

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-14667

Mr. CooperGroup®

Mr. Cooper Group Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

8950 Cypress Waters Blvd, Coppell, TX

(Address of principal executive offices)

91-1653725

(I.R.S. Employer Identification No.)

75019

(Zip Code)

(469) 549-2000

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.01 par value per share	COOP	The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12(b)-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of common stock, \$0.01 par value, outstanding as of October 21, 2022 was 70,564,728.

MR. COOPER GROUP INC.
QUARTERLY REPORT ON FORM 10-Q
TABLE OF CONTENTS

	Page	
PART I	FINANCIAL INFORMATION	
Item 1.	Financial Statements	3
	Condensed Consolidated Balance Sheets as of September 30, 2022 (unaudited) and December 31, 2021	3
	Condensed Consolidated Statements of Operations (unaudited) for the Three and Nine Months Ended September 30, 2022 and 2021	4
	Condensed Consolidated Statements of Stockholders' Equity (unaudited) for the Three and Nine Months Ended September 30, 2022 and 2021	5
	Condensed Consolidated Statements of Cash Flows (unaudited) for the Nine Months Ended September 30, 2022 and 2021	7
	Notes to Condensed Consolidated Financial Statements (unaudited)	9
	1. Nature of Business and Basis of Presentation	9
	2. Dispositions	10
	3. Mortgage Servicing Rights and Related Liabilities	11
	4. Advances and Other Receivables	13
	5. Mortgage Loans Held for Sale	15
	6. Loans Subject to Repurchase from Ginnie Mae	16
	7. Goodwill and Intangible Assets	16
	8. Derivative Financial Instruments	16
	9. Indebtedness	18
	10. Securitizations and Financings	19
	11. Earnings Per Share	20
	12. Income Taxes	22
	13. Fair Value Measurements	22
	14. Capital Requirements	25
	15. Commitments and Contingencies	25
	16. Segment Information	27
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	53
Item 4.	Controls and Procedures	54
PART II	OTHER INFORMATION	
Item 1.	Legal Proceedings	55
Item 1A.	Risk Factors	55
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	55
Item 3.	Defaults Upon Senior Securities	55
Item 4.	Mine Safety Disclosures	55
Item 5.	Other Information	55
Item 6.	Exhibits	56

PART I. Financial Information**Item 1. Financial Statements**

MR. COOPER GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(millions of dollars, except share data)

	September 30, 2022 <i>(unaudited)</i>	December 31, 2021
Assets		
Cash and cash equivalents	\$ 530	\$ 895
Restricted cash	148	146
Mortgage servicing rights at fair value	6,408	4,223
Advances and other receivables, net of reserves of \$143 and \$167, respectively	831	1,228
Mortgage loans held for sale at fair value	1,581	4,381
Property and equipment, net of accumulated depreciation of \$116 and \$122, respectively	69	98
Deferred tax assets, net	711	991
Other assets	2,537	2,242
Total assets	<u>\$ 12,815</u>	<u>\$ 14,204</u>
Liabilities and Stockholders' Equity		
Unsecured senior notes, net	\$ 2,673	\$ 2,670
Advance and warehouse facilities, net	3,070	4,997
Payables and other liabilities	2,428	2,392
MSR related liabilities - nonrecourse at fair value	539	778
Total liabilities	<u>8,710</u>	<u>10,837</u>
Commitments and contingencies (Note 15)		
Preferred stock at \$0.00001 - 10 million shares authorized, zero shares issued, zero shares outstanding; aggregate liquidation preference of zero	—	—
Common stock at \$0.01 par value - 300 million shares authorized, 93.2 million shares issued	1	1
Additional paid-in-capital	1,099	1,116
Retained earnings	3,801	2,879
Treasury shares at cost - 22.7 million and 19.4 million shares, respectively	(796)	(630)
Total Mr. Cooper stockholders' equity	<u>4,105</u>	<u>3,366</u>
Non-controlling interests	—	1
Total stockholders' equity	<u>4,105</u>	<u>3,367</u>
Total liabilities and stockholders' equity	<u>\$ 12,815</u>	<u>\$ 14,204</u>

See accompanying Notes to the Condensed Consolidated Financial Statements (unaudited).

MR. COOPER GROUP INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(millions of dollars, except for earnings per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Service related, net	\$ 395	\$ 288	\$ 1,610	\$ 860
Net gain on mortgage loans held for sale	115	572	551	1,833
Total revenues	<u>510</u>	<u>860</u>	<u>2,161</u>	<u>2,693</u>
Expenses:				
Salaries, wages and benefits	183	251	614	805
General and administrative	133	151	368	476
Total expenses	<u>316</u>	<u>402</u>	<u>982</u>	<u>1,281</u>
Interest income	83	66	169	163
Interest expense	(104)	(118)	(321)	(363)
Other (expense) income, net	(20)	8	197	494
Total other (expense) income, net	<u>(41)</u>	<u>(44)</u>	<u>45</u>	<u>294</u>
Income from continuing operations before income tax expense	153	414	1,224	1,706
Less: Income tax expense	40	104	302	410
Net income from continuing operations	113	310	922	1,296
Net (loss) income from discontinued operations	—	(11)	—	3
Net income	113	299	922	1,299
Less: Undistributed earnings attributable to participating stockholders	—	1	—	9
Less: Premium on retirement of preferred stock	—	28	—	28
Net income attributable to common stockholders	<u>\$ 113</u>	<u>\$ 270</u>	<u>\$ 922</u>	<u>\$ 1,262</u>
Earnings from continuing operations per common share attributable to Mr. Cooper:				
Basic	\$ 1.59	\$ 3.56	\$ 12.71	\$ 14.85
Diluted	\$ 1.55	\$ 3.42	\$ 12.37	\$ 14.20
Earnings from discontinued operations per common share attributable to Mr. Cooper:				
Basic	\$ —	\$ (0.14)	\$ —	\$ 0.04
Diluted	\$ —	\$ (0.13)	\$ —	\$ 0.03
Earnings per common share attributable to Mr. Cooper:				
Basic	\$ 1.59	\$ 3.42	\$ 12.71	\$ 14.89
Diluted	\$ 1.55	\$ 3.29	\$ 12.37	\$ 14.23

See accompanying Notes to the Condensed Consolidated Financial Statements (unaudited).

MR. COOPER GROUP INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(millions of dollars, except share data)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Share Amount	Total Mr. Cooper Stockholders' Equity	Non- controlling Interests	Total Stockholders' Equity
	Shares (in thousands)	Amount	Shares (in thousands)	Amount						
Balance at June 30, 2021	1,000	\$ —	86,149	\$ 1	\$ 1,120	\$ 2,434	\$ (206)	\$ 3,349	\$ 1	\$ 3,350
Shares issued / (surrendered) under incentive compensation plan	—	—	45	—	—	—	—	—	—	—
Share-based compensation	—	—	—	—	7	—	—	7	—	7
Repurchase of common stock	—	—	(11,073)	—	—	—	(368)	(368)	—	(368)
Retirement of preferred stock	(1,000)	—	—	—	(19)	(9)	—	(28)	—	(28)
Net income	—	—	—	—	—	299	—	299	—	299
Balance at September 30, 2021	—	\$ —	75,121	\$ 1	\$ 1,108	\$ 2,724	\$ (574)	\$ 3,259	\$ 1	\$ 3,260
Balance at June 30, 2022	—	\$ —	71,651	\$ 1	\$ 1,094	\$ 3,688	\$ (747)	\$ 4,036	\$ 1	\$ 4,037
Shares issued / (surrendered) under incentive compensation plan	—	—	42	—	(2)	—	1	(1)	—	(1)
Share-based compensation	—	—	—	—	7	—	—	7	—	7
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Repurchase of common stock	—	—	(1,136)	—	—	—	(50)	(50)	—	(50)
Net income	—	—	—	—	—	113	—	113	—	113
Balance at September 30, 2022	—	\$ —	70,557	\$ 1	\$ 1,099	\$ 3,801	\$ (796)	\$ 4,105	\$ —	\$ 4,105

See accompanying Notes to the Condensed Consolidated Financial Statements (unaudited).

MR. COOPER GROUP INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(millions of dollars, except share data)

	Preferred Stock		Common Stock		Additional Paid-in Capital	Retained Earnings	Treasury Share Amount	Total Mr. Cooper Stockholders' Equity	Non-controlling Interests	Total Stockholders' Equity
	Shares (in thousands)	Amount	Shares (in thousands)	Amount						
Balance at January 1, 2021	1,000	\$ —	89,457	\$ 1	\$ 1,126	\$ 1,434	\$ (58)	\$ 2,503	\$ 1	\$ 2,504
Shares issued / (surrendered) under incentive compensation plan	—	—	1,242	—	(20)	—	—	(20)	—	(20)
Share-based compensation	—	—	—	—	21	—	—	21	—	21
Repurchase of common stock	—	—	(15,578)	—	—	—	(516)	(516)	—	(516)
Retirement of preferred stock	(1,000)	—	—	—	(19)	(9)	—	(28)	—	(28)
Net income	—	—	—	—	—	1,299	—	1,299	—	1,299
Balance at September 30, 2021	—	\$ —	75,121	\$ 1	\$ 1,108	\$ 2,724	\$ (574)	\$ 3,259	\$ 1	\$ 3,260
Balance at January 1, 2022	—	\$ —	73,777	\$ 1	\$ 1,116	\$ 2,879	\$ (630)	\$ 3,366	\$ 1	\$ 3,367
Shares issued / (surrendered) under incentive compensation plan	—	—	898	—	(41)	—	19	(22)	—	(22)
Share-based compensation	—	—	—	—	24	—	—	24	—	24
Dividends paid to noncontrolling interests	—	—	—	—	—	—	—	—	(1)	(1)
Repurchase of common stock	—	—	(4,118)	—	—	—	(185)	(185)	—	(185)
Net income	—	—	—	—	—	922	—	922	—	922
Balance at September 30, 2022	—	\$ —	70,557	\$ 1	\$ 1,099	\$ 3,801	\$ (796)	\$ 4,105	\$ —	\$ 4,105

See accompanying Notes to the Condensed Consolidated Financial Statements (unaudited).

MR. COOPER GROUP INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(millions of dollars)

	Nine Months Ended September 30,	
	2022	2021
Operating Activities		
Net income	\$ 922	\$ 1,299
Less: Net income from discontinued operations	—	3
Net income from continuing operations	922	1,296
Adjustments to reconcile net income from continuing operations to net cash attributable to operating activities:		
Deferred tax expense	280	326
Net gain on mortgage loans held for sale	(551)	(1,833)
Provision for servicing and non-servicing reserves	22	28
Fair value changes in mortgage servicing rights	(719)	296
Fair value changes in MSR related liabilities	134	(7)
Depreciation and amortization for property and equipment and intangible assets	29	45
Gain on sale of business	—	(494)
Gain on disposition of assets	(223)	—
Loss on MSR hedging activities	329	82
Other operating activities	75	40
Repurchases of loan assets out of Ginnie Mae securitizations	(2,904)	(8,530)
Mortgage loans originated and purchased for sale, net of fees	(25,120)	(67,507)
Sales proceeds and loan payment proceeds for mortgage loans held for sale	30,440	74,968
Changes in assets and liabilities:		
Advances and other receivables	355	(41)
Other assets	287	236
Payables and other liabilities	(212)	(289)
Net cash attributable to operating activities - continuing operations	3,144	(1,384)
Net cash attributable to operating activities - discontinued operations	—	614
Net cash attributable to operating activities	3,144	(770)
Investing Activities		
Sale of business, net of cash divested	—	432
Property and equipment additions, net of disposals	(14)	(33)
Purchase of mortgage servicing rights	(1,257)	(431)
Proceeds on sale of mortgage servicing rights	284	13
Other investing activities	—	1
Net cash attributable to investing activities - continuing operations	(987)	(18)
Net cash attributable to investing activities - discontinued operations	—	1,029
Net cash attributable to investing activities	(987)	1,011
Financing Activities		
(Decrease) increase in advance and warehouse facilities	(1,933)	1,950
Repayments of excess spread financing	(293)	—
Settlements of excess spread financing	(80)	(118)
Repurchase of common stock	(185)	(516)
Retirement of preferred stock	—	(28)
Other financing activities	(29)	(33)
Net cash attributable to financing activities - continuing operations	(2,520)	1,255
Net cash attributable to financing activities - discontinued operations	—	(1,495)
Net cash attributable to financing activities	(2,520)	(240)
Net (decrease) increase in cash, cash equivalents, and restricted cash	(363)	1
Cash, cash equivalents, and restricted cash - beginning of period	1,041	913
Cash, cash equivalents, and restricted cash - end of period ⁽¹⁾	\$ 678	\$ 914

Supplemental Disclosures of Non-cash Investing Activities

Equity consideration received from disposition of assets	\$	250	\$	—
Purchase of mortgage servicing rights	\$	7	\$	12
Forward mortgage servicing rights sales price holdback	\$	15	\$	2
Equity consideration received from sale of business	\$	—	\$	53

(1) The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported within the condensed consolidated balance sheets.

	September 30, 2022		September 30, 2021	
Cash and cash equivalents	\$	530	\$	731
Restricted cash		148		118
Restricted cash within assets of discontinued operations		—		65
Total cash, cash equivalents, and restricted cash	\$	678	\$	914

See accompanying Notes to the Condensed Consolidated Financial Statements (unaudited).

MR COOPER GROUP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(millions of dollars, unless otherwise stated)

1. Nature of Business and Basis of Presentation

Nature of Business

Mr. Cooper Group Inc., collectively with its consolidated subsidiaries, (“Mr. Cooper,” the “Company,” “we,” “us” or “our”) provides servicing, origination and transaction-based services related to single family residences throughout the United States with operations under its primary brands: Mr. Cooper® and Xome®. Mr. Cooper is one of the largest home loan originators and servicers in the country focused on delivering a variety of servicing and lending products, services and technologies. The Company’s corporate website is located at www.mrcoopergroup.com. The Company has provided a glossary of terms, which defines certain industry-specific and other terms that are used herein, in Item 2, *Management’s Discussion and Analysis of Financial Condition and Results of Operations*, of this Form 10-Q.

Basis of Presentation

The interim condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, the financial statements do not include all of the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Reports on Form 10-K for the year ended December 31, 2021.

The interim condensed consolidated financial statements are unaudited; however, in the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair presentation of the results of the interim periods have been included. Dollar amounts are reported in millions, except per share data and other key metrics, unless otherwise noted.

Share-based compensation for restricted stock units granted to employees of the Company, consultants, and non-employee directors is based on the fair market value of the Company’s common stock on the grant date and recognized as an expense over the requisite employee service period on a straight-line basis using an accelerated attribution model. Shares for these awards are issued to employees from treasury stock.

Basis of Consolidation

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, other entities in which the Company has a controlling financial interest and those variable interest entities (“VIE”) where the Company’s wholly-owned subsidiaries are the primary beneficiaries. Assets and liabilities of VIEs and their respective results of operations are consolidated from the date that the Company became the primary beneficiary through the date the Company ceases to be the primary beneficiary. The Company applies the equity method of accounting to investments where it is able to exercise significant influence, but not control, over the policies and procedures of the entity and owns less than 50% of the voting interests. These investments are initially measured at cost and subsequently adjusted for Company’s proportionate share of earnings and losses in the investee. Investments in certain companies over which the Company does not exert significant influence are recorded at fair value, or at cost upon election of measurement alternative, at the end of each reporting period. Intercompany balances and transactions on consolidated entities have been eliminated.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from these estimates due to factors such as adverse changes in the economy, macro-economic uncertainty, changes in interest rates, secondary market pricing for loans held for sale and derivatives, strength of underwriting and servicing practices, changes in prepayment assumptions, declines in home prices or discrete events adversely affecting specific borrowers and such differences could be material.

Reclassifications

Certain reclassifications have been made in the 2021 condensed consolidated statement of cash flows to conform to 2022 presentation. Such reclassifications were not material and did not affect total revenues or net income.

Recent Accounting Guidance Adopted

The Company did not adopt any accounting guidance during the nine months ended September 30, 2022 that had a material impact on its condensed consolidated financial statements or disclosures.

2. Dispositions

Sale of Mortgage Servicing Platform

On March 31, 2022, the Company completed the sale of certain assets and liabilities of its servicing and subservicing technology platform for performing and non-performing mortgage loans (the “Mortgage Servicing Platform”) to Sagent M&C, LLC (“Sagent”), in exchange for Class A-1 Common Units equal to 19.9% ownership of Sagent, and the sale of certain tangible personal property of the Company used in the conduct of the Mortgage Servicing Platform in exchange for \$9.9 in cash, for total consideration of \$260 (the “Sagent Transaction”). In connection with the Sagent Transaction, the Company recorded a gain of \$223, which was included in “other income, net” within the condensed consolidated statements of operations, and recorded \$4 transaction costs during the nine months ended September 30, 2022. No transaction costs were recorded in the three months ended September 30, 2022. The net carrying amount of assets and liabilities transferred in connection with the Sagent Transaction was \$31 and reported under Corporate/Other.

The Company accounted for the equity interest under the equity method of accounting, as the Company has the ability to exercise significant influence over Sagent’s operating and financial decisions but does not own a majority equity interest or otherwise control the respective entity. Under the equity method of accounting, the investment is initially stated at cost and subsequently adjusted for additional investments and the Company’s proportionate share of Sagent’s earnings or losses and distributions. The initial cost of the equity interest recorded was \$250, which represented the fair value as of March 31, 2022. The Company recorded a \$5 loss during the three and nine months ended September 30, 2022 related to the Company’s proportionate share of net loss of Sagent. The Company’s investment in Sagent was \$245 as of September 30, 2022.

Sale of Reverse Servicing Portfolio

In 2021, the Company completed the sale of its reverse servicing portfolio, operating under Champion Mortgage brand (“Champion”), to Mortgage Assets Management, LLC and its affiliates (“MAM”) for total consideration of \$1,640. Upon close of the transaction, MAM assumed Champion’s reverse portfolio and related operations. The Company recorded transaction costs of \$5 during the nine months ended September 30, 2021. There were no transaction costs recorded for the three months ended September 30, 2021. The carrying amounts of assets and liabilities associated with the reverse servicing operation were reported under the Servicing segment. The sale of business represents a strategic shift in the Company’s operations. Therefore, the sale of the reverse servicing portfolio qualifies for reporting as discontinued operations, and the related results of operations are reported as discontinued operations in the condensed consolidated statements of operations for prior periods presented.

As part of the transaction, the Company entered into a transitional servicing agreement with MAM, under which the Company was compensated for continuing to subservice the reverse loans through the date that the loans were transferred out of Company’s servicing system. The transfer of the loans out of the Company’s servicing system was completed on April 1, 2022. In addition, the Company retained certain loans, primarily related to previously liquidated loans. As of September 30, 2022, the retained total assets and total liabilities were \$38 and \$27, respectively. As of December 31, 2021, the retained total assets and total liabilities were \$55 and \$39, respectively. The retained assets and liabilities are included in “other assets”, and “payables and other liabilities”, respectively, on the condensed consolidated balance sheets.

[Table of Contents](#)

The following table sets forth the condensed consolidated statements of operations data for discontinued operations for the three and nine months ended September 30, 2021:

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
Revenue - service related, net	\$ 4	\$ 13
Salaries, wages and benefits expense	(7)	(23)
General and administrative expense	(14)	50
Interest income	31	118
Interest expense	(26)	(90)
Loss on classification as discontinued operations	(3)	(64)
(Loss) income from discontinued operations before income tax (benefit) expense	(15)	4
Less: Income tax (benefit) expense	(4)	1
Net (loss) income from discontinued operations	<u>\$ (11)</u>	<u>\$ 3</u>

3. Mortgage Servicing Rights and Related Liabilities

The following table sets forth the carrying value of the Company's mortgage servicing rights ("MSRs") and the related liabilities. In estimating the fair value of all mortgage servicing rights and related liabilities, the impact of the current environment was considered in the determination of key assumptions.

MSRs and Related Liabilities	September 30, 2022	December 31, 2021
MSRs - fair value	<u>\$ 6,408</u>	<u>\$ 4,223</u>
Excess spread financing - fair value	\$ 519	\$ 768
Mortgage servicing rights financing - fair value	20	10
MSR related liabilities - nonrecourse at fair value	<u>\$ 539</u>	<u>\$ 778</u>

Mortgage Servicing Rights

The following table sets forth the activities of MSRs:

MSRs - Fair Value	Nine Months Ended September 30,	
	2022	2021
Fair value - beginning of period	\$ 4,223	\$ 2,703
Additions:		
Servicing retained from mortgage loans sold	481	790
Purchases of servicing rights	1,256	438
Dispositions:		
Sales of servicing assets	(293)	(13)
Changes in fair value:		
Changes in valuation inputs or assumptions used in the valuation model (MSR MTM)	1,363	476
Changes in valuation due to amortization	(644)	(772)
Other changes	22	44
Fair value - end of period	<u>\$ 6,408</u>	<u>\$ 3,666</u>

During the nine months ended September 30, 2022 and 2021, the Company sold \$20,723 and \$1,266 in unpaid principal balance ("UPB") of MSRs, of which \$19,692 and \$1,144 were retained by the Company as subservicer, respectively.

MSRs are segregated between investor type into agency and non-agency pools (referred to herein as “investor pools”) based upon contractual servicing agreements with investors at the respective balance sheet date to evaluate the MSR portfolio and fair value of the portfolio. Agency investors primarily consist of government sponsored enterprises (“GSE”), such as the Federal National Mortgage Association (“Fannie Mae” or “FNMA”) and the Federal Home Loan Mortgage Corp (“Freddie Mac” or “FHLMC”), and the Government National Mortgage Association (“Ginnie Mae” or “GNMA”). Non-agency investors consist of investors in private-label securitizations.

The following table provides a breakdown of UPB and fair value for the Company’s MSRs:

MSRs - UPB and Fair Value Breakdown by Investor Pools	September 30, 2022		December 31, 2021	
	UPB	Fair Value	UPB	Fair Value
Agency	\$ 363,637	\$ 6,068	\$ 302,851	\$ 3,859
Non-agency	31,769	340	36,357	364
Total	\$ 395,406	\$ 6,408	\$ 339,208	\$ 4,223

Refer to *Note 13, Fair Value Measurements*, for further discussion on key weighted-average inputs and assumptions used in estimating the fair value of MSRs.

