

Mr. CooperGroup®

Earnings Presentation 3Q 2019

October 31, 2019



Important Information

This presentation contains summarized information concerning Mr. Cooper Group Inc. (the "Company") and the Company's business, operations, financial performance and trends. No representation is made that the information in this presentation is complete. For additional financial, statistical and business related information, as well as information regarding business and segment trends, see the Company's most recent Annual Report on Form 10-K ("Form 10-K") and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the "SEC"), as well other reports filed with the SEC from time to time. Such reports are or will be available in the Investors section of the Company's website (www.mrcoopergroup.com) and the SEC's website (www.sec.gov).

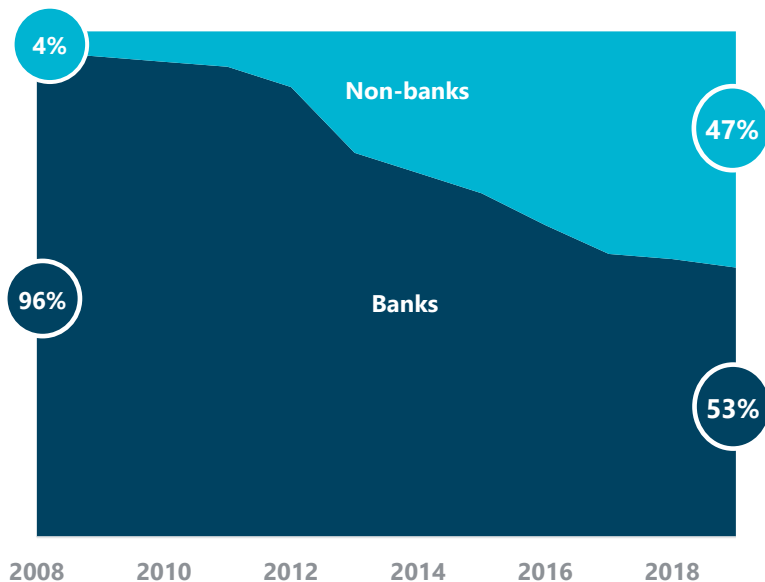
Forward Looking Statements. This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including target ROTCE and current initiatives. All statements other than statements of historical or current fact included in this presentation that address activities, events, conditions or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business and these statements are not guarantees of future performance. Forward-looking statements may include the words "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "strategy," "future," "opportunity," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in documents Mr. Cooper has filed or will file from time to time with the SEC. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and Mr. Cooper believes there is a reasonable basis for them. However, the events, results or trends identified in these forward-looking statements may not occur or be achieved. Forward-looking statements speak only as of the date they are made, and Mr. Cooper is not under any obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, except as required by law. Readers should carefully review the statements set forth in the reports that Mr. Cooper has filed or will file from time to time with the SEC.

Basis of Presentation. For purpose of Mr. Cooper's financial statement presentation, Mr. Cooper Group Inc. was determined to be the accounting acquirer in the WMIH Corp. merger. "Predecessor" financial information relates to Nationstar and "Successor" financial information relates to Mr. Cooper. The financial results for the three months ended September 30, 2019, three months ended June 30, 2019, the three months ended March 31, 2019, and the three months ended December 31, 2018 reflect the results of the Successor. With respect to the three months ended September 30, 2018, the Company has presented the results on a "combined" basis by combining the financial results of the Predecessor for the period from July 1, 2018 through July 31, 2018 and the financial results of the Successor for the period from August 1, 2018 through September 30, 2018. Although the separate financial results of the Predecessor for the period from July 1, 2018 through July 31, 2018 and the Successor for the period from August 1, 2018 through September 30, 2018 are each separately presented under generally accepted accounting principles ("GAAP") in the United States, the combined results reported reflect non-GAAP financial measures, because a different basis of accounting was used with respect to the financial results for the Predecessor as compared to the financial results of the Successor.

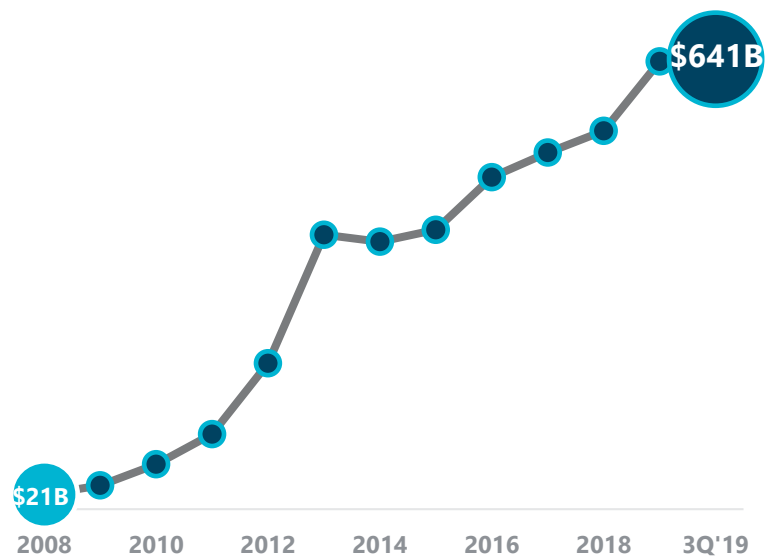
Non-GAAP Measures. This presentation contains certain references to non-GAAP measures. Please refer to the Appendix for more information on non-GAAP measures.

Evolution of the Leading Non-bank Mortgage Servicer

Post Crisis, Servicing Market Share Shifted to Non-banks (%)



