



# New Residential Investment Corp. Closes Acquisition of Caliber Home Loans, Inc.

AUGUST 24, 2021



**NEW RESIDENTIAL**  
INVESTMENT CORP.

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**FORWARD-LOOKING STATEMENTS.** Certain statements regarding New Residential Investment Corp. (together with its subsidiaries, "New Residential," 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 successfully integrate the businesses and realize the anticipated benefits and synergies of the acquisition of Caliber Home Loans, Inc. ("Caliber") (the "Transaction"), the Company's available cash & liquidity after funding the Transaction, ability to capitalize on robust investment opportunities for our portfolio, ability to capitalize on opportunities in PLS, SFR, EBOs, non-QM, non-owner occupied, second homes, jumbo prime and NPLs, expected or projected cash flows, returns, unpaid principal balances ("UPB"), volumes and valuations, annualized data and numbers, including returns on equity ("ROE") and savings, any Q3'21, 2H'21, FY'21 and FY'22 estimates and projections, including but not limited to estimated FY'22 Synergies and Targeted FY Annual Run-Rate Synergies, ability to protect, maintain or grow our book value (including for our Origination and Servicing segments), ability to grow and transform our mortgage servicing and origination platforms and gain market share, the ability to succeed in various interest rate and economic environments (including as rates rise), ability to grow recapture platform and execute recapture initiatives, expected call activity, ability to execute the Company's overall MSR strategy, expectations regarding significant upside in MSR portfolio, expectations that originations will exceed MSR run-off from amortization, projected overall callable balance of call rights, the ability to execute and profit from our call rights, actual unpaid principal balance of loans subject to our call rights, projections regarding future servicer advance balances and ability to fund such advance balances, continued access to steady pipeline of income generating assets, ability to maintain current forbearance levels, ability to help homeowners and borrowers navigate during COVID-19, potential mark to market exposure, estimates of the percentages of the Company's portfolio subject to financings with non-daily mark to market exposure or with margin holidays set forth in this Presentation, ability to reduce exposure to mark-to-market financings, statements on future interest rates, spreads and market conditions, expectations for future prepayment speeds, future mortgage origination and recapture rates, ability to maximize risk-adjusted returns, ability to take advantage of future investment opportunities, expectations regarding interest rates and housing, ability to capitalize on future opportunities and maximize shareholder value, ability to maintain the Company's long-term strategy, ability to manage risks, potential to be subject to certain claims and legal proceedings, and statements regarding the Company's investment pipeline and investment opportunities. Accordingly, you should not place undue reliance on any forward-looking statements contained herein. These risks and factors include, but are not limited to, the risks relating to the Transaction, including unexpected challenges related to the integration of Caliber's businesses and operations; changes in general economic and/or industry specific conditions; changes in general economic and/or industry specific conditions; unanticipated expenditures relating to or liabilities arising from the Transaction or the acquired businesses; litigation relating to the Company or the acquired businesses; the impact of the Transaction on relationships with, and potential difficulties retaining, employees, customers and other third parties; and the inability to obtain, or delays in obtaining, expected benefits from the Transaction. In addition, risks and uncertainties to which Caliber's business is subject could affect the Transaction and, following the closing of the Transaction, the Company may be subject to such risks and uncertainties (including certain risks and uncertainties that currently apply to the Company and certain new risks and uncertainties applicable to Caliber). Forward-looking statements contained herein speak only as of the date of this Presentation, and 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. For a discussion of some of the risks and important factors that could affect such forward-looking statements, see the sections entitled "Cautionary Statements Regarding Forward Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's annual and quarterly reports filed with the SEC, which are available on the Company's website ([www.newresi.com](http://www.newresi.com)).

**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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# Combination of Industry Leading Companies

The combination of Newrez and Caliber creates a premier mortgage operating company with robust scale and a powerful growth opportunity



**newrez**



**CALIBER**  
HOME LOANS

**#4**

Non-Bank Mortgage  
Originator

**#5**

Non-Bank Mortgage  
Servicer

**~4%**

Origination Market  
Share

**#2**

Non-Bank Purchase  
Lender

**#4**

Wholesale  
Lender

**#3**

Correspondent  
Lender

**#5**

Refinance  
Lender

**2.3mm**

Servicing  
Customers







**Leading Originator and Servicer**

Detailed endnotes are included in the Appendix.



# Extensive Platform Ability and Opportunity

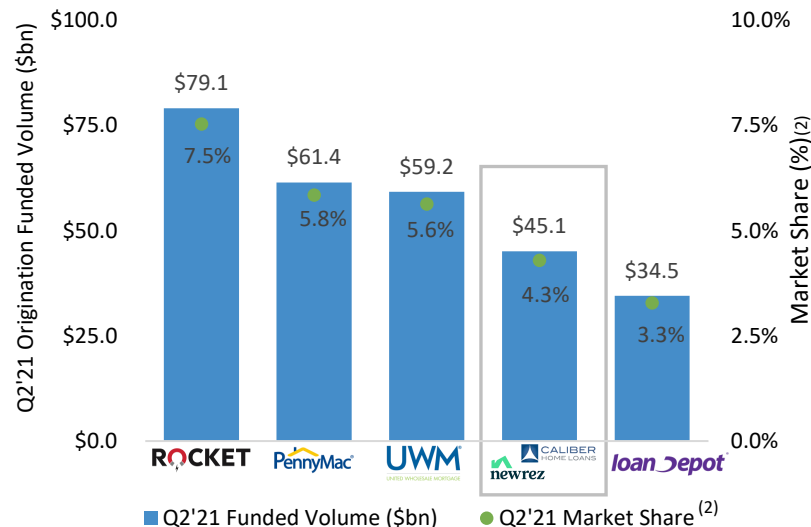
The strength of our platform, across all metrics, is why we expect to continue to gain market share