The following table shows the hypothetical effect on the fair value of the Company’s MSRs when applying certain unfavorable variations of key assumptions to these assets for the dates indicated:

MSRs - Hypothetical Sensitivities	Discount Rate		Total Prepayment Speeds		Cost to Service per Loan	
	100 bps Adverse Change	200 bps Adverse Change	10% Adverse Change	20% Adverse Change	10% Adverse Change	20% Adverse Change
September 30, 2022						
Mortgage servicing rights	\$ (266)	\$ (512)	\$ (142)	\$ (276)	\$ (66)	\$ (132)
December 31, 2021						
Mortgage servicing rights	\$ (141)	\$ (272)	\$ (148)	\$ (286)	\$ (46)	\$ (93)

These hypothetical sensitivities should be evaluated with care. The effect on fair value of an adverse change in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects.

Excess Spread Financing - Fair Value

The Company had excess spread financing liability of \$519 and \$768 as of September 30, 2022 and December 31, 2021, respectively. Refer to *Note 13, Fair Value Measurements*, for key weighted-average inputs and assumptions used in the valuation of excess spread financing liability. In June 2022, the Company entered into an assignment agreement with an investor to repurchase excess spread liabilities for a total purchase price of \$277.

The following table shows the hypothetical effect on the Company’s excess spread financing fair value when applying certain unfavorable variations of key assumptions to these liabilities for the dates indicated:

Excess Spread Financing - Hypothetical Sensitivities	Discount Rate		Prepayment Speeds	
	100 bps Adverse Change	200 bps Adverse Change	10% Adverse Change	20% Adverse Change
September 30, 2022				
Excess spread financing	\$ 20	\$ 41	\$ 12	\$ 24
December 31, 2021				
Excess spread financing	\$ 26	\$ 54	\$ 28	\$ 58

These hypothetical sensitivities should be evaluated with care. The effect on fair value of an adverse change in assumptions generally cannot be determined because the relationship of the change in assumptions to the fair value may not be linear. Additionally, the impact of a variation in a particular assumption on the fair value is calculated while holding other assumptions constant. In reality, changes in one factor may lead to changes in other factors, which could impact the above hypothetical effects. Also, a positive change in the above assumptions would not necessarily correlate with the corresponding decrease in the net carrying amount of the excess spread financing. Excess spread financing's cash flow assumptions that are utilized in determining fair value are based on the related cash flow assumptions used in the financed MSR. Any fair value change recognized in the financed MSR attributable to related cash flows assumptions would inherently have an inverse impact on the carrying amount of the related excess spread financing.

Mortgage Servicing Rights Financing - Fair Value

The Company had MSR financing liability of \$20 and \$10 as of September 30, 2022 and December 31, 2021, respectively. Refer to *Note 13, Fair Value Measurements*, for key weighted-average inputs and assumptions used in the valuation of the MSR financing liability.

Servicing Segment Revenues

The following table sets forth the items comprising total revenues for the Servicing segment:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total Revenues - Servicing				
Contractually specified servicing fees ⁽¹⁾	\$ 371	\$ 280	\$ 1,076	\$ 831
Other service-related income ⁽¹⁾	—	158	68	517
Incentive and modification income ⁽¹⁾	5	10	23	38
Late fees ⁽¹⁾	19	19	57	53
Mark-to-market adjustments ⁽²⁾	124	151	877	376
Amortization, net of accretion ⁽³⁾	(169)	(202)	(570)	(567)
Other ⁽⁴⁾	(18)	(65)	(88)	(224)
Total revenues - Servicing	\$ 332	\$ 351	\$ 1,443	\$ 1,024

(1) The Company recognizes revenue on an earned basis for services performed. Amounts include subservicing related revenues. Amounts also include servicing fees from loans sold with servicing retained of \$172 and \$488 for the three and nine months ended September 30, 2022 and \$128 and \$353 for three and nine months ended September 30, 2021, respectively.

(2) Mark-to-market ("MTM") adjustments include fair value adjustments on MSR, excess spread financing and MSR financing liabilities. The amount of MSR MTM includes the impact of negative modeled cash flows which have been transferred to reserves on advances and other receivables. The negative modeled cash flows relate to advances and other receivables associated with inactive and liquidated loans that are no longer part of the MSR portfolio. The impact of negative modeled cash flows was \$10 and \$8 for the three months ended September 30, 2022 and 2021 and \$22 and \$28 for the nine months ended September 30, 2022 and 2021, respectively.

(3) Amortization is net of excess spread accretion of \$14 and \$59 during the three months ended September 30, 2022 and 2021, respectively. For the nine months ended September 30, 2022 and 2021, amortization is net of excess spread accretion of \$74 and \$205, respectively.

(4) Other represents the excess servicing fee that the Company pays to the counterparties under the excess spread financing arrangements, portfolio runoff and the payments made associated with MSR financing arrangements.

4. Advances and Other Receivables

Advances and other receivables, net, consists of the following:

Advances and Other Receivables, Net	September 30, 2022	December 31, 2021
Servicing advances, net of \$12 and \$19 purchase discount, respectively	\$ 854	\$ 1,263
Receivables from agencies, investors and prior servicers, net of \$7 and \$12 purchase discount, respectively	120	132
Reserves	(143)	(167)
Total advances and other receivables, net	\$ 831	\$ 1,228

The following table sets forth the activities of the servicing reserves for advances and other receivables:

Reserves for Advances and Other Receivables	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance - beginning of period	\$ 150	\$ 191	\$ 167	\$ 208
Provision and other additions ⁽¹⁾	19	18	53	59
Write-offs	(26)	(37)	(77)	(95)
Balance - end of period	\$ 143	\$ 172	\$ 143	\$ 172

⁽¹⁾ The Company recorded a provision of \$10 and \$8 through the MTM adjustments in “revenues - service related, net”, in the condensed consolidated statements of operations during the three months ended September 30, 2022 and 2021, respectively, and \$22 and \$28 during the nine months ended September 30, 2022 and 2021, respectively, for inactive and liquidated loans that are no longer part of the MSR portfolio. Other additions represent reclassifications of required reserves provisioned within other balance sheet accounts as associated serviced loans become inactive or liquidate.

Purchase Discount for Advances and Other Receivables

The following tables set forth the activities of the purchase discounts for advances and other receivables:

Purchase Discount for Advances and Other Receivables	Three Months Ended September 30,			
	2022		2021	
	Servicing Advances	Receivables from Agencies, Investors and Prior Servicers	Servicing Advances	Receivables from Agencies, Investors and Prior Servicers
Balance - beginning of period	\$ 14	\$ 8	\$ 31	\$ 20
Utilization of purchase discounts	(2)	(1)	(1)	(7)
Balance - end of period	\$ 12	\$ 7	\$ 30	\$ 13

Purchase Discount for Advances and Other Receivables	Nine Months Ended September 30,			
	2022		2021	
	Servicing Advances	Receivables from Agencies, Investors and Prior Servicers	Servicing Advances	Receivables from Agencies, Investors and Prior Servicers
Balance - beginning of period	\$ 19	\$ 12	\$ 72	\$ 21
Utilization of purchase discounts	(7)	(5)	(42)	(8)
Balance - end of period	\$ 12	\$ 7	\$ 30	\$ 13

Credit Loss for Advances and Other Receivables

As of September 30, 2022, the total current expected credit loss (“CECL”) reserve was \$34, of which \$27 and \$7 were recorded in reserves and purchase discount for advances and other receivables, respectively. There were no material changes to CECL reserves in 2022. As of September 30, 2021, the total CECL reserve was \$29, of which \$19 and \$10 were recorded in reserves and purchase discount for advances and other receivables, respectively. There were no material changes to CECL reserves in 2021 except for a write-off of \$16 in the three and nine months ended September 30, 2021.

The Company determined that the credit-related risk associated with applicable financial instruments typically increase with the passage of time. The CECL reserve methodology considers these financial instruments collectible to a point in time of 39 months. Any projected remaining balance at the end of the collection period is considered a loss and factors into the overall CECL loss rate required.

5. Mortgage Loans Held for Sale

Mortgage loans held for sale are recorded at fair value as set forth below:

Mortgage Loans Held for Sale	September 30, 2022	December 31, 2021
Mortgage loans held for sale – UPB	\$ 1,670	\$ 4,257
Mark-to-market adjustment ⁽¹⁾	(89)	124
Total mortgage loans held for sale	\$ 1,581	\$ 4,381

⁽¹⁾ The mark-to-market adjustment includes net change in unrealized gain/loss, premium on correspondent loans and fees on direct-to-consumer loans. The mark-to-market adjustment is recorded in “net gain on mortgage loans held for sale” in the condensed consolidated statements of operations.

The following table sets forth the activities of mortgage loans held for sale:

Mortgage Loans Held for Sale	Nine Months Ended September 30,	
	2022	2021
Balance - beginning of period	\$ 4,381	\$ 5,720
Loans sold	(30,648)	(73,822)
Mortgage loans originated and purchased, net of fees	25,120	67,507
Repurchase of loans out of Ginnie Mae securitizations	2,904	8,530
Net change in unrealized (loss) gain on retained loans held for sale	(177)	1
Net transfers of mortgage loans held for sale ⁽¹⁾	1	3
Balance - end of period	\$ 1,581	\$ 7,939

⁽¹⁾ Amount reflects transfers to other assets for loans transitioning into REO status and transfers to advances and other receivables, net, for claims made on certain government insurance mortgage loans. Transfers out are net of transfers in upon receipt of proceeds from an REO sale or claim filing.

During the nine months ended September 30, 2022, the Company received proceeds of \$30,440 on the sale of mortgage loans held for sale, resulting in a loss of \$562. During the nine months ended September 30, 2021, the Company received proceeds of \$74,968 on the sale of mortgage loans held for sale, resulting in a gain of \$1,146.

The total UPB and fair value of mortgage loans held for sale on non-accrual status was as follows:

Mortgage Loans Held for Sale	September 30, 2022		December 31, 2021	
	UPB	Fair Value	UPB	Fair Value
Non-accrual ⁽¹⁾	\$ 108	\$ 93	\$ 104	\$ 94

⁽¹⁾ Non-accrual UPB includes \$97 and \$94 of UPB related to Ginnie Mae repurchased loans as of September 30, 2022 and December 31, 2021, respectively.

The total UPB of mortgage loans held for sale for which the Company has begun formal foreclosure proceedings was \$52 and \$16 as of September 30, 2022 and December 31, 2021, respectively.

6. Loans Subject to Repurchase from Ginnie Mae

Forward loans are sold to Ginnie Mae in conjunction with the issuance of mortgage backed securities. The Company, as the issuer of the mortgage backed securities, has the unilateral right to repurchase any individual loan in a Ginnie Mae securitization pool if that loan meets certain criteria, including payments not being received from borrowers for greater than 90 days. Once the Company has the unilateral right to repurchase a delinquent loan, it has effectively regained control over the loan and recognizes these rights to the loan on its condensed consolidated balance sheets and establishes a corresponding repurchase liability regardless of the Company's intention to repurchase the loan. The Company had loans subject to repurchase from Ginnie Mae of \$1,575 and \$1,496 as of September 30, 2022 and December 31, 2021, respectively, which are included in both "other assets" and "payables and other liabilities" in the condensed consolidated balance sheets. Loans subject to repurchase from Ginnie Mae as of September 30, 2022 and December 31, 2021 include \$1,403 and \$1,301 loans in forbearance related to the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), respectively, whereby no payments have been received from borrowers for greater than 90 days.

7. Goodwill and Intangible Assets

The Company had goodwill of \$120 as of September 30, 2022 and December 31, 2021, and intangible assets of \$9 and \$14 as of September 30, 2022 and December 31, 2021, respectively. Goodwill and intangible assets are included in "other assets" within the condensed consolidated balance sheets.

8. Derivative Financial Instruments

Derivative instruments are used as part of the overall strategy to manage exposure to market risks primarily associated with fluctuations in interest rates related to the Originations and Servicing segments. Derivative instruments utilized by the Company primarily include interest rate lock commitments ("IRLCs"), loan purchase commitments ("LPCs"), forward Mortgage Backed Securities ("MBS") purchase commitments, Eurodollar and Treasury futures and interest rate swap futures. The changes in value on the derivative instruments associated with hedging loans held for sale fair value are recorded in earnings as a component of "net gain on mortgage loans held for sale" on the condensed consolidated statements of operations and condensed consolidated statement of cash flows, while changes in the value of derivative instruments associated with the MSR portfolio fair value are recorded in "service related, net" on the condensed consolidated statements of operations and in "loss on MSR hedging activities" on the condensed consolidated statements of cash flows.

The following tables provide the outstanding notional balances, fair values of outstanding positions and recorded gains/(losses) for the derivative financial instruments. Gains/(losses) include both realized and unrealized gains/(losses) of each derivative financial instrument.

Derivative Financial Instruments	Expiration Dates	September 30, 2022		Nine Months Ended
		Outstanding Notional	Fair Value	September 30, 2022
Gains/(Losses)				
Assets				
Mortgage loans held for sale				
Loan sale commitments	2022	\$ 439	\$ (3)	\$ (28)
Derivative financial instruments				
IRLCs	2022	\$ 1,118	\$ 21	\$ (113)
LPCs	2022	53	1	(2)
Forward MBS trades	2022	2,296	74	542
Treasury futures	2022	—	—	4
Total derivative financial instruments - assets		\$ 3,467	\$ 96	\$ 431
Liabilities				
Derivative financial instruments				
IRLCs	2022	\$ 551	\$ 8	\$ (8)
LPCs	2022	223	5	(2)
Forward MBS trades	2022	458	19	(72)
Treasury futures	2022	806	62	(262)
Total derivative financial instruments - liabilities		\$ 2,038	\$ 94	\$ (344)
Derivative Financial Instruments	Expiration Dates	September 30, 2021		Nine Months Ended
		Outstanding Notional	Fair Value	September 30, 2021
Gains/(Losses)				
Assets				
Mortgage loans held for sale				
Loan sale commitments	2021	\$ 1,435	\$ 29	\$ (73)
Derivative financial instruments				
IRLCs	2021	\$ 6,167	\$ 167	\$ (247)
LPCs	2021	887	6	(33)
Forward MBS trades	2021	12,770	61	240
Swap futures	2021	—	—	1
Total derivative financial instruments - assets		\$ 19,824	\$ 234	\$ (39)
Liabilities				
Derivative financial instruments				
IRLCs	2021	\$ 25	\$ —	\$ —
LPCs	2021	2,208	13	(12)
Forward MBS trades	2021	6,553	23	(122)
Swap futures	2021	700	12	(18)
Total derivative financial instruments - liabilities		\$ 9,486	\$ 48	\$ (152)

The Company held \$23 and \$27 in collateral deposits as of September 30, 2022 and December 31, 2021, respectively. Collateral deposits are recorded in “other assets” in the Company’s condensed consolidated balance sheets. The Company does not offset fair value amounts recognized for derivative instruments with amounts collected or deposited on derivative instruments in the condensed consolidated balance sheets.

9. Indebtedness

Advance and Warehouse Facilities

	Maturity Date	Collateral	Capacity Amount	September 30, 2022		December 31, 2021	
				Outstanding	Collateral Pledged	Outstanding	Collateral Pledged
Advance Facilities							
\$350 advance facility	October 2024	Servicing advance receivables	\$ 350	\$ 150	\$ 182	\$ 160	\$ 197
\$350 advance facility	January 2023	Servicing advance receivables	350	130	154	162	190
\$300 advance facility ⁽¹⁾	November 2024	Servicing advance receivables	300	206	290	234	318
\$75 advance facility	December 2022	Servicing advance receivables	75	46	48	58	89
Advance facilities principal amount				532	674	614	794
Warehouse Facilities							
\$1,500 warehouse facility	February 2023	Mortgage loans or MBS	1,500	427	531	1,224	1,341
\$1,500 warehouse facility	June 2023	Mortgage loans or MBS	1,500	328	341	356	345
\$1,000 warehouse facility	October 2023	Mortgage loans or MBS	1,000	235	244	991	1,024
\$750 warehouse facility ⁽²⁾	October 2022	Mortgage loans or MBS	750	258	274	256	270
\$500 warehouse facility ⁽³⁾	September 2024	Mortgage loans or MBS	500	144	157	409	425
\$500 warehouse facility	June 2023	Mortgage loans or MBS	500	24	30	39	39
\$500 warehouse facility	August 2023	Mortgage loans or MBS	500	12	13	38	39
\$450 warehouse facility	April 2023	Mortgage loans or MBS	450	—	—	87	89
\$300 warehouse facility	August 2023	Mortgage loans or MBS	300	55	58	419	430
\$250 warehouse facility	April 2023	Mortgage loans or MBS	250	—	—	5	6
\$200 warehouse facility	June 2023	Mortgage loans or MBS	200	5	8	188	194
\$200 warehouse facility	April 2023	Mortgage loans or MBS	200	13	17	46	58
\$125 warehouse facility	December 2022	Mortgage loans or MBS	125	3	3	67	67
\$30 warehouse facility ⁽⁴⁾	January 2022	Mortgage loans or MBS	—	—	—	—	—
Warehouse facilities principal amount				1,504	1,676	4,125	4,327
MSR Facilities							
\$900 warehouse facility ⁽¹⁾	November 2024	MSR	900	260	2,028	260	1,107
\$600 warehouse facility	April 2023	MSR	600	325	911	—	838
\$500 warehouse facility ⁽³⁾	September 2024	MSR	500	180	1,435	—	745
\$400 warehouse facility ⁽⁵⁾	June 2024	MSR	400	250	705	—	—
\$50 warehouse facility	November 2023	MSR	50	25	75	10	124
MSR facilities principal amount				1,040	5,154	270	2,814
Advance, warehouse and MSR facilities principal amount				3,076	\$ 7,504	5,009	\$ 7,935
Unamortized debt issuance costs				(6)		(12)	
Advance and warehouse facilities, net				\$ 3,070		\$ 4,997	

⁽¹⁾ Total capacity for this facility is \$1,200, of which \$300 is internally allocated for advance financing and \$900 is internally allocated for MSR financing; capacity is fully fungible and is not restricted by these allocations. The capacity was increased in October 2022 to \$1,400, with \$300 internally allocated for advance financing and \$1,100 internally allocated for MSR financing.

⁽²⁾ This facility was terminated in October 2022.

⁽³⁾ The capacity amount for this facility is \$1,000, of which \$500 is a sublimit for MSR financing.

⁽⁴⁾ This facility was terminated in January 2022.

⁽⁵⁾ The capacity was increased in October 2022 to \$500.

The weighted average interest rate for advance facilities was 4.5% and 2.7% for the three months ended September 30, 2022 and 2021, and 3.4% and 2.9% for the nine months ended September 30, 2022 and 2021, respectively. The weighted average interest rate for warehouse and MSR facilities was 4.6% and 1.9% for three months ended September 30, 2022 and 2021, and 3.3% and 2.0% for the nine months ended September 30, 2022 and 2021, respectively.

Unsecured Senior Notes

Unsecured senior notes consist of the following:

Unsecured Senior Notes	September 30, 2022	December 31, 2021
\$850 face value, 5.500% interest rate payable semi-annually, due August 2028	\$ 850	\$ 850
\$650 face value, 5.125% interest rate payable semi-annually, due December 2030	650	650
\$600 face value, 6.000% interest rate payable semi-annually, due January 2027	600	600
\$600 face value, 5.750% interest rate payable semi-annually, due November 2031	600	600
Unsecured senior notes principal amount	2,700	2,700
Unamortized debt issuance costs	(27)	(30)
Unsecured senior notes, net	\$ 2,673	\$ 2,670

The indentures provide that on or before certain fixed dates, the Company may redeem up to 40% of the aggregate principal amount of the unsecured senior notes with the net proceeds of certain equity offerings at fixed redemption prices, plus accrued and unpaid interest, to the redemption dates, subject to compliance with certain conditions. In addition, the Company may redeem all or a portion of the unsecured senior notes at any time on or after certain fixed dates at the applicable redemption prices set forth in the indentures plus accrued and unpaid interest, to the redemption dates. No notes were repurchased or redeemed during the nine months ended September 30, 2022 and 2021.

As of September 30, 2022, the expected maturities of the Company's unsecured senior notes based on contractual maturities are as follows:

Year Ending December 31,	Amount
2022 through 2026	\$ —
Thereafter	2,700
Total unsecured senior notes principal amount	\$ 2,700

Interest Expense

Interest expense primarily includes interest incurred on advance and warehouse facilities, unsecured senior notes, excess spread financing and compensating bank balances, as well as bank fees. The Company incurred interest expense related to advance and warehouse facilities, unsecured senior notes and excess spread financing of \$90 and \$266 for the three and nine months ended September 30, 2022, respectively, and \$95 and \$278 for the three and nine months ended September 30, 2021, respectively.

Financial Covenants

The Company's credit facilities contain various financial covenants which primarily relate to required tangible net worth amounts, liquidity reserves, leverage requirements, and profitability requirements, which are measured at the Company's operating subsidiary, Nationstar Mortgage LLC. The Company was in compliance with its required financial covenants as of September 30, 2022.

10. Securitizations and Financings**Variable Interest Entities**

In the normal course of business, the Company enters into various types of on- and off-balance sheet transactions with special purpose entities ("SPEs") determined to be VIEs, which primarily consist of securitization trusts established for a limited purpose. Generally, these SPEs are formed for the purpose of securitization transactions in which the Company transfers assets to an SPE, which then issues to investors various forms of debt obligations supported by those assets.

The Company has determined that the SPEs created in connection with certain advance facilities trusts should be consolidated as the Company is the primary beneficiary of each of these entities.

A summary of the assets and liabilities of the Company's transactions with VIEs included in the Company's condensed consolidated balance sheets is presented below:

	September 30, 2022	December 31, 2021
	Transfers Accounted for as Secured Borrowings	Transfers Accounted for as Secured Borrowings
Consolidated Transactions with VIEs		
Assets		
Restricted cash	\$ 62	\$ 50
Advances and other receivables, net	336	387
Total assets	<u>\$ 398</u>	<u>\$ 437</u>
Liabilities		
Advance facilities, net ⁽¹⁾	\$ 280	\$ 322
Payables and other liabilities	1	1
Total liabilities	<u>\$ 281</u>	<u>\$ 323</u>

⁽¹⁾ Refer to advance facilities in *Note 9, Indebtedness*, for additional information.

The following table shows a summary of the outstanding collateral and certificate balances for securitization trusts for which the Company was the transferor, including any retained beneficial interests and MSR, that were not consolidated by the Company:

	September 30, 2022	December 31, 2021
Unconsolidated Securitization Trusts		
Total collateral balances - UPB	\$ 1,002	\$ 1,122
Total certificate balances	\$ 975	\$ 1,112

The Company has not retained any variable interests in the unconsolidated securitization trusts that were outstanding as of September 30, 2022 and December 31, 2021. Therefore, it does not have a significant maximum exposure to loss related to these unconsolidated VIEs.