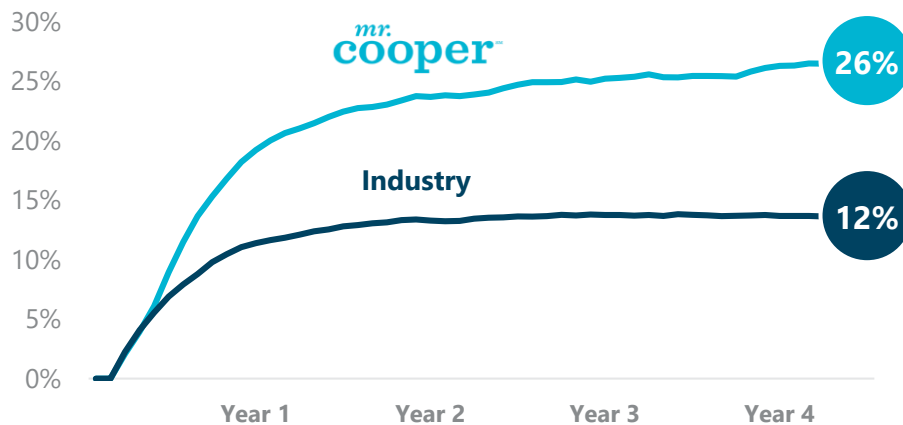
Industry-leading Portfolio Growth



Best-in-Class Operational Skills

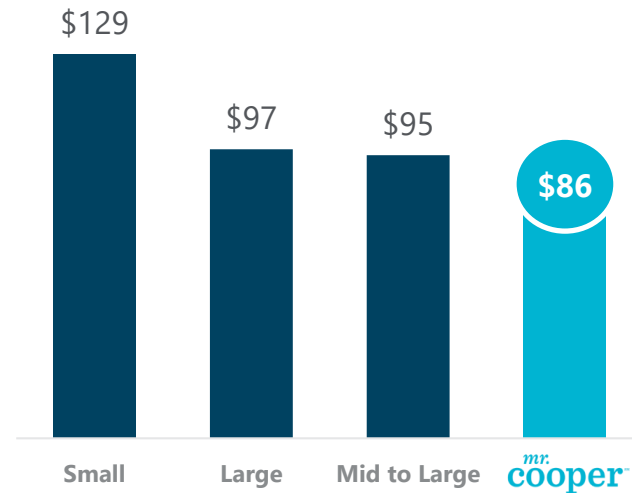
Kept More People in Their Homes

Returning Delinquent Loans to Performing Status at 2X the Industry Rate ⁽¹⁾



Built a Very Efficient Operating Platform

Direct Servicing cost per Loan below Peer Average ⁽²⁾

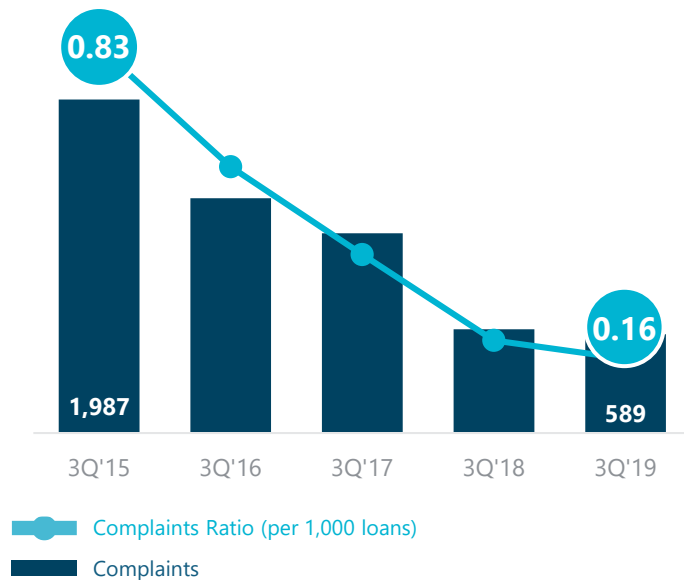


⁽¹⁾ Percentage of loans boarded delinquent brought back to performing status, compared to industry reperformance for buckets of similar loans. Source: Core Logic

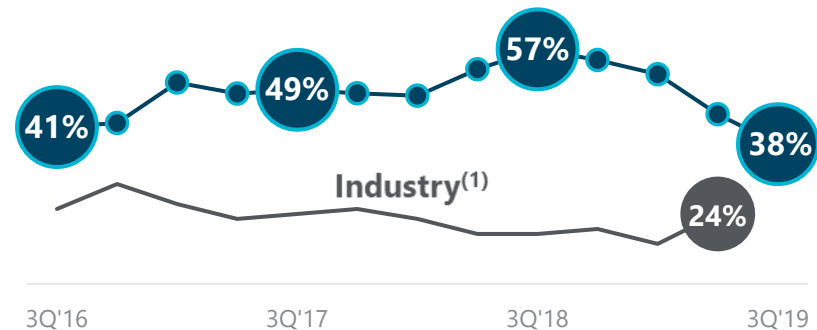
⁽²⁾ Direct servicing cost per loan for performing loans. Categories are defined as prime servicers; "Mid to Large" is 500k-1mm loans, "Large" is greater than 1mm loans, "Small" is less than 100k loans. Source: 2017 MBA Peer Group Study

Rebranding Establishes Customer-centric Culture

Significant Improvement in Customer Experience



Refinance Recapture is a Competitive Advantage



⁽¹⁾ Industry refinance recapture data as of 2Q'19 based on Black Knight's mortgage monitor August 2019 report.

Third Quarter Highlights

- **Reported \$83 million net income or \$0.90 per share, and pretax operating income of \$171 mm⁽¹⁾**
- **Generated record Originations EBT of \$178 mm on record funded volume of \$11.9 bn**
- **Servicing UPB remained stable, ending the quarter at \$641 bn, with an operating margin of 6.2 bps**
- **Xome reported EBT of \$14 mm and pretax operating income of \$13 mm,⁽¹⁾ with AMS contributing positive results**
- **Called \$100 mm of unsecured senior notes due 2021 and reported debt:adjusted EBITDA⁽¹⁾ of 4.1x⁽²⁾**
- **Achieved Great Place to Work certification**

⁽¹⁾ Please see appendix for reconciliations of non-GAAP items

⁽²⁾ Adjusted EBITDA is based on trailing twelve months

Generating and Sustaining Investor Returns

Current Initiatives

Target ROTCE

12%+

Integration:

Pacific Union



Seterus



AMS

Field services and title



Back office



Valuation

on schedule

Investment and Cost Savings

Titan investment

on schedule

\$50 mm corporate actions

on schedule

Deleveraging

Retirement of senior notes

Called \$100 mm of 2021s

Target debt: adjusted EBITDA <5.0x

4.1x

ROTCE shown fully taxed, does not include the cash flow benefits associated with the company's deferred tax asset

Note: ROTCE estimates are forward-looking and are subject to a number of risks, uncertainties and changes in circumstances, certain of which are beyond our control. Actual results could differ materially as a result of several factors, including interest rates, prepayment rates, amortization, economic growth and delinquencies. Please see appendix for reconciliations of non-GAAP items.

Summary 3Q'19 Financial Results

\$ mm's, except per share data	3Q'19	2Q'19	3Q'18
Servicing	\$60	\$70	\$37
Originations	178	118	32
Xome	13	10	5
Corporate debt interest expense	(51)	(51)	(47)
Corporate expense/other	(29)	(29)	(23)
Pretax operating income⁽¹⁾	\$171	\$118	\$4
Other mark-to-market ⁽²⁾	(51)	(205)	87
Merger related costs	-	(17)	-
Adjustments	(1)	-	(1)
Intangible amortization	(12)	(13)	(9)
Pretax income (loss)⁽⁵⁾	\$107	(\$117)	\$81
Net Income/(loss)⁽⁵⁾	\$83	(\$87)	\$61
Average diluted sharecount	92.0	91.1	99.1
Diluted EPS	\$0.90	(\$0.96)	\$0.62

TBV Rollforward ⁽¹⁾	\$ mm's	Per share
2Q'19	\$1,453	\$15.95
3Q'19 net income	83	0.90
Intangible amortization	12	0.13
Other	6	0.07
3Q'19	\$1,554	\$16.88

Investor returns	\$mm's	ROTCE
GAAP net income	\$83	22.1%
Fully-taxed operating income ⁽¹⁾⁽³⁾	\$130	34.5%
Cash tax-effected operating income ⁽¹⁾⁽⁴⁾	\$166	44.0%
Discretionary steady state cash flow	\$170	n/a

