRZ purchased \$435 million face value of Non-Agency securities at an average price of 59%
- Quarter-over-quarter, Non-Agency portfolio book value increased by ~\$58 million <sup>(1)</sup>
- Over 90% of the Non-Agency bond portfolio is floating rate as of 3Q17 <sup>(2)</sup>

## Portfolio Composition & Performance (As of 3Q17) <sup>(2)</sup>

(\$ in mm)	<u>Total</u>
Current Face	\$6,822
Cost Basis	\$4,738
Carrying Value	\$5,123
WAC <sup>(3)</sup>	5.0%
WALA <sup>(3)</sup>	145
60+ DQ	15%



Type <sup>(4)</sup>	Notional	Book Value	Carrying Value	Unrealized Gains
Non-Agency Senior & Pass-Through	\$4,367	\$3,080	\$3,248	\$168
Non-Agency Mezzanine	\$2,455	\$1,658	\$1,875	\$217
<b>Total</b>	<b>\$6,822</b>	<b>\$4,738</b>	<b>\$5,123</b>	<b>\$385</b>

\* All data as of September 30, 2017, unless otherwise stated.

1) Represents only principal and interest-paying securities; excludes NPL securities and servicer advances. Total Non-Agency portfolio book value increased by approximately \$70 million quarter-over-quarter.

2) Represents only principal and interest-paying securities; excludes NPL securities and servicer advances.

3) "WAC" represents weighted average coupon of underlying loans in the deal and "WALA" represents weighted average loan age.

4) Reverse portion of the bond portfolio is allocated between "Non-Agency Senior & Pass-Through" and "Non-Agency Mezzanine." \$237 million in carrying value of senior reverse is allocated to "Non-Agency Senior & Pass-Through" and \$9 million in carrying value of mezzanine reverse is allocated to "Non-Agency Mezzanine."

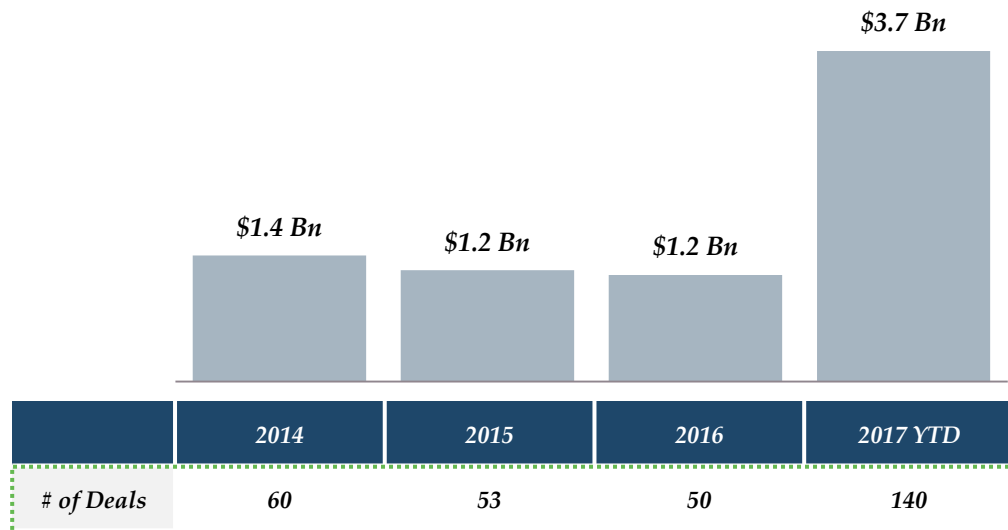


# Non-Agency Securities & Call Rights - Overview

2017 YTD, NRZ called 140 Non-Agency RMBS deals with an aggregate UPB of ~\$3.7 billion <sup>(1)</sup>

- In 3Q17, NRZ continued to execute its deal collapse strategy by executing clean-up calls on 43 seasoned, Non-Agency RMBS deals with an aggregate UPB of \$948 million
  - During and subsequent to the third quarter, NRZ completed two Non-Agency loan securitizations totaling \$1.1 billion <sup>(2)</sup>
- Callability timelines are expected to shorten as delinquencies decline <sup>(3)</sup>
  - Delinquencies have declined by 5% (from 21% to 16%) in the past two years
- In 4Q17, NRZ expects to execute on \$1 to \$2 billion of call deals and subsequent securitizations <sup>(3)</sup>

## Call Deals Executed by NRZ to Date



## Key Drivers to Clean-up Calls

Key Drivers	Illustrative Scenarios <sup>(4)</sup>	Illustrative Impact On Callable UPB <sup>(4)</sup>
Delinquency	(↓ 10%)	↑ \$3-5 Billion
Servicer Advances	(↓ 2%)	↑ \$1-2 Billion
Loan Value	(↑ 1 pt)	↑ \$1-2 Billion
Discount Bond Ownership	(↑ 2 pts)	↑ \$2-3 Billion

\*Detailed endnotes are included in the Appendix.

# MSRs – Portfolio Overview \*

*NRZ's MSR portfolio totals \$533 billion UPB <sup>(1)</sup>*

■ NRZ continues to selectively purchase MSR portfolios at compelling returns – recent MSR purchases include:

- **\$110Bn** UPB MSR from **Ocwen** (Agreed to purchase in Jul 2017) <sup>(2)</sup>
- **\$3Bn** UPB of flow MSR purchase (Agreed to purchase in 3Q17) <sup>(2)</sup>
- **\$4Bn** UPB MSR purchase from other parties (Settled in 3Q17)
- **\$61Bn** UPB MSR from **PHH** (Agreed to purchase in Dec 2016) <sup>(2)</sup>
  - ~**\$54Bn** UPB Agency MSRs (Settled in June / July 2017)
  - ~**\$7Bn** UPB PLS MSRs (Expect to settle in 4Q17) <sup>(2)</sup>
- **\$92.5Bn** UPB MSR purchase from **CitiMortgage** (Settled in Mar 2017)
- **\$33Bn** UPB MSR purchase from **WCO** (Settled in Dec 2016)
- **\$32Bn** UPB MSR purchase from **Walter** (Settled in Oct 2016)

## MSR Portfolio - Difficult to Replicate <sup>(3)</sup>

	Excess MSRs					Full MSRs				TOTAL **
	FHLMC	FNMA	GNMA	Non-Agency	Excess MSR Total**	FHLMC	FNMA	Non-Agency	Full MSR Total**	
UPB (\$Bn)	48	42	33	67	\$190 Bn	62	167	114	\$343 Bn	\$533 Bn <sup>(1)</sup>
WAC	4.5%	4.5%	4.8%	4.5%	4.6%	4.3%	4.3%	4.5%	4.4%	4.4%
WALA (Mth)	86	93	79	134	106 mth	63	70	142	93 mth	95 mth
Cur LTV	66%	60%	70%	78%	70%	66%	64%	89%	72%	72%
Cur FICO	710	704	692	673	691	745	742	644	710	706
60+ DQ	3.1%	3.7%	1.3%	13.0%	6.9%	0.7%	1.1%	16.7%	6.2%	6.4%

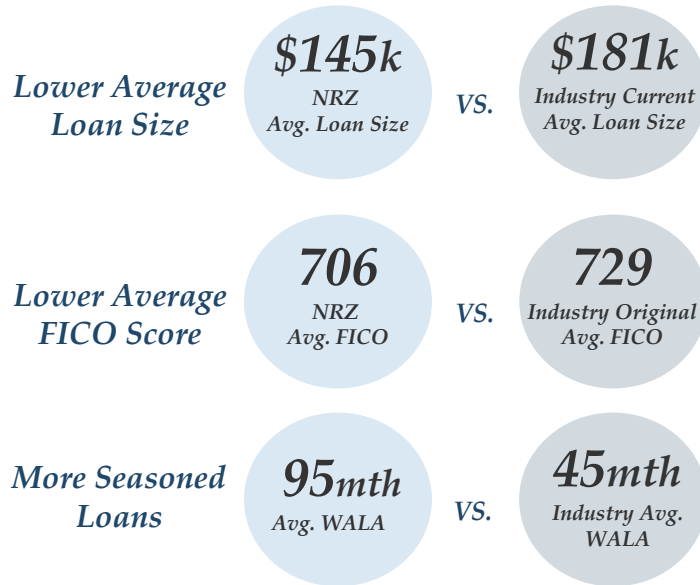
\* All data as of September 30, 2017, unless otherwise stated. Detailed endnotes and abbreviations are included in the Appendix.