A summary of mortgage loans transferred by the Company to unconsolidated securitization trusts that are 60 days or more past due are presented below:

	September 30, 2022	December 31, 2021
Principal Amount of Transferred Loans 60 Days or More Past Due		
Unconsolidated securitization trusts	\$ 120	\$ 138

11. Earnings Per Share

The Company computes earnings per share using the two-class method, which is an earnings allocation formula that determines earnings per share for common stock and any participating securities according to dividends declared (whether paid or unpaid) and participation rights in undistributed earnings. The Series A Preferred Stock is considered participating securities because it has dividend rights determined on an as-converted basis in the event of Company's declaration of a dividend or distribution for common shares. In 2021, the Company repurchased a total of 14.8 million shares of its common stock from affiliates of Kohlberg Kravis Roberts & Co. L.P. ("KKR"), a related party of the Company. In addition, in August 2021, the Company repurchased 1.0 million shares of its preferred stock from affiliates of KKR. After giving effect to these transactions, KKR no longer held any equity interests in the Company.

[Table of Contents](#)

The following table sets forth the computation of basic and diluted net income per common share (amounts in millions, except per share amounts):

Computation of Earnings Per Share	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income from continuing operations	\$ 113	\$ 310	\$ 922	\$ 1,296
Less: Undistributed earnings from continuing operations attributable to participating stockholders	—	1	—	9
Net income from continuing operations attributable to Mr. Cooper common stockholders	\$ 113	\$ 281	\$ 922	\$ 1,259
Net (loss) income from discontinued operations	\$ —	\$ (11)	\$ —	\$ 3
Less: Undistributed earnings from discontinued operations attributable to participating stockholders	—	—	—	—
Net (loss) income from discontinued operations attributable to Mr. Cooper common stockholders	\$ —	\$ (11)	\$ —	\$ 3
Net income	\$ 113	\$ 299	\$ 922	\$ 1,299
Less: Undistributed earnings attributable to participating stockholders	—	1	—	9
Less: Premium on retirement of preferred stock	—	28	—	28
Net income attributable to common stockholders	\$ 113	\$ 270	\$ 922	\$ 1,262
Earnings from continuing operations per common share attributable to Mr. Cooper:				
Basic	\$ 1.59	\$ 3.56	\$ 12.71	\$ 14.85
Diluted	\$ 1.55	\$ 3.42	\$ 12.37	\$ 14.20
Earnings from discontinued operations per common share attributable to Mr. Cooper:				
Basic	\$ —	\$ (0.14)	\$ —	\$ 0.04
Diluted	\$ —	\$ (0.13)	\$ —	\$ 0.03
Earnings per common share attributable to Mr. Cooper:				
Basic	\$ 1.59	\$ 3.42	\$ 12.71	\$ 14.89
Diluted	\$ 1.55	\$ 3.29	\$ 12.37	\$ 14.23
Weighted average shares of common stock outstanding (in thousands):				
Basic	71,175	78,944	72,569	84,809
Dilutive effect of stock awards	1,703	2,826	1,988	3,176
Dilutive effect of participating securities	—	301	—	658
Diluted	72,878	82,071	74,557	88,643

12. Income Taxes

For the three and nine months ended September 30, 2022, the effective tax rate for continuing operations was 26.4% and 24.7%, respectively, which differed from the statutory federal rate of 21% primarily due to state income taxes and nondeductible executive compensation. The effective tax rate increased during the three and nine months ended September 30, 2022 compared to the same period in 2021, primarily due to the impact of quarterly discrete tax items relative to the income before taxes for the respective periods, including the excess tax benefit from stock-based compensation and prior period tax credits.

For the three and nine months ended September 30, 2021, the effective tax rate for continuing operations was 25.0% and 24.0% which differed from the statutory federal rate of 21% primarily due to state income taxes and nondeductible executive compensation.

13. Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement, and should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, a three-tiered fair value hierarchy has been established based on the level of observable inputs used in the measurement of fair value (e.g., Level 1 representing quoted prices for identical assets or liabilities in an active market; Level 2 representing values using observable inputs other than quoted prices included within Level 1; and Level 3 representing estimated values based on significant unobservable inputs).

There have been no significant changes to the valuation techniques and inputs used by the Company in estimating fair values of Level 2 and Level 3 assets and liabilities as disclosed in the Company's Annual Reports on Form 10-K for the year ended December 31, 2021.

The following tables present the estimated carrying amount and fair value of the Company's financial instruments and other assets and liabilities measured at fair value on a recurring basis:

Fair Value - Recurring Basis	September 30, 2022			
	Total Fair Value	Recurring Fair Value Measurements		
		Level 1	Level 2	Level 3
Assets				
Mortgage loans held for sale	\$ 1,581	\$ —	\$ 1,581	\$ —
Mortgage servicing rights	6,408	—	—	6,408
Equity investments	48	3	—	45
Derivative financial instruments				
IRLCs	21	—	—	21
LPCs	1	—	—	1
Forward MBS trades	74	—	74	—
Liabilities				
Derivative financial instruments				
IRLCs	8	—	—	8
LPCs	5	—	—	5
Forward MBS trades	19	—	19	—
Treasury futures	62	—	62	—
Mortgage servicing rights financing	20	—	—	20
Excess spread financing	519	—	—	519

Fair Value - Recurring Basis	December 31, 2021			
	Total Fair Value	Recurring Fair Value Measurements		
		Level 1	Level 2	Level 3
Assets				
Mortgage loans held for sale	\$ 4,381	\$ —	\$ 4,381	\$ —
Mortgage servicing rights	4,223	—	—	4,223
Equity investments	63	9	—	54
Derivative financial instruments				
IRLCs	134	—	—	134
Forward MBS trades	7	—	7	—
LPCs	3	—	—	3
Liabilities				
Derivative financial instruments				
Forward MBS trades	8	—	8	—
LPCs	2	—	—	2
Swap futures	6	—	6	—
Mortgage servicing rights financing	10	—	—	10
Excess spread financing	768	—	—	768

The tables below present a reconciliation for all of the Company's Level 3 assets and liabilities measured at fair value on a recurring basis:

Fair Value - Level 3 Assets and Liabilities	Nine Months Ended September 30, 2022				
	Assets			Liabilities	
	Mortgage servicing rights	Equity investments	IRLCs	Excess spread financing	Mortgage servicing rights financing
Balance - beginning of period	\$ 4,223	\$ 54	\$ 134	\$ 768	\$ 10
Changes in fair value included in earnings	719	(9)	(113)	124	10
Purchases	1,256	—	—	—	—
Issuances	481	—	—	—	—
Sales	(293)	—	—	—	—
Repayments	—	—	—	(293)	—
Settlements	—	—	—	(80)	—
Other changes	22	—	—	—	—
Balance - end of period	\$ 6,408	\$ 45	\$ 21	\$ 519	\$ 20

Fair Value - Level 3 Assets and Liabilities	Nine Months Ended September 30, 2021				
	Assets			Liabilities	
	Mortgage servicing rights	Equity investments	IRLCs	Excess spread financing	Mortgage servicing rights financing
Balance - beginning of period	\$ 2,703	\$ —	\$ 414	\$ 934	\$ 33
Changes in fair value included in earnings	(296)	—	(247)	6	(13)
Purchases	438	50	—	—	—
Issuances	790	—	—	—	—
Sales	(13)	—	—	—	—
Settlements	—	—	—	(118)	—
Other changes	44	—	—	—	—
Balance - end of period	\$ 3,666	\$ 50	\$ 167	\$ 822	\$ 20

No transfers were made in or out of Level 3 fair value assets and liabilities for the Company during the nine months ended September 30, 2022 and 2021.

The table below presents the quantitative information for significant unobservable inputs used in the fair value measurement of Level 3 assets and liabilities.

Level 3 Inputs	September 30, 2022			December 31, 2021		
	Range		Weighted Average	Range		Weighted Average
	Min	Max		Min	Max	
MSR⁽¹⁾						
Discount rate	10.4 %	13.7 %	11.4 %	9.5 %	13.7 %	10.9 %
Prepayment speed	6.6 %	13.3 %	7.4 %	11.7 %	16.4 %	13.0 %
Cost to service per loan ⁽²⁾	\$ 59	\$ 128	\$ 78	\$ 59	\$ 168	\$ 77
Average life ⁽³⁾			8.0 years			5.8 years
IRLCs						
Value of servicing (reflected as a percentage of loan commitment)	(0.3)%	4.4 %	2.1 %	(0.7)%	2.4 %	1.4 %
Excess spread financing⁽¹⁾						
Discount rate	10.0 %	13.8 %	11.3 %	9.5 %	13.8 %	11.2 %
Prepayment speed	6.6 %	13.5 %	9.5 %	12.8 %	15.2 %	13.4 %
Average life ⁽³⁾			6.6 years			5.4 years
Mortgage servicing rights financing						
Advance financing and counterparty fee rates	5.0 %	8.7 %	7.3 %	4.5 %	7.9 %	6.5 %
Annual advance recovery rates	16.9 %	22.9 %	18.5 %	19.2 %	23.0 %	21.3 %

(1) The inputs are weighted by investor.

(2) Presented in whole dollar amounts.

(3) Average life is included for informational purposes.

The tables below present a summary of the estimated carrying amount and fair value of the Company's financial instruments not carried at fair value:

Financial Instruments	September 30, 2022			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	\$ 530	\$ 530	\$ —	\$ —
Restricted cash	148	148	—	—
Advances and other receivables, net	831	—	—	831
Loans subject to repurchase from Ginnie Mae	1,575	—	1,575	—
Financial liabilities				
Unsecured senior notes, net	2,673	2,085	—	—
Advance and warehouse facilities, net	3,070	—	3,076	—
Liability for loans subject to repurchase from Ginnie Mae	1,575	—	1,575	—

Financial Instruments	December 31, 2021			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
Financial assets				
Cash and cash equivalents	\$ 895	\$ 895	\$ —	\$ —
Restricted cash	146	146	—	—
Advances and other receivables, net	1,228	—	—	1,228
Loans subject to repurchase from Ginnie Mae	1,496	—	1,496	—
Financial liabilities				
Unsecured senior notes, net	2,670	2,737	—	—
Advance and warehouse facilities, net	4,997	—	5,009	—
Liability for loans subject to repurchase from Ginnie Mae	1,496	—	1,496	—

14. Capital Requirements

Certain of the Company's secondary market investors require minimum net worth ("capital") requirements, as specified in the respective selling and servicing agreements. In addition, these investors may require capital ratios in excess of the stated requirements to approve large servicing transfers. To the extent that these requirements are not met, the Company's secondary market investors may utilize a range of remedies ranging from sanctions, suspension or ultimately termination of the Company's selling and servicing agreements, which would prohibit the Company from further originating or securitizing these specific types of mortgage loans or being an approved servicer. The Company's various capital requirements related to its outstanding selling and servicing agreements are measured based on the Company's operating subsidiary, Nationstar Mortgage LLC. As of September 30, 2022, the Company was in compliance with its selling and servicing capital requirements.

15. Commitments and Contingencies

Litigation and Regulatory

The Company and its subsidiaries are routinely and currently involved in a significant number of legal proceedings, including, but not limited to, judicial, arbitration, regulatory and governmental proceedings related to matters that arise in connection with the conduct of the Company's business. The legal proceedings are at varying stages of adjudication, arbitration or investigation and are generally based on alleged violations of consumer protection, securities, employment, contract, tort, common law fraud and other numerous laws, including, without limitation, the Equal Credit Opportunity Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, National Housing Act, Homeowners Protection Act, Service Member's Civil Relief Act, Telephone Consumer Protection Act, Truth in Lending Act, Financial Institutions Reform, Recovery, and Enforcement Act of 1989, unfair, deceptive or abusive acts or practices in violation of the Dodd-Frank Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Home Mortgage Disclosure Act, Title 11 of the United States Code (aka the "Bankruptcy Code"), False Claims Act and Making Home Affordable loan modification programs.

In addition, along with others in its industry, the Company is subject to repurchase and indemnification claims and may continue to receive claims in the future, regarding alleged breaches of representations and warranties relating to the sale of mortgage loans, the placement of mortgage loans into securitization trusts or the servicing of mortgage loans securitizations. The Company is also subject to legal actions or proceedings related to loss sharing and indemnification provisions of its various acquisitions. Certain of the pending or threatened legal proceedings include claims for substantial compensatory, punitive and/or statutory damages or claims for an indeterminate amount of damages.

The Company operates within highly regulated industries on a federal, state and local level. In the normal and ordinary course of its business, the Company is routinely subject to extensive examinations, investigations, subpoenas, inquiries and reviews by various federal, state and local governmental, regulatory and enforcement agencies, including the Consumer Financial Protection Bureau, the Securities and Exchange Commission, the Department of Justice, the Office of the Special Inspector General for the Troubled Asset Relief Program, the U.S. Department of Housing and Urban Development, various State mortgage banking regulators and various State Attorneys General, related to the Company's residential loan servicing and origination practices, its financial reporting and other aspects of its businesses. Any pending or potential future investigations, subpoenas, examinations or inquiries may lead to administrative, civil or criminal proceedings or settlements, and possibly result in remedies including fines, penalties, restitution, or alterations in the Company's business practices, and additional expenses and collateral costs. The Company is cooperating fully in these matters. Responding to these matters requires the Company to devote substantial resources, resulting in higher costs and lower net cash flows. Adverse results in any of these matters could further increase the Company's operating expenses and reduce its revenues, require it to change business practices and limit its ability to grow and otherwise materially and adversely affect its business, reputation, financial condition and results of operation.

The Company seeks to resolve all legal proceedings and other matters in the manner management believes is in the best interest of the Company and contests liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter. The Company has entered into agreements with a number of entities and regulatory agencies that toll applicable limitations periods with respect to their claims.

On at least a quarterly basis, the Company assesses its liabilities and contingencies in connection with outstanding legal and regulatory and governmental proceedings utilizing the latest information available. Where available information indicates that it is probable a liability has been incurred, and the Company can reasonably estimate the amount of the loss, an accrued liability is established. The actual costs of resolving these proceedings may be substantially higher or lower than the amounts accrued.

As a legal matter develops, the Company, in conjunction with any outside counsel handling the matter, evaluates on an ongoing basis whether such matter presents a loss contingency that is both probable and estimable. If, at the time of evaluation, the loss contingency is not both probable and reasonably estimable, the matter will continue to be monitored for further developments that would make such loss contingency both probable and reasonably estimable. Once the matter is deemed to be both probable and reasonably estimable, the Company will establish an accrued liability and record a corresponding amount to legal-related expense. The Company will continue to monitor the matter for further developments that could affect the amount of the accrued liability that has been previously established. The Company recorded legal-related expenses, net of recoveries, which includes legal settlements and the fees paid to external legal service providers, of \$7 and \$15 for three and nine months ended September 30, 2022, respectively, and \$10 and \$31 for three and nine months ended September 30, 2021, respectively, which are included in "general and administrative expenses" on the unaudited condensed consolidated statements of operations.

For matters for which a loss is probable or reasonably possible in future periods, whether in excess of a related accrued liability or where there is no accrued liability, the Company may be able to estimate a range of possible loss. In determining whether it is possible to provide an estimate of loss or range of possible loss, the Company reviews and evaluates its material legal matters on an ongoing basis, in conjunction with any outside counsel handling the matter. Management currently believes the aggregate range of reasonably possible loss is \$2 to \$9 in excess of the accrued liability (if any) related to those matters as of September 30, 2022. This estimated range of possible loss is based upon currently available information and is subject to significant judgment, numerous assumptions and known and unknown uncertainties. The matters underlying the estimated range will change from time to time, and actual results may vary substantially from the current estimate. Those matters for which an estimate is not possible are not included within the estimated range. Therefore, this estimated range of possible loss represents what management believes to be an estimate of possible loss only for certain matters meeting these criteria. It does not represent the Company's maximum loss exposure and the Company cannot provide assurance that its litigations reserves will not need to be adjusted in the future. Thus, the Company's exposure and ultimate losses may be higher, possibly significantly so, than the amounts accrued or this aggregate amount.

In the Company's experience, legal proceedings are inherently unpredictable. One or more of the following factors frequently contribute to this inherent unpredictability: the proceeding is in its early stages; the damages sought are unspecified, unsupported or uncertain; it is unclear whether a case brought as a class action will be allowed to proceed on that basis or, if permitted to proceed as a class action, how the class will be defined; the other party is seeking relief other than or in addition to compensatory damages (including, in the case of regulatory and governmental investigations and inquiries, the possibility of fines and penalties); the matter presents meaningful legal uncertainties, including novel issues of law; the Company has not engaged in meaningful settlement discussions; discovery has not started or is not complete; there are significant facts in dispute; predicting possible outcomes depends on making assumptions about future decisions of courts or governmental or regulatory bodies or the behavior of other parties; and there are a large number of parties named as defendants (including where it is uncertain how damages or liability, if any, will be shared among multiple defendants). Generally, the less progress that has been made in the proceedings or the broader the range of potential results, the harder it is for the Company to estimate losses or ranges of losses that is reasonably possible the Company could incur.

Based on current knowledge, and after consultation with counsel, management believes that the current legal accrued liability within payables and accrued liabilities, is appropriate, and the amount of any incremental liability arising from these matters is not expected to have a material adverse effect on the consolidated financial condition of the Company, although the outcome of such proceedings could be material to the Company's operating results and cash flows for a particular period depending, on among other things, the level of the Company's revenues or income for such period. However, in the event of significant developments on existing cases, it is possible that the ultimate resolution, if unfavorable, may be material to the Company's condensed consolidated financial statements.

Other Loss Contingencies

As part of the Company's ongoing operations, it acquires servicing rights of mortgage loan portfolios that are subject to indemnification based on the representations and warranties of the seller. From time to time, the Company will seek recovery under these representations and warranties for incurred costs. The Company believes all balances sought from sellers recorded in "advances and other receivables, net" represent valid claims. However, the Company acknowledges that the claims process can be prolonged due to the required time to perfect claims at the loan level. Because of the required time to perfect or remediate these claims, management relies on the sufficiency of documentation supporting the claim, current negotiations with the counterparty and other evidence to evaluate whether a reserve is required for non-recoverable balances. In the absence of successful negotiations with the seller, all amounts claimed may not be recovered. Balances may be written-off and charged against earnings when management identifies amounts where recoverability from the seller is not likely. As of September 30, 2022, the Company believes all recorded balances for which recovery is sought from the seller are valid claims, and no evidence suggests additional reserves are warranted.

Loan and Other Commitments

The Company enters into IRLCs with prospective borrowers whereby the Company commits to lend a certain loan amount under specific terms and interest rates to the borrower. The Company also enters into LPCs with prospective sellers. These loan commitments are treated as derivatives and are carried at fair value. See *Note 8, Derivative Financial Instruments*, for more information.

16. Segment Information

The Company's segments are based upon the Company's organizational structure, which focuses primarily on the services offered. The Servicing segment performs operational activities on behalf of investors or owners of the underlying mortgages and mortgage servicing rights, including collecting and disbursing borrower payments, investor reporting, customer service, modifying loans where appropriate to help borrowers stay current, and when necessary performing collections, foreclosures, and the sale of REO. The Originations segment originates residential mortgage loans through our direct-to-consumer channel, which provides refinance options for our existing customers, and through our correspondent channel, which purchases or originates loans from mortgage bankers. Corporate functional expenses are allocated to individual segments based on the actual cost of services performed, direct resource utilization, estimate of percentage use for shared services or headcount percentage for certain functions. Facility costs are allocated to individual segments based on cost per headcount for specific facilities utilized. Group insurance costs are allocated to individual segments based on global cost per headcount. Non-allocated corporate expenses include the administrative costs of executive management and other corporate functions that are not directly attributable to Company's operating segments. Revenues generated on inter-segment services performed are valued based on similar services provided to external parties.

On December 1, 2021, the Company completed the sale of its reverse servicing portfolio, operating under the Champion Mortgage brand, to MAM and its affiliates. The reverse servicing operation was previously reported in the Company's Servicing segment. The reverse servicing operation is presented as discontinued operations in Company's condensed financial statements for all periods presented and, as such, is not included in the continuing operations of the Servicing segment.

On March 31, 2022, the Company completed the sale of its Mortgage Servicing Platform to Sagent and recorded a gain of \$223, which was included in "other income, net" within the condensed statements of operations and reported under Corporate/Other. Refer to *Note 2, Dispositions* for further details.

The following tables present financial information by segment:

Financial Information by Segment	Three Months Ended September 30, 2022			
	Servicing	Originations	Corporate/Other	Consolidated
Revenues				
Service related, net	\$ 353	\$ 20	\$ 22	\$ 395
Net (loss) gain on mortgage loans held for sale	(21)	136	—	115
Total revenues	332	156	22	510
Total expenses	147	112	57	316
Interest income	71	12	—	83
Interest expense	(53)	(11)	(40)	(104)
Other expense, net	—	—	(20)	(20)
Total other (expenses) income, net	18	1	(60)	(41)
Income (loss) from continuing operations before income tax expense (benefit)	\$ 203	\$ 45	\$ (95)	\$ 153
Depreciation and amortization for property and equipment and intangible assets from continuing operations	\$ 6	\$ 5	\$ (2)	\$ 9
Total assets	\$ 9,703	\$ 1,252	\$ 1,860	\$ 12,815

Financial Information by Segment	Three Months Ended September 30, 2021			
	Servicing	Originations	Corporate/Other	Consolidated
Revenues				
Service related, net	\$ 209	\$ 44	\$ 35	\$ 288
Net gain on mortgage loans held for sale	142	430	—	572
Total revenues	351	474	35	860
Total expenses	128	208	66	402
Interest income	39	27	—	66
Interest expense	(65)	(22)	(31)	(118)
Other income, net	—	—	8	8
Total other (expenses) income, net	(26)	5	(23)	(44)
Income (loss) from continuing operations before income tax expense (benefit)	\$ 197	\$ 271	\$ (54)	\$ 414
Depreciation and amortization for property and equipment and intangible assets from continuing operations	\$ 11	\$ 8	\$ (5)	\$ 14
Total assets	\$ 14,560	\$ 4,949	\$ 2,152	\$ 21,661

Financial Information by Segment	Nine Months Ended September 30, 2022			
	Servicing	Originations	Corporate/Other	Consolidated
Revenues				
Service related, net	\$ 1,468	\$ 86	\$ 56	\$ 1,610
Net (loss) gain on mortgage loans held for sale	(25)	576	—	551
Total revenues	1,443	662	56	2,161
Total expenses				
Interest income	125	44	—	169
Interest expense	(168)	(33)	(120)	(321)
Other income, net	—	—	197	197
Total other (expenses) income, net	(43)	11	77	45
Income (loss) from continuing operations before income tax expense	\$ 987	\$ 261	\$ (24)	\$ 1,224
Depreciation and amortization for property and equipment and intangible assets from continuing operations	\$ 16	\$ 14	\$ (1)	\$ 29
Total assets	\$ 9,703	\$ 1,252	\$ 1,860	\$ 12,815

Financial Information by Segment	Nine Months Ended September 30, 2021			
	Servicing	Originations	Corporate/Other	Consolidated
Revenues				
Service related, net	\$ 558	\$ 132	\$ 170	\$ 860
Net gain on mortgage loans held for sale	466	1,367	—	1,833
Total revenues	1,024	1,499	170	2,693
Total expenses				
Interest income	87	76	—	163
Interest expense	(201)	(70)	(92)	(363)
Other income, net	—	—	494	494
Total other (expenses) income, net	(114)	6	402	294
Income from continuing operations before income tax expense	\$ 551	\$ 840	\$ 315	\$ 1,706
Depreciation and amortization for property and equipment and intangible assets from continuing operations	\$ 23	\$ 18	\$ 4	\$ 45
Total assets	\$ 14,560	\$ 4,949	\$ 2,152	\$ 21,661

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the U.S. federal securities laws. These forward-looking statements include, without limitation, statements concerning plans, objectives, goals, projections, strategies, core initiatives, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. When used in this discussion, the words “anticipate,” “appears,” “believe,” “foresee,” “intend,” “should,” “expect,” “estimate,” “project,” “plan,” “may,” “could,” “will,” “are likely” and similar expressions are intended to identify forward-looking statements. These statements involve predictions of our future financial condition, performance, plans and strategies and are thus dependent on a number of factors including, without limitation, assumptions and data that may be imprecise or incorrect. Specific factors that may impact performance or other predictions of future actions have, in many but not all cases, been identified in connection with specific forward-looking statements. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances, and we are under no obligation to, and express disclaim any obligation, to update or alter our forward-looking statements, whether as a result of new information, future events or otherwise.