- Adjustments in 3Q'19 included removal of \$5 mm corporate action charges in Corporate and \$4 mm gain on the remeasurement of contingent consideration associated with the acquisition of Assurant Mortgage Solutions
- Trust collapse in Q3 contributed \$21 mm in earnings, of which \$11 mm was included in Servicing segment and \$10 mm in Corporate/Other

⁽¹⁾ Please see appendix for reconciliations of non-GAAP items

⁽²⁾ Other mark-to-market does not include fair value amortization. Fair value amortization represents the additional amortization required under the fair value amortization method over the cost amortization method

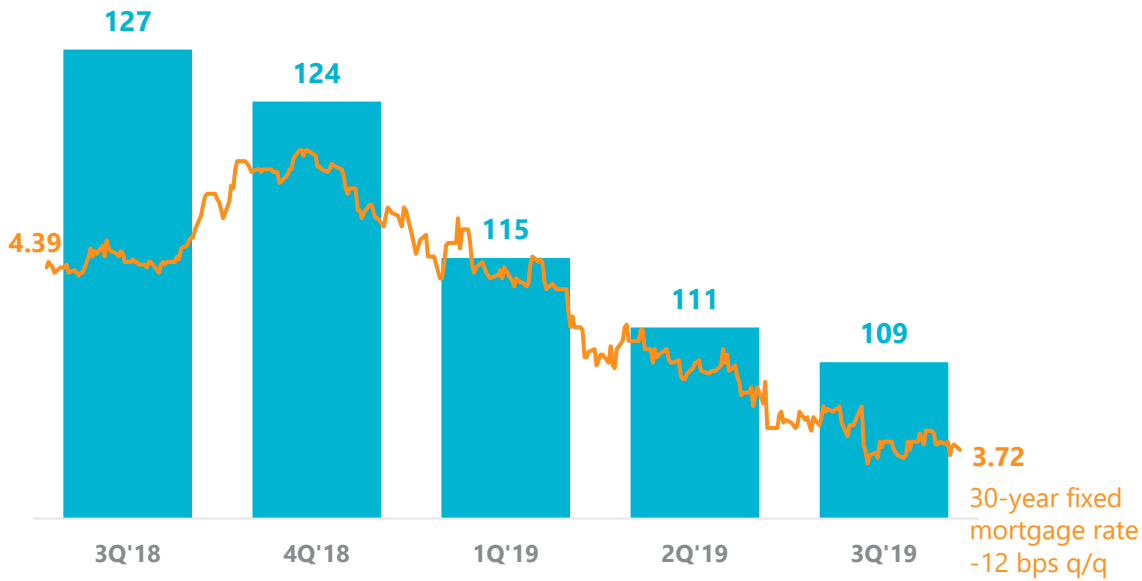
⁽³⁾ Assumes GAAP tax-rate of 24.2% and does not give credit to cash flow benefits of the DTA

⁽⁴⁾ Assumes marginal tax rate of 3.2%

⁽⁵⁾ 3Q'18 Pretax income excludes (\$123) mm merger related costs. Net income (loss) assumes a normalized tax rate of 24.2% and does not include the DTA tax benefit realized from the WMIH merger.

MSR Value Update

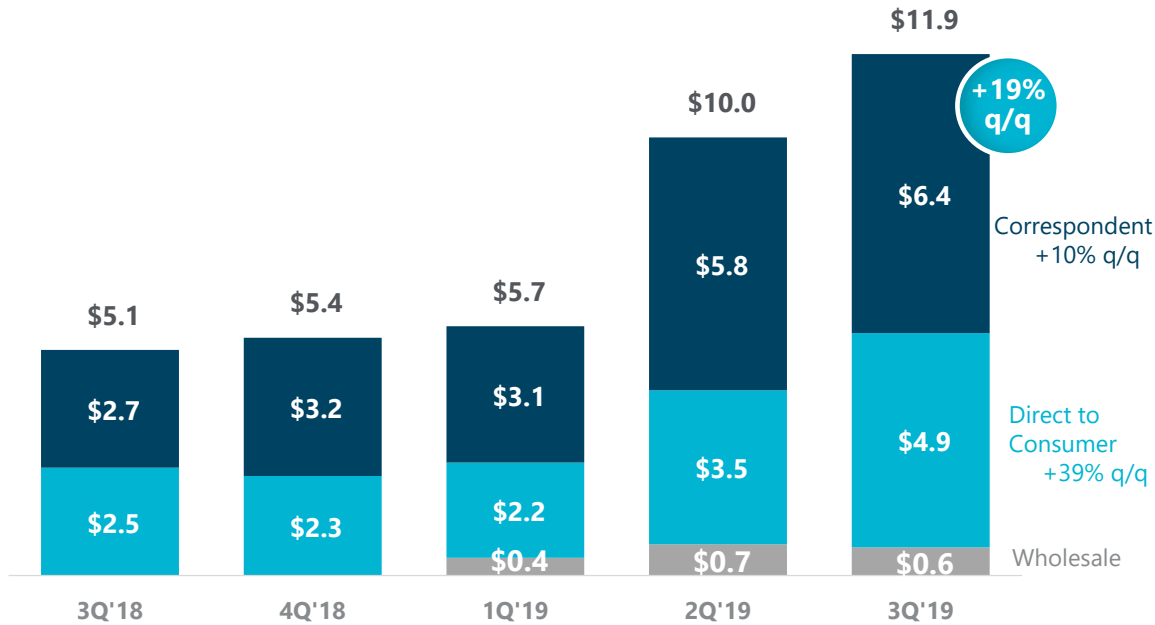
MSR value (bps)



- The company reported a mark-to-market of (\$83) mm, reflecting the impact on MSR value of higher expected lifetime prepayment speeds, offset by the corresponding impact on excess spread liability
- As of 9/30/19, 1 million customers would save, on average, \$220 per month by refinancing

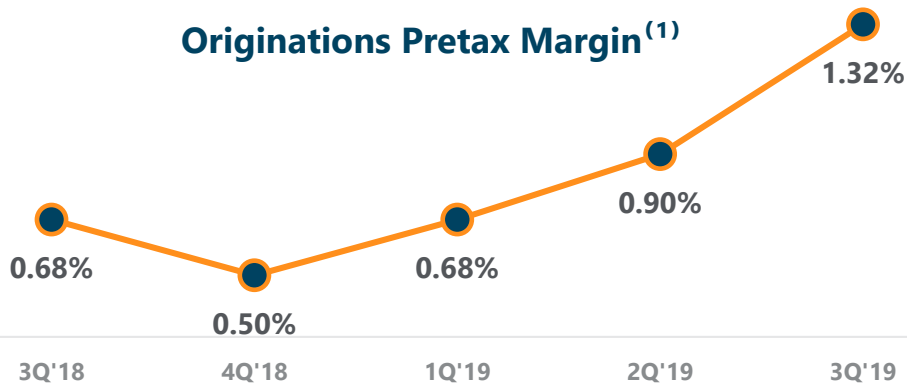
Record Originations Results

Funded Volume By Channel (\$ bn's)