Top 5 Non-Bank Mortgage Lenders <sup>(1)</sup>					
	1 	2 	3 	4  	5 
DTC	✓	✓	✗	✓	✓
Retail / JV	✓ <sup>(2)</sup>	✗	✗	✓	✓
Wholesale	✓	✓	✓	✓	✓
Correspondent	✗	✓	✗	✓	✗
Non-QM Products	✓ <sup>(3)</sup>	✗	✓ <sup>(3)</sup>	✓	✓
Performing Servicing	✓	✓	✓	✓	✓
Special Servicing	✗	✓	✗	✓	✗
Services Businesses	✓	✗	✗	✓	✓
REIT Balance Sheet	✗	✓ <sup>(4)</sup>	✗	✓	✗
Asset Retention	✓	✓	✓	✓	✓

Detailed endnotes are included in the Appendix.

## Leader in Mortgage Asset Class<sup>(1)</sup>

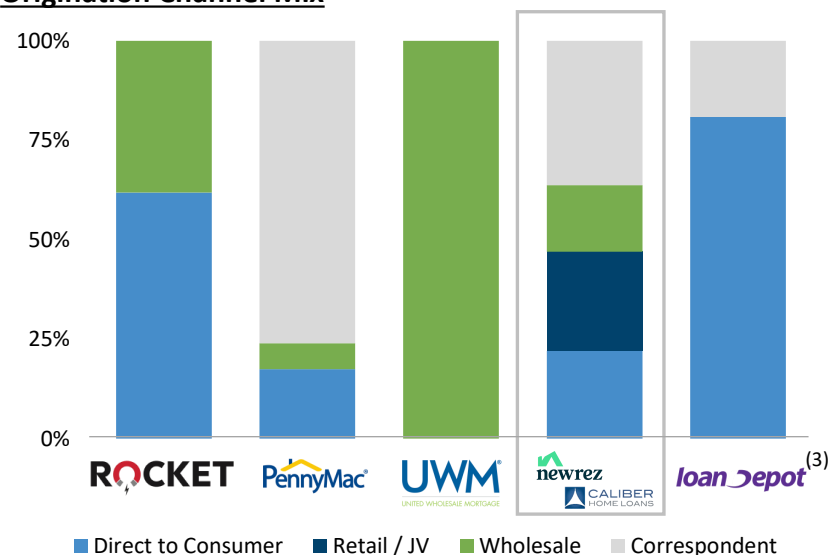
### Q2'21 Funded Volume



**Continued growth and purchase/refinance balance**

## Diversified Origination Mix<sup>(1)</sup>

### Origination Channel Mix



**Unmatched channel diversification**

✓ **Diverse Distribution Platform**

✓ **Strong Purchase Culture**

✓ **Opportunistic Refinance Originator with Significant Customer Base**

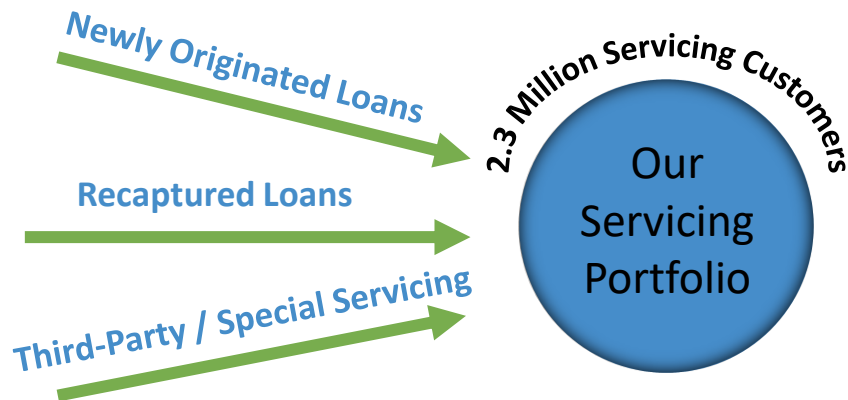
✓ **Strong and Extensive Partner Network**