A number of important factors exist that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to:

- our ability to maintain or grow the size of our servicing portfolio;
- our ability to maintain or grow our originations volume and profitability;
- our ability to recapture voluntary prepayments related to our existing servicing portfolio;
- our shift in the mix of our servicing portfolio to subservicing, which is highly concentrated;
- delays in our ability to collect or be reimbursed for servicing advances;
- our ability to obtain sufficient liquidity and capital to operate our business;
- changes in prevailing interest rates;
- our ability to successfully implement our strategic initiatives;
- our ability to realize anticipated benefits of our previous acquisitions;
- our ability to use net operating loss carryforwards and other tax attributes;
- changes in our business relationships or changes in servicing guidelines with Fannie Mae, Freddie Mac and Ginnie Mae;
- our ability to pay down debt;
- our ability to manage legal and regulatory examinations and enforcement investigations and proceedings, compliance requirements and related costs;
- health pandemics, hurricanes, earthquakes, fires, floods and other natural catastrophic events;
- our ability to prevent cyber intrusions and mitigate cyber risks; and
- our ability to maintain our licenses and other regulatory approvals.

All of these factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each such new factor on our business. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and any of these statements included herein may prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements, or our objectives and plans will be achieved. Please refer to *Risk Factors* and *Management's Discussion and Analysis of Financial Condition and Results of Operations*, included in this report and in our Annual Report on Form 10-K for the year ended December 31, 2021 for further information on these and other risk factors affecting us.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations ("MD&A") should be read in conjunction with the accompanying unaudited condensed consolidated financial statements and in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2021. The following discussion contains, in addition to the historical information, forward-looking statements that include risks, assumptions and uncertainties that could cause actual results to differ materially from those anticipated by such statements.

Dollar amounts are reported in millions, except per share data and other key metrics, unless otherwise noted.

We have provided a glossary of terms, which defines certain industry-specific and other terms that are used herein, at the end of the MD&A section.

Overview

We are a leading servicer of residential mortgage loans. Our purpose is to keep the dream of homeownership alive, and we do this as a servicer by helping mortgage borrowers manage what is typically their largest financial asset, and by helping our investors maximize the returns from their portfolios of residential mortgages. We have a track record of significant growth, having expanded our servicing portfolio from \$10 billion in 2009 to \$854 billion as of September 30, 2022. We believe this track record reflects our strong operating capabilities, which include a low-cost servicing platform, strong loss mitigation skills, a commitment to compliance, a customer-centric culture, a demonstrated ability to retain customers, growing origination capabilities, and significant investment in technology.

Our strategy is to position the Company for sustainable long-term growth, drive improved efficiency and profitability, and generate a return on tangible equity of 12% or higher. Key strategic priorities include the following:

- Strengthen our balance sheet by building capital and liquidity, and managing interest rate and other forms of risk;
- Improve efficiency by driving continuous improvement in unit costs for Servicing and Originations segments, as well as by taking corporate actions to eliminate costs throughout the organization;
- Grow our servicing portfolio to \$1 trillion in UPB by acquiring new customers and retaining existing customers;
- Achieve a refinance recapture rate of 60%;
- Delight our customers and keep Mr. Cooper a great place for our team members to work;
- Reinvent the customer experience by acting as the customer's advocate and by harnessing technology to deliver digital solutions that are personalized and friction-less;
- Sustain the talent of our people and the culture of our organization; and
- Maintain strong relationships with agencies, investors, regulators, and other counterparties and a strong reputation for compliance and customer service.

Anticipated Trends

In 2022, our servicing portfolio grew \$144 billion to \$854 billion, with a majority of the growth in our subservicing portfolio from both new and existing clients. We expect our UPB growth to flatten for a couple quarters due to deboarding of loans from an existing client, which will begin servicing its own portfolio. In addition, we continue to expect the Servicing segment to benefit from rising interest rates, including lower prepayment speeds, decreased amortization and higher interest income. In the third quarter, our Originations segment generated pretax income of \$45 on funded volume of \$5,741. We expect profitability for Originations segment to reduce significantly for the fourth quarter due to continued interest rate pressure in the mortgage industry.

In 2022, the inflation rate has continued to increase. Inflationary pressures may limit a borrower's disposable income, which can decrease customers' ability to enter into mortgage transactions. Inflationary pressures, along with supply chain disruptions, may also increase our operating costs. However, historically changes in interest rates have a greater impact on our financial results than changes in inflation. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or extent as the inflation rate.

Results of Operations

Table 1. Consolidated Operations

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues - operational ⁽¹⁾	\$ 386	\$ 709	\$ (323)	\$ 1,284	\$ 2,317	\$ (1,033)
Revenues - mark-to-market	124	151	(27)	877	376	501
Total revenues	510	860	(350)	2,161	2,693	(532)
Total expenses	316	402	(86)	982	1,281	(299)
Total other (expenses) income, net	(41)	(44)	3	45	294	(249)
Income from continuing operations before income tax expense	153	414	(261)	1,224	1,706	(482)
Less: Income tax expense	40	104	(64)	302	410	(108)
Net income from continuing operations	\$ 113	\$ 310	\$ (197)	\$ 922	\$ 1,296	\$ (374)

⁽¹⁾ Revenues - operational consists of total revenues, excluding mark-to-market.

Income from continuing operations before income tax expense decreased during the three and nine months ended September 30, 2022 as compared to 2021 primarily due to a decrease in total revenues, partially offset by lower total expenses. The decrease in total revenues was primarily due to a decline in revenues from our Originations segment due to lower origination volumes driven by higher mortgage rates in 2022. The decrease in total expenses was primarily driven by lower salaries, wages and benefits in our Originations segment due to lower headcount in both the direct-to-consumer and correspondent channels as a result of right sizing the organization consistent with lower origination volumes. The change in total other (expenses) income, net during the nine months ended September 30, 2022 as compared to 2021 was primarily due to a \$223 gain recorded in the first quarter of 2022 upon completion of the Sagent Transaction compared to a \$487 gain recorded in the second quarter of 2021 upon completion of the sale of our Title business. See further discussions in *Note 2, Dispositions*, in the Notes to the Condensed Consolidated Financial Statements and in the Segment Results section of the MD&A.

The effective tax rate for continuing operations during the three months ended September 30, 2022 was 26.4% as compared to 25.0% in 2021. The change in effective tax rate is primarily attributable to the impact of quarterly discrete tax items relative to income before taxes for the respective period, including the excess tax benefit from stock-based compensation and prior period tax credits.

The effective tax rate for continuing operations during the nine months ended September 30, 2022 was 24.7% as compared to 24.0% in 2021. The change in effective tax rate is primarily attributable to the impact of quarterly discrete tax items relative to income before taxes for the respective period, including the excess tax benefit from stock-based compensation and prior period tax credits.

Segment Results

Our operations are conducted through two segments: Servicing and Originations.

- The Servicing segment performs operational activities on behalf of investors or owners of the underlying mortgages and mortgage servicing rights, including collecting and disbursing borrower payments, investor reporting, customer service, modifying loans where appropriate to help borrowers stay current, and when necessary performing collections, foreclosures, and the sale of REO.
- The Originations segment originates residential mortgage loans through our direct-to-consumer channel, which provides refinance options for our existing customers, and through our correspondent channel, which purchases or originates loans from mortgage bankers.

Refer to *Note 16, Segment Information*, in the Notes to the Condensed Consolidated Financial Statements for a summary of segment results.

Servicing Segment

The Servicing segment's strategy is to generate income by growing the portfolio and maximizing the servicing margin. We believe several competitive strengths have been critical to our long-term growth as a servicer and subservicer, including our low-cost platform that creates operating leverage, our skill in mitigating losses for investors, our commitment to strong customer service and regulatory compliance, our history of successfully boarding new loans, and the ability to retain existing customers by offering attractive refinance options. We believe that our operational capabilities are reflected in our strong servicer ratings.

Table 2. Servicer Ratings

	Fitch⁽¹⁾	Moody's⁽²⁾	S&P⁽³⁾
<i>Rating date</i>	<i>August 2022</i>	<i>April 2022</i>	<i>June 2022</i>
Residential	RPS2	SQ2-	Above Average
Master Servicer	RMS2+	SQ2+	Above Average
Special Servicer	RSS2	SQ2-	Above Average
Subprime Servicer	RPS2	SQ2-	Above Average

(1) Fitch Rating Scale of 1 (Highest Performance) to 5 (Low/No Proficiency)

(2) Moody's Rating Scale of SQ1 (Strong Ability/Stability) to SQ5 (Weak Ability/Stability)

(3) S&P Rating Scale of Strong to Weak

The following tables set forth the results of operations for the Servicing segment:

Table 3. Servicing Segment Results of Operations

	Three Months Ended September 30,				Change	
	2022		2021		Amt	bps
	Amt	bps ⁽¹⁾	Amt	bps ⁽¹⁾		
Revenues						
Operational	\$ 377	18	\$ 402	25	\$ (25)	(7)
Amortization, net of accretion	(169)	(8)	(202)	(12)	33	4
Mark-to-market	124	6	151	9	(27)	(3)
Total revenues	332	16	351	22	(19)	(6)
Expenses						
Salaries, wages and benefits	82	4	69	4	13	—
General and administrative						
Servicing support fees	21	1	19	1	2	—
Corporate and other general and administrative expenses	29	2	28	2	1	—
Foreclosure and other liquidation related expenses, net	9	—	1	—	8	—
Depreciation and amortization	6	—	11	1	(5)	(1)
Total general and administrative expenses	65	3	59	4	6	(1)
Total expenses	147	7	128	8	19	(1)
Other income (expense)						
Other interest income	71	3	39	2	32	1
Advance interest expense	(8)	—	(7)	—	(1)	—
Other interest expense	(45)	(2)	(58)	(4)	13	2
Interest expense	(53)	(2)	(65)	(4)	12	2
Total other income (expense), net	18	1	(26)	(2)	44	3
Income before income tax expense	\$ 203	10	\$ 197	12	\$ 6	(2)
Weighted average cost - advance facilities (excluding facility fees)						
	4.5 %		2.7 %		1.8 %	
Weighted average cost - excess spread financing						
	8.7 %		9.0 %		(0.3)%	

⁽¹⁾ Calculated basis points (“bps”) are as follows: Annualized dollar amount/Total average UPB X 10000.

Table 3.1 Servicing - Revenues

	Three Months Ended September 30,				Change	
	2022		2021		Amt	bps
	Amt	bps ⁽¹⁾	Amt	bps ⁽¹⁾		
MSR Operational Revenue						
Base servicing fees	\$ 311	15	\$ 230	14	\$ 81	1
Modification fees ⁽²⁾	2	—	6	—	(4)	—
Late payment fees ⁽²⁾	15	1	15	1	—	—
Other ancillary revenues ⁽²⁾	(4)	—	155	10	(159)	(10)
Total MSR operational revenue	324	16	406	25	(82)	(9)
Base subservicing fees and other subservicing revenue ⁽²⁾	71	3	61	4	10	(1)
Total servicing fee revenue	395	19	467	29	(72)	(10)
MSR financing liability costs	(4)	—	(6)	—	2	—
Excess spread payments and portfolio runoff	(14)	(1)	(59)	(4)	45	3
Total operational revenue	377	18	402	25	(25)	(7)
Amortization, Net of Accretion						
MSR amortization	(183)	(9)	(261)	(16)	78	7
Excess spread accretion	14	1	59	4	(45)	(3)
Total amortization, net of accretion	(169)	(8)	(202)	(12)	33	4
Mark-to-Market Adjustments						
MSR MTM	239	12	155	10	84	2
MTM Adjustments ⁽³⁾	(112)	(6)	(13)	(1)	(99)	(5)
Excess spread / financing MTM	(3)	—	9	—	(12)	—
Total MTM adjustments	124	6	151	9	(27)	(3)
Total revenues - Servicing	\$ 332	16	\$ 351	22	\$ (19)	(6)

⁽¹⁾ Calculated basis points (“bps”) are as follows: Annualized dollar amount/Total average UPB X 10000.

⁽²⁾ Certain ancillary and other non-base fees related to subservicing operations are separately presented as other subservicing revenues.

⁽³⁾ MTM Adjustments includes the impact of negative modeled cash flows which have been transferred to reserves on advances and other receivables. The negative modeled cash flows relate to advances and other receivables associated with inactive and liquidated loans that are no longer part of the MSR portfolio. The impact of negative modeled cash flows was \$10 and \$8 during the three months ended September 30, 2022 and 2021, respectively. In addition, MTM Adjustments included a negative \$100 and negative \$8 impact from MSR hedging activities during the three months ended September 30, 2022 and 2021, respectively.

Servicing Segment Revenues

The following provides the changes in revenues for the Servicing segment:

Servicing - Operational revenue decreased during the three months ended September 30, 2022 as compared to 2021 primarily due to a decrease in other ancillary revenue from early-buyout revenues associated with loans bought out of GNMA securitization, modified and redelivered following GNMA guidelines primarily driven by negative margin from the higher interest rate environment in 2022. The decrease was partially offset by an increase in base servicing fees primarily due to a larger servicing UPB portfolio in 2022.

MSR amortization decreased during the three months ended September 30, 2022 as compared to 2021, primarily due to lower prepayments driven by higher mortgage rates in 2022, partially offset by a higher average MSR UPB and higher average MSR fair value.

The MSR MTM increased during the three months ended September 30, 2022 compared to 2021, primarily due to an increase in mortgage rates in 2022 compared to 2021, which lowered prepayment speeds and increased the fair value of the MSR.

Subservicing - Subservicing fees increased during the three months ended September 30, 2022 as compared to 2021, primarily due to higher base subservicing fees driven by higher average UPB.

Servicing Segment Expenses

Total expenses increased during the three months ended September 30, 2022 as compared to 2021, primarily driven by an increase in salaries, wages and benefits and an increase in foreclosure and other liquidation related expenses, net. The increase in salaries, wages and benefits was primarily driven by higher headcount-related costs due to growth of our servicing portfolio. The increase in foreclosure and other liquidation related expenses, net was primarily due to higher loss reserves on servicing advances, partially offset by lower depreciation and amortization.

Servicing Segment Other Income (Expenses), net

Total other income (expenses), net changed during the three months ended September 30, 2022 as compared to 2021, primarily due to higher other interest income driven by higher interest income earned on custodial balances due to higher interest rates.

Table 4. Servicing Segment Results of Operations

	Nine Months Ended September 30,				Change	
	2022		2021		Amt	bps
	Amt	bps ⁽¹⁾	Amt	bps ⁽¹⁾		
Revenues						
Operational	\$ 1,136	19	\$ 1,215	26	\$ (79)	(7)
Amortization, net of accretion	(570)	(10)	(567)	(12)	(3)	2
Mark-to-market	877	15	376	7	501	8
Total revenues	1,443	24	1,024	21	419	3
Expenses						
Salaries, wages and benefits	241	4	205	4	36	—
General and administrative						
Servicing support fees	56	1	62	1	(6)	—
Corporate and other general and administrative expenses	87	2	88	2	(1)	—
Foreclosure and other liquidation related expenses (recoveries), net	13	—	(19)	—	32	—
Depreciation and amortization	16	—	23	—	(7)	—
Total general and administrative expenses	172	3	154	3	18	—
Total expenses	413	7	359	7	54	—
Other income (expense)						
Other interest income	125	2	87	2	38	—
Advance interest expense	(22)	—	(24)	—	2	—
Other interest expense	(146)	(2)	(177)	(4)	31	2
Interest expense	(168)	(2)	(201)	(4)	33	2
Total other expenses, net	(43)	—	(114)	(2)	71	2
Income before income tax expense	\$ 987	17	\$ 551	12	\$ 436	5
Weighted average cost - advance facilities (excluding facility fees)						
	3.4 %		2.9 %		0.5 %	
Weighted average cost - excess spread financing						
	8.8 %		9.0 %		(0.2)%	

⁽¹⁾ Calculated basis points (“bps”) are as follows: Annualized dollar amount/Total average UPB X 10000.

Table 4.1 Servicing - Revenues

	Nine Months Ended September 30,					
	2022		2021		Change	
	Amt	bps ⁽¹⁾	Amt	bps ⁽¹⁾	Amt	bps
MSR Operational Revenue						
Base servicing fees	\$ 907	15	\$ 677	14	\$ 230	1
Modification fees ⁽²⁾	11	—	19	—	(8)	—
Incentive fees ⁽²⁾	—	—	1	—	(1)	—
Late payment fees ⁽²⁾	45	1	44	1	1	—
Other ancillary revenues ⁽²⁾	53	1	507	11	(454)	(10)
Total MSR operational revenue	1,016	17	1,248	26	(232)	(9)
Base subservicing fees and other subservicing revenue ⁽²⁾	208	3	191	4	17	(1)
Total servicing fee revenue	1,224	20	1,439	30	(215)	(10)
MSR financing liability costs	(14)	—	(19)	—	5	—
Excess spread payments and portfolio runoff	(74)	(1)	(205)	(4)	131	3
Total operational revenue	1,136	19	1,215	26	(79)	(7)
Amortization, Net of Accretion						
MSR amortization	(644)	(11)	(772)	(16)	128	5
Excess spread accretion	74	1	205	4	(131)	(3)
Total amortization, net of accretion	(570)	(10)	(567)	(12)	(3)	2
Mark-to-Market Adjustments						
MSR MTM	1,363	23	476	10	887	13
MTM Adjustments ⁽³⁾	(352)	(6)	(107)	(3)	(245)	(3)
Excess spread / financing MTM	(134)	(2)	7	—	(141)	(2)
Total MTM adjustments	877	15	376	7	501	8
Total revenues - Servicing	\$ 1,443	24	\$ 1,024	21	\$ 419	3

⁽¹⁾ Calculated basis points (“bps”) are as follows: Annualized dollar amount/Total average UPB X 10000.

⁽²⁾ Certain ancillary and other non-base fees related to subservicing operations are separately presented as other subservicing revenues. In addition, other subservicing revenue for the nine months ended September 30, 2022 includes revenue related to an interim subserviced portfolio that transferred on April 1, 2022. See further discussions in *Note 2, Dispositions*, in the Notes to the Condensed Consolidated Financial Statements.

⁽³⁾ MTM Adjustments includes the impact of negative modeled cash flows which have been transferred to reserves on advances and other receivables. The negative modeled cash flows relate to advances and other receivables associated with inactive and liquidated loans that are no longer part of the MSR portfolio. The impact of negative modeled cash flows was \$22 and \$28 during the nine months ended September 30, 2022 and 2021, respectively. In addition, MTM Adjustments included a negative \$329 and negative \$82 impact from MSR hedging activities during the nine months ended September 30, 2022 and 2021, respectively.

Servicing Segment Revenues

The following provides the changes in revenues for the Servicing segment:

Servicing - Operational revenue decreased during the nine months ended September 30, 2022 as compared to 2021 primarily due to a decrease in other ancillary revenue from early-buyout revenues associated with loans bought out of GNMA securitization, modified and redelivered following GNMA guidelines primarily driven by negative margin from the higher interest rate environment in 2022. The decrease was partially offset by an increase in base servicing fees primarily due to a larger servicing UPB portfolio in 2022.

MSR amortization decreased during the nine months ended September 30, 2022 as compared to 2021, primarily due to lower prepayments driven by higher mortgage rates in 2022, partially offset by a higher average MSR UPB and higher average MSR fair value.

The change in MSR MTM and excess spread and financing MTM during the nine months ended September 30, 2022 compared to 2021, was primarily due to an increase in mortgage rates in 2022 compared to 2021, which impacted prepayment speeds and increased the fair value of the MSR.