\*\* "Total" columns reflect weighted average calculations.

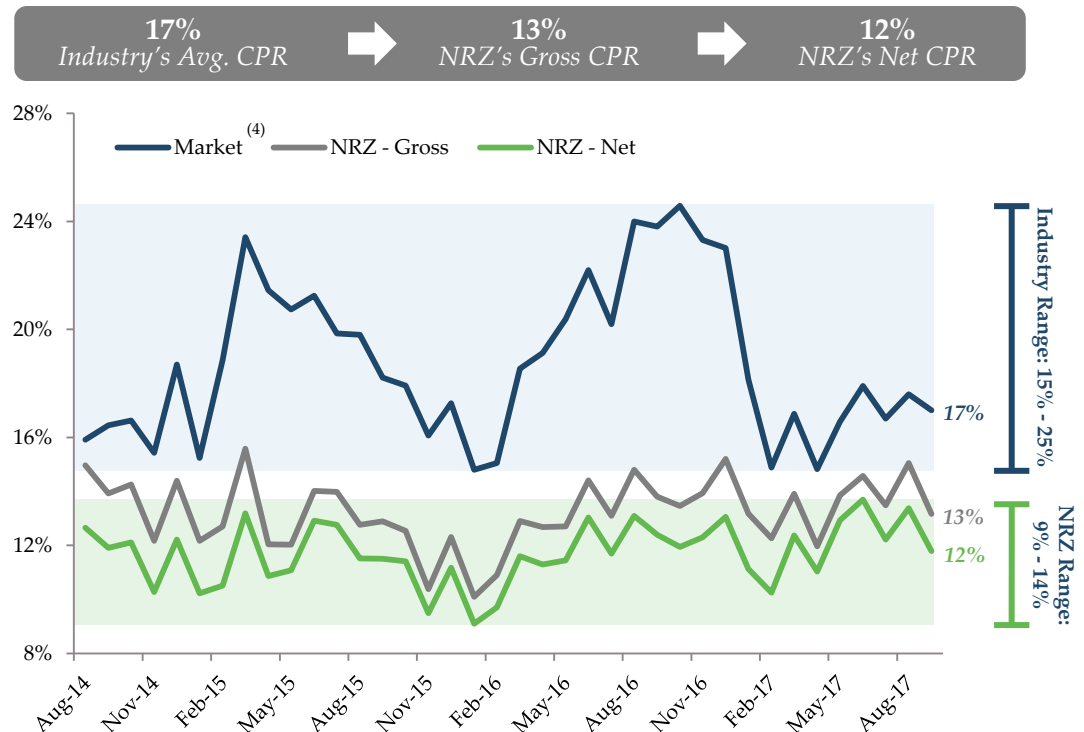
# MSRs – What Sets Us Apart From the Rest \*

- We believe our MSR portfolio is well positioned for various interest rate environments
- MSR portfolio consists mainly of well-seasoned loans with borrowers who have seen the lows in rates
  - ✓ ~70% of portfolio is well-seasoned or recently recaptured
  - ✓ Stable prepayment speeds and cashflows despite changes in interest rates
- ~100% of NRZ's MSRs have recapture provisions to help protect returns in the event of a rise in voluntary prepayment rates <sup>(1)</sup>

## NRZ vs. Industry Average <sup>(2)</sup>



## NRZ Realized Lower Prepay Speeds Through Recapture <sup>(3)(4)</sup>



# Consumer Loans – Prosper Investment Overview \*

- To date, NRZ, as part of a 4-member Consortium, has acquired approximately \$1.57 billion of unsecured consumer loans from Prosper Marketplace (“Prosper”)
  - Targeting 15 to 20% levered yield for the life of the investment <sup>(1)</sup>
  - Initial investment has outperformed original underwriting expectations thus far, achieving a LTD IRR greater than 20%
  - Locked in fixed rate warehouse financing - obtained an all-in financing rate of 4% for duration of investment
  - To date, the Consortium successfully securitized \$1.1 billion of Prosper loans
- The Consortium earns warrants to purchase shares of Prosper equity as loans are purchased on a forward flow basis
  - As of September 30, 2017, the Consortium earned 31% of its expected warrants

<p><i>Sept – Nov 2016</i></p> <p><i>NRZ’s Initial Prosper Loan Purchase: NRZ independently acquired \$177 million of consumer loans from Prosper</i></p>	<p><i>Feb 2017</i></p> <p><i>NRZ Joined 4-Member Consortium: Consortium agreed to purchase up to \$5bn of unsecured consumer loans on a forward flow basis (term of 24 months) from Prosper</i></p>	<p><i>As of 3Q17</i></p> <p><i>Consortium Acquired ~\$1.57Bn of Loans from Prosper: Consortium purchased flow from Prosper on a monthly basis</i></p>	<p><i>May &amp; Aug 2017</i></p> <p><i>\$1.1Bn in Loan Securitizations: Consortium successfully securitized \$1.1bn of Prosper loans through two securitization deals</i></p>
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## Overview of Current Portfolio (As of 3Q17) <sup>(2)</sup>

	# of Loans	Cur Balance	WALA	GWAC	FICO	% Current	30+DQ	IRR	Total Equity
<b>NRZ’s Portfolio</b>	10,221	\$108M	11.3	14.2%	715	95.91%	3.34%	+20%	\$21M
<b>Consortium</b>	31,540	\$400M	0.7	16.3%	708	99.83%	0.13%	+20%	\$46M
<b>TOTAL</b>	<b>41,761</b>	<b>\$508M</b>	<b>2.9</b>	<b>15.8%</b>	<b>709</b>	<b>98.9%</b>	<b>0.92%</b>	<b>+20%</b>	<b>\$67M</b>

\*Detailed endnotes are included in the Appendix. Note that NRZ holds a 25% interest in the Consortium, therefore the Company holds a 25% interest in the Consortium’s portfolio and balances.