# Servicing Platform Built to Support Homeowners

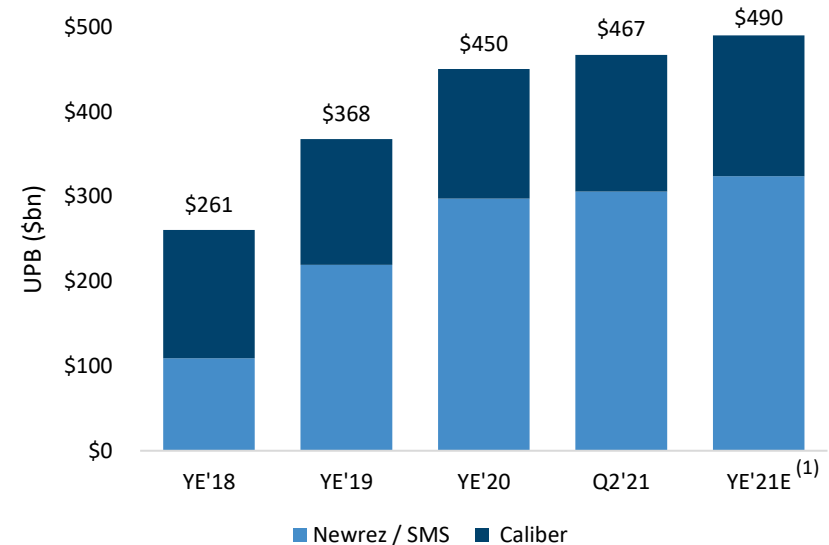
Proven track record of supporting homeowners and helping keep them in their homes

## Organic and Third-Party Growth Strategy

Strong Origination, Recapture and Third-Party Servicing Leads to Growth in Customer Base and Volumes



## Steady and Growing Volumes



✓ 60+ Leading Institutional Third-Party Clients

✓ High-Quality Loan Portfolio

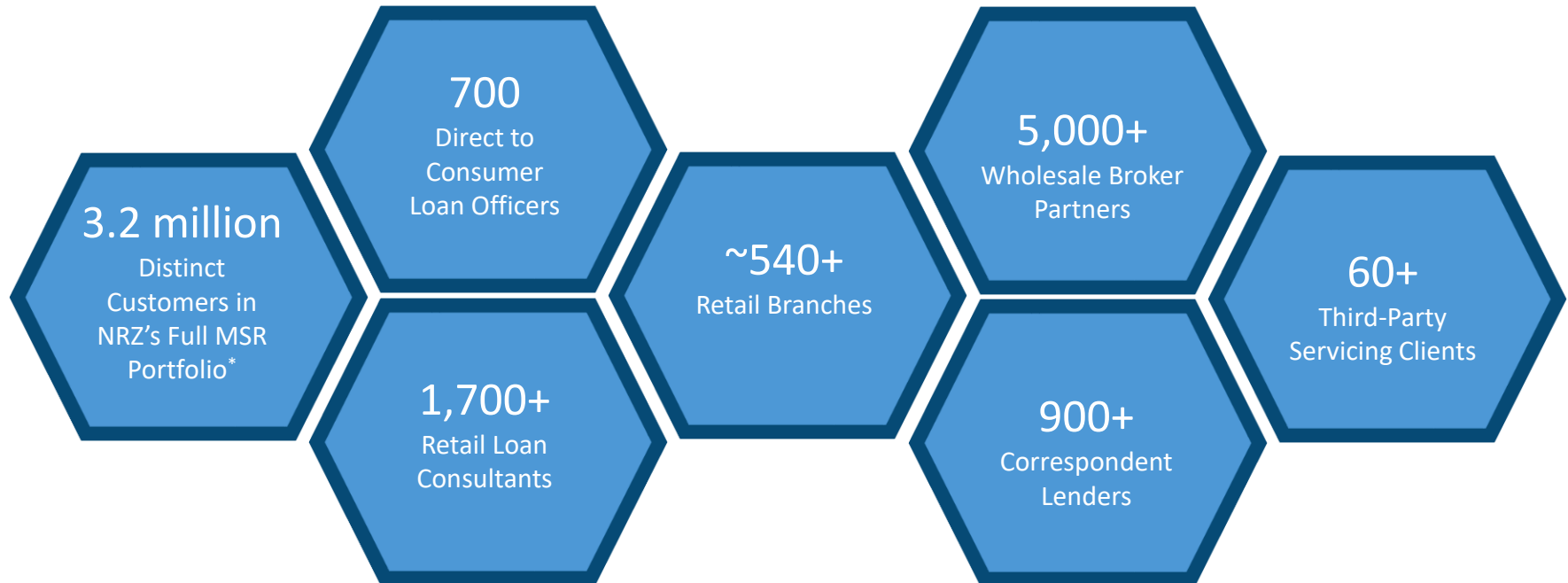
✓ Retention Strategy

✓ Proprietary Servicing Technologies

✓ Less than 3% of Portfolio in Active Forbearance

Detailed endnotes are included in the Appendix.