The following tables provide a rollforward of our MSR and subservicing and other portfolio UPB:

Table 6. Servicing and Subservicing and Other Portfolio UPB Rollforward

	Three Months Ended September 30, 2022			Three Months Ended September 30, 2021		
	MSR	Subservicing and Other	Total	MSR	Subservicing and Other	Total
Balance - beginning of period	\$ 397,387	\$ 406,231	\$ 803,618	\$ 287,455	\$ 366,862	\$ 654,317
Additions:						
Originations	5,727	—	5,727	18,821	1,175	19,996
Acquisitions / Increase in subservicing ⁽¹⁾	5,773	65,744	71,517	18,308	28,395	46,703
Deductions:						
Dispositions	(346)	(2,920)	(3,266)	(14)	(1,119)	(1,133)
Principal reductions and other	(4,374)	(3,046)	(7,420)	(2,974)	(3,384)	(6,358)
Voluntary reductions ⁽²⁾	(8,666)	(7,723)	(16,389)	(18,338)	(26,620)	(44,958)
Involuntary reductions ⁽³⁾	(100)	(6)	(106)	(87)	(24)	(111)
Net changes in loans serviced by others	5	—	5	(80)	—	(80)
Balance - end of period	\$ 395,406	\$ 458,280	\$ 853,686	\$ 303,091	\$ 365,285	\$ 668,376

Table 6.1 Servicing and Subservicing and Other Portfolio UPB Rollforward

	Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021		
	MSR	Subservicing and Other	Total	MSR	Subservicing and Other	Total
Balance - beginning of period	\$ 339,208	\$ 370,520	\$ 709,728	\$ 271,189	\$ 336,513	\$ 607,702
Additions:						
Originations	24,131	—	24,131	63,351	4,053	67,404
Acquisitions / Increase in subservicing ⁽¹⁾	78,722	179,335	258,057	35,369	131,355	166,724
Deductions:						
Dispositions	(1,031)	(48,493)	(49,524)	(82)	(7,064)	(7,146)
Principal reductions and other	(11,760)	(9,934)	(21,694)	(8,364)	(10,242)	(18,606)
Voluntary reductions ⁽²⁾	(33,390)	(33,103)	(66,493)	(57,801)	(89,237)	(147,038)
Involuntary reductions ⁽³⁾	(317)	(45)	(362)	(343)	(93)	(436)
Net changes in loans serviced by others	(157)	—	(157)	(228)	—	(228)
Balance - end of period	\$ 395,406	\$ 458,280	\$ 853,686	\$ 303,091	\$ 365,285	\$ 668,376

(1) Includes transfers to/from Subservicing and Other.

(2) Voluntary reductions are related to loan payoffs by customers.

(3) Involuntary reductions refer to loan chargeoffs.

The table below summarizes the overall performance of the servicing and subservicing portfolio:

Table 7. Key Performance Metrics - Servicing and Subservicing Portfolio⁽¹⁾

	September 30, 2022		September 30, 2021	
Loan count ⁽²⁾	4,086,628		3,488,384	
Average loan amount ⁽³⁾	\$	208,815	\$	191,602
Average coupon - agency ⁽⁴⁾	3.6 %		3.7 %	
Average coupon - non-agency ⁽⁴⁾	4.4 %		4.4 %	
60+ delinquent (% of loans) ⁽⁵⁾	2.5 %		4.0 %	
90+ delinquent (% of loans) ⁽⁵⁾	2.2 %		3.7 %	
120+ delinquent (% of loans) ⁽⁵⁾	2.0 %		3.5 %	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Total prepayment speed (12-month constant prepayment rate)	8.3 %	24.6 %	11.3 %	27.1 %

- (1) Characteristics and key performance metrics of our servicing portfolio exclude UPB, and loan counts acquired but not yet boarded and currently serviced by others.
- (2) As of September 30, 2022 and 2021, loan count includes 41,061 and 84,939 loans in forbearance related to the CARES Act, respectively.
- (3) Average loan amount is presented in whole dollar amounts.
- (4) The weighted average coupon amounts presented in the table above are only reflective of our owned MSR portfolio that is reported at fair value.
- (5) Loan delinquency is based on the current contractual due date of the loan. In the case of a completed loan modification, delinquency is based on the modified due date of the loan. Loan delinquency includes loans in forbearance.

Delinquency is an assumption in determining the mark-to-market adjustment and is a key indicator of MSR portfolio performance. Delinquent loans contribute to lower MSR values due to higher costs to service and increased carrying costs of advances. Delinquency rates decreased from 2021 as the COVID-19 pandemic's effect on the macroeconomic environment declines. We do not anticipate a significant increase in foreclosures in excess of pre-pandemic levels due to the effectiveness of the forbearance programs in place and the historically high levels of equity that borrowers have accrued which provides borrowers with additional options.

Table 8. MSRs Loan Modifications and Workout Units

	Three Months Ended September 30,		Change	Nine Months Ended September 30,		Change
	2022	2021		2022	2021	
Modifications ⁽¹⁾	6,786	14,540	(7,754)	37,102	47,720	(10,618)
Workouts ⁽²⁾	9,719	14,041	(4,322)	37,622	50,418	(12,796)
Total modifications and workout units	16,505	28,581	(12,076)	74,724	98,138	(23,414)

- (1) Modifications consist of agency programs, including forbearance options under the CARES Act, designed to adjust the terms of the loan (e.g., reduced interest rates).
- (2) Workouts consist of other loss mitigation options designed to assist borrowers and keep them in their homes, but do not adjust the terms of the loan. Workouts exclude loans which did not miss a contractual payment during forbearance related to the CARES Act.

Total modifications during the three and nine months ended September 30, 2022 decreased compared to 2021 primarily due to a decrease in modifications related to loans impacted by the COVID-19 pandemic. Total workouts during the three and nine months ended September 30, 2022 decreased compared to 2021 primarily due to a decrease in customers who were exiting forbearance plans, as there were fewer customers in forbearance.

Servicing Portfolio and Related Liabilities

The following table sets forth the activities of MSRs:

Table 9. MSRs - Fair Value Rollforward

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Fair value - beginning of period	\$ 6,151	\$ 3,307	\$ 4,223	\$ 2,703
Additions:				
Servicing retained from mortgage loans sold	120	236	481	790
Purchases of servicing rights	79	220	1,256	438
Dispositions:				
Sales of servicing assets	(4)	(1)	(293)	(13)
Changes in fair value:				
Due to changes in valuation inputs or assumptions used in the valuation model (MSR fair value MTM):				
Agency	234	150	1,348	108
Non-agency	5	5	15	368
Changes in valuation due to amortization:				
Scheduled principal payments	(43)	(33)	(132)	(82)
Prepayments				
Voluntary prepayments				
Agency	(131)	(212)	(475)	(625)
Non-agency	(8)	(15)	(33)	(62)
Involuntary prepayments				
Agency	(1)	(1)	(4)	(3)
Non-agency	—	—	—	—
Other changes ⁽¹⁾	6	10	22	44
Fair value - end of period	\$ 6,408	\$ 3,666	\$ 6,408	\$ 3,666

⁽¹⁾ Amounts primarily represent negative fair values reclassified from the MSR asset to reserves as underlying loans are removed from the MSR and other reclassification adjustments.

See Note 3, *Mortgage Servicing Rights and Related Liabilities* and Note 13, *Fair Value Measurements*, in the Notes to the Condensed Consolidated Financial Statements, for additional information regarding the range of assumptions and sensitivities related to the fair value measurement of MSRs as of September 30, 2022 and December 31, 2021.

Excess Spread Financing

As further disclosed in Note 3, *Mortgage Servicing Rights and Related Liabilities*, in the Notes to the Condensed Consolidated Financial Statements, we have entered into sale and assignment agreements treated as financing arrangements whereby the acquirer has the right to receive a specified percentage of the excess cash flow generated from an MSR. In June 2022, the Company entered into an assignment agreement to repurchase excess spread liabilities for a total purchase price of \$277.

The servicing fees associated with an MSR can be segregated into (i) a base servicing fee and (ii) an excess servicing fee. The base servicing fee, along with ancillary income and other revenues, is designed to cover costs incurred to service the specified pool plus a reasonable margin. The remaining servicing fee is considered excess. We sell a percentage of the excess fee as a method for efficiently financing acquired MSRs and the purchase of loans. We do not currently utilize these transactions as a primary source of financing due to the availability of lower cost sources of funding.

Excess spread financings are recorded at fair value, and the impact of fair value adjustments varies primarily due to (i) prepayment speeds (ii) recapture rates and (iii) discount rates. See *Note 3, Mortgage Servicing Rights and Related Liabilities* and *Note 13, Fair Value Measurements*, in the Notes to the Condensed Consolidated Financial Statements, for additional information regarding the range of assumptions and sensitivities related to the measurement of the excess spread financing liability as of September 30, 2022 and December 31, 2021.

The following table sets forth the change in the excess spread financing:

Table 10. Excess Spread Financing - Rollforward

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Fair value - beginning of period	\$ 532	\$ 867	\$ 768	\$ 934
Additions:				
New financings	—	—	—	—
Deductions:				
Repayments	(1)	—	(293)	—
Settlements	(19)	(37)	(80)	(118)
Changes in fair value:				
Agency	4	(12)	109	(3)
Non-agency	3	4	15	9
Fair value - end of period	\$ 519	\$ 822	\$ 519	\$ 822

Originations Segment

The strategy of our Originations segment is to originate or acquire new loans for the servicing portfolio at a more attractive cost than purchasing MSRs in bulk transactions and to retain our existing customers by providing them with attractive refinance and purchase transaction options. The Originations segment plays a strategically important role because its profitability is typically counter cyclical to that of the Servicing segment. Furthermore, by originating or acquiring loans at a more attractive cost than would be the case in bulk MSR acquisitions, the Originations segment improves our overall profitability and cash flow. Our Originations segment is one way that we help underserved consumers access the financial markets. In the nine months ended September 30, 2022, our total originations included loans for 20,756 customers with low FICOs (<660), 29,002 customers with income below the U.S. median household income, 16,917 first-time homebuyers, and 6,447 veterans. During this time period, we originated a total of 23,108 Ginnie Mae loans, which are designed for first-time homebuyers and low- and moderate-income borrowers, comprising \$6 billion in total proceeds. Once these loans are originated, the underserved borrowers become our servicing customers.

The Originations segment includes two channels:

- Our direct-to-consumer (“DTC”) lending channel relies on our call centers, website and mobile apps, specially trained teams of licensed mortgage originators, predictive analytics and modeling utilizing proprietary data from our servicing portfolio to reach our existing customers who may benefit from a new mortgage. Depending on borrower eligibility, we will refinance existing loans into conventional, government or non-agency products. Through lead campaigns and direct marketing, the direct-to-consumer channel seeks to convert leads into loans in a cost-efficient manner.
- Our correspondent lending channel acquires newly originated residential mortgage loans that have been underwritten to investor guidelines. This includes both conventional and government-insured loans that qualify for inclusion in securitizations that are guaranteed by the GSEs. Our correspondent lending channel enables us to replenish servicing portfolio run-off typically at a better rate of return than traditional bulk or flow acquisitions.

The following tables set forth the results of operations for the Originations segment:

Table 11. Originations Segment Results of Operations

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Revenues						
Service related, net - Originations ⁽¹⁾	\$ 20	\$ 44	\$ (24)	\$ 86	\$ 132	\$ (46)
Net gain on mortgage loans held for sale						
Net gain on loans originated and sold ⁽²⁾	22	209	(187)	151	626	(475)
Capitalized servicing rights ⁽³⁾	114	221	(107)	425	741	(316)
Total net gain on mortgage loans held for sale	136	430	(294)	576	1,367	(791)
Total revenues	156	474	(318)	662	1,499	(837)
Expenses						
Salaries, wages and benefits	69	147	(78)	276	478	(202)
General and administrative						
Loan origination expenses	15	25	(10)	50	78	(28)
Corporate and other general administrative expenses	12	15	(3)	44	52	(8)
Marketing and professional service fees	11	13	(2)	28	39	(11)
Depreciation and amortization	5	8	(3)	14	18	(4)
Total general and administrative	43	61	(18)	136	187	(51)
Total expenses	112	208	(96)	412	665	(253)
Other income (expenses)						
Interest income	12	27	(15)	44	76	(32)
Interest expense	(11)	(22)	11	(33)	(70)	37
Total other income, net	1	5	(4)	11	6	5
Income before income tax expense	\$ 45	\$ 271	\$ (226)	\$ 261	\$ 840	\$ (579)
Weighted average note rate - mortgage loans held for sale						
	5.1 %	3.0 %	2.1 %	4.0 %	3.0 %	1.0 %
Weighted average cost of funds (excluding facility fees)						
	4.6 %	1.9 %	2.7 %	3.3 %	2.0 %	1.3 %

(1) Service related revenues, net - Originations refers to fees collected from customers for originated loans and from other lenders for loans purchased through the correspondent channel, and includes loan application, underwriting and other similar fees.

(2) Net gain on loans originated and sold represents the gains and losses from the origination, purchase, and sale of loans and realized and unrealized gains and losses from related derivative instruments. Gain from the origination and sale of loans are affected by the volume and margin of our originations activity and impacted by fluctuations in mortgage rates.

(3) Capitalized servicing rights represent the fair value attributed to mortgage servicing rights at the time in which they are retained in connection with the sale of loans during the period.

Table 12. Originations - Key Metrics

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Key Metrics						
Consumer direct lock pull through adjusted volume ⁽¹⁾	\$ 3,179	\$ 9,419	\$ (6,240)	\$ 13,409	\$ 28,375	\$ (14,966)
Other locked pull through adjusted volume ⁽¹⁾	2,097	10,654	(8,557)	8,684	33,323	(24,639)
Total pull through adjusted lock volume	\$ 5,276	\$ 20,073	\$ (14,797)	\$ 22,093	\$ 61,698	\$ (39,605)
Funded volume	\$ 5,741	\$ 19,938	\$ (14,197)	\$ 25,081	\$ 67,298	\$ (42,217)
Volume of loans sold	\$ 6,387	\$ 21,463	\$ (15,076)	\$ 29,477	\$ 72,724	\$ (43,247)
Recapture percentage ⁽²⁾	28.4%	29.9%	(1.5)%	32.9%	31.1%	1.8%
Refinance recapture percentage ⁽³⁾	79.6%	40.3%	39.3%	56.2%	39.2%	17.0%
Purchase as a percentage of funded volume	42.3%	30.9%	11.4%	31.6%	21.7%	9.9%
Value of capitalized servicing on retained settlements	221 bps	138 bps	83 bps	188 bps	131 bps	57 bps
Originations Margin						
Revenue	\$ 156	\$ 474	\$ (318)	\$ 662	\$ 1,499	\$ (837)
Pull through adjusted lock volume	\$ 5,276	\$ 20,073	\$ (14,797)	\$ 22,093	\$ 61,698	\$ (39,605)
Revenue as a percentage of pull through adjusted lock volume ⁽⁴⁾	2.96 %	2.36 %	0.60 %	3.00 %	2.43 %	0.57 %
Expenses ⁽⁵⁾	\$ 111	\$ 203	\$ (92)	\$ 401	\$ 659	\$ (258)
Funded volume	\$ 5,741	\$ 19,938	\$ (14,197)	\$ 25,081	\$ 67,298	\$ (42,217)
Expenses as a percentage of funded volume ⁽⁶⁾	1.93 %	1.02%	0.91 %	1.60 %	0.98%	0.62 %
Originations Margin	1.03 %	1.34 %	(0.31)%	1.40 %	1.45 %	(0.05)%

(1) Pull through adjusted volume represents the expected funding from locks taken during the period.

(2) Recapture percentage includes new loan originations for both purchase and refinance transactions where borrower retention and/or property retention occur as a result of a loan payoff from our servicing portfolio. Excludes loans we are contractually unable to solicit.

(3) Refinance recapture percentage includes new loan originations for refinance transactions where borrower retention and property retention occurs as a result of a loan payoff from our servicing portfolio. Excludes loans we are contractually unable to solicit.

(4) Calculated on pull-through adjusted lock volume as revenue is recognized at the time of loan lock.

(5) Expenses include total expenses and total other income (expenses), net.

(6) Calculated on funded volume as expenses are incurred based on closing of the loan.

Originations Segment Revenues

Total revenues decreased during the three and nine months ended September 30, 2022 compared to 2021 primarily driven by a decline in net gain on loans originated and sold and a decrease in capitalized servicing rights. During the three and nine months ended September 30, 2022, revenues from net gain on loans originated and sold decreased in connection with lower funded volume and total pull through adjusted lock volume. Additionally, the decrease in capitalized servicing rights was primarily driven by lower origination volumes, partially offset by an increase in value of capitalized servicing retained on settlements due to higher mortgage rates in 2022. During the three months ended September 30, 2022, revenues also decreased due to unfavorable fair value adjustments on loans held for sale, partially offset by higher favorable mark-to-market adjustments on loan derivatives and hedges. During the nine months ended September 30, 2022, revenues also decreased due to lower favorable mark-to-market adjustments on loan derivatives and hedges, partially offset by a lower unfavorable mark-to-market on interest rate locks and loan commitments and fair value adjustment on loans held for sale.

Originations Segment Expenses

Total expenses during the three and nine months ended September 30, 2022 decreased when compared to 2021 primarily due to a decline in salaries, wages and benefits expense, and loan origination expenses. Salaries, wages and benefits expense declined in 2022 primarily due to decreased headcount in both the direct-to-consumer and correspondent channels as a result of right sizing the organization consistent with lower origination volumes. Loan origination expenses declined in 2022 primarily due to cost reduction initiatives in connection with decreased origination volumes.

Originations Segment Other Income (Expenses), Net

Interest income relates primarily to mortgage loans held for sale. Interest expense is associated with the warehouse facilities utilized to finance newly originated loans. There were no material changes in total other income, net, during the three and nine months ended September 30, 2022 as compared to 2021.

Originations Margin

The Originations Margin for the three and nine months ended September 30, 2022 decreased as compared to 2021 primarily due to a higher ratio of expenses as a percentage of funded volume driven by lower funded volume due to higher mortgage rates in 2022, partially offset by higher revenue as a percentage of pull through adjusted lock volume driven by higher margins from a shift in channel mix from correspondent to direct-to-consumer. Direct-to-consumer channel mix was 60% and 47% for the three months ended September 30, 2022, and 2021 and 61% and 46% for the nine months ended September 30, 2022 and 2021, respectively.

Corporate/Other

Corporate/Other represents Xome's operations and unallocated overhead expenses, including the costs of executive management and other corporate functions that are not directly attributable to our operating segments, changes in equity investments and interest expense on our unsecured senior notes.

The following table set forth the selected financial results for Corporate/Other:

Table 13. Corporate/Other Selected Financial Results

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	Change	2022	2021	Change
Corporate/Other - Operations						
Total revenues	\$ 22	\$ 35	\$ (13)	\$ 56	\$ 170	\$ (114)
Total expenses	57	66	(9)	157	257	(100)
Interest expense	40	31	9	120	92	28
Other (expense) income, net	(20)	8	(28)	197	494	(297)
Key Metrics						
Average exchange inventory under management	21,680	14,907	6,773	18,435	14,438	3,997

Total revenues and total expenses decreased during the three months ended September 30, 2022 as compared to 2021 primarily due to sale of our Valuations and Field Services businesses in 2021. Total revenues and total expenses decreased during the nine months ended September 30, 2022 as compared to 2021 primarily due to sale of our Title, Valuations and Field Services businesses in 2021.

Interest expense increased in the three and nine months ended September 30, 2022 as compared to 2021 primarily due to the issuance of the unsecured senior notes due 2031 in the fourth quarter of 2021.

The change in other (expense) income, net, in the three months ended September 30, 2022 as compared to 2021 was primarily due to a loss of \$13 that was recorded in 2022 for fair value changes in our equity investments and \$5 in losses in connection with our equity method investment in Sagent in 2022. The change in other (expense) income, net, in the nine months ended September 30, 2022 as compared to 2021 was primarily due to a gain of \$223 that was recorded in the first quarter of 2022 upon completion of the Sagent Transaction as compared to a gain of \$487 that was recorded in the second quarter of 2021 upon completion of the sale of our Title business.

Liquidity and Capital Resources

We measure liquidity by unrestricted cash and availability of borrowings on our MSR facilities and other facilities. We held cash and cash equivalents on hand of \$530 as of September 30, 2022 compared to \$895 as of December 31, 2021. During the nine months ended September 30, 2022, we generated net cash of \$3,144 from operating activities and bought back 4.1 million shares of our outstanding common stock for a total cost of \$185 as part of our stock repurchase program. We have sufficient borrowing capacity to support our operations. During the three and nine months ended September 30, 2022, we increased capacity on our MSR facilities by \$200 and \$1,340, respectively. As of September 30, 2022, total borrowing capacity was \$11,300, of which \$8,224 was unused.

As of September 30, 2022, our total advance facility capacity was \$1,075, of which \$543 remained unused. For more information on our advance facilities, see *Note 9, Indebtedness* in the Notes to the Condensed Consolidated Financial Statements.

There have been no significant changes to our sources and uses of cash as disclosed in our Annual Reports on Form 10-K for the year ended December 31, 2021.

Cash Flows

The table below presents cash flows information:

Table 14. Cash Flows

	Nine Months Ended September 30,		Change
	2022	2021	
Net cash attributable to:			
Operating activities	\$ 3,144	\$ (770)	\$ 3,914
Investing activities	(987)	1,011	(1,998)
Financing activities	(2,520)	(240)	(2,280)
Net (decrease) increase in cash, cash equivalents, and restricted cash	\$ (363)	\$ 1	\$ (364)

Operating activities

Our operating activities generated cash of \$3,144 during the nine months ended September 30, 2022 compared to cash used of \$770 in 2021. The change in cash attributable to operating activities was primarily related to continuing operations, driven by \$2,416 in cash generated from originations net sales activities in 2022 compared to \$1,069 of cash used in 2021, as a result of sales proceeds and loan payment proceeds exceeding loan purchases.

Investing activities

Our investing activities used cash of \$987 during the nine months ended September 30, 2022 compared to cash generated of \$1,011 in 2021. The change in cash attributable to investing activities was primarily related to discontinued operations, driven by \$1,030 of proceeds from sale of the reverse servicing portfolio in 2021. Additionally, investing activities from continuing operations included an increase of \$826 in cash used for the purchase of mortgage servicing rights in 2022, partially offset by an increase of \$271 in cash generated by proceeds on sales of mortgage servicing rights.

Financing activities

Our financing activities used cash of \$2,520 during the nine months ended September 30, 2022 compared to cash used of \$240 in 2021. The increase in cash used in financing activities was primarily related to continuing operations, driven by a net repayment of \$1,933 in 2022 compared to net borrowing of \$1,950 in 2021 on our advance and warehouse facilities, partially offset by \$1,495 in financing activities from discontinued operations in 2021.

Capital Resources

Capital Structure and Debt

We require access to external financing resources from time to time depending on our cash requirements, assessments of current and anticipated market conditions and after-tax cost of capital. If needed, we believe additional capital could be raised through a combination of issuances of equity, corporate indebtedness, asset-backed acquisition financing and/or cash from operations. Our access to capital markets can be impacted by factors outside our control, including economic conditions.

Financial Covenants

Our credit facilities contain various financial covenants, which primarily relate to required tangible net worth amounts, liquidity reserves, leverage requirements, and profitability requirements. These covenants are measured at our operating subsidiary, Nationstar Mortgage LLC. As of September 30, 2022, we were in compliance with our required financial covenants.

Seller/Servicer Financial Requirements

We are also subject to net worth, liquidity and capital ratio requirements established by the Federal Housing Finance Agency (“FHFA”) for Fannie Mae and Freddie Mac Seller/Servicers, and Ginnie Mae for single family issuers, as summarized below. These requirements apply to our operating subsidiary, Nationstar Mortgage, LLC.