# Consumer Loans – SpringCastle Investment Overview

Through a combination of distributions and refinancing proceeds, NRZ generated a LTD IRR of 89% and received a LTD profit of \$517 million

		NRZ's Investment Interest					Portfolio Overview		
		NRZ's Ownership %	NRZ's Equity Contribution	NRZ Distribution Received <sup>(1)</sup>	Current Asset Value <sup>(2)</sup>	LTD IRR	Total Portfolio (UPB)	Avg. Charge-Off Rate	30+ DQ
April 2013	<b>Initial Investment:</b> NRZ invested \$241 million for a 30% interest in SpringCastle JV's \$3.9 billion UPB consumer loan portfolio	30%	(\$241M)	-	--	--	\$3.9Bn	12.0%	10.6%
Oct 2014	<b>\$2.6Bn Refinancing:</b> Completed a \$2.6 billion asset backed secured refinancing of the \$2.7 billion UPB consumer portfolio	30%	--	+\$462M	--	70%	\$2.7Bn	5.5%	8.5%
March 2016	<b>Increased Ownership Interest:</b> NRZ invested an additional \$56 million to increase its interest in SpringCastle JV, from 30% to ~54%	↑54%	(\$56M)	+\$65M	--	88%	\$2.0Bn	5.6%	7.0%
Oct 2016	<b>\$1.7Bn Refinancing:</b> Completed a \$1.7 billion refinancing of the SpringCastle securitization, providing ~\$23 million of liquidity	54%	--	+\$50M	--	94%	\$1.7Bn	5.3%	7.4%
	<b>Performance Since \$1.7 Billion Refinancing (Nov 2016 to September 2017)</b>	54%	(\$33M) <sup>(3)</sup>	+\$57M	\$219M	89%	\$1.4Bn	6.0%	7.2%
		54%	(\$330M)	+\$628M	\$219M	89%			

+ \$628M of Distribution Received + \$219M of Asset Value<sup>(2)</sup> - \$330M of Equity Investment = \$517M LTD NRZ Profit

1) Includes cumulative equity distributions between periods.

2) Asset value as of September 30, 2017. Represents market value of retained bonds owned by NRZ and market value of NRZ's equity portion of the Oct 2016 securitization.

3) Represents NRZ's purchase of additional SpringCastle bonds in January 2017.

# Servicer Advances - Portfolio Overview \*

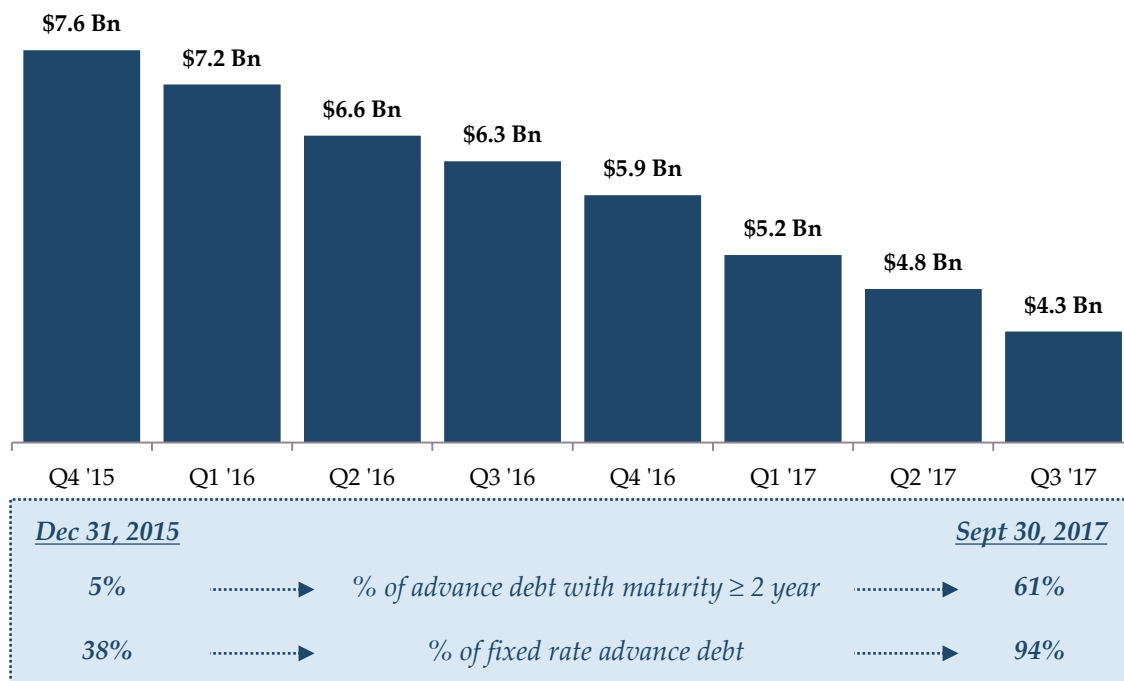
NRZ's Servicer Advance portfolio totals \$4.3 billion <sup>(1)</sup>

- Outstanding advance balance of \$4.3 billion is funded with \$4.0 billion of debt; 93% LTV and a 2.9% interest rate <sup>(1)</sup>
  - Advance balances continued to decline in 3Q17, to \$4.3 billion from \$4.8 billion as of 2Q17
- During the quarter, NRZ continued to focus on improving funding and lowering advances
  - Will continue to work with advance lenders to extend maturities and expect potential future upside as advance balances continue to decline <sup>(2)</sup>

## Portfolio Characteristics <sup>(3)</sup>

	Advance Purchaser	HLSS	SLS	Total
Servicer	(NSM)	(Ocwen)	(SLS)	
UPB (\$Bn)	\$52	\$108	\$2	\$162 Bn
Adv Balance	\$0.9	\$3.3	\$0.1	\$4.3Bn
Adv / UPB	1.7%	3.1%	2.8%	2.6%
Debt	\$0.8	\$3.1	\$0.1	\$4.0Bn
Gross LTV	88%	94%	89%	93%
Capacity	\$1.1	\$3.7	\$0.1	\$4.9 Bn
Maturity	5/18-10/19	12/17-12/21	11/17	11/17-12/21
Interest Rate	2.8%	3.0%	3.3%	2.9%

## Continue to Lower Advances & Improve Financing



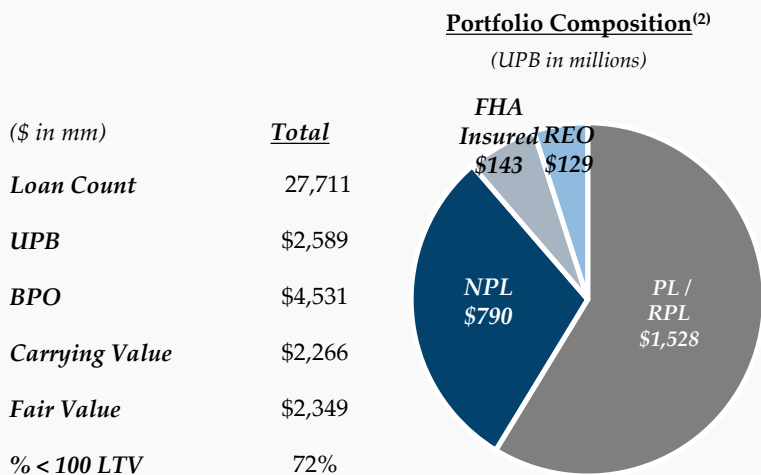
\* All data as of September 30, 2017, unless otherwise stated. Includes remaining settled servicer advances as part of the July 2017 Ocwen transaction. Detailed endnotes are included in the Appendix.