## Together, Newrez and Caliber have...

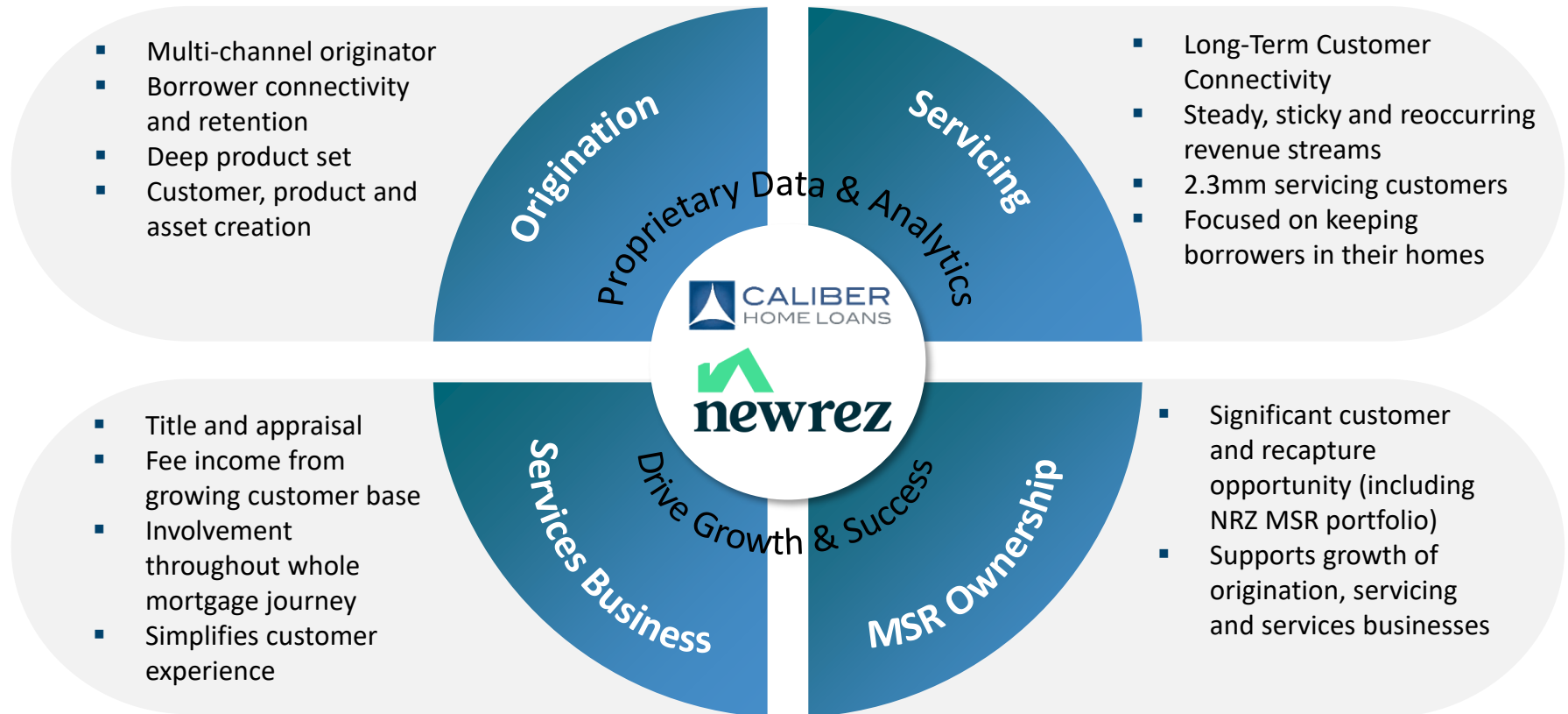


**...countless ways to connect with all types of borrowers**

Detailed endnotes are included in the Appendix.

\*Includes all customers in NRZ's Full MSR portfolio.

# Omnipresent within \$11 Trillion Mortgage Ecosystem





1

**Proven Team & Talent**

2

**Significant Market Share Growth Opportunity**

3

**Purchase Origination Leadership**

4

**Market Leading Recapture Rates**

5

**Scale Supports Growth and Provides Synergies**

6

**Proprietary Technology Positions Us for Outsized Growth**

7

**Well-Defined Plan to Accelerate Growth**

- ✓ Continuity of Diverse and Highly Experienced Leadership Team
- ✓ Combination of Leaders from Caliber and Newrez
- ✓ Track Records of Growing Organizations and Achieving Exceptional Results
- ✓ Strong Cultural Fit
- ✓ Customer-Centric Philosophy
- ✓ Robust Community Engagement and Focus