- Total funded volume of \$11.9 bn was up 19% q/q and 131% y/y, while locked volume was up 13% q/q to \$12.7 bn
- The purchase mix was 39.1% of total funded volume
- Originations margin benefitted from declining rates and continued strong performance in the DTC channel, including increased contribution from the Home Advisor unit

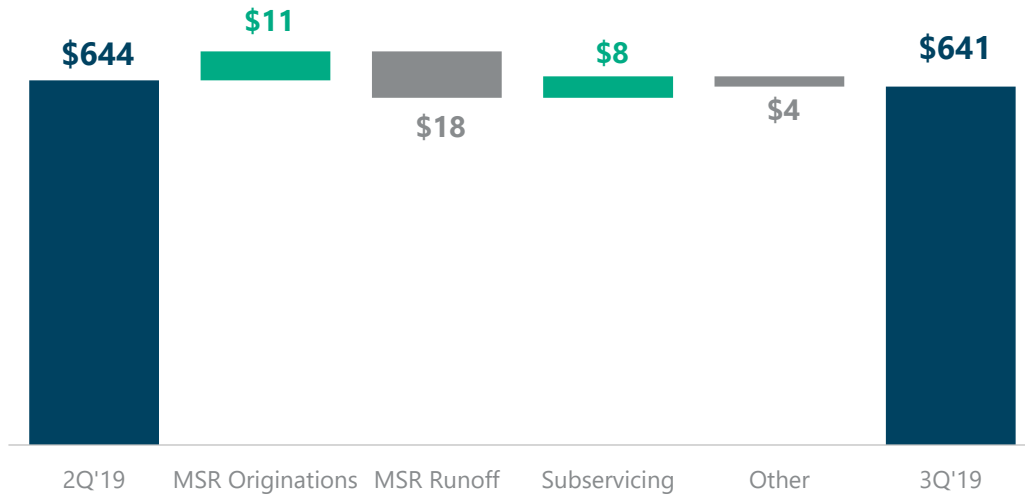
Originations Pretax Margin ⁽¹⁾



⁽¹⁾ Please see appendix for reconciliations of non-GAAP measures

Servicing Portfolio UPB is Stable

Portfolio Walk (\$ bn's)



- Total portfolio ended the quarter at \$641 bn, largely stable with the prior quarter-end

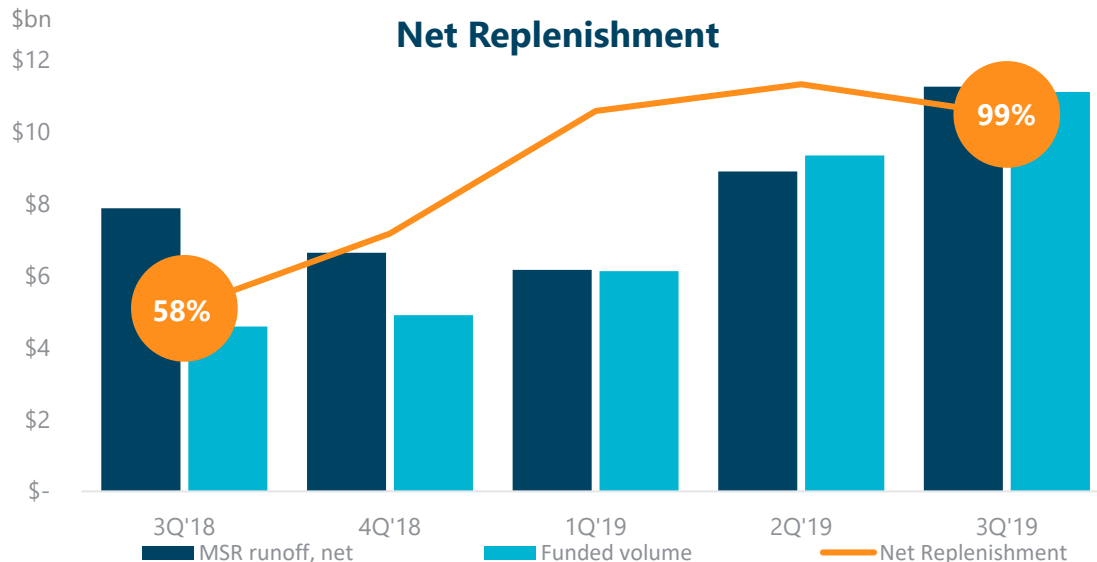
- Excluding the economic share of run-off attributable to excess spread co-investment partners, the net replenishment rate for the forward owned MSR portfolio was 99%

- Subservicing increased from 47% to 48% of the total portfolio

- The reverse mortgage portfolio remains in run-off, with balances down 22% y/y

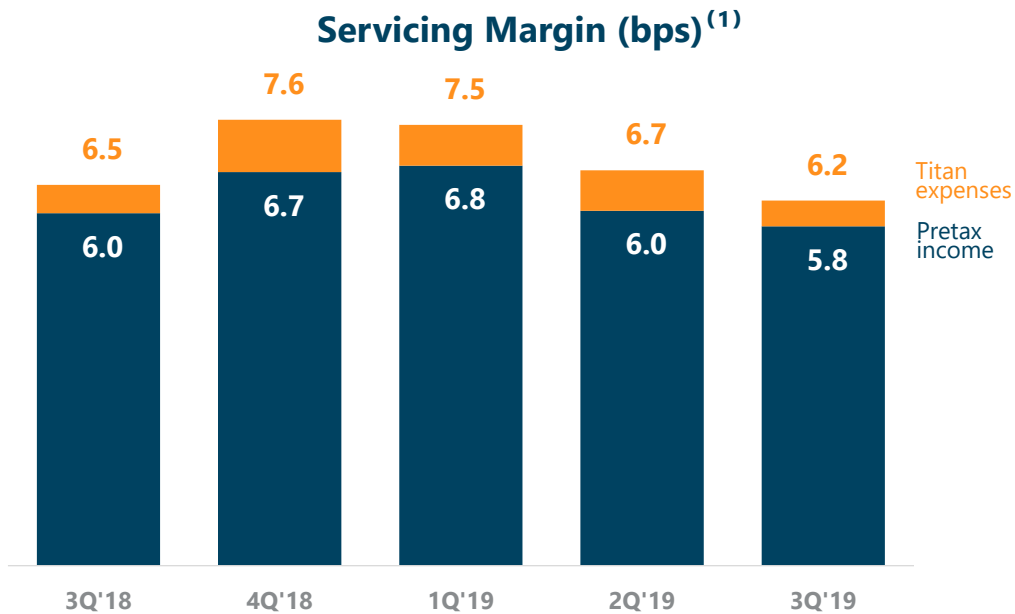
- Bulk MSR acquisitions and sales was minimal during the quarter