# Residential Loans – Loan Portfolio Overview\*

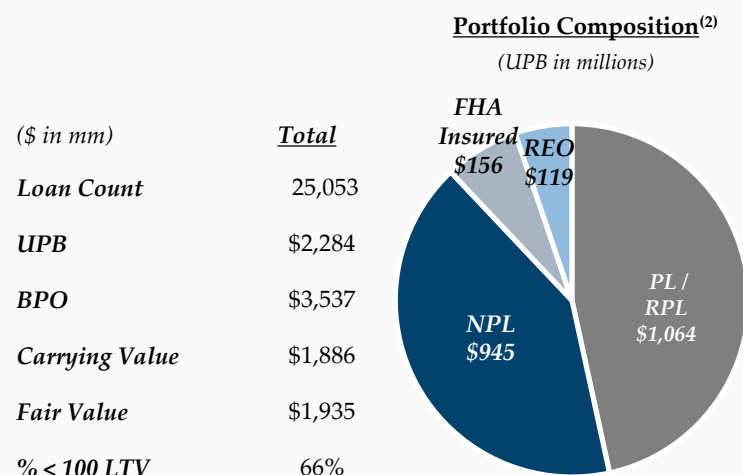
## Portfolio Overview

- NRZ's residential loan portfolio consists of \$2.6 billion UPB, which represents \$470 million of equity
  - Seasoned performing loans now comprise 59% of NRZ's outstanding UPB compared to 47% in 2Q17
- Portfolio Breakdown:
  - Seasoned Performing** - \$211 million of equity invested, target strong levered returns through various funding options - 3Q17 return of ~19% <sup>(1)</sup>
  - Non-Performing** - \$239 million of equity invested, seek strong returns through reperformance and shortened timelines - 3Q17 return of ~19% <sup>(1)</sup>
  - FHA Insured** - \$13 million of equity invested, target strong return on government guaranteed loans - 3Q17 return of ~14% <sup>(1)(2)</sup>

### Active Portfolio (As of 3Q17)



### Active Portfolio (As of 2Q17)



\* All data as of September 30, 2017, unless otherwise stated.

1) See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements

2) EBO claims receivables is included in the FHA insured portfolio along with EBO loans.

# Portfolio Is Well Positioned for Various Interest Rate Environments <sup>\*(1)</sup>

## Management's View: Key Hedges in Place to Protect NRZ Against Interest Rate Changes <sup>(1)</sup>

	Higher Interest Rates	Lower Interest Rates
<b>Excess MSR / MSRs</b>	<p><b>POSITIVE</b></p> <p>One of the few fixed income assets that should increase in value as interest rates rise since mortgages underlying the MSRs are less likely to be refinanced, thus extending the life of servicing fee stream</p>	<p><b>NEUTRAL</b></p> <p>Have recapture provisions on 100% of the portfolio to help protect returns if voluntary prepayments rise. Furthermore, NRZ's MSR portfolio consists mainly of well-seasoned loans with borrowers who have seen the lows in rates, thus are less likely to refinance</p>
<b>Non-Agency Securities &amp; Call Rights</b>	<p><b>NEUTRAL</b></p> <p>Over 90% of the Non-Agency securities portfolio <sup>(2)</sup> is floating rate, which would generate higher interest income as rates rise; additional opportunity to accelerate call strategy by purchasing discounted securities if prices weaken</p>	<p><b>POSITIVE</b></p> <p>The value of call rights should increase as interest rates decline. Declining interest rates can lead to lower yields and higher market values on underlying loans</p>
<b>Servicer Advances</b>	<p><b>NEUTRAL</b></p> <p>Nearly all of NRZ's advance financing is either fixed-rate or capped floating rate financing. In addition, NRZ is protected from increases in advance financing costs via agreements with servicing partners</p>	<p><b>NEUTRAL</b></p> <p>Adjustable-rate mortgage ("ARM") and modified borrowers' payments should remain low, thus reducing new delinquencies and advance obligations</p>
<b>Consumer Loans</b>	<p><b>NEUTRAL</b></p> <p>Limited interest rate sensitivity given portfolio characteristics – portfolio is composed mostly of very seasoned, credit-impaired borrowers who are paying fixed-rate coupons, thus overall portfolio prepayment schedule is unlikely to change</p>	
<b>NRZ</b>	<p><b>NEUTRAL</b></p> <p>We actively manage our business for different interest rate environments and believe our investments are well positioned for various interest rate cycles</p>	

<sup>\*</sup>Detailed endnotes are included in the Appendix.



# 2017 & Looking Ahead \*

*Aim to continue our strong track record and deliver sustainable earnings growth for our shareholders*

## Delivered Robust Returns for Shareholders

**19%**

Total Return  
2017 YTD <sup>(1)</sup>

**19%**

YoY Book Value  
Increase <sup>(2)</sup>

**25%**

YoY Increase in  
Core EPS <sup>(3)</sup>

**78%**

YoY Increase in  
GAAP EPS <sup>(3)</sup>

**~9%**

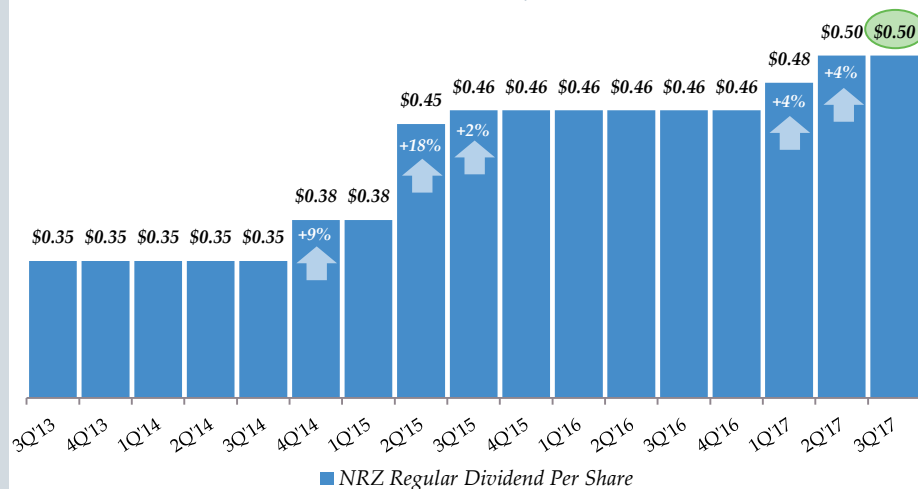
Increase in  
Dividend  
2017 YTD

**\$1.6Bn**

Total Lifetime  
Dividend <sup>(4)</sup>

## A Stable & Growing Dividend Track Record

~\$1.6 Billion in Total Lifetime Dividends <sup>(4)</sup>



## 2017 & LOOKING AHEAD <sup>(5)</sup>

- ✓ Key hedges in place to protect against changing rates and MSR investment should continue to perform well
- ✓ Expect additional upside from accelerated execution around call rights strategy
- ✓ Have the ability to acquire MSR independently and the flexibility to partner with a number of leading servicers
- ✓ See a robust pipeline and remain optimistic in our ability to deploy capital