## Leadership

**Sanjiv Das**



*Chief Executive Officer*

**Baron Silverstein**



*President and  
Chief Operating Officer*

## Large Geographic Sites



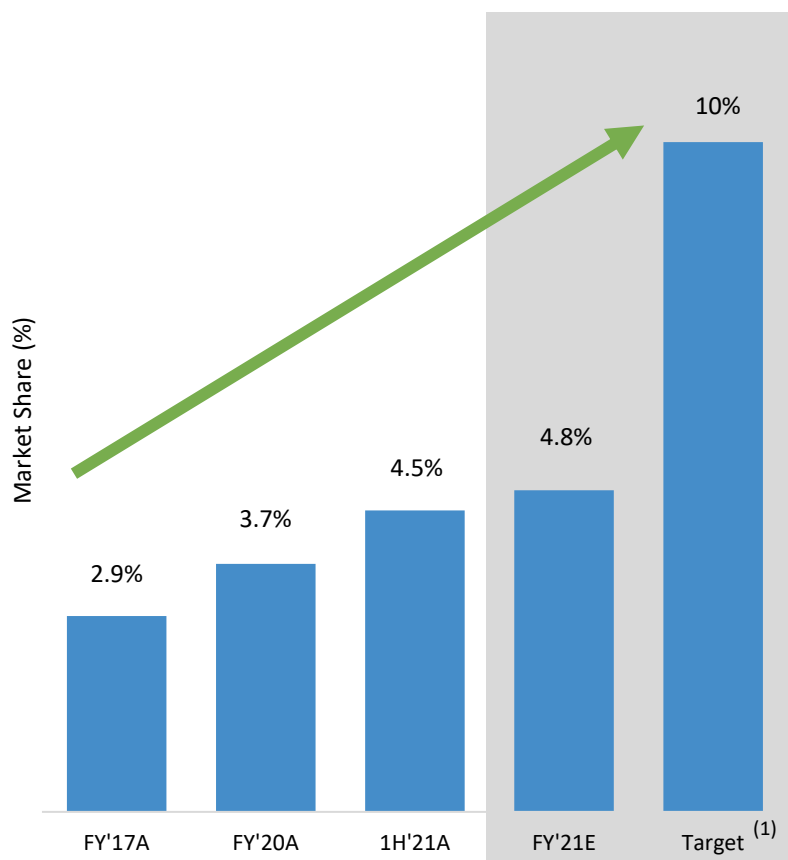
## Brands



# Significant Market Share Growth Opportunity

Combination of platforms is positioned to capture additional market share<sup>(1)</sup>

Newrez and Caliber have demonstrated their ability to successfully grow market share<sup>(2)</sup>



Market share growth presents incremental origination opportunities<sup>(2)</sup>

Change in Market Share	0.5%	1.0%	1.5%	2.0%
Implied Incremental Impact to FY'21 Origination Volumes <sup>(3)</sup>	+\$18bn	+\$36bn	+\$54bn	+\$71bn
Implied Incremental Impact to FY'22 Origination Volumes <sup>(3)</sup>	+\$12bn	+\$24bn	+\$35bn	+\$47bn

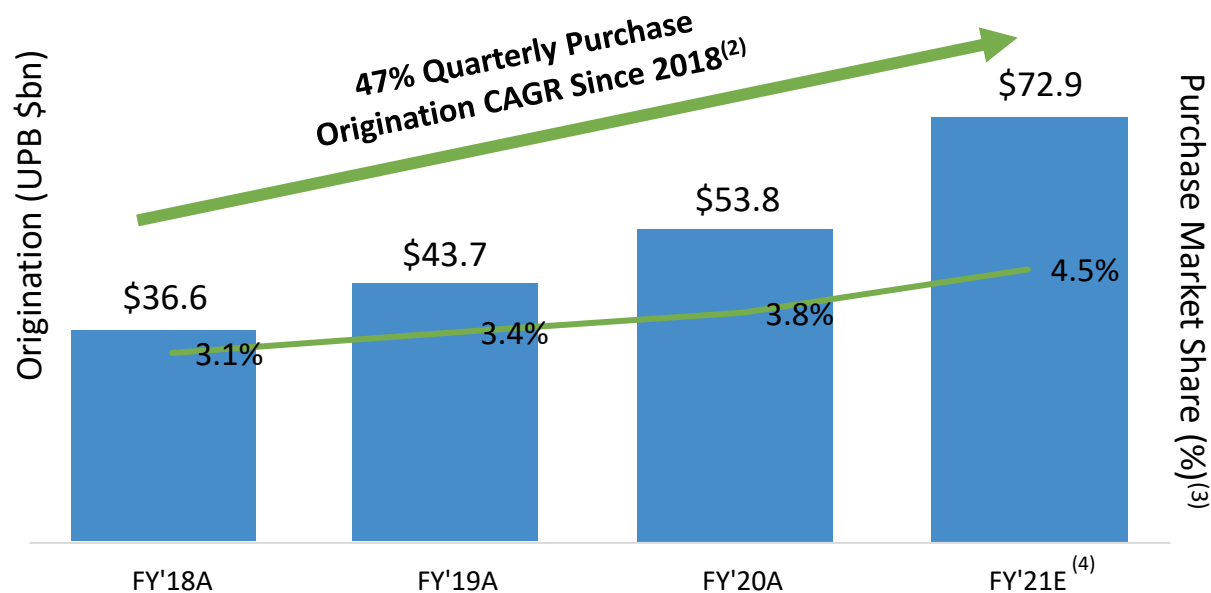
Combination of  
**scale, product set and diversification**  
position us to continue gaining share in this fragmented yet large mortgage market

Detailed endnotes are included in the Appendix.