Net Replenishment

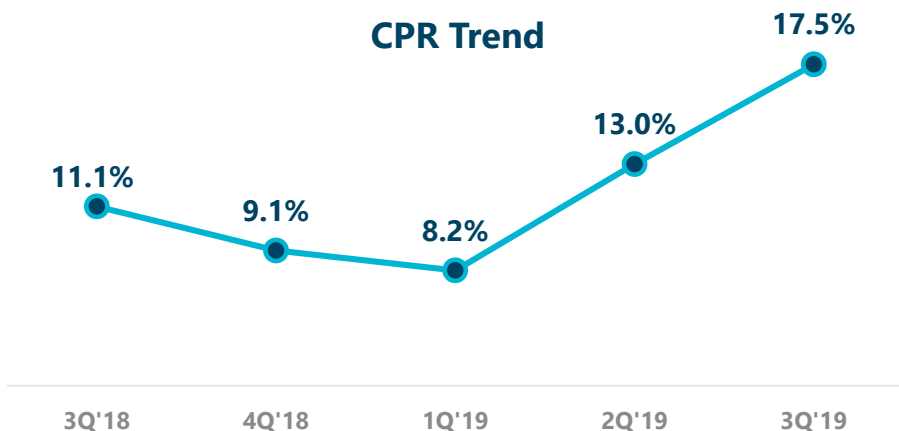


Note: Net replenishment is calculated as originations funded volume excluding subservicing, divided by net run-off. During the quarter, originations of \$11.9 bn included \$0.8 bn associated with subservicing contracts. Net run-off is calculated as \$18 bn in run-off associated with the forward owned MSR, less 38% attributable to excess spread co-investors, based on the ratio of the excess spread liability to the MSR value at the end of the quarter

Servicing Margin Impacted by Higher Amortization



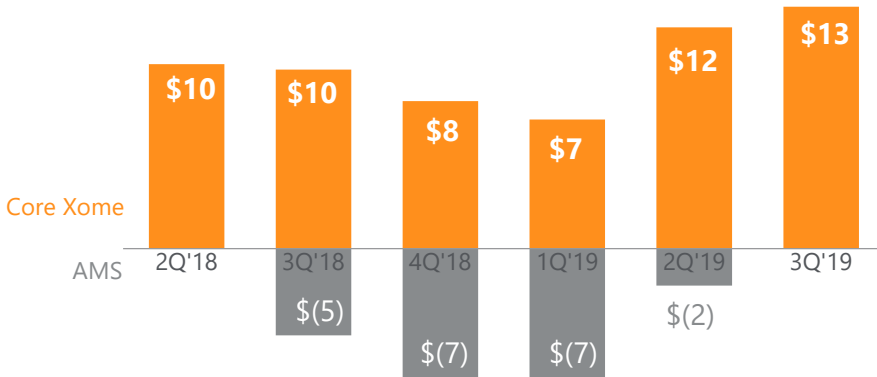
- Servicing margin compressed sequentially due to higher amortization, driven by increase in CPR to 17.5%
- Servicing margin excludes \$7 mm in Project Titan investment spending
- Servicing segment benefitted from trust collapse of legacy loans, which contributed \$11 mm in the quarter
- 60+ day delinquencies improved sequentially from 2.3% to 2.2%



⁽¹⁾ Please see appendix for reconciliations of non-GAAP measures

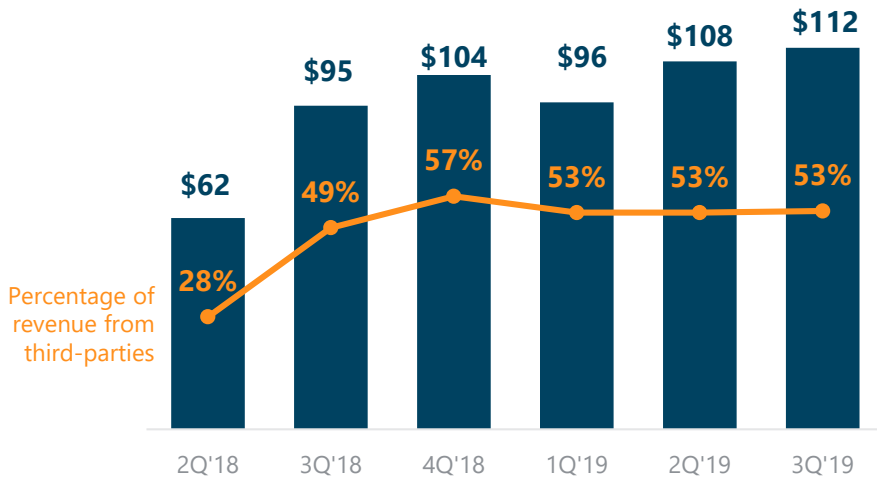
Xome Operating Results Improved to \$13 mm⁽¹⁾

Operating Profitability (\$ mm's)⁽¹⁾

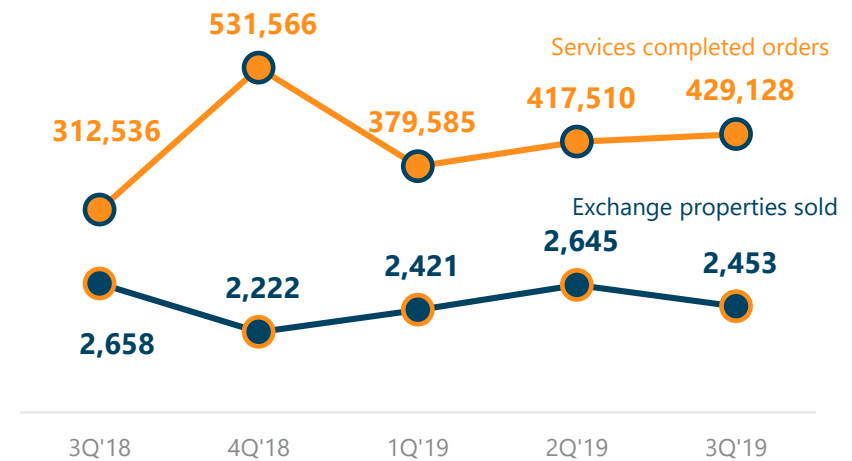


- AMS crossed the breakeven point and contributed positively to results. Integration of AMS is largely complete, with valuations unit to be fully integrated by 1Q'20
- Auction exchange continued to win third-party business, helping to mitigate impact of low-delinquency environment
- Revenues benefitted from strong results in title and close, reflecting uptick in refinance-related orders

Revenue (\$ mm's)