## Appendices

- 1) Financial Statements
- 2) GAAP Reconciliation & Endnotes



# 1) Financial Statements

# Condensed Consolidated Balance Sheets

<i>(\$000s, except per share data)</i>	<b>As of 9/30/17</b> <i>(Unaudited)</i>	<b>As of 6/30/17</b> <i>(Unaudited)</i>
<b>ASSETS</b>		
Investments in:		
Excess mortgage servicing rights, at fair value	\$ 1,178,308	\$ 1,304,666
Excess mortgage servicing rights, equity method investees, at fair value	175,633	181,610
Mortgage servicing rights, at fair value	1,702,749	1,749,343
Mortgage servicing rights financing receivable, at fair value	607,396	118,483
Servicer advance investments, at fair value	4,044,802	4,836,754
Real estate securities, available-for-sale	6,714,846	7,423,273
Residential mortgage loans, held-for-investment	702,227	757,421
Residential mortgage loans, held-for-sale	1,426,751	1,001,472
Real estate owned	107,281	95,492
Consumer loans, held-for-investment	1,467,933	1,569,388
Consumer loans, equity method investees	46,322	45,036
Cash and cash equivalents	279,760	560,016
Restricted cash	152,047	157,344
Servicer advances receivable	657,255	147,721
Trades receivable	1,785,708	2,677,542
Deferred tax asset, net	32,440	65,678
Other assets	323,375	308,776
<b>Total Assets</b>	<b>\$ 21,404,833</b>	<b>\$ 23,000,015</b>
<b>LIABILITIES</b>		
Repurchase agreements	\$ 7,848,028	\$ 8,261,398
Notes and bonds payable	7,236,967	7,787,782
Trades payable	1,076,086	1,814,344
Due to affiliates	79,624	64,813
Dividends payable	153,681	153,678
Accrued expenses and other liabilities	331,243	299,042
<b>Total Liabilities</b>	<b>\$16,725,629</b>	<b>\$18,381,057</b>
Noncontrolling interests in equity of consolidated subsidiaries	107,592	194,154
<b>Book Value</b>	<b>\$ 4,571,612</b>	<b>\$ 4,424,804</b>
<i>Per share</i>	\$ 14.87	\$ 14.40

# Condensed Consolidated Income Statements

(\$ 000s)	3 Months Ended September 30, 2017 (Unaudited)	3 Months Ended June 30, 2017 (Unaudited)
Interest Income	\$ 397,722	\$ 471,952
Interest Expense	125,278	115,157
<b>Net Interest Income</b>	<b>272,444</b>	<b>356,795</b>
<b>Impairment</b>		
Other-than-temporary impairment (OTTI) on securities	1,509	5,115
Valuation and loss provision on loans and real estate owned	26,700	20,771
	<b>28,209</b>	<b>25,886</b>
<b>Net Interest Income after impairment</b>	<b>244,235</b>	<b>330,909</b>
Servicing revenue, net	58,014	170,851
<b>Other Income</b>		
Change in fair value of investments in excess MSR	(14,291)	(19,180)
Change in fair value of investments in excess MSR, equity method investees	2,054	4,246
Change in fair value of investments in mortgage servicing rights financing receivable	70,232	5,596
Change in fair value of servicer advance investments	10,941	56,969
Gain (loss) on settlement of investments, net	1,553	13,371
Earnings from investments in consumer loans, equity method investees	6,769	5,880
Other income (loss), net	9,887	(9,035)
	<b>87,145</b>	<b>57,847</b>
<b>Operating Expenses</b>		
General and administrative expenses	19,919	16,042
Management fee to affiliate	14,187	14,186
Incentive compensation to affiliate	19,491	40,172
Loan servicing expense	13,690	13,002
Subservicing expense	49,773	55,958
	<b>117,060</b>	<b>139,360</b>
<b>Income Before Income Taxes</b>	<b>272,334</b>	<b>420,247</b>
Income tax expense / (benefit)	32,613	82,844
<b>Net Income</b>	<b>\$ 239,721</b>	<b>\$ 337,403</b>
<b>Noncontrolling Interests in Income of Consolidated Subsidiaries</b>	<b>13,600</b>	<b>15,671</b>
<b>Net Income Attributable to Common Stockholders</b>	<b>\$ 226,121</b>	<b>\$ 321,732</b>



## 2) GAAP Reconciliation & Endnotes

# Unaudited GAAP Reconciliation of Core Earnings

- Management uses Core Earnings, which is a Non-GAAP measure, as one measure of operating performance.
- Please see next slide for the definition of Core Earnings.

(\$000s, except per share data)	3Q 2017	2Q 2017
<b>Reconciliation of Core Earnings</b>		
Net income attributable to common stockholders	\$ 226,121	\$ 321,732
Impairment	28,209	25,886
Other Income Adjustments:		
Other Income		
Change in fair value of investments in excess mortgage servicing rights	14,291	19,180
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(2,054)	(4,246)
Change in fair value of investments in mortgage servicing rights financing receivable	(89,115)	(6,723)
Change in fair value of servicer advance investments	(10,941)	(56,969)
(Gain) loss on settlement of investments, net	(1,553)	(13,371)
Unrealized (gain) loss on derivative instruments	(3,560)	8,010
Unrealized (gain) loss on other ABS	(189)	607
(Gain) loss on transfer of loans to REO	(5,179)	(4,978)
(Gain) loss on transfer of loans to other assets	(66)	(81)
Gain on Excess MSR recapture agreements	(606)	(715)
(Gain) loss on Ocwen common stock	(6,987)	-
Other (income) loss	6,700	6,192
<b>Total Other Income Adjustments</b>	<b>(99,259)</b>	<b>(53,094)</b>
Other Income and impairment attributable to non-controlling interests	(6,329)	(7,848)
Change in fair value of investments in mortgage servicing rights	11,518	(89,742)
Non-capitalized transaction related expenses	6,467	5,278
Incentive compensation to affiliate	19,491	40,172
Deferred taxes	28,410	82,188
Interest income on residential mortgage loans, held for sale	4,603	3,789
Limit on RMBS discount accretion related to called deals	(13,543)	(6,516)
Adjust consumer loans to level yield	(9,874)	(8,566)
Core earnings of equity method investees:		
Excess mortgage servicing rights	3,476	4,456
<b>Core Earnings</b>	<b>\$ 199,290</b>	<b>\$ 317,735</b>
<i>Net Income Per Diluted Share</i>	<i>\$ 0.73</i>	<i>\$ 1.04</i>
<i>Core Earnings Per Diluted Share</i>	<i>\$ 0.64</i>	<i>\$ 1.03</i>
<i>Weighted Average Number of Shares of Common Stock Outstanding, Diluted</i>	<i>309,207,345</i>	<i>309,392,512</i>

# Reconciliation of Non-GAAP Measures

## Core Earnings

- We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. “Core earnings” is a non-GAAP measure of our operating performance, excluding the fourth variable above and adjusts the earnings from the consumer loan investment to a level yield basis. Core earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.
- Our definition of core earnings includes accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. In addition, our definition of core earnings excludes all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because we believe deferred taxes are not representative of current operations. Our definition of core earnings also limits accreted interest income on RMBS where we receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. We created this limit in order to be able to accrete to the lower of par or the net value of the underlying collateral, in instances where the net value of the underlying collateral is lower than par. We believe this amount represents the amount of accretion we would have expected to earn on such bonds had the call rights not been exercised.
- Our investments in consumer loans are accounted for under ASC No. 310-20 and ASC No. 310-30, including certain non-performing consumer loans with revolving privileges that are explicitly excluded from being accounted for under ASC No. 310-30. Under ASC No. 310-20, the recognition of expected losses on these non-performing consumer loans is delayed in comparison to the level yield methodology under ASC No. 310-30, which recognizes income based on an expected cash flow model reflecting an investment’s lifetime expected losses. The purpose of the Core Earnings adjustment to adjust consumer loans to a level yield is to present income recognition across the consumer loan portfolio in the manner in which it is economically earned, avoid potential delays in loss recognition, and align it with our overall portfolio of mortgage-related assets which generally record income on a level yield basis. With respect to consumer loans classified as held-for-sale, the level yield is computed through the expected sale date. With respect to the gains recorded under GAAP in 2014 and 2016 as a result of a refinancing of the debt related to our investments in consumer loans, and the consolidation of entities that own our investments in consumer loans, respectively, we continue to record a level yield on those based on their original purchase price.
- While incentive compensation paid to our Manager may be a material operating expense, we exclude it from core earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from core earnings, and (ii) it is impractical to determine the portion of the expense related to core earnings and non-core earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to core earnings, we note that, as an example, in a given period, we may have core earnings in excess of the incentive compensation threshold but incur losses (which are excluded from core earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to core earnings, even though core earnings exceeded the incentive compensation threshold, or (b) assign a “pro forma” amount of incentive compensation expense to core earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-core earnings.
- With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations, as they are considered by management to be similar to realized losses incurred at acquisition. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses.
- Management believes that the adjustments to compute “core earnings” specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes core earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on core earnings as an indicator of the results of such decisions. Core earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP net income which is inclusive of all of our activities.
- The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from core earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike core earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.