Minimum Net Worth

- FHFA - a net worth base of \$2.5 plus 25 basis points of outstanding UPB for total loans serviced.
- Ginnie Mae - a net worth equal to the base of \$2.5 plus 35 basis points of the issuer’s total single-family effective outstanding obligations.

Minimum Liquidity

- FHFA - 3.5 basis points of total Agency Mortgage Servicing UPB plus incremental 200 basis points of total nonperforming Agency, measured at 90+ delinquencies, servicing in excess of 6% total Agency servicing UPB.
- Ginnie Mae - the greater of \$1 or 10 basis points of our outstanding single-family MBS.

Minimum Capital Ratio

- FHFA and Ginnie Mae - a ratio of Tangible Net Worth to Total Assets greater than 6%.

Secured Debt to Gross Tangible Asset Ratio

- Ginnie Mae - a secured debt to gross tangible asset ratios no greater than 60%.

As of September 30, 2022, we were in compliance with our seller/servicer financial requirements for FHFA and Ginnie Mae.

Since our Ginnie Mae single-family servicing portfolio exceeds \$75 billion in UPB, we are also required to obtain an external primary servicer rating and issuer credit ratings from two different rating agencies and receive a minimum rating of a B or its equivalent. We are permitted to satisfy minimum liquidity requirements using a combination of AAA rated government securities that are marked to market in addition to cash and certain cash equivalents.

In addition, Fannie Mae or Freddie Mac may require capital ratios in excess of stated requirements. Refer to *Note 14, Capital Requirements*, in the Notes to the Condensed Consolidated Financial Statements for additional information.

Table 15. Debt

	September 30, 2022	December 31, 2021
Advance facilities principal amount	\$ 532	\$ 614
Warehouse facilities principal amount	1,504	4,125
MSR facilities principal amount	1,040	270
Unsecured senior notes principal amount	2,700	2,700

Advance Facilities

As part of our normal course of business, we borrow money to fund servicing advances. Our servicing agreements require that we advance our own funds to meet contractual principal and interest payments for certain investors, and to pay taxes, insurance, foreclosure costs and various other items that are required to preserve the assets being serviced. Delinquency rates and prepayment speeds affect the size of servicing advance balances, and we exercise our ability to stop advancing principal and interest where the pooling and servicing agreements permit, where the advance is deemed to be non-recoverable from future proceeds. These servicing requirements affect our liquidity. We rely upon several counterparties to provide us with financing facilities to fund a portion of our servicing advances. As of September 30, 2022, we had a total borrowing capacity of \$1,075, of which we could borrow an additional \$543.

Warehouse and MSR Facilities

Loan origination activities generally require short-term liquidity in excess of amounts generated by our operations. The loans we originate are financed through several warehouse lines on a short-term basis. We typically hold the loans for approximately 30 days and then sell or place the loans in government securitizations in order to repay the borrowings under the warehouse lines. Our ability to fund current operations depends upon our ability to secure these types of short-term financings on acceptable terms and to renew or replace the financings as they expire. As of September 30, 2022, we had a total borrowing capacity of \$10,525 for warehouse and MSR facilities, of which we could borrow an additional \$7,981.

Unsecured Senior Notes

In 2020 and 2021, we completed offerings of unsecured senior notes with maturity dates ranging from 2027 to 2031. We pay interest semi-annually to the holders of these notes at interest rates ranging from 5.125% to 6.000%. For more information regarding our indebtedness, see *Note 9, Indebtedness*, in the Notes to the Condensed Consolidated Financial Statements.

Contractual Obligations

As of September 30, 2022, no material changes to our outstanding contractual obligations were made from the amounts previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

Critical Accounting Policies and Estimates

Various elements of our accounting policies, by their nature, are inherently subject to estimation techniques, valuation assumptions and other subjective assessments. In particular, we have identified the following policies that, due to the judgment, estimates and assumptions inherent in those policies, are critical to an understanding of our condensed consolidated financial statements. These policies relate to fair value measurements, particularly those determined to be Level 3 as discussed in *Note 13, Fair Value Measurements*, in the Notes to the Condensed Consolidated Financial Statements and valuation and realization of deferred tax assets. We believe that the judgment, estimates and assumptions used in the preparation of our condensed consolidated financial statements are appropriate given the factual circumstances at the time. However, given the sensitivity of these critical accounting policies on our condensed consolidated financial statements, the use of other judgments, estimates and assumptions could result in material differences in our results of operations or financial condition. Fair value measurements considered to be Level 3 representing estimated values based on significant unobservable inputs primarily include (i) the valuation of MSRs, (ii) the valuation of excess spread financing, and (iii) the valuation of IRLCs. For further information on our critical accounting policies and estimates, please refer to the Company's Annual Reports on Form 10-K for the year ended December 31, 2021. There have been no material changes to our critical accounting policies and estimates since December 31, 2021.

Other Matters

Recent Accounting Developments

Below lists recently issued accounting pronouncements applicable to us but not yet adopted.

Accounting Standards Update 2020-04 and 2021-01, collectively implemented as Accounting Standards Codification Topic 848 ("ASC 848"), *Reference Rate Reform* provide temporary optional expedients and exceptions for applying generally accepted accounting principles to contract modifications, hedge accounting and other transactions affected by the transitioning away from reference rates that are expected to be discontinued, such as interbank offered rates and LIBOR. If LIBOR ceases to exist or if the methods of calculating LIBOR change from current methods for any reasons, interest rates on our floating rate loans, obligation derivatives, and other financial instruments tied to LIBOR rates, may be affected and need renegotiation with its lenders. In January 2021, ASU 2021-01 was issued to clarify that all derivatives instruments affected by changes to the interests' rates used for discounting, margining alignment due to reference rate reform are in scope of ASC 848. ASU 2020-04 and ASU 2021-01 were effective March 2020 and January 2021, respectively, for contract modifications, existing hedging relationships and other impacted transactions through December 31, 2022. The guidance in ASU 2020-04 and ASU 2021-01 is optional and may be elected over time as reference rate reform activities occur. We have not elected to apply any of the amendments through September 30, 2022 and are currently assessing the impact of ASU 2020-04 and ASU 2021-01 on our consolidated financial statements.

GLOSSARY OF TERMS

This Glossary of Terms defines some of the terms that are used throughout this report and does not represent a complete list of all defined terms used.

Advance Facility. A secured financing facility to fund advance receivables which is backed by a pool of mortgage servicing advance receivables made by a servicer to a certain pool of mortgage loans.

Agency. Government entities guaranteeing the mortgage investors that the principal amount of the loan will be repaid; the Federal Housing Administration, the Department of Veterans Affairs, the US Department of Agriculture and Ginnie Mae (and collectively, the “Agencies”)

Agency Conforming Loan. A mortgage loan that meets all requirements (loan type, maximum amount, LTV ratio and credit quality) for purchase by Fannie Mae, Freddie Mac, or insured by the FHA, USDA or guaranteed by the VA or sold into Ginnie Mae.

Asset-Backed Securities (“ABS”). A financial security whose income payments and value is derived from and collateralized (or “backed”) by a specified pool of underlying receivables or other financial assets.

Bulk acquisitions or purchases. MSR portfolio acquired on non-retained basis through an open market bidding process.

Base Servicing Fee. The servicing fee retained by the servicer, expressed in basis points, in an excess MSR arrangement in exchange for the provision of servicing functions on a portfolio of mortgage loans, after which the servicer and the co-investment partner share the excess fees on a pro rata basis.

Conventional Mortgage Loans. A mortgage loan that is not guaranteed or insured by the FHA, the VA or any other government agency. Although a conventional loan is not insured or guaranteed by the government, it can still follow the guidelines of GSEs and be sold to the GSEs.

Correspondent lender; lending channel or relationship. A correspondent lender is a lender that funds loans in their own name and then sells them off to larger mortgage lenders. A correspondent lender underwrites the loans to the standards of an investor and provides the funds at close.

Delinquent Loan. A mortgage loan that is 30 or more days past due from its contractual due date.

Department of Veterans Affairs (“VA”). The VA is a cabinet-level department of the U.S. federal government, which guarantees certain home loans for qualified borrowers eligible for securitization with GNMA.

Direct-to-consumer originations (“DTC”). A type of mortgage loan origination pursuant to which a lender markets refinancing and purchase money mortgage loans directly to selected consumers through telephone call centers, the Internet or other means.

Excess Servicing Fees. In an excess MSR arrangement, the servicing fee cash flows on a portfolio of mortgage loans after payment of the base servicing fee.

Excess Spread. MSRs with a co-investment partner where the servicer receives a base servicing fee and the servicer and co-investment partner share the excess servicing fees. This co-investment strategy reduces the required upfront capital from the servicer when purchasing or investing in MSRs.

Exchange inventory. Consists of Xome’s residential real estate inventory ranging from pre-foreclosure to bank-owned properties.

Federal National Mortgage Association (“Fannie Mae” or “FNMA”). FNMA was federally chartered by the U.S. Congress in 1938 to support liquidity, stability, and affordability in the secondary mortgage market, where existing mortgage-related assets are purchased and sold. Fannie Mae buys mortgage loans from lenders and resells them as mortgage-backed securities in the secondary mortgage market.

Federal Housing Administration (“FHA”). The FHA is a U.S. federal government agency within the Department of Housing and Urban Development (HUD). It provides mortgage insurance on loans made by FHA-approved lenders in compliance with FHA guidelines throughout the United States.

Federal Housing Finance Agency (“FHFA”). A U.S. federal government agency that is the regulator and conservator of Fannie Mae and Freddie Mac and the regulator of the 12 Federal Home Loan Banks.

Federal Home Loan Mortgage Corporation (“Freddie Mac” or “FHLMC”). Freddie Mac was chartered by Congress in 1970 to stabilize the nation’s residential mortgage markets and expand opportunities for homeownership and affordable rental housing. Freddie Mac participates in the secondary mortgage market by purchasing mortgage loans and mortgage-related securities for investment and by issuing guaranteed mortgage-related securities.

Forbearance. An agreement between the mortgage servicer or lender and borrower for a temporary postponement of mortgage payments. It is a form of repayment relief granted by the lender or creditor in lieu of forcing a property into foreclosure.

Government National Mortgage Association (“Ginnie Mae” or “GNMA”). GNMA is a self-financing, wholly owned U.S. Government corporation within HUD. Ginnie Mae guarantees the timely payment of principal and interest on MBS backed by federally insured or guaranteed loans - mainly loans insured by the FHA or guaranteed by the VA. Ginnie Mae securities are the only MBS to carry the full faith and credit guarantee of the U.S. federal government.

Government-Sponsored Enterprise (“GSE”). Certain entities established by the U.S. Congress to provide liquidity, stability and affordability in residential housing. These agencies are Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks.

Interest Rate Lock Commitments (“IRLC”). Agreements under which the interest rate and the maximum amount of the mortgage loan are set prior to funding the mortgage loan.

Loan Modification. Temporary or permanent modifications to loan terms with the borrower, including the interest rate, amortization period and term of the borrower’s original mortgage loan. Loan modifications are usually made to loans that are in default, or in imminent danger of defaulting.

Loan-to-Value Ratio (“LTV”). The unpaid principal balance of a mortgage loan as a percentage of the total appraised or market value of the property that secures the loan. An LTV over 100% indicates that the UPB of the mortgage loan exceeds the value of the property.

Lock period. A set of periods of time that a lender will guarantee a specific rate is set prior to funding the mortgage loan.

Loss Mitigation. The range of servicing activities provided by a servicer in an attempt to minimize the losses suffered by the owner of a defaulted mortgage loan. Loss mitigation techniques include short-sales, deed-in-lieu of foreclosures and loan modifications, among other options.

Mortgage-Backed Securities (“MBS”). A type of asset-backed security that is secured by a group of mortgage loans.

Mortgage Servicing Right (“MSRs”). The right and obligation to service a loan or pool of loans and to receive a servicing fee as well as certain ancillary income. MSRs may be bought and sold, resulting in the transfer of loan servicing obligations. MSRs are designated as such when the benefits of servicing the loans are expected to adequately compensate the servicer for performing the servicing.

MSR Facility. A line of credit backed by mortgage servicing rights that is used for financing purposes. In certain cases, these lines may be a sub-limit of another warehouse facility or alternatively exist on a stand-alone basis. These facilities allow for same or next day draws at the request of the borrower.

Non-Conforming Loan. A mortgage loan that does not meet the standards of eligibility for purchase or securitization by Fannie Mae, Freddie Mac or Ginnie Mae.

Originations. The process through which a lender provides a mortgage loan to a borrower.

Pull through adjusted lock volume. Represents the expected funding from locks taken during the period.

Prepayment Speed. The rate at which voluntary mortgage prepayments occur or are projected to occur. The statistic is calculated on an annualized basis and expressed as a percentage of the outstanding principal balance.

Primary Servicer. The servicer that owns the right to service a mortgage loan or pool of mortgage loans. This differs from a subservicer, which has a contractual agreement with the primary servicer to service a mortgage loan or pool of mortgage loans in exchange for a subservicing fee based upon portfolio volume and characteristics.

Prime Mortgage Loan. Generally, a high-quality mortgage loan that meets the underwriting standards set by Fannie Mae or Freddie Mac and is eligible for purchase or securitization in the secondary mortgage market. Prime Mortgage loans generally have lower default risk and are made to borrowers with excellent credit records and a monthly income at least three to four times greater than their monthly housing expenses (mortgage payments plus taxes and other debt payments) as well as significant other assets. Mortgages not classified as prime mortgage loans are generally called either sub-prime or Alt-A.

Private Label Securitizations. Securitizations that do not meet the criteria set by Fannie Mae, Freddie Mac or Ginnie Mae.

Real Estate Owned ("REO"). Property acquired by the servicer on behalf of the owner of a mortgage loan or pool of mortgage loans, usually through foreclosure or a deed-in-lieu of foreclosure on a defaulted loan. The servicer or a third-party real estate management firm is responsible for selling the REO. Net proceeds of the sale are returned to the owner of the related loan or loans. In most cases, the sale of REO does not generate enough to pay off the balance of the loan underlying the REO, causing a loss to the owner of the related mortgage loan.

Recapture. Voluntarily prepaid loans that are expected to be refinanced by the related servicer.

Refinancing. The process of working with existing borrowers to refinance their mortgage loans. By refinancing loans for borrowers we currently service, we retain the servicing rights, thereby extending the longevity of the servicing cash flows.

Reverse Mortgage Loan. A reverse mortgage loan, most commonly a Home Equity Conversion Mortgage, enables seniors to borrow against the value of their home, and no payment of principal or interest is required until the death of the borrower or the sale of the home. These loans are designed to go through the foreclosure and claim process to recover loan balance.

Servicing. The performance of contractually specified administrative functions with respect to a mortgage loan or pool of mortgage loans. Duties of a servicer typically include, among other things, collecting monthly payments, maintaining escrow accounts, providing periodic monthly statements to the borrower and monthly reports to the loan owners or their agents, managing insurance, monitoring delinquencies, executing foreclosures (as necessary), and remitting fees to guarantors, trustees and service providers. A servicer is generally compensated with a specific fee outlined in the contract established prior to the commencement of the servicing activities.

Servicing Advances. In the course of servicing loans, servicers are required to make advances that are reimbursable from collections on the related mortgage loan or pool of loans. There are typically three types of servicing advances: P&I Advances, T&I Advances and Corporate Advances.

(i) P&I Advances cover scheduled payments of principal and interest that have not been timely paid by borrowers. P&I Advances serve to facilitate the cash flows paid to holders of securities issued by the residential MBS trust. The servicer is not the insurer or guarantor of the MBS and thus has the right to cease the advancing of P&I, when the servicer deems the next advance nonrecoverable.

(ii) T&I Advances pay specified expenses associated with the preservation of a mortgaged property or the liquidation of defaulted mortgage loans, including but not limited to property taxes, insurance premiums or other property-related expenses that have not been timely paid by borrowers in order for the lien holder to maintain its interest in the property.

(iii) Corporate Advances pay costs, fees and expenses incurred in foreclosing upon, preserving defaulted loans and selling REO, including attorneys' and other professional fees and expenses incurred in connection with foreclosure and liquidation or other legal proceedings arising in the course of servicing the defaulted mortgage loans.

Servicing Advances are reimbursed to the servicer if and when the borrower makes a payment on the underlying mortgage loan at the time the loan is modified or upon liquidation of the underlying mortgage loan but are primarily the responsibility of the investor/owner of the loan. The types of servicing advances that a servicer must make are set forth in its servicing agreement with the owner of the mortgage loan or pool of mortgage loans. In some instances, a servicer is allowed to cease Servicing Advances, if those advances will not be recoverable from the property securing the loan.

Subservicing. Subservicing is the process of outsourcing the duties of the primary servicer to a third-party servicer. The third-party servicer performs the servicing responsibilities for a fee and is typically not responsible for making servicing advances, which are subsequently reimbursed by the primary servicer. The primary servicer is contractually liable to the owner of the loans for the activities of the subservicer.

Unpaid Principal Balance ("UPB"). The amount of principal outstanding on a mortgage loan or a pool of mortgage loans. UPB is used together with the servicing fees and ancillary incomes as a means of estimating the future revenue stream for a servicer.

U.S. Department of Agriculture ("USDA"). The USDA is a cabinet-level department of the U.S. federal government, which guarantees certain home loans for qualified borrowers.

Warehouse Facility. A type of line of credit facility used to temporarily finance mortgage loan originations to be sold in the secondary market. Pursuant to a warehouse facility, a loan originator typically agrees to transfer to a counterparty certain mortgage loans against the transfer of funds by the counterpart, with a simultaneous agreement by the counterpart to transfer the loans back to the originator at a date certain, or on demand, against the transfer of funds from the originator.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk*

Refer to the discussion included in Part II, Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2021. There have been no material changes in the types of market risks faced by us since December 31, 2021. Our market risks include the broad effects of the COVID-19 pandemic. The pandemic and governmental programs created as a response to the pandemic, has affected and will continue to affect our business, financial conditions and results of operations.

Sensitivity Analysis

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on fair values based on hypothetical changes (increases and decreases) in interest rates.

We use a duration-based model in determining the impact of interest rate shifts on our loan portfolio, certain other interest-bearing liabilities measured at fair value and interest rate derivatives portfolios. The primary assumption used in these models is that an increase or decrease in the benchmark interest rate produces a parallel shift in the yield curve across all maturities.

We utilize a discounted cash flow analysis to determine the fair value of MSRs and the impact of parallel interest rate shifts on MSRs. The discounted cash flow model incorporates prepayment speeds, discount rate, costs to service, delinquencies, ancillary revenues, recapture rates and other assumptions that management believes are consistent with the assumptions that other similar market participants use in valuing the MSRs. The key assumptions to determine fair value include prepayment speed, discount rate and cost to service. However, this analysis ignores the impact of interest rate changes on certain material variables, such as the benefit or detriment on the value of future loan originations, non-parallel shifts in the spread relationships between MBS, swaps and U.S. Treasury rates and changes in primary and secondary mortgage market spreads. For mortgage loans, IRLCs and forward delivery commitments on MBS, we rely on a model in determining the impact of interest rate shifts. In addition, the primary assumption used for IRLCs, is the borrower's propensity to close their mortgage loans under the commitment.

Our total market risk is influenced by a wide variety of factors including market volatility and the liquidity of the markets. There are certain limitations inherent in the sensitivity analysis presented, including the necessity to conduct the analysis based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

We used September 30, 2022 market rates on our instruments to perform the sensitivity analysis. The estimates are based on the market risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship of the change in fair value may not be linear.

The following table summarizes the estimated change in the fair value of our assets and liabilities sensitive to interest rates as of September 30, 2022 given hypothetical instantaneous parallel shifts in the yield curve. Actual results could differ materially.

Table 16. Change in Fair Value

	September 30, 2022	
	Down 25 bps	Up 25 bps
Increase (decrease) in assets		
Mortgage servicing rights at fair value	\$ (111)	\$ 106
Mortgage loans held for sale at fair value	7	(7)
Derivative financial instruments:		
Interest rate lock commitments	6	(6)
Forward MBS trades	(11)	11
Total change in assets	(109)	104
Increase (decrease) in liabilities		
Mortgage servicing rights financing at fair value	(2)	2
Excess spread financing at fair value	(2)	2
Derivative financial instruments:		
Interest rate lock commitments	(6)	6
Forward MBS trades	(1)	1
Treasury futures	(20)	19
Total change in liabilities	(31)	30
Total, net change	\$ (78)	\$ 74

Item 4. Controls and Procedures**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (“Exchange Act”), as of September 30, 2022.

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2022, our disclosure controls and procedures are effective. Disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2022, no changes in our internal control over financial reporting occurred that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

PART II – OTHER INFORMATION**Item 1. Legal Proceedings**

For a description of our material legal proceedings, see *Note 15, Commitments and Contingencies*, of the Notes to the Condensed Consolidated Financial Statements within Part I, Item 1. *Financial Statements*, of this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes or additions to the risk factors previously disclosed under “Risk Factors” included in our Annual Report on Form 10-K filed for the year ended December 31, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

In 2021, our Board of Directors authorized a stock repurchase plan that allows the repurchase of up to \$500 of our outstanding common stock. During the three months ended September 30, 2022, we repurchased shares of our common stock at a total cost of \$50 under our share repurchase program. The number and average price of shares purchased are set forth in the table below:

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Appropriate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Program
July 2022	—	\$ —	—	\$ 117
August 2022	834	\$ 44.85	834	\$ 80
September 2022	302	\$ 41.79	302	\$ 67
Total	<u>1,136</u>		<u>1,136</u>	

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.1	Amendment Number Twenty dated September 30, 2022 to the Second Amended and Restated Master Repurchase Agreement dated as of January 29, 2016 between Barclays Bank PLC, as agent and Nationstar Mortgage LLC, as seller					X
10.2	Amendment No. 2 dated as of August 3, 2022 to Loan and Security Agreement dated as of August 20, 2020 among Nationstar Mortgage LLC, as borrower, Morgan Stanley Bank, N.A., as lender and Morgan Stanley Mortgage Capital Holdings LLC, as administrative agent					X
10.3	Conformed Amendments through Amendment Number 3, dated August 12, 2022, to Third Amended and Restated Master Repurchase Agreement, entered into as of August 31, 2020 by and between Bank of America, N.A., as buyer and Nationstar Participation Sub IBM LLC, as seller, and acknowledged, guaranteed and agreed to by Nationstar Mortgage LLC, as guarantor or pledgor					
31.1	Certification by Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification by Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certification by Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
32.2	Certification by Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibits 101.)					X

+ The schedules and other attachments referenced in this exhibit have been omitted in accordance with Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or attachment will be furnished supplementary to the Securities and Exchange Commission upon request.