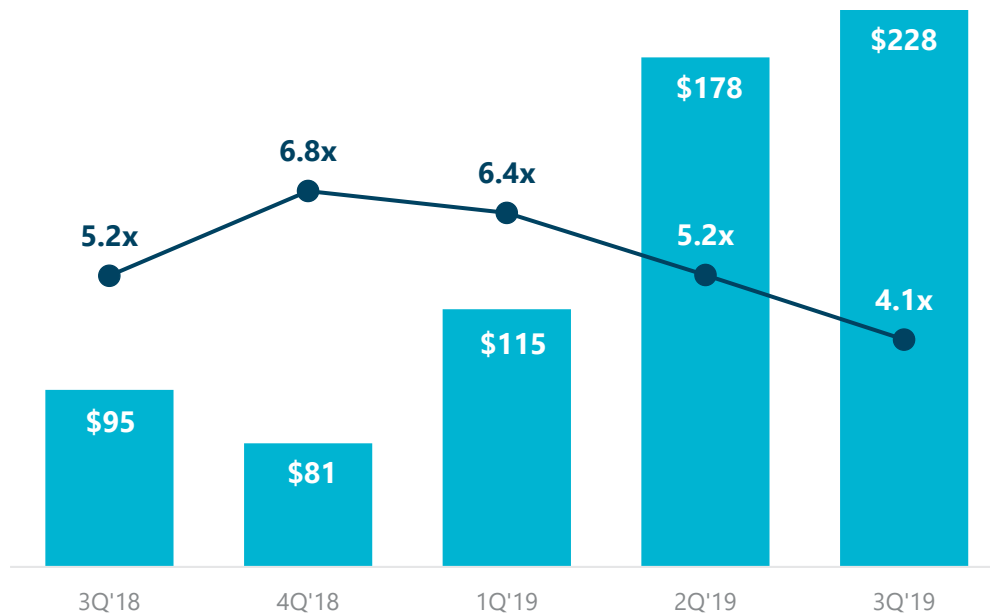
Exchange Sales and Service Orders



⁽¹⁾ Please see appendix for reconciliations of non-GAAP measures

Commitment to Strong Capital and Liquidity

Adjusted EBITDA and Debt/Adjusted EBITDA ⁽¹⁾



- Debt: adjusted EBITDA declined to 4.1x
- Estimated steady state cash flow improved to \$170 mm on strong origination profitability
- \$50 mm in operating lines was paid down voluntarily during the quarter
- Announced retirement of \$100 mm of senior notes due 2021, which settled in October

⁽¹⁾ Please see appendix for reconciliations of non-GAAP measures



Mr. CooperGroupSM

Appendix

Segment Operating Income and non-GAAP Reconciliation

\$mm's	Servicing	Originations	Xome	Corporate / Other	Consolidated ⁽¹⁾
Servicing related excluding MTM	\$246	\$22	\$112	\$ -	\$341
Net gain on mortgage loans held for sale	-	312	-	11	360
Operating revenue excluding MTM	246	334	112	11	701
Salaries, wages and benefits	85	104	37	24	250
General and administrative	86	51	64	29	228
Total expenses	171	155	101	53	478
Interest income / other	137	23	3	-	163
Interest expense	(120)	(24)	-	(1)	(145)
Corporate debt interest expense	-	-	-	(51)	(51)
Total other income (expenses), net	17	(1)	3	(52)	(33)
Pretax income (loss) before MTM	92	178	14	(94)	190
Fair value amortization ⁽²⁾	(32)	-	-	-	(32)
Other MTM	(51)	-	-	-	(51)
MTM	(83)	-	-	-	(83)
Pretax (loss) income	9	178	14	(94)	107
Other MTM	51	-	-	-	51
Adjustments	-	-	(4)	5	1
Intangible amortization	-	-	3	9	12
Pretax operating income (loss)	\$60	\$178	\$13	(\$80)	\$171

⁽¹⁾Consolidated includes eliminations

⁽²⁾ Amount represents the additional amortization required under the fair value amortization method over the cost amortization method

Tangible Book Value (TBV) Reconciliation

\$mm's	4Q'18	1Q'19	2Q'19	3Q'19
Stockholders' equity	\$1,945	\$1,761	\$1,678	\$1,767
Goodwill	(23)	(109)	(120)	(120)
Intangible assets	(117)	(116)	(105)	(93)
Tangible book value (TBV)	\$1,805	\$1,536	\$1,453	\$1,554
Average diluted sharecount	90.8	90.8	91.1	92.0
TBV/share	\$19.89	\$16.91	\$15.95	\$16.88

ROTCE Reconciliation

\$mm's	3Q'19
Pretax income	\$107
Income tax expense ⁽¹⁾	(24)
Net income	\$83
ROTCE	22.1%
Pretax income	107
Mark-to-market	83
Fair value amortization	(32)
Accounting items	1
Intangible amortization	12
Pretax operating income	\$171
Income tax expense ⁽²⁾	(41)
Fully-taxed operating income	\$130
ROTCE	34.5%
Income tax expense ⁽³⁾	(5)
Cash-taxed operating income	\$166
ROTCE	44.0%
Average TBV	\$1,503

⁽¹⁾ Includes income tax expense and non-controlling interest

⁽²⁾ Assumes GAAP tax-rate of 24.2% and does not give credit to cash flow benefits of the DTA

⁽³⁾ Assumes marginal tax rate of 3.2%

ROTCE is a non-GAAP financial measure that is computed by dividing earnings by tangible common equity. Tangible common equity equals total stockholders' equity less goodwill and intangible assets. The methodology of determining tangible common equity may differ among companies. Management believes that ROTCE is a useful financial measure because it measures the performance of a business consistently and enables investors and others to assess the Company's use of equity. We are unable to provide a reconciliation of the forward-looking non-GAAP financial measure to its most directly comparable GAAP financial measure because we are unable to provide, without unreasonable effort, a meaningful or accurate calculation or estimate of amounts that would be necessary for the reconciliation due to the complexity and inherent difficulty in forecasting and quantifying future amounts or when they may occur. Such unavailable information could be significant to future results.

Servicing Non-GAAP Reconciliation

\$mm's	3Q'18		4Q'18		1Q'19		2Q'19		3Q'19	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Pretax income (loss)	\$65	5.2	(\$100)	(7.6)	(\$186)	(12.9)	(\$135)	(8.4)	\$9	0.6
Mark-to-market (MTM)	(49)	(3.9)	188	14.3	293	20.3	231	14.4	83	5.2
Accounting item	-	-	-	-	(9)	(0.6)	-	-	-	-
Merger related costs	59	4.7	-	-	-	-	-	-	-	-
Pretax income excluding MTM and other notable items	\$75	6.0	\$88	6.7	\$98	6.8	\$96	6.0	\$92	5.8
Project Titan expenses	6	0.5	12	0.9	10	0.7	11	0.7	7	0.4
Pretax income excluding MTM, other notable items, and Titan	\$81	6.5	\$100	7.6	\$108	7.5	\$107	6.7	\$99	6.2
Average UPB (\$B)	500		526		576		639		637	