# Endnotes to Slides 2 & 6

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## Endnotes to Slide 2:

- 1) As of October 25, 2017.
- 2) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 3) As of June 2017. Source: Federal Reserve Flow of Funds and Urban Institute – "Housing Finance at a Glance – A Monthly Chartbook".
- 4) As of June 2017. Source: New York Fed Consumer Credit Panel & Equifax.

## Endnotes to Slide 6:

- 1) Our call rights may be materially lower than the estimates in this Presentation and there can be no assurance that we will execute on this pipeline of callable deals in the near term, on the timeline presented above, or at all, or that callable deals will be economically favorable. The economic returns from this strategy could be adversely affected by a rise in interest rates and are contingent on the level of delinquencies and outstanding advances in each transaction, fair market value of the related collateral and other economic factors and market conditions. We may become subject to claims and legal proceedings, including purported class-actions, in the ordinary course of our business, challenging whether our loan servicing practices and other aspects of our business comply with applicable laws, agreements and regulatory requirements. Call rights are usually exercisable when current loan balance is equal to, or lower than, 10% of its original balance. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 2) Size of Non-Agency mortgage market is approximately \$514 billion. Source: Webbshill as of September 30, 2017.
- 3) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 4) Call volume percentage increase is calculated based on the total UPB NRZ called in the first three quarters of 2017, totaling \$3.7 billion, compared to the total UPB NRZ called in full year 2016, totaling \$1.2 billion UPB.
- 5) Bond portfolio percentage increase is calculated based on the total face value of the NRZ's bond portfolio as of 3Q17, totaling \$6.8 billion, compared to the total face value of the NRZ's bond portfolio as of 3Q16, totaling \$4.3 billion.
- 6) Represents only principal and interest-paying securities; excludes NPL securities and servicer advances. Total Non-Agency portfolio book value increased by approximately \$70 million quarter-over-quarter.
- 7) Loan portfolio percentage increase is calculated based on the total UPB of the NRZ's loan portfolio as of 3Q17, totaling \$2.6 billion, compared to the total UPB of the NRZ's bond portfolio as of 3Q16, totaling \$1.0 billion.

# Endnotes to Slide 4

## 1) Net Investment & Targeted Lifetime Net Yield as of 3/31/2017

**MSRs (Excess & Full):** Excess MSRs - Net Investment of \$912 million includes (A) \$787 million investment in 3/31/17 Legacy NRZ Excess MSRs (B) \$768 million net investment in HLSS Excess MSRs acquired on 4/6/2015, and (C) \$19 million of restricted cash and other assets, net of debt and other liabilities of \$662 million (including \$220 million of outstanding debt issued on the NRZ Agency Excess MSR portfolio, \$255 million of outstanding debt issued on the Legacy NRZ PLS Excess MSR portfolio, and \$189 million of outstanding debt issued on the HLSS Excess MSR). \$662 million outstanding debt excludes \$146 million of MSR debt for which base MSR cash flows serve as the collateral. At 3/31/17 Net Investment excludes Excess MSR Cash (included in Cash as of 3/31/17). Targeted Lifetime Net Yield is targeted IRR for pools that have settled. MSRs - Net Investment of \$1,225 million includes \$1,710 million of total assets, net of debt and other liabilities of \$485 million. At 3/31/17 Net Investment excludes \$61 million of Servicer Advances acquired along with MSRs (included in Servicer Advances as of 3/31/17).

**Servicer Advances:** Net Investment of \$96 million includes (A) \$104 million net investment in AP LLC Advances, with \$1,477 million of total assets, net of debt and other liabilities of \$1,208 million and non-controlling interests in the portfolio of \$165 million, (B) \$11 million net investment in SLS advances, with \$78 million of total assets, net of debt and other liabilities of \$67 million, (C) (\$90) million in HLSS advances, with \$3,767 million of total assets, net of debt and other liabilities of \$3,857 million, (D) \$10 million in Servicer Advance Bonds, with \$100 million of total assets net of debt of \$90 million, and (E) \$61 million net investment in MSR related Servicer Advances. At 3/31/17 Net Investment excludes Servicer Advance Cash (included in Cash as of 3/31/17). Targeted Lifetime Net Yield is targeted IRR for loans that have been funded.

**Residential Securities & Call Rights:** Net Investment of \$1,322 million includes (A) \$1,225 million net investment in Non-Agency RMBS, with \$4,343 million of assets, net of debt and other liabilities of \$3,118 million, (B) \$97 million in Agency RMBS, with \$3,402 million of assets (including \$1,854 million of Open Trades Receivable), net of debt and other liabilities of \$3,305 million (including \$1,363 million of Open Trades Payable) and (C) \$0.3 million net investment in Call Rights. At 3/31/17, Net Investment excludes Residential Securities Cash (included in Cash as of 3/31/17). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 7.9 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 9.6 years for Agency RMBS.

**Residential & Consumer Loans:** Net Investment of \$469 million includes (A) \$308 million net investment in Residential Loans & REO, with \$1,285 million of total assets, net of debt and other liabilities of \$977 million, (B) \$137 million net investment in Consumer Loans, with \$1,817 million of total assets, net of debt and other liabilities of \$1,645 million and non-controlling interests in the portfolio of \$35 million, (C) \$16 million net investment in EBOs, with \$112 million of total assets, net of debt and other liabilities of \$96 million and (D) \$6 million net investment in Reverse Loans, with \$18 million of total assets, net of debt and other liabilities of \$12 million. At 3/31/17 Net Investment excludes Residential & Consumer Loan Cash (included in Cash as of 3/31/17). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.7 years for residential mortgage loans and a weighted average life of 3.7 years for consumer loans.

**Cash:** \$237 million of total cash and cash equivalents as of 3/31/17. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.

# Endnotes to Slide 4 (Cont'd)

## 2) Net Investment & Targeted Lifetime Net Yield as of 6/30/2017

**MSRs (Excess & Full):** Excess MSRs - Net Investment of \$868 million includes (A) \$756 million investment in 6/30/17 Legacy NRZ Excess MSRs (B) \$730 million net investment in HLSS Excess MSRs acquired on 4/6/2015, and (C) \$27 million of restricted cash and other assets, **net of debt and other liabilities** of \$645 million (including \$213 million of outstanding debt issued on the NRZ Agency Excess MSR portfolio, \$255 million of outstanding debt issued on the Legacy NRZ PLS Excess MSR portfolio, and \$177 million of outstanding debt issued on the HLSS Excess MSR). \$645 million outstanding debt excludes \$123 million of MSR debt for which base MSR cash flows serve as the collateral. At 6/30/17 Net Investment excludes Excess MSR Cash (included in Cash as of 6/30/17). Targeted Lifetime Net Yield is targeted IRR for pools that have settled. **MSRs - Net Investment of \$844 million includes \$2,056 million of total assets, net of debt and other liabilities of \$1,212 million.** At 6/30/17 Net Investment excludes \$11 million of Servicer Advances acquired along with MSRs (included in Servicer Advances as of 6/30/17).