## #2 Purchase Originator with Differentiated Growth Prospects<sup>(1)</sup>

We excel at purchase originations

Proven purchase growth across changing market environments



Additional purchase origination growth will be supported by our:<sup>(4)</sup>

### Purchase Differentiators

Local Relationships

19 JVs  
Across 30 States

~540+ Retail Branches

Purchase in Every  
Channel

Customer Re-Sell  
Opportunities

Diverse Product Set to  
Offer Borrowers

Realtors, Who are the  
Top Source for First  
Time and Repeat  
Homebuyers

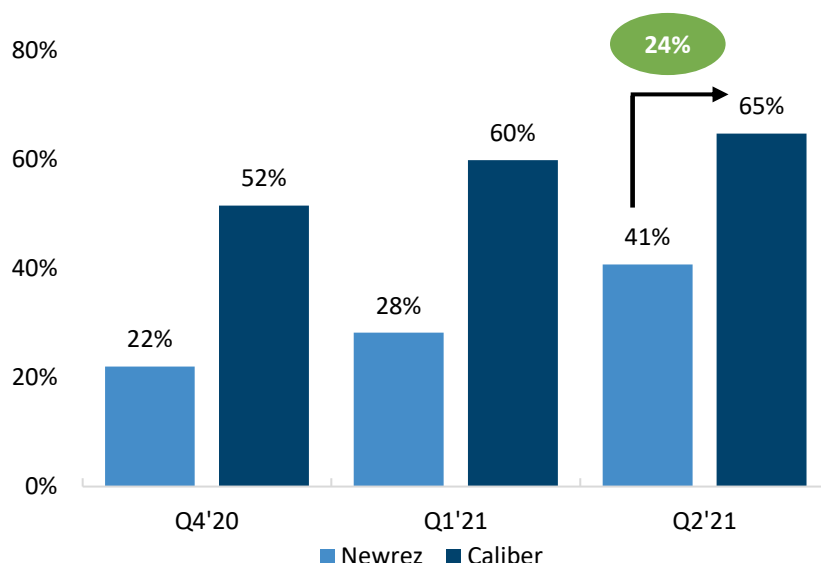
Deep Local  
Relationships

Buy and Bolt-On  
Strategies

Detailed endnotes are included in the Appendix.

## Strong Refinance Recapture Performance<sup>(1)</sup>

### Refinance Recapture



## Growing Newrez's Refinance Recapture Rates towards Caliber's Levels will Create Incremental Profitability

### Newrez Refinance Recapture Sensitivity

Change in Refi Recapture	+5%	+10%	+15%	+20%
Implied Incremental Change to Pre-Tax Income <sup>(2)</sup>	+\$20mm	+\$40mm	+\$61mm	+\$81mm

**Recapture growth will be further supported by our:<sup>(2)</sup>**

**Growing  
Marketing Presence**

**Continued  
Customer Growth**

**Predictive  
Recapture Models**

**Purchase  
Recapture Strength**



We are targeting annual go-forward pre-tax run-rate synergies of \$150mm to \$200mm

## Synergy Opportunities

### ◆ Revenue

- ◆ Increased volumes
- ◆ Economies of scale
- ◆ Improved recapture

### ◆ Cost

- ◆ Reduced fixed and variable costs
- ◆ Increased efficiencies
- ◆ Further digitization
- ◆ Process improvements

### ◆ Capital

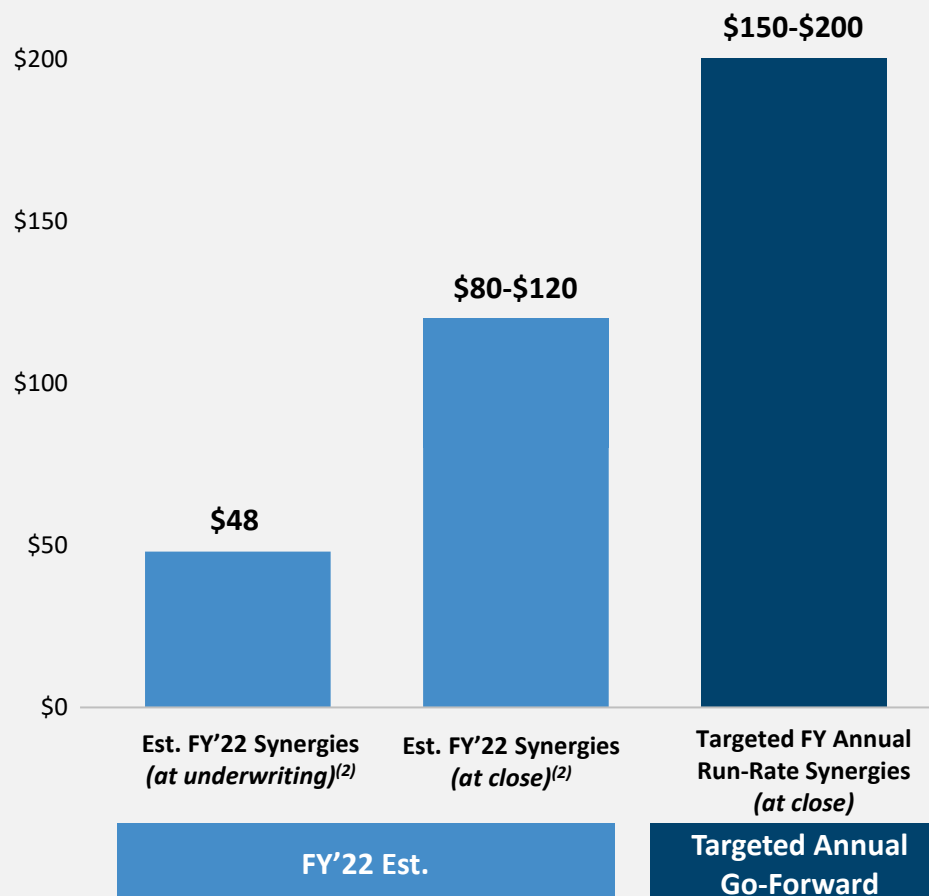
- ◆ Improved cost of funds
- ◆ Enhanced capital markets execution
- ◆ Diversified sources of capital

### ◆ Strategy

- ◆ Expanded product and ancillary offerings
- ◆ Increased customer cross-sell opportunities
- ◆ Increased opportunities from data & analytics

## Estimated Pro Forma Pre-Tax Synergies

Figures (\$mm)



Detailed endnotes are included in the Appendix.