Servicing Profitability

\$mm's	3Q'18		4Q'18		1Q'19		2Q'19		3Q'19	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Operational Revenue										
Base servicing fees	\$210	16.8	\$225	17.1	\$240	16.7	\$257	16.1	\$252	15.8
Modification fees	6	0.5	3	0.2	3	0.2	6	0.4	4	0.3
Incentive fees	4	0.3	3	0.2	1	0.1	1	0.0	6	0.4
Late payment fees	17	1.4	18	1.4	19	1.3	20	1.2	23	1.4
Other ancillary revenues	26	2.1	24	1.8	48	3.3	30	1.9	48	3.0
Total forward MSR operational revenue	263	21.1	273	20.7	311	21.6	314	19.6	333	20.9
Base subservicing fee and other subservicing revenue	40	3.2	40	3.0	52	3.6	62	3.9	65	4.1
Reverse servicing fees	11	0.9	9	0.7	9	0.6	8	0.5	7	0.4
Total servicing fee revenue	314	25.2	322	24.4	372	25.8	384	24.0	405	25.4
MSR financing liability costs	(12)	(1.0)	(12)	(0.9)	(12)	(0.8)	(11)	(0.7)	(9)	(0.6)
Excess spread payments - principal	(30)	(2.4)	(30)	(2.3)	(36)	(2.5)	(59)	(3.7)	(77)	(4.8)
Total operational revenue	272	21.8	280	21.2	324	22.5	314	19.6	319	20.0
Amortization										
Forward MSR amortization	(80)	(6.4)	(76)	(5.8)	(79)	(5.5)	(125)	(7.8)	(162)	(10.1)
Excess spread accretion	33	2.6	32	2.4	36	2.5	59	3.7	77	4.8
Reverse MSL accretion	6	0.5	9	0.7	18	1.3	11	0.7	10	0.6
Reverse MSR amortization	-	-	(4)	(0.3)	2	0.1	(1)	(0.1)	2	0.1
Total amortization	(41)	(3.3)	(39)	(3.0)	(23)	(1.6)	(56)	(3.5)	(73)	(4.6)
Mark-to-Market Adjustments										
MSR MTM	93	7.4	(202)	(15.4)	(360)	(25.0)	(227)	(14.2)	(195)	(12.2)
Excess spread / financing MTM	(44)	(3.5)	14	1.1	67	4.7	(4)	(0.2)	112	7.0
Total MTM adjustments	49	3.9	(188)	(14.3)	(293)	(20.3)	(231)	(14.4)	(83)	(5.2)
Total revenues	\$280	22.4	\$53	3.9	\$8	0.6	\$27	1.7	\$163	10.2
Average UPB (\$B)	500		526		576		639		637	

Servicing Profitability [cont.]

\$mm's	3Q'18		4Q'18		1Q'19		2Q'19		3Q'19	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Salaries, wages and benefits	\$77	6.2	\$79	6.0	\$86	6.0	\$90	5.6	\$85	5.3
Servicing support fees	34	2.7	34	2.6	39	2.7	24	1.5	30	1.9
Corporate and other general and administrative expenses	38	3.0	45	3.4	39	2.7	39	2.4	40	2.5
Foreclosure and other liquidation related expenses	75	6.1	36	2.7	27	1.9	32	2.0	11	0.7
Depreciation and amortization	6	0.5	5	0.4	4	0.3	4	0.3	5	0.3
Total general and administrative expenses	153	12.3	120	9.1	109	7.6	99	6.2	86	5.4
Expenses	\$230	18.5	\$199	15.1	\$195	13.6	\$189	11.8	\$171	10.7
Reverse mortgage interest income	110	8.8	133	10.1	82	5.7	86	5.4	81	5.1
Other interest income	9	0.7	11	0.8	33	2.3	50	3.1	56	3.5
Interest income	119	9.5	144	10.9	115	8.0	136	8.5	137	8.6
Reverse mortgage interest expense	(93)	(7.4)	(84)	(6.4)	(71)	(4.9)	(46)	(2.9)	(58)	(3.6)
Advance interest expense	(7)	(0.6)	(8)	(0.6)	(9)	(0.6)	(8)	(0.5)	(6)	(0.4)
Other interest expense	(9)	(0.7)	(7)	(0.5)	(34)	(2.4)	(55)	(3.4)	(56)	(3.5)
Interest expense	(109)	(8.7)	(99)	(7.5)	(114)	(7.9)	(109)	(6.8)	(120)	(7.5)
Other income (expense)	5	0.4	1	0.1	-	-	-	-	-	-
Total other income (expense), net	\$15	1.2	\$46	3.5	\$1	0.1	\$27	1.7	\$17	1.1
Pretax income (loss)	\$65	5.2	(\$100)	(7.6)	(\$186)	(12.9)	(\$135)	(8.4)	\$9	0.6
Average UPB (\$B)	500		526		576		639		637	

Servicing Portfolio

Unpaid Principal Balance (\$mm's)	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Forward balance - beginning of period	\$465,398	\$483,592	\$519,367	\$604,883	\$618,120
Additions:					
Originations	5,142	5,488	5,295	9,920	11,808
Acquisitions	31,917	55,825	97,811	32,787	33,606
Deductions:					
Dispositions	(658)	(9,566)	(1,251)	(2,914)	(12,106)
Principal reductions and other	(4,718)	(4,700)	(5,145)	(5,700)	(5,626)
Voluntary reductions	(12,212)	(10,262)	(10,272)	(19,778)	(27,545)
Involuntary reductions	(1,187)	(920)	(857)	(994)	(975)
Net changes in loans serviced by others	(90)	(90)	(65)	(84)	(70)
Runoff	(18,207)	(15,972)	(16,339)	(26,556)	(34,216)
Forward balance - end of period	\$483,592	\$519,367	\$604,883	\$618,120	\$617,212
Reverse balance - end of period	30,660	28,415	27,014	25,569	23,990
Total balance - end of period	\$514,252	\$547,782	\$631,897	\$643,689	\$641,202
Memo:					
Forward MSR balance - end of period	\$274,486	\$295,481	\$303,692	\$316,012	\$306,681
Subservicing balance - end of period	\$209,106	\$223,886	\$301,191	\$302,108	\$310,531
Forward runoff rate ⁽¹⁾	15.6%	13.2%	12.6%	17.6%	22.1%
60+ delinquency (% of loans)	2.5%	2.2%	2.4%	2.3%	2.2%
MSR CPR	11.8%	10.1%	9.3%	14.3%	18.1%
Total CPR	11.1%	9.1%	8.2%	13.0%	17.5%
Fair value amortization ⁽²⁾	(\$38)	(\$35)	(\$25)	(\$26)	(\$32)
MSR carrying value	127 bps	124 bps	115 bps	111 bps	109 bps
MSR original cost	76 bps	79 bps	83 bps	85 bps	86 bps

⁽¹⁾ Forward runoff rate is calculated as the annualized forward servicing runoff divided by forward beginning of period UPB

⁽²⁾ Amount represents the additional amortization required under the fair value amortization method over the cost amortization method

Originations Non-GAAP Reconciliation

\$mm's	3Q'18		4Q'18		1Q'19		2Q'19		3Q'19	
	\$	Margin	\$	Margin	\$	Margin	\$	Margin	\$	Margin
Pretax income	\$32	0.68%	\$11	0.40%	\$45	0.68%	\$118	0.90%	\$178	1.32%
Business shutdown costs	-	-	5	0.10%	-	-	-	-	-	-
Pretax income excluding business shutdown costs	\$32	0.68%	\$16	0.50%	\$45	0.68%	\$118	0.90%	\$178	1.32%
Pull through adjusted lock volume (\$B)	5.0		4.9		6.0		11.2		12.7	
Funded volume (\$B)	5.1		5.4		5.7		10.0		11.9	

Note: Revenue based on pull through adjusted locked volume, expenses based on funded volume.