**Servicer Advances:** Net Investment of \$202 million includes (A) \$99 million net investment in AP LLC Advances, with \$1,367 million of total assets, **net of debt and other liabilities** of \$1,109 million and **non-controlling interests** in the portfolio of \$159 million, (B) \$10 million net investment in SLS advances, with \$68 million of total assets, **net of debt and other liabilities** of \$58 million, (C) \$72 million in HLSS advances, with \$3,684 million of total assets, **net of debt and other liabilities** of \$3,612 million, (D) \$10 million in Servicer Advance Bonds, with \$100 million of total assets net of debt of \$90 million, and (E) \$11 million net investment in MSR related Servicer Advances. At 6/30/17 Net Investment excludes Servicer Advance Cash (included in Cash as of 6/30/17). Targeted Lifetime Net Yield is targeted IRR for loans that have been funded.

**Residential Securities & Call Rights:** Net Investment of \$1,564 million includes (A) \$1,440 million net investment in Non-Agency RMBS, with \$5,416 million of assets, **net of debt and other liabilities** of \$3,976 million, (B) \$124 million in Agency RMBS, with \$4,460 million of assets (including \$2,675 million of Open Trades Receivable), **net of debt and other liabilities** of \$4,336 million (including \$1,800 million of Open Trades Payable) and (C) \$0.3 million net investment in Call Rights. At 6/30/17, Net Investment excludes Residential Securities Cash (included in Cash as of 6/30/17). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 8.0 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 9.5 years for Agency RMBS.

**Residential & Consumer Loans:** Net Investment of \$595 million includes (A) \$438 million net investment in Residential Loans & REO, with \$1,858 million of total assets, **net of debt and other liabilities** of \$1,420 million, (B) \$136 million net investment in Consumer Loans, with \$1,701 million of total assets, **net of debt and other liabilities** of \$1,565 million and **non-controlling interests** in the portfolio of \$35 million, (C) \$15 million net investment in EBOs, with \$104 million of total assets, **net of debt and other liabilities** of \$89 million and (D) \$6 million net investment in Reverse Loans, with \$14 million of total assets, **net of debt and other liabilities** of \$9 million. At 6/30/17 Net Investment excludes Residential & Consumer Loan Cash (included in Cash as of 6/30/17). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 3.7 years for residential mortgage loans and a weighted average life of 3.7 years for consumer loans.

**Cash:** \$560 million of total cash and cash equivalents as of 6/30/17. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.

# Endnotes to Slide 4 (Cont'd)

## 3) Net Investment & Targeted Lifetime Net Yield as of 9/30/2017

**MSRs (Excess & Full):** Excess MSRs - Net Investment of \$791 million includes (A) \$720 million investment in 9/30/17 Legacy NRZ Excess MSRs, (B) \$634 million net investment in HLSS Excess MSRs acquired on 4/6/2015, and (C) \$21 million of restricted cash and other assets, net of debt and other liabilities of \$584 million (including \$214 million of outstanding debt issued on the NRZ Agency Excess MSR portfolio and \$370 million of outstanding debt issued on the Legacy NRZ PLS Excess MSR portfolio). At 9/30/17 Net Investment excludes Excess MSR Cash (included in Cash as of 9/30/17). MSRs - Net Investment of \$1,461 million includes \$6,267 million of total assets, net of debt and other liabilities of \$4,806 million. This reflects the transfer of Ocwen's interest in MSRs relating to the full \$110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately \$94 billion UPB of MSRs for which the required third-party consents have not yet been obtained. While Ocwen's interest in such MSRs and the related economics are expected to transfer to NRZ, there can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. Targeted Lifetime Net Yield is targeted IRR for pools that have settled. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Servicer Advances:** Net Investment of \$164 million includes (A) \$156 million net investment in AP LLC Advances, with \$1,052 million of total assets, net of debt and other liabilities of \$823 million and non-controlling interests in the portfolio of \$73 million and (B) \$8 million net investment in SLS advances, with \$54 million of total assets, net of debt and other liabilities of \$46 million. At 9/30/17 Net Investment excludes Servicer Advance Cash (included in Cash as of 9/30/17). This quarter's advance balance excludes HLSS advances in order to reflect the transfer of Ocwen's interest in MSRs relating to the full \$110 billion UPB of seasoned Non-Agency MSRs underlying NRZ's existing investment with Ocwen. This amount includes approximately \$94 billion UPB of MSRs for which the required third-party consents have not yet been obtained. While Ocwen's interest in such MSRs and the related economics are expected to transfer to NRZ, there can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. Targeted Lifetime Net Yield is targeted IRR for loans that have been funded. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

**Residential Securities & Call Rights:** Net Investment of \$1,461 million includes (A) \$1,374 million net investment in Non-Agency RMBS, with \$5,526 million of assets, net of debt and other liabilities of \$4,152 million, (B) \$87 million in Agency RMBS, with \$2,815 million of assets (including \$1,783 million of Open Trades Receivable), net of debt and other liabilities of \$2,728 million (including \$1,064 million of Open Trades Payable) and (C) \$0.3 million net investment in Call Rights. At 9/30/17, Net Investment excludes Residential Securities Cash (included in Cash as of 9/30/17). Targeted Lifetime Net Yield represents the targeted future IRR over a weighted average life of 7.7 years for Non-Agency RMBS, assuming actual and targeted leverage, and represents the IRR over a weighted average life of 7.6 years for Agency RMBS.

**Residential & Consumer Loans:** Net Investment of \$623 million includes (A) \$475 million net investment in Residential Loans & REO, with \$2,248 million of total assets, net of debt and other liabilities of \$1,773 million, (B) \$126 million net investment in Consumer Loans, with \$1,557 million of total assets, net of debt and other liabilities of \$1,431 million and non-controlling interests in the portfolio of \$34 million, (C) \$16 million net investment in EBOs, with \$96 million of total assets, net of debt and other liabilities of \$80 million and (D) \$6 million net investment in Reverse Loans, with \$17 million of total assets, net of debt and other liabilities of \$11 million. At 9/30/17 Net Investment excludes Residential & Consumer Loan Cash (included in Cash as of 9/30/17). Targeted Lifetime Net Yield represents the IRR over a weighted average life of 4.6 years for residential mortgage loans and a weighted average life of 3.5 years for consumer loans.

**Cash:** \$280 million of total cash and cash equivalents as of 9/30/17. Targeted Lifetime Net Yield assumes cash is invested at a 15% return. There can be no assurance that cash will be invested at targeted returns, and actual returns for all investments could differ materially.

# Endnotes to Slides 8 & 9

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## Endnotes to Slide 8:

- 1) As of September 30, 2017.
- 2) Securitizations include other collateral that NRZ purchased from dealers.
- 3) Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 4) **Illustrative Scenarios: Delinquency:** Assumes current delinquency pipeline for each deal immediately declines by 10% of outstanding UPB, resulting in higher loan values. **Servicer Advances:** Assumes servicer advances outstanding for each deal immediately declines by 2% of outstanding UPB, resulting in lower cost basis. **Loan Value:** Assumes aggregate loan value increases by 1 point or 1% of outstanding UPB, resulting in higher loan values. **Discount Bond Ownership:** Assumes ownership of discount bonds with difference between par and market value of 2 points or 2% of outstanding UPB, resulting in lower cost basis. In each scenario, the impact on callable UPB is also illustrative only in nature and represents forward-looking information based on management's current views and estimates regarding the potential impact of various scenarios on callable UPB. Actual results could differ materially from these illustrative forward-looking statements. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.