We have invested in technology to transform the user experience and deliver strong performance



## Digitization

*Artificial intelligence and machine learning solutions to increase productivity*



## Digital Decision

*Digitized data and rule sets used for automated underwriting decisions*



## Intelligent Workflow

*Specialized task-based roles and intelligent routing*



## Collaboration

*Full spectrum digital communication between processors, loan consultants and customers*



## Automation

*Robotics Process Automation to replace operational tasks increasing efficiency and reducing cost*



## Insights

*Advanced analytics leveraging our wealth of data to improve operational effectiveness*

# Technology Drives Growth, Margin Expansion and Customer Experience<sup>(1)</sup>

**High-Tech,  
High-Touch**

**Tech-enabled transformation of the user experience for our sales channels, manufacturing and customers**

**End-to-End Digital Experience**

**Offer a truly customized digital experience delivering technology enabled loan fulfillment with a human touch**

**Customized User Experience**

**Provide enhanced experience to customers and partners using state-of-the-art architecture and technology**

**Intelligent Workflow and Automation**

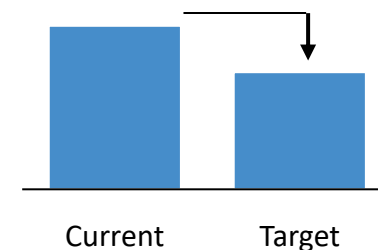
**Drive efficiency through role-specific customization and by deploying automation across the value chain**

**Continuous Innovation**

**Instill a culture of continuous improvement and identify opportunities to drive growth and efficiency through tech**

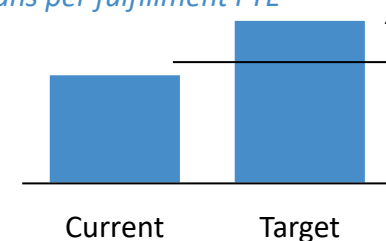
## Cycle Time

*Number of days*

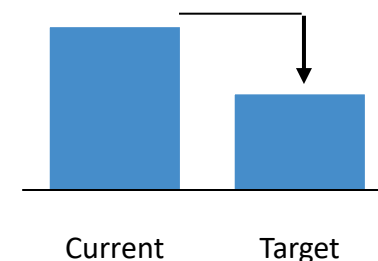


## Capacity

*Loans per fulfillment FTE*



## Cost per Loan



Detailed endnotes are included in the Appendix.

## Multi-pronged approach to driving growth

### Revenue Expansion

1

**Gain  
Purchase  
Market Share**



2

**Product  
Expansion**  
*(Non-QM, Non-Agency,  
Jumbo)*



3

**Client  
Expansion**  
*(Across all channels and  
servicing)*



4

**Recapture  
Growth**  
*(Customer Retention for  
Purchase and Refinance)*



## Efficiencies Across all Channels and Servicing



**Technology Digitization and Automation**



**Scale and Synergies**

Detailed endnotes are included in the Appendix.



# Appendix



# Newrez and Caliber Operating Metrics

	Newrez		Caliber	
	Q1'21	Q2'21	Q1'21	Q2'21
<b>Servicing</b>				
<b>Servicing Portfolio (UPB \$bn)</b>				
Owned or Parent Owned Performing MSR	\$211.8	\$214.2	\$145.5	\$149.9
Third Party / Special / Whole Loans	\$92.8	\$91.7	\$10.1	\$11.2
Total UPB (\$bn)	\$304.6	\$305.9	\$155.6	\$161.2
<b>Origination</b>				
<b>Funded Volume by Channel (UPB \$bn)</b>				
Direct to Consumer	\$5.7	\$6.4	\$3.3	\$3.5
Retail / Joint Venture	\$1.0	\$1.0	\$11.0	\$10.2
Wholesale	\$2.7	\$2.4	\$6.2	\$5.1
Correspondent	\$17.8	\$13.7	\$2.0	\$2.6
Total Funded Volume	\$27.2	\$23.5	\$22.6	\$21.5
<b>Funded Volume by Product (UPB \$bn)</b>				
Agency	\$19.6	\$17.7	\$16.0	\$13.8
Government	\$7.5	\$5.6	\$6.1	\$6.9
Non-Agency	\$0.1	\$0.1	\$0.0	\$0.0
Non-QM	\$0.0	\$0.1	\$0.0	\$0.0
<b>Purchase Refinance Funded Volume (UPB \$bn)</b>				
Purchase	\$7.3	\$8.4	\$8.1	\$11.3
Refinance	\$19.9	\$15.1	\$14.5	\$10.2
<b>Pull-Through Adjusted Lock Volume (UPB \$bn)</b>				
Direct to Consumer	\$6.4	\$3.5	\$3.1	\$2.3
Total Pull-Through Adjusted Lock Volume	\$26.9	\$20.5	\$23.0	\$18.5
<b>GOS Revenue Margin(1)</b>				
Direct to Consumer(2)	3.24%	3.83%	3.75%	3.48%
Retail / Joint Venture(2)	4.40%	4.81%	4.12%	3.55%
Wholesale	1.71%	0.95%	1.84%	1.06%
Correspondent	0.33%	0.25%	0.40%	0.32%
Total(1)	1.43%	1.31%	3.20%	2.87%

(1) For Newrez, includes impact from ancillary services.