Originations Profitability

\$mm's	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Service related, net - Originations	\$14	\$14	\$15	\$20	\$22
Net gain on mortgage loans held for sale					
Gain on loans originated and sold	48	35	46	84	156
Fair value adjustments on loans held for sale	(9)	14	10	6	3
Mark-to-market on locks and commitments	(3)	(9)	6	65	34
Mark-to-market on derivative/hedge	19	(30)	10	(3)	(2)
Capitalized servicing rights	63	73	61	100	126
Provision for repurchase reserves, net of release	(1)	(2)	(2)	(8)	(5)
Total net gain on mortgage loans held for sale	117	81	131	244	312
Total revenues	\$131	\$95	\$146	\$264	\$334
Pull through adjusted lock volume	\$5,027	\$4,873	\$5,960	\$11,197	\$12,699
GOS margin	2.33%	1.66%	2.20%	2.18%	2.46%
Revenue margin	2.61%	1.95%	2.45%	2.36%	2.63%
Value of capitalized servicing retained	138 bps	147 bps	141 bps	149 bps	154 bps

Note: Revenue based on pull through adjusted locked volume, expenses based on funded volume

Originations Profitability [cont.]

\$mm's	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Salaries, wages and benefits	\$60	\$56	\$69	\$88	\$104
Loan originations expenses	14	10	10	17	16
Corporate and other general and administrative expenses	10	11	14	13	16
Marketing and professional service fee	13	9	8	21	12
Depreciation and amortization	3	3	3	6	4
Loss on impairment of assets	-	-	-	-	3
Expenses	\$100	\$89	\$104	\$145	\$ 155
Funded volume	\$5,147	\$5,424	\$5,716	\$9,996	\$11,911
Expenses margin	1.94%	1.64%	1.82%	1.45%	1.30%
Interest income	\$16	\$17	\$17	\$23	\$24
Interest expense	(16)	(16)	(18)	(25)	(24)
Other income	1	4	4	1	(1)
Other income (expense), net	\$1	\$5	\$3	(\$1)	(\$1)
Funded volume	\$5,147	\$5,424	\$5,716	\$9,996	\$11,911
Other income (expense), net margin	0.02%	0.09%	0.05%	-0.01%	-0.01%
Pretax income	\$32	\$11	\$45	\$118	\$178
Pretax income margin	0.68%	0.40%	0.68%	0.90%	1.32%

Note: Revenue based on pull through adjusted locked volume, expenses based on funded volume

Xome Non-GAAP Reconciliation

\$mm's	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Pretax income (loss)	\$4	(\$2)	\$8	\$7	\$14
Business shutdown costs	1	1	-	-	-
Asset sales	-	(1)	-	-	-
Accounting item	-	-	(11)	-	(4)
Intangible amortization	-	3	3	3	3
Pretax income excluding notable items	\$5	\$1	\$0	\$10	\$13
AMS impact	5	7	7	2	n/a
Pretax income, excluding notable items, and AMS impact	\$10	\$8	\$7	\$12	\$13

Xome Profitability

\$mm's	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Exchange	\$24	\$19	\$20	\$20	\$19
Services	65	81	71	82	87
Data/Technology	6	4	5	6	6
Total revenues	\$95	\$104	\$96	\$108	\$112
Salaries, wages and benefits	38	44	38	36	37
Operational expenses	49	60	57	62	60
Depreciation and amortization	3	3	4	3	4
Expenses	\$90	\$107	\$99	\$101	\$101
Other income, net	(\$1)	\$1	\$11	\$ -	\$3
Pretax income (loss)	\$4	(\$2)	\$8	\$7	\$14
Margin	4.2%	-1.9%	8.3%	6.5%	12.5%
Exchange property listings sold	2,658	2,222	2,421	2,645	2,453
Average exchange property listings	5,577	5,753	6,275	6,693	6,688
Services completed orders	312,536	531,566	379,585	417,510	429,128
Percentage of revenue earned from third-party customers	49%	57%	53%	53%	53%

Adjusted EBITDA

\$mm's	3Q'18	4Q'18	1Q'19	2Q'19	3Q'19
Consolidated GAAP pretax (loss) income	(\$42)	(\$178)	(\$233)	(\$117)	\$107
Mark-to-market	(49)	188	293	231	83
Adjustments ⁽¹⁾	139	29	21	30	10
MSR amortization, net	41	39	23	56	73
Capitalized servicing rights	(65)	(77)	(66)	(103)	(129)
Depreciation and amortization	22	26	21	24	22
Corporate debt interest expense	45	54	51	51	51
Other	4	-	4	5	11
Adjusted EBITDA	\$95	\$81	\$115	\$178	\$228

Numbers may not add due to rounding

⁽¹⁾ Adjusted EBITDA calculated consistent with the definition in the corporate indentures for senior unsecured notes maturing in 2023 and 2026. 3Q'19 includes rent differential \$1 mm, Project Titan expenses \$7 mm, charges related to corporate actions \$5 mm, remeasure of contingent consideration associated with AMS (\$4 mm)

3Q'19 Sources and Uses Cash Flow

\$mm's	Servicing	Originations	Home	Corporate / Other	Consolidated	Steady State
GAAP pretax income (loss)	\$ 9	\$ 178	\$ 14	\$ (94)	\$ 107	
Depreciation and amortization	5	4	4	9	22	
Share-based compensation	-	1	1	3	5	
Amortization of premiums, net of discount accretion	(18)	-	-	5	(13)	
Settlement of excess spread financing	(56)	-	-	-	(56)	
MSR/MSL amortization/accretion	150	-	-	-	150	
Total MTM adjustments	83	-	-	-	83	
Business segment cash flow from operations	\$ 173	\$ 183	\$ 19	\$ (77)	\$ 298	\$ 298
Total working capital change ⁽²⁾					(65)	
Total sources, net					\$ 233	\$ 298
Capex					(11)	(11)
Capitalized servicing rights - Originations/EBO					(129)	(129)
MSR purchases, MSR sales and excess spread financing					(1)	12
Net investment in MSR					(130)	(117) ⁽¹⁾
Total uses, net					\$ (141)	\$ (128)
Change in cash					\$ 92	\$ 170
Change in unrestricted cash					\$ 126	

⁽¹⁾ Required investment to sustain the net MSR is based on sum of \$(162) mm forward MSR amortization, \$77 mm excess spread accretion, and \$(32) mm fair value amortization

⁽²⁾ Includes mortgage loans originated, sold or repurchased, net gains on mortgage loans held for sale excluding capitalized servicing rights, reverse mortgage interests, interest income on reverse mortgage loans, and HECM and participating interest activities, repayment of nonrecourse debt – legacy assets, and changes in warehouse facilities, advance facilities, advances and other receivables, other assets, payables and other liabilities, and other activities