## Endnotes to Slide 9:

- 1) \$533 billion UPB of MSR includes NRZ's portfolio of Excess MSRs and full MSRs as of September 30, 2017. The PHH PLS MSR purchase and \$110 billion UPB Ocwen MSR purchase remain subject to NRZ's satisfaction of certain contractual requirements and certain customary closing conditions, including but not limited to certain third party consents. The \$3 billion UPB flow MSR purchase remains subject to routine GSE settlement procedures. There can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 2) The PHH PLS MSR purchase and \$110 billion UPB Ocwen MSR purchase remain subject to NRZ's satisfaction of certain contractual requirements and certain customary closing conditions, including but not limited to certain third party consents. The \$3 billion UPB flow MSR purchase remains subject to routine GSE settlement procedures. There can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. Actual UPB amounts for unsettled MSR purchases are expected to decrease due to ordinary course loan amortization. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.
- 3) See "Abbreviations" in the Appendix for more information. Based on management's current views and estimates. There can be no assurance of if or when New Residential will be able to complete the agreed upon MSR purchases. Actual UPB amounts for unsettled MSR purchases are expected to decrease due to ordinary course loan amortization. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.



# Endnotes to Slides 10, 11, 13 & 15

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## Endnotes to Slide 10:

- 1) Recapture provisions will not fully protect against decreases in returns. See “Risk Factors” in NRZ’s most recent Form 10-Q or 10-K.
- 2) Industry data is taken from eMBS and CoreLogic’s Loan Performance database as of September 30, 2017.
- 3) See “Abbreviations” in the Appendix for more information.
- 4) Gross CPR does not include recapture. Industry Gross CPR calculation has been prepared by New Residential and includes only prepayment data for MSR’s with a coupon and seasoning that management believes are comparable to the weighted average of New Residential’s existing MSR portfolio. The inclusion of industry prepayment data with different characteristics, including dissimilar weighted average coupon and seasoning would likely change the average Industry Gross CPR. Determinations of comparability have been made by management based on New Residential’s current MSR portfolio and the portfolio’s collateral characteristics. Other industry participants may calculate Industry Gross CPR in a different manner. A change in, or the diversification of, New Residential’s MSR portfolio could change the appropriate calculation of Industry Gross CPR. Industry data is initially taken from eMBS and CoreLogic’s Loan Performance database as of September 30, 2017.

## Endnotes to Slide 11:

- 1) Based on expected warehouse and securitization execution. See “Disclaimers” at the beginning of this Presentation for more information on forward-looking statements.
- 2) NRZ is one of four Consortium members. NRZ holds a 25% interest in the Consortium, and therefore holds a 25% interest in the Consortium’s portfolio and balances. See “Abbreviations” in the Appendix for more information.

## Endnotes to Slide 13:

- 1) Represents par value of advances and related debt obligations inclusive of a non-controlling interest ownership of 27.2% in the Advance Purchaser portfolio.
- 2) Based on management’s current views and estimates. See “Disclaimers” at the beginning of this Presentation for more information on forward-looking statements.
- 3) “Maturity” dates are expected to be extended but not guaranteed. See “Disclaimers” at the beginning of this Presentation for more information on forward-looking statements. See “Abbreviations” in the Appendix for more information.

## Endnotes to Slide 15:

- 1) All statements made on this page are based on current management beliefs. See “Disclaimers” at the beginning of this Presentation for more information on forward looking statements.
- 2) As of September 30, 2017. Represents a percent of market value of principal and interest-paying securities; excludes NPL securities and servicer advances.

# Endnotes to Slide 16

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## Endnotes to Slide 16:

- 1) *Total Return 2017 YTD is calculated by dividing the appreciation in NRZ stock price plus dividends declared by NRZ in 2017 as of October 25, 2017, over the closing NRZ stock price on December 30, 2016.*
- 2) *Year-over-year increase in book value is calculated by dividing NRZ's book value per share as of September 30, 2017 over September 30, 2016.*
- 3) *Year-over-year growth is calculated based on core earnings per share and GAAP earnings per share in 3Q 2017 and 3Q 2016. Year-over-year core earnings growth calculation is based on \$0.64 per share in 3Q 2017 and \$0.51 per share in 3Q 2016. Year-over-year GAAP earnings growth calculation is based on \$0.73 per share in 3Q 2017 and \$0.41 per share in 3Q 2016. Core earnings is a Non-GAAP measure. See Reconciliation pages in the Appendix for a reconciliation to the most comparable GAAP measure.*
- 4) *Total Lifetime Dividends includes 3Q17 dividend declared on September 22, 2017. 3Q17 dividend payment is calculated as \$0.50 multiplied by 307.3 million shares. There can be no assurance that we will pay dividends at this level, or at all, in the future.*
- 5) *Based on management's current views and estimates. See "Disclaimers" at the beginning of this Presentation for more information on forward-looking statements.*

# Abbreviations

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**Abbreviations:** This Presentation may include abbreviations, which have the following meanings:

- 60+ DQ – Percentage of loans that are delinquent by 60 days or more
- Age (mths) or Loan Age (mths) – Weighted average number of months loans are outstanding
- BPO – Broker’s Price Opinion
- BV – Book Value
- CDR – Conditional Default Rate
- CLTV – Ratio of current loan balance to estimated current asset value
- CPR – Constant Prepayment Rate
- CRR – Constant Repayment Rate
- Cur - Current
- Current UPB – UPB as of the end of the current month
- DTI – Debt to Income
- EBO – Residential Mortgage Loans acquired through the GNMA early buy-out program
- Excess MSRs – Monthly interest payments generated by the related Mortgage Servicing Rights (“MSRs”), net of a basic fee required to be paid to the servicer
- FHLMC – Freddie Mac / Federal Home Loan Mortgage Corporation
- FICO – A borrower’s credit metric generated by the credit scoring model created by the Fair Isaac Corporation
- Flow Arrangements – Contractual recurring agreements, often monthly or quarterly, to purchase servicing of newly originated or highly delinquent loans
- FNMA – Fannie Mae / Federal National Mortgage Association
- GNMA – Ginnie Mae / Government National Mortgage Association
- GWAC – Gross Weighted Average Coupon
- HPA – Home Price Appreciation
- LTD – Life to Date
- LTD Cash Flows – Actual cash flow collected from the investment as of the end of the current month
- LTV – Loan to Value
- NPL – Non-Performing Loans
- Original UPB – UPB at time of securitization
- PLS – Private Label Securitizations
- Proj. Future Cash Flows – Future cash flow projected with the Company’s original underwriting assumptions
- QoQ – Quarter-over-quarter
- Recapture Rate – Percentage of voluntarily prepaid loans that are refinanced by the servicer
- REO – Real Estate Owned
- Uncollected Payments – Percentage of loans that missed their most recent payment
- UPB – Unpaid Principal Balance
- Updated IRR – Internal rate of return calculated based on the cash flow received to date through the current month and the projected future cash flow based on our original underwriting assumptions
- U/W LTD – Underwritten life-to-date
- WA – Weighted Average
- WAC – Weighted Average Coupon
- WAL – Weighted Average Life to Maturity
- WALA – Weighted Average Loan Age
- YoY – Year-over-year