(2) For Newrez, excludes recapture MSR which is reported in the MSR & Servicer Advance segments.



## Endnotes

**Endnotes to Slide 3:**

Source: All rankings are per latest Inside Mortgage Finance latest available data for each of Newrez and Caliber, and are based on the combination of Newrez and Caliber performance. Market share data based on MBA data as of July 21, 2021. Servicing customers based on combined Newrez and Caliber servicing portfolio as of June 30, 2021.

**Endnotes to Slide 4:**

Source: Newrez and Caliber aggregate data as of June 30, 2021 unless otherwise noted.

- (1) Rankings are per Inside Mortgage Finance latest available data as of July 29, 2021 and based on Q2'21 performance.
- (2) Represents JV only.
- (3) Represents non-Agency jumbo.
- (4) Separate captive REIT structure.

**Endnotes to Slide 5:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) Rankings are per Inside Mortgage Finance latest available data as of July 29, 2021 and based on Q2'21 performance.
- (2) Market share data based on MBA data as of July 21, 2021.
- (3) LoanDepot Direct to Consumer exposure also includes Retail/JV exposure which is not broken out separately.

**Endnotes to Slide 6:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) Based on management's current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 7:**

Source: Newrez and Caliber data as of June 30, 2021.

**Endnotes to Slide 10:**

- (1) Based on management's current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 11:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) Based on management's current views and estimates, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.
- (2) Market share data based on MBA data as of July 21, 2021.
- (3) Based on management's current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 12:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) Ranking per Inside Mortgage Finance latest available data, and are based on the combination of Newrez and Caliber performance.
- (2) Quarterly CAGR calculated from Q1'18 through Q2'21.
- (3) Purchase market share data based on MBA data as of July 21, 2021.
- (4) Based on management's current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See "Disclaimers" at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 13:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) “Refinance recapture” is defined as total unpaid principal balance, or UPB, of our customers that originate a mortgage with us divided by total UPB of customers that paid off their existing mortgage in a refinance transaction.
- (2) This analysis uses pay offs that occurred for Newrez during Q2’21 as the basis for the potential incremental origination volume added from improving recapture percentages. Gain on sale margins and variable expenses are based upon Q1’21 results to calculate incremental profitability. Based on management’s current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See “Disclaimers” at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 14:**

Source: Newrez and Caliber data as of June 30, 2021 unless otherwise noted.

- (1) Based on management’s current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See “Disclaimers” at the beginning of this Presentation for more information on forward looking statements.
- (2) Company projections and estimates for synergies changed (increased) from acquisition underwriting (“at underwriting”) to acquisition close (“at close”) due to additional synergies identified post underwriting resulting from the combination of Newrez and Caliber platforms, including those related scale benefits, technology savings and improvements to financing costs. The process of integrating Newrez and Caliber may impact the timeline for achieving these synergies. There can be no assurances that we will be able to achieve all of the expected synergies.

**Endnotes to Slide 16:**

- (1) Based on management’s current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See “Disclaimers” at the beginning of this Presentation for more information on forward looking statements.

**Endnotes to Slide 17:**

- (1) Based on management’s current views and estimates, and are based on the combination of Newrez and Caliber performance, and actual results may vary materially. See “Disclaimers” at the beginning of this Presentation for more information on forward looking statements.

**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
- BV – Book Value
- CLD – Correspondent Origination Channel
- COF – Cost of Funds
- CPR – Constant Prepayment Rate
- CRR – Constant Repayment Rate
- CTS – Cost to Service
- Cur - Current
- Current UPB – UPB as of the end of the current month
- DPD – Days past due
- DQ – Delinquency
- DTC – Direct to Consumer Origination Channel
- 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
- FB - Forbearance
- FHA - Federal Housing Association
- 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
- FNMA – Fannie Mae / Federal National Mortgage Association
- GNMA – Ginnie Mae / Government National Mortgage Association
- GOS – Gain on Sale
- JV – Joint Venture Origination Channel
- LHS – Left Hand Side
- 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
- Non-QM – Non-qualified mortgage
- NPL – Non-Performing Loans
- MSR – Mortgage servicing right
- MTM – Mark to market
- Original UPB – UPB at Time of Securitization
- PLS – Private label securities
- Proj. Future Cash Flows – Future cash flow projected with the Company’s original underwriting assumptions
- PTI – Pre-Tax Income
- QoQ – Quarter-over-quarter
- Recapture Rate – Percentage of voluntarily prepaid loans that are refinanced by the servicer
- Refi - Refinance
- REO – Real Estate Owned
- RHS – Right Hand Side
- ROE – Return on Equity
- RPL – Reperforming Loan
- TPO – Third Party Origination Channel (includes Wholesale and Correspondent)
- UPB – Unpaid Principal Balance
- WA – Weighted Average
- WAC – Weighted Average Coupon
- WAL – Weighted Average Life to Maturity
- WALA – Weighted Average Loan Age
- YoY – Year-over-year