** Management, contract, compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MR. COOPER GROUP INC.

October 26, 2022

Date

/s/ Jay Bray

Jay Bray
Chief Executive Officer
(Principal Executive Officer)

October 26, 2022

Date

/s/ Jaime Gow

Jaime Gow
Executive Vice President & Chief Financial Officer
(Principal Financial and Accounting Officer)

**AMENDMENT NO. 20 TO SECOND AMENDED AND RESTATED
MASTER REPURCHASE AGREEMENT**

This Amendment Number Twenty (this “Amendment”) is made as September 30, 2022, by and between Barclays Bank PLC (“Purchaser” and “Agent”) and Nationstar Mortgage LLC (“Seller”), to that certain Second Amended and Restated Master Repurchase Agreement, dated as of January 29, 2016 (as amended by that certain Amendment Number One to the Second Amended and Restated Master Repurchase Agreement, dated as of June 24, 2016, Amendment Number Two to the Second Amended and Restated Master Repurchase Agreement, dated as of October 17, 2016, Amendment Number Three to the Second Amended and Restated Master Repurchase Agreement, dated as of October 31, 2016, Amendment Number Four to the Second Amended and Restated Master Repurchase Agreement, dated as of October 30, 2017, Amendment Number Five to the Second Amended and Restated Master Repurchase Agreement, dated as of March 22, 2018, Amendment Number Six to the Second Amended and Restated Master Repurchase Agreement, dated as of May 29, 2018, Amendment Number Seven to the Second Amended and Restated Master Repurchase Agreement, dated as of October 24, 2018, Amendment Number Eight to the Second Amended and Restated Master Repurchase Agreement, dated as of November 20, 2018, Amendment Number Nine to the Second Amended and Restated Master Repurchase Agreement, dated as of January 28, 2019, Amendment Number Ten to the Second Amended and Restated Master Repurchase Agreement, dated as of March 29, 2019, Amendment Number Eleven to the Second Amended and Restated Master Repurchase Agreement, dated as of April 3, 2019, Amendment Number Twelve to the Second Amended and Restated Master Repurchase Agreement, dated as of October 25, 2019, Amendment Number Thirteen to the Second Amended and Restated Master Repurchase Agreement, dated as of March 30, 2020, Amendment Number Fourteen to the Second Amended and Restated Master Repurchase Agreement, dated as of September 11, 2020, Amendment Number Fifteen to the Second Amended and Restated Master Repurchase Agreement, dated as of October 26, 2020, Amendment Number Sixteen to the Second Amended and Restated Master Repurchase Agreement, dated as of December 18, 2020, Amendment Number Seventeen to the Second Amended and Restated Master Repurchase Agreement, dated as of July 9, 2021, Amendment Number Eighteen to the Second Amended and Restated Master Repurchase Agreement, dated as of September 30, 2021, Amendment Number Nineteen to the Second Amended and Restated Master Repurchase Agreement, dated as of June 3, 2022, and as further amended, restated, supplemented or otherwise modified from time to time, the “Repurchase Agreement”), by and among Seller, Agent and Purchaser. Capitalized terms used herein but not otherwise defined shall have the meanings set forth in the Repurchase Agreement.

WHEREAS, pursuant to Section 28 of the Agreement the parties hereto desire to amend the Agreement as described below;

NOW, THEREFORE, pursuant to the provisions of the Agreement concerning modification and amendment thereof, and in consideration of the amendments, agreements and other provisions herein contained and of certain other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, it is hereby agreed between Seller and Purchaser as follows:

Section 1. Amendment to Agreement. Effective as of the Effective Date (as hereinafter defined), the Repurchase Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double- underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A hereto. The parties hereto further

acknowledge and agree that Exhibit A constitutes the conformed Repurchase Agreement as amended and modified by the terms set forth herein.

Section 2. Fees and Expenses. Seller agrees to pay to Purchaser all documented and reasonable out of pocket fees and expenses incurred by Purchaser in connection with this Amendment, including all reasonable and documented fees and out of pocket costs and expenses of the legal counsel to Purchaser and Agent incurred in connection with this Amendment, in accordance with Section 23(a) of the Repurchase Agreement.

Section 3. Conditions to Effectiveness of this Amendment. This Amendment shall become effective on the day (the "Effective Date") when Seller shall have paid or delivered, as applicable, to Purchaser all fees, expenses, documents and instruments, each of which shall be in form and substance acceptable to Purchaser:

- (a) all accrued and unpaid fees and expenses owed to Purchaser in accordance with the Program Documents, in each case, in immediately available funds, and without deduction, set-off or counterclaim;
- (b) a copy of this Amendment duly executed by each of the parties hereto;
- (c) a copy of the Amendment Number Fourteen to the Second Amended and Restated Master Repurchase Agreement Pricing Side Letter, dated as of the date hereof (the "MRA PSL Amendment");
- (d) a copy of the Amendment Number Twelve to the Mortgage Loan Participation Purchase and Sale Agreement Pricing Side Letter, dated as of the date hereof;
- (e) a copy of the Amendment Number Twenty to the Loan and Security Agreement, dated as of the date hereof;
- (f) a copy of the Amendment Number Four to the Third Amended and Restated Pricing Side Letter to the Loan and Security Agreement, dated as of the date hereof;
- (g) the payment of the first installment of the Renewal Fee (as defined in the MRA PSL Amendment); and
- (h) any other documents reasonably requested by Purchaser or Agent on or prior to the date hereof.

Section 4. Effect of Amendment. Except as expressly amended and modified by this Amendment, all provisions of the Repurchase Agreement shall remain in full force and effect and all such provisions shall apply equally to the terms and conditions set forth herein. After this Amendment becomes effective, all references in the Repurchase Agreement (or in any other document relating to the Mortgage Loans) to "this Agreement," "the Repurchase Agreement," "hereof," "herein" or words of similar effect referring to such Agreement shall be deemed to be references to such Agreement as amended by this Amendment. This Amendment shall not be deemed to expressly or impliedly waive, amend or supplement any provision of the Repurchase Agreement other than as set forth herein.

Section 5. Successors and Assigns. This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

Section 6. Section Headings. The various headings and sub-headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

Section 7. Representations. In order to induce Purchaser to execute and deliver this Amendment, Seller hereby represents to Purchaser that as of the date hereof (i) it is in full compliance with all of the terms and conditions of the Program Documents and remains bound by the terms thereof and (ii) no Default or Event of Default has occurred and is continuing under the Program Documents.

Section 8. GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED WITH AND GOVERNED BY AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS EXCEPT SECTIONS 5-1401 AND 5-1402 OF NEW YORK GENERAL OBLIGATIONS LAW, AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.

Section 9. Counterparts. For the purpose of facilitating the execution of this Amendment, and for other purposes, this Amendment may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original and such counterparts, together, shall constitute one and the same agreement. This Amendment shall be valid, binding, and enforceable against a party when executed and delivered by an authorized individual on behalf of the party by means of (i) an original manual signature; (ii) a faxed, scanned, or photocopied manual signature, or (iii) any other electronic signature permitted by the federal Electronic Signatures in Global and National Commerce Act, state enactments of the Uniform Electronic Transactions Act, and/or any other relevant electronic signatures law, including any relevant provisions of the Uniform Commercial Code, in each case to the extent applicable. Each faxed, scanned, or photocopied manual signature, or electronic signature, shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Each party hereto shall be entitled to conclusively rely upon, and shall have no liability with respect to, any faxed, scanned, or photocopied manual signature, or other electronic signature, of any other party and shall have no duty to investigate, confirm or otherwise verify the validity or authenticity thereof. The original documents shall be promptly delivered, if requested.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Purchaser, Agent and Seller have caused their names to be duly thereunto duly authorized, as of the date and signed to this Amendment by their respective officers year first above written.

BARCLAYS BANK PLC,
as Purchase r and Agent

By: /s/ Grace Park
Name: Grace Park
Title: Managing Director

NATIONSTAR MORTGAGE LLC,
as Seller

By: /s/ Pedro Alvarez Name: Pedro Alvarez
Title: Treasurer

EXHIBIT A

CONFORMED THROUGH AMENDMENT NO. ~~19~~20, DATED AS OF ~~JUNE 3~~SEPTEMBER 30,
2022

SECOND AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT

Between

**BARCLAYS BANK PLC, as Purchaser and Agent, and
NATIONSTAR MORTGAGE LLC, as Seller**

Dated as of January 29, 2016

SECOND AMENDED AND RESTATED MASTER REPURCHASE AGREEMENT

Dated as of January 29, 2016

BETWEEN:

BARCLAYS BANK PLC, in its capacity as purchaser ("Barclays" or "Purchaser") and agent pursuant hereto ("Agent"),

and

NATIONSTAR MORTGAGE LLC ("Seller").

1. APPLICABILITY

Barclays and Seller entered into that certain Amended and Restated Master Repurchase Agreement, dated as of May 17, 2013 (as amended, supplemented or otherwise modified prior to the date hereof, the "Original Agreement"), which prescribes the manner of sale of Eligible Mortgage Loans and the method and manner by which Seller will repurchase such Purchased Assets, and contemporaneously entered into the Program Documents (as such term is defined in such Original Agreement).

Purchaser and Seller desire to further amend and restate the Original Agreement in its entirety to add the REO Asset as an Eligible Asset and to make certain changes and contemporaneously enter into or reaffirm the Program Documents (as such term is defined in this Agreement), as applicable.

Barclays may from time to time, upon the terms and conditions set forth herein, agree to enter into transactions on a committed basis with respect to the Committed Amount and an uncommitted basis with respect to the Uncommitted Amount, in which Seller sells to Purchaser Eligible Assets (and transfers to Barclays the REO Asset), on a servicing-released basis, against the transfer of funds by Purchaser, with a simultaneous agreement by such Purchaser to transfer to Seller such Purchased Assets on a date certain not later than one year following such transfer, against the transfer of funds by Seller; provided, that the Aggregate MRA Purchase Price shall not exceed, as of any date of determination, the lesser of (a) the Maximum Aggregate Purchase Price (less the sum of the Aggregate EPF Purchase Price and the MSR Facility Borrowed Amount) and (b) the aggregate Asset Base of all Purchased Assets and all Eligible Mortgage Loans proposed to be sold in such Transaction. Each such transaction involving (x) the transfer of Eligible Mortgage Loans to Purchaser or (y) the transfer of REO Property to REO Subsidiary resulting in an increase in the value of the REO Asset, shall each be referred to herein as a "Transaction," and shall be governed by this Agreement. This Agreement is not a commitment by Purchaser to enter into Transactions with Seller but rather sets forth the procedures to be used in connection with periodic requests for Purchaser to enter into Transactions with Seller. Seller hereby acknowledges that Purchaser is under no obligation to enter into, any Transaction pursuant to this Agreement with respect to the Uncommitted Amount.

After the initial Purchase Date, as part of separate Transactions, Seller may request and, as set forth in the previous paragraph and subject to the terms and conditions of this Agreement, Purchaser may or shall fund an increase in the Aggregate MRA Purchase Price for (i) additional Eligible Mortgage Loans and (ii) the REO Asset based upon either the conveyance by Seller of additional REO Properties to REO Subsidiary or the acquisition of additional REO Properties by the REO Subsidiary.

2. DEFINITIONS AND INTERPRETATION

(a) Defined Terms.

"30+ Day Delinquent Mortgage Loan" means any Mortgage Loan at any time the Monthly Payment for which was not received within twenty-nine (29) days after its Due Date.

"Accepted Servicing Practices" means with respect to any Mortgage Loan, those accepted, customary and prudent mortgage servicing practices (including collection procedures) of prudent

mortgage banking institutions that service mortgage loans of the same type as the Mortgage Loans in the jurisdiction where the related Mortgaged Property is located, and which are in accordance with the requirements of each Agency Program, applicable law, FHA regulations and VA regulations, if applicable, and the requirements of any private mortgage insurer so that the FHA insurance, VA guarantee or any other applicable insurance or guarantee in respect of any Mortgage Loan is not voided or reduced.

“Accrual Period” means the period commencing on and including the first (1st) day of each calendar month and ending on and including the final calendar date of such calendar month.

“Acquisition of a Mortgage Originator” shall mean an acquisition, merger or other business combination of Seller resulting in either Seller or a Subsidiary of Seller (i) becoming affiliated with an originator or servicer of Mortgage Loans or (ii) acquiring a substantial portion of the assets of an originator or servicer of Mortgage Loans, in any case, that, with the passage of time or otherwise (including the incurrence of indebtedness in connection with such acquisition, merger or other business combination), in the reasonable determination of Seller (as supported by financial projections and other material information that the Agent may request in connection with such acquisition, merger or other business combination), would cause any of the following: (x) the Tangible Net Worth of Seller to be at any time less than or equal to \$400,000,000; or (y) the ratio of the Servicer’s Total Net Indebtedness to Tangible Net Worth at any time to exceed 9:1.

“Act” shall have the meaning assigned thereto in Section 39.

“Act of Insolvency” means, with respect to any Person,

(i) the filing of a voluntary petition (or the consent by such Person to the filing of any such petition against it), commencing, or authorizing the commencement of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law relating to the protection of creditors, or suffering any such petition or proceeding to be commenced by another; or such Person shall consent or seek to the appointment of or taking possession by a custodian, receiver, conservator, trustee, liquidator, sequestrator or similar official of such Person, or for any substantial part of its Property, or any general assignment for the benefit of creditors;

(ii) a proceeding shall have been instituted against such Person under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, moratorium, delinquency or liquidation law of any jurisdiction, whether now or subsequently in effect, or a custodian, receiver, conservator, liquidator, trustee, sequestrator or similar official for such Person or such Person’s Property (as a debtor or creditor protection procedure) is appointed by any Governmental Authority having the jurisdiction to do so or takes possession of such Property and any such proceeding is not dismissed within sixty (60) days of filing; provided, that if, under any other agreement for Indebtedness, Seller is subject to a shorter time period to dismiss any such proceeding, such shorter time period shall be automatically incorporated into this Agreement as if fully set forth herein without the need of any further action on the part of any party;

(iii) that such Person or any Affiliate shall become insolvent;

(iv) that such Person shall (a) admit in writing its inability to pay or discharge its debts or obligations generally as they become due or mature, (b) admit in writing its inability to, or intention not to, perform any of its material obligations, or (c) generally fail to pay any of its debts or obligations as they become due or mature;

(v) any Governmental Authority shall have seized or appropriated, or assumed custody or control of, all or any substantial part of the Property of such Person, or shall have taken any action to displace the executive management of such Person; or

(vi) the audited annual financial statements of Person or the notes thereto or other opinions or conclusions stated therein shall be qualified or limited by reference to the

status of such Person as a “going concern” or a reference of similar import or shall indicate that such Person has a negative net worth or is insolvent; or

(vii) if such Person or any Affiliate is a corporation, such Person or any Affiliate or any of their Subsidiaries, shall take any corporate action in furtherance of, or the action of which would result in any of the foregoing actions.

“Additional Eligible Loan Criteria” shall have the meaning assigned thereto in the Pricing Side Letter.

“Additional Purchased Mortgage Loans” shall have the meaning assigned thereto in Section 7(b) hereof.

“Additional REO Subsidiary” means Nationstar HECM Acquisition Trust 2018-1.

“Adjustable Rate Mortgage Loan” means a Mortgage Loan which provides for the adjustment of the Mortgage Interest Rate payable in respect thereto.

“Affiliate” means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, “control” means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise and the terms “controlling,” “controlled by” and “under common control with” have meanings correlative to the meaning of “control.”

“Aged Mortgage Loan” means a Mortgage Loan for which the time between the Origination Date and the date of determination is more than (i) sixty (60) days, with respect to Fannie Mae Mortgage Loans, Freddie Mac Mortgage Loans and Ginnie Mae Mortgage Loans (other than FHA Buyout Loans, VA Buyout Loans and HECM Buyout Loans), (ii) sixty (60) days, with respect to Jumbo Mortgage Loans and (iii) sixty (60) days, with respect to Modified Loans.

“Aged REO Property” means an REO Property for which the time between the date on which the Seller or the REO Subsidiary first obtained marketable title to such REO Property and the date of determination is more than six (6) months; provided, however, that after the AR Sunset Date (as defined in the Pricing Side Letter), such time is more than twelve (12) months.

“Agency” means Freddie Mac, Fannie Mae or Ginnie Mae, as applicable.

“Agency Guide” means the Freddie Mac Guide, the Fannie Mae Guide, or the Ginnie Mae Guide, as applicable.

~~“Agency Investor Mortgage Loan” means a Mortgage Loan that (i) meets Seller’s Investor Underwriting Guidelines and (ii) is a Fannie Mae Mortgage Loan, a Freddie Mac Mortgage Loan, or a Ginnie Mae Mortgage Loan.~~

“Agency Program” means the Freddie Mac Program, the Fannie Mae Program, or the Ginnie Mae Program, as applicable.

“Agent” means Barclays Bank PLC and its successors in interest, as administrative agent for Purchaser and any additional purchasers that may become a party hereto.

“Aggregate EPF Purchase Price” means as of any date of determination, an amount equal to the aggregate Outstanding Purchase Price (as defined in the Mortgage Loan Participation Purchase and Sale Agreement) for all Participation Certificates (as defined in the Mortgage Loan Participation Purchase and Sale Agreement) then owned by Barclays under the Mortgage Loan Participation Purchase and Sale Agreement.

“Aggregate MRA Purchase Price” means as of any date of determination, an amount equal to the aggregate Outstanding Purchase Price for all Purchased Assets then subject to Transactions under this Agreement.

“Agreement” means this Second Amended and Restated Master Repurchase Agreement (including all exhibits, schedules and other addenda thereto), as it may be amended, further supplemented or otherwise modified from time to time.

“Allowable Variance” shall have the meaning assigned thereto in Section 3(c) hereof.

“Applicable Agency” means Ginnie Mae, Fannie Mae, or Freddie Mac, as applicable.

“Applicable Margin” shall have the meaning assigned thereto in the Pricing Side Letter.

“Approvals” means with respect to Seller and Servicer the approvals obtained from the Applicable Agency or HUD in designation of Seller and/or Servicer as a Ginnie Mae-approved issuer, an FHA-approved mortgagee, a VA-approved lender, a Fannie Mae-approved lender or a Freddie Mac-approved Seller/Servicer, as applicable, in good standing.

“Asset Base” shall have the meaning assigned thereto in the Pricing Side Letter.

“Assignment and Acceptance” shall have the meaning assigned thereto in Section 27(b).

“Assignment and Contribution Agreement” means that certain Assignment and Contribution Agreement, dated on or about January 31, 2016, between Seller, as assignor, and the Existing REO Subsidiary, as assignee.

“Assignment of Mortgage” means (i) with respect to any Mortgage, an assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to reflect the assignment of the Mortgage to the Purchaser or (ii) with respect to a Cooperative Loan, an assignment of such Cooperative Loan and the related recognition agreement, sufficient under the laws of the jurisdiction wherein the related apartment building is located to reflect the assignment of the Cooperative Loan and the related recognition agreement to the Purchaser.

“Available Facility Amount” has the meaning assigned to it in the Loan Agreement.

“Backup Servicer Agreement” means any backup servicing agreement among Purchaser, Seller and a backup servicer appointed pursuant to Section 16(d), as the same may be amended, modified or supplemented from time to time.

“Bail-In Action” means the exercise by the Bank of England (or any successor resolution authority) of any write-down or conversion power existing from time to time (including, without limitation, any power to amend or alter the maturity of eligible liabilities of an institution under resolution or amend the amount of interest payable under such eligible liabilities or the date on which interest becomes payable, including by suspending payment for a temporary period and together with any power to terminate and value transactions) under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the United Kingdom relating to the transposition of the European Banking Recovery and Resolution Directive as amended from time to time, including but not limited to, the Banking Act 2009 as amended from time to time, and the instruments, rules and standards created thereunder, pursuant to which Barclays’s obligations (or those of Barclays’s affiliates) can be reduced (including to zero), cancelled or converted into shares, other securities, or other obligations of Barclays or any other person.

“Bank” means (i) Wells Fargo Bank, National Association and its successors and permitted assigns or (ii) such other bank as may be mutually acceptable to the Seller and the Purchaser.

“Bankruptcy Code” means 11 U.S.C. Section 101 *et seq.*, as amended from time to time.

“Barclays” means Barclays Bank PLC, as Purchaser hereunder.

“Barclays Collection Account” means the following account established by the Seller in accordance with Section 16(e) for the benefit of Barclays, Account Number: 4122119035, ABA: # 121000248.

“Barclays Collection Account Control Agreement” means that certain Collection Account Control Agreement, dated as of March 25, 2011, by and among Barclays, the Seller and Bank, in form and substance acceptable to the Barclays to be entered into with respect to the Barclays Collection Account, as the same may be amended, modified or supplemented from time to time.

“Barclays Custodial Agreement” means the DB Custodial Agreement or the U.S. Bank Custodial Agreement, as applicable.

“Benchmark” means, initially, Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to Term SOFR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior Benchmark pursuant to Section 42.

“Benchmark Replacement” means the sum of:

- (1) the alternate benchmark rate that has been selected by Agent giving due consideration to
 - (b) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body at such time; or
 - (c) any evolving or then-prevailing market convention for determining a rate of interest for Dollar-denominated syndicated or bilateral credit facilities; and
- (2) the Benchmark Replacement Adjustment, provided that, if at any time, the Benchmark Replacement as so determined pursuant to clause (1) or (2) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and any other Program Documents.

“Benchmark Replacement Adjustment” means, for each applicable Accrual Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Purchaser giving due consideration to the factors set forth in clauses (1)(a) and (1)(b) in the definition of Benchmark Replacement.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Accrual Period,” timing and frequency of determining rates and making payments of interest, timing of seller requests for repurchase, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the date on which a Benchmark Replacement becomes effective pursuant to Section 42.

“Benchmark Transition Event” means, with respect to any then-current Benchmark, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with

similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all applicable tenors of such Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any applicable tenor of such Benchmark, (b) all applicable tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored or that such Benchmark is or will not be in compliance or aligned with the International Organization of Securities Commissions Principals for Financial Benchmarks, (c) Agent determines in its sole discretion that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining such Benchmark, or (d) Agent determines in its sole discretion that the adoption of any Change in Law or in the interpretation or application thereof shall make it unlawful for Purchaser to accrue Price Differential based on such Benchmark.

“BPO” means an opinion of the BPO Value of a Converted REO Property.

“BPO Value” means the stated dollar value contained in a BPO regarding the fair market value of a Converted REO Property and given by a licensed real estate agent or broker (such agent or broker being independent from Seller and acceptable to Purchaser) which generally shall include three (3) comparable sales and three (3) comparable listings. For the avoidance of doubt, a “BPO Value” may not be determined or derived in connection with an automated valuation methodology.

“Breakage Costs” shall have the meaning assigned thereto in Section 3(h).

“Business Day” means (A) any day other than (i) a Saturday or Sunday, (ii) a day upon which the New York Stock Exchange or the Federal Reserve Bank of New York is closed or (iii) with respect to any day on which the parties hereto have obligations to the Custodian or on which the Custodian has obligations to any party hereto, a day upon which the Custodian’s offices are closed, and (B) with respect to any calculation of Term SOFR, a U.S. Government Securities Business Day.

“Capital Lease Obligations” shall mean, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.

“Cash Equivalents” means any of the following:

- (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within ninety (90) days from the date of acquisition;
 - (b) certificates of deposit, time deposits, or eurodollar time deposits, in each case such deposits having maturities of ninety (90) days or less from the date of acquisition, or overnight bank deposits issued or held by any commercial bank organized under the laws of the United States or of any state thereof having combined capital and surplus of not less than \$500,000,000 unless otherwise approved by Purchaser in writing in its sole discretion;
 - (c) repurchase obligations of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than seven (7) days, with respect to securities issued or fully guaranteed or insured by the United States government;
 - (d) commercial paper of a domestic issuer rated at least A-1 by S&P and P-1 by Moody’s and maturing within ninety (90) days from the date of acquisition;
 - (e) securities with maturities of ninety (90) days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth,
-

territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P and A2 by Moody's;

(f) securities with maturities of ninety (90) days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition; or

(g) unencumbered shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"Change in Control" means,

(i) at any time prior to the consummation of the Merger, (a) less than 100% of Seller's equity securities are owned, directly or indirectly, by Nationstar Mortgage Holdings Inc. ("NMH"), (b) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), other than one or more Permitted Holders, becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act), of more than the greater of (x) 35% of the then-outstanding voting power of NMH's voting equity interests and (y) the percentage of the then-outstanding voting power of NMH's voting equity interests owned, in the aggregate, directly or indirectly, beneficially and of record, by the Permitted Holders, determined after such person's or group's most recent acquisition of outstanding voting power of NMH's voting equity interests; unless the Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of NMH's board of directors, or (c) a sale of all or substantially all of the assets of Seller; and

(ii) at any time upon or after the consummation of the Merger, (a) less than 100% of Seller's equity securities are owned, directly or indirectly, by NMH, (b) less than 100% of NMH's equity securities are owned, directly or indirectly by WMIH, (c) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person and its Subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), becomes the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under such Act), of more than the greater of (x) 35% of the then-outstanding voting power of WMIH's voting equity interests, and (y) the percentage of the then-outstanding voting power of WMIH's voting equity interests owned, in the aggregate, directly or indirectly, beneficially and of record, by the New Permitted Holders, determined after such person's or group's most recent acquisition of outstanding voting power of WMIH's voting equity interests; unless the New Permitted Holders have, at such time, the right or the ability by voting power, contract or otherwise to elect or designate for election at least a majority of WMIH's board of directors; or (d) a sale of all or substantially all of the assets of Seller.

For purposes of this definition, "Permitted Holders" means Fortress Investment Group LLC and any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, Fortress Investment Group LLC. For purposes of this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative of the foregoing.

"Change in Law" means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by Purchaser (or any Affiliates thereof) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Closing Instruction Letter" shall mean, with respect to any Wet-Ink Mortgage Loan that becomes subject to a Transaction, the closing instruction letter delivered by Seller to the related Settlement Agent which sets forth the procedures to be followed by such Settlement Agent in

connection with the origination of such Wet-Ink Mortgage Loan, which closing instruction letter shall include, without limitation, (i) instructions that govern the execution, retention and delivery of the underlying Mortgage Loan Documents by such Settlement Agent to Seller or its designee, (ii) instructions with respect to the disbursement of funds by such Settlement Agent, and (iii) any other conditions precedent required by the Seller in connection with the origination and/or closing of such Wet-Ink Mortgage Loan.

“Closing Protection Letter” shall mean, with respect to any Wet-Ink Mortgage Loan that becomes subject to a Transaction, a letter of indemnification (which may be in the form of a blanket letter) addressed to Seller in any jurisdiction where insured closing letters are permitted under applicable law and regulation, that (i) is issued by a title company approved by Barclays, in its sole discretion, (ii) is fully assignable to the Purchaser, with coverage that is customarily acceptable to Persons engaged in the origination of mortgage loans, (iii) identifies the Settlement Agent covered thereby, and (iv) indemnifies Seller for losses incurred in connection with the such Settlement Agent’s (a) failure to follow the instructions of Seller with respect to obtaining the related Mortgage Loan Documents and/or disbursing any amounts in connection with the origination of the related Wet-Ink Mortgage Loan, and (b) fraud or dishonesty with respect to obtaining the related Mortgage Loan Documents and/or disbursing any amounts in connection with the origination of the related Wet-Ink Mortgage Loan.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Collection Account” means the Barclays Collection Account.

“Collection Account Control Agreement” means the Barclays Collection Account Control Agreement.

“Contract” means an agreement between an originator and any Obligor, pursuant to or under which such Obligor shall be obligated to pay for merchandise, insurance or services from time to time.

“Converted REO Property” means an REO Property that results from the foreclosure of any Mortgage Loan that was a Purchased Asset, or transfer of the related Mortgaged Property in lieu of foreclosure or other transfer of such real property, and (i) which is titled in the name of the REO Subsidiary and (ii) with respect to which such REO Property has satisfied the conditions of Section 3(j)(iv).

“Cooperative” means, with respect to a Cooperative Loan, the corporation that owns the related apartment building.

“Cooperative Loan” means a Mortgage Loan that is evidenced by a note secured by security interests in shares issued by a Cooperative and in the related proprietary lease or occupancy agreement granting exclusive rights to occupy a specific dwelling unit in the related building.

“Cooperative Loan Sublimit” shall have the meaning assigned thereto in the Pricing Side Letter.

“Corporate Advances” shall mean advances made by the Servicer in connection with the foreclosure or servicing of a Mortgage Loan, other than, for the avoidance of doubt, Servicing Advances made on account of delinquent principal and interest payments.

“Correspondent Loan” means a Mortgage Loan that is (i) originated by a Correspondent Seller and underwritten in accordance with Seller’s underwriting guidelines and (ii) acquired by Seller from a Correspondent Seller in the ordinary course of business.

“Correspondent Seller” means a mortgage loan originator that sells Mortgage Loans originated by it to Seller as a “correspondent” or “private label” client.

“Correspondent Seller Release” means, with respect to any Correspondent Loan, a release by the related Correspondent Seller, substantially in the form of Exhibit J hereto (as the same may be modified, supplemented and in effect from time to time, subject to the approval of Purchaser), of all right, title and interest, including any security interest, in such Correspondent Loan.

“Custodial Agreement” means the Barclays Custodial Agreement.

“Custodian” means U.S. Bank National Association or Deutsche Bank National Trust Company, as the case may be, and their successors and permitted assigns.

“DB Custodial Agreement” means that certain Second Amended and Restated Custodial and Disbursement Agreement, dated as of July 15, 2020, among Seller, Barclays and Deutsche Bank National Trust Company, as custodian and the Disbursement Agent, entered into in connection with this Agreement and the Mortgage Loan Participation Purchase and Sale Agreement, as the same may be amended, amended and restated, modified or supplemented from time to time.

“Default” means any event that, with the giving of notice or the passage of time or both, would constitute an Event of Default.

“Default Rate” shall have the meaning assigned thereto in the Pricing Side Letter.

“Diligence Sample Set” shall have the meaning assigned thereto in the Pricing Side Letter.

“Disbursement Agent” means Deutsche Bank National Trust Company, and its successors and permitted assigns.

“Dollars” or “\$” means, unless otherwise expressly stated, lawful money of the United States of America.

“Due Date” means the day of the month on which the Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

“Due Diligence Review Percentage” shall have the meaning assigned thereto in the Pricing Side Letter.

“E-Sign” means the federal Electronic Signatures in Global and National Commerce Act, as amended from time to time.

“Economic and Trade Sanctions and Anti-Terrorism Laws” means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time.

“Effective Date” means January 29, 2016.

“Electronic Tracking Agreement” means the electronic tracking agreement in form and substance acceptable to Barclays and Seller, dated as of March 25, 2011, among Barclays, Seller, MERSCORP Holdings, Inc. and Mortgage Electronic Registration Systems, Inc., entered into in connection with this Agreement and the Mortgage Loan Participation Purchase and Sale Agreement, as the same may be amended, modified or supplemented from time to time.

“Electronic Transmission” means the delivery of information in an electronic format acceptable to the applicable recipient thereof. An Electronic Transmission shall be considered written notice for all purposes hereof (except when a request or notice by its terms requires execution).

“Eligible Asset” means any Eligible Mortgage Loan or the REO Asset, as the context requires and shall include all outstanding Servicing Advances to the extent that such Servicing Advances are related to an FHA Buyout Loan, VA Buyout Loan or any Converted REO Property related thereto.

“Eligible Mortgage Loan” means a Mortgage Loan that (i) satisfies each of the representations and warranties in Exhibit B-1 to this Agreement, as applicable, in all material respects, (ii) if such Mortgage Loan is (a) a Ginnie Mae Mortgage Loan, Fannie Mae Mortgage Loan or Freddie Mac Mortgage Loan, it is in Strict Compliance with the eligibility requirements of the Ginnie Mae Program, Fannie Mae Program, or Freddie Mac Program, as applicable, or (b) an FHA

Buyout Loan, a VA Buyout Loan or HECM Buyout Loan, it meets the additional eligibility requirements as set forth in Exhibit I; **provided that, no VA Buyout Loan shall be eligible unless approved by the Agent in its sole discretion**, (iii) contains all required documents in the Mortgage Loan File without exceptions unless otherwise waived by the Purchaser or permitted below, and (iv) meets each of the applicable Additional Eligible Loan Criteria.

“EPF Custodial Account Control Agreement” means that certain Deposit Account Control Agreement (Custodial Account), dated as of March 25, 2011, among Seller, Barclays and Bank entered into in connection with the Mortgage Loan Participation Purchase and Sale Agreement, as the same shall be amended, supplemented or otherwise modified from time to time.

“EPF Pricing Side Letter” means that certain Pricing Side Letter, dated as of March 25, 2011, between Seller and Barclays entered into in connection with the Mortgage Loan Participation Purchase and Sale Agreement, as the same shall be amended, supplemented or otherwise modified from time to time.

“EPF Program Documents” means the Mortgage Loan Participation Purchase and Sale Agreement, the EPF Pricing Side Letter, the EPF Custodial Account Control Agreement and all other agreements, documents and instruments entered into by Seller on the one hand, and Barclays or one of its Affiliates (or Custodian on its behalf) and/or Agent or one of its Affiliates on the other, in connection herewith or therewith with respect to the transactions contemplated hereunder or thereunder and all amendments, restatements, modifications or supplements thereto.

“ERISA” means, with respect to any Person, the Employee Retirement Income Security Act of 1974, as amended from time to time and any successor thereto, and the regulations promulgated and rulings issued thereunder.

“Escrow Advance” shall mean advances made by the Servicer to pay Escrow Payments.

“Escrow Instruction Letter” means the Escrow Instruction Letter (if required) from Seller to the Settlement Agent, in form and substance acceptable to Agent in its sole discretion.

“Escrow Payments” means, with respect to a Mortgage Loan, the amounts constituting ground rents, taxes, assessments, water charges, sewer rents, municipal charges, mortgage insurance premiums, fire and hazard insurance premiums, condominium charges and other payments as may be required to be escrowed by the Mortgagor with the Mortgagee pursuant to the terms of the Mortgage or any other document.

“Estimated Purchase Price” shall have the meaning assigned thereto in Section 3(c) hereof. “Event of Default” shall have the meaning assigned thereto in Section 17 hereof.

“Existing REO Subsidiary” means Nationstar REO Sub 1B LLC, the special purpose Subsidiary of the Seller formed to hold REO Property related to foreclosures of Mortgage Loans that are Purchased Assets.

“Fannie Mae” means Fannie Mae or any successor thereto.

“Fannie Mae Agreement” means that certain Wiring Instruction and Release of Interest Agreement, dated the date hereof, by and among Barclays, Seller, the Custodian and Fannie Mae.

“Fannie Mae Guide” means the Fannie Mae MBS Selling and Servicing Guide, as such Guide may hereafter from time to time be amended.

“Fannie Mae Mortgage Loan” means a mortgage loan that is in Strict Compliance on the related Purchase Date with the eligibility requirements specified for the applicable Fannie Mae Program described in the Fannie Mae Guide.

“Fannie Mae Non-Traditional Loan” means a Fannie Mae Mortgage Loan that fully conforms to the requirements for the Fannie Mae program recently created to serve borrowers without traditional credit scores, as such program is amended, supplemented or otherwise modified, from time to time.

“Fannie Mae Program” means the Fannie Mae Guaranteed Mortgage-Backed Securities Programs, as described in the Fannie Mae Guide.

“Fannie Mae Security” means an ownership interest in a pool of Fannie Mae Mortgage Loans, evidenced by a book-entry account in a depository institution having book-entry accounts at the Federal Reserve Bank of New York, issued and guaranteed, with respect to timely payment of interest and ultimate payment of principal, by Fannie Mae and backed by a pool of Fannie Mae Mortgage Loans, in substantially the principal amount and with substantially the other terms as specified with respect to such Fannie Mae Security in the related Takeout Commitment, if any.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“FCA” means the United Kingdom Financial Conduct Authority.

“FDIC” means the Federal Deposit Insurance Corporation or any successor thereto.

“FHA” means the Federal Housing Administration, an agency within HUD, or any successor thereto, and including the Federal Housing Commissioner and the Secretary of Housing and Urban Development where appropriate under the FHA regulations.

“FHA Buyout Loan” means an Eligible Mortgage Loan that (a) is insured by FHA, (b) is a Ginnie Mae Mortgage Loan, (c) (1) has been purchased out of a Ginnie Mae Security or (2) or was purchased out of a Ginnie Mae Security as a result of delinquent mortgage payments, but, without any loan modifications, subsequently became reperforming and (d) is not a Modified Loan or HECM Buyout Loan. Solely for purposes of determining the Applicable Margin and Purchase Price Percentage Amount, “FHA Buyout Loans” shall include Converted REO Property related such Mortgage Loans.

“FICO Score” means the credit score of the Mortgagor provided by Fair, Isaac & Company, Inc. or such other organization providing credit scores on the Origination Date of a Mortgage Loan.

“Floor” has the meaning assigned thereto in the Pricing Side Letter.

“Foreclosure Date” has the meaning assigned thereto in Section 3(j)(iii) hereof.

“Foreign Purchaser” shall have the meaning assigned thereto in Section 8(d).

“Freddie Mac” means Freddie Mac, and its successors in interest.

“Freddie Mac Agreement” means that certain Repurchase Addendum to Freddie Mac Forms 996 and 996E, dated the date hereof, by and among Barclays, Seller, the Custodian and Freddie Mac.

“Freddie Mac Guide” means the Freddie Mac Sellers’ and Servicers’ Guide, as such Guide may hereafter from time to time be amended.

“Freddie Mac Mortgage Loan” means a mortgage loan that is in Strict Compliance on the related Purchase Date with the eligibility requirements specified for the applicable Freddie Mac Program described in the Freddie Mac Guide.

“Freddie Mac Program” means the Freddie Mac Home Mortgage Guarantor Program or the Freddie Mac FHA/VA Home Mortgage Guarantor Program, as described in the Freddie Mac Guide.

“Freddie Mac Security” means a modified pass-through mortgage-backed participation certificate, evidenced by a book-entry account in a depository institution having book-entry accounts

at the Federal Reserve Bank of New York, issued and guaranteed, with respect to timely payment of interest and ultimate payment of principal, by Freddie Mac and backed by a pool of Freddie Mac Mortgage Loans, in substantially the principal amount and with substantially the other terms as specified with respect to such Freddie Mac Security in the related Takeout Commitment, if any.

“GAAP” means generally accepted accounting principles as in effect from time to time in the United States of America.

“Ginnie Mae” means the Government National Mortgage Association and its successors in interest, a wholly-owned corporate instrumentality of the government of the United States of America.

“Ginnie Mae Guide” means the Ginnie Mae Mortgage-Backed Securities Guide, as such Guide may hereafter from time to time be amended.

“Ginnie Mae Mortgage Loan” means a mortgage loan that is in Strict Compliance on the related Purchase Date with the eligibility requirements specified for the applicable Ginnie Mae Program in the applicable Ginnie Mae Guide, and such mortgage loan has not been purchased out of a Ginnie Mae Security.

“Ginnie Mae Program” means the Ginnie Mae Mortgage-Backed Securities Programs, as described in the Ginnie Mae Guide.

“Ginnie Mae Security” means a modified pass-through mortgage-backed certificate guaranteed by Ginnie Mae, evidenced by a book-entry account in a depository institution having book-entry accounts at the Federal Reserve Bank of New York and backed by a pool of Ginnie Mae Mortgage Loans, in substantially the principal amount and with substantially the other terms as specified with respect to such Ginnie Mae Security in the related Takeout Commitment.

“Governmental Authority” means any nation or government, any state or other political subdivision, agency or instrumentality thereof, or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any court or arbitrator having jurisdiction over Seller, any of its Subsidiaries or any of their Property.

“HARP Mortgage Loan” means a Fannie Mae Mortgage Loan or a Freddie Mac Mortgage Loan that fully conforms to the Home Affordable Refinance Program (as such program is amended, supplemented or otherwise modified, from time to time), and is referred to by Fannie Mae as a “Refi Plus mortgage loan” or “DU Refi Plus mortgage loan,” and by Freddie Mac as a “Relief Refinance Mortgage,” respectively.

“HECM Buyout Loan” means an Eligible Mortgage Loan that (a) is insured by FHA, (b) is a Ginnie Mae Mortgage Loan, (c) has been purchased out of a Ginnie Mae Security, (d) is a home equity conversion Mortgage Loan secured by a first lien, (e) comprises all payments made to the related borrower(s) under the related Mortgage Note and (f) is not a Modified Loan.

“Hedge Instrument” means any interest rate cap agreement, interest rate floor agreement, interest rate swap agreement or other interest rate hedging agreement entered into by Seller with a counterparty reasonably acceptable to Agent, in each case with respect to the Mortgage Loans.

“High Cost Mortgage Loan” means a Mortgage Loan that is (a) subject to, covered by or in violation of the provisions of the Homeownership and Equity Protection Act of 1994, as amended, (b) a “high cost,” “covered,” “abusive,” “predatory” or “high risk” mortgage loan under any federal, state or local law, or any similarly classified loan using different terminology under any law imposing heightened regulation, scrutiny or additional legal liability for residential mortgage loans having high interest rates, points and/or fees, or any other state or other regulation providing assignee liability to holders of such mortgage loans, (c) subject to or in violation of any such or comparable federal, state or local statutes or regulations, or (d) a “High Cost Loan” or “Covered Loan,” as applicable, as such terms are defined in the current version of the Standard & Poor’s LEVELS® Glossary Revised, Appendix E.

“HUD” means the Department of Housing and Urban Development, or any federal agency or official thereof which may from time to time succeed to the functions thereof with regard to FHA

mortgage insurance. The term "HUD," for purposes of this Agreement, is also deemed to include subdivisions thereof such as the FHA and Ginnie Mae.

"IBA" means the ICE Benchmark Administration.

"Income" means, with respect to any Purchased Asset at any time, any principal and/or interest thereon and all dividends, sale proceeds and all other proceeds as defined in Section 9-102(a)(64) of the Uniform Commercial Code and all other collections and distributions thereon (including, without limitation, any proceeds received in respect of mortgage insurance) and all reimbursement payments or collections of Servicing Advances but excluding, for the avoidance of doubt, any amounts related to escrow payments.

"Indebtedness" means, for any Person: (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of Property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such Property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of Property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within ninety (90) days of the date the respective goods are delivered or the respective services are rendered; (c) indebtedness of others secured by a Lien on the Property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for account of such Person; (e) obligations of such Person under Capital Lease Obligations; (f) obligations of such Person under repurchase agreements or like arrangements; (g) indebtedness of others guaranteed by such Person; (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; (i) indebtedness of general partnerships of which such Person is a general partner; and (j) any other indebtedness of such Person by a note, bond, debenture or similar instrument; provided that "Indebtedness" shall not include Non-Recourse Debt.

"Indemnified Party" shall have the meaning assigned thereto in Section 21(a). "Incremental Purchase Price" has the meaning assigned thereto in Section 3(i) hereof.

"Incremental Purchase Price Request" has the meaning assigned thereto in Section 3(i) hereof.

"Investment Company Act" means the Investment Company Act of 1940, as amended, including all rules and regulations promulgated thereunder.

~~"Investor Underwriting Guidelines" means the written underwriting guidelines of Seller that govern the underwriting, acquisition and program operations of each Agency Investor Mortgage Loan, as supplemented or modified by underwriting overlays that have been approved by Purchaser prior to the applicable Purchase Date.~~

"Jumbo Mortgage Loan" means a first lien mortgage loan that is underwritten as a jumbo mortgage loan in compliance with Seller's underwriting guidelines. Any changes to Seller's underwriting guidelines are subject to Agent's approval, which shall not be unreasonably withheld.

"Lien" means any mortgage, deed of trust, lien, claim, pledge, charge, security interest or similar encumbrance.

"Liquidity" means, as of any date, the sum of (a) Seller's Unrestricted Cash and (b) the aggregate amount of unused committed capacity available to Seller (taking into account applicable haircuts) under mortgage loan warehouse and servicer advance facilities (other than the facilities provided under the Program Documents) for which Seller has unencumbered eligible collateral to pledge thereunder.

"LLC Agreement" means the limited liability company agreement of the Existing REO Subsidiary entered into by the Seller, as sole member, as the same may be amended, supplemented, or otherwise modified from time to time in accordance with its terms.

"Loan Agreement" means that certain Loan and Security Agreement, dated as of June 20, 2014, by and between the Seller, as borrower thereunder, and the Purchaser, as lender thereunder, as the same may be amended, modified or supplemented from time to time.

“Margin Call” shall have the meaning assigned thereto in Section 7(b) hereof. “Margin Deficit” shall have the meaning assigned thereto in Section 7(b) hereof.

“Market Value” means, with respect to (x) any Transaction and as of any date of determination,

(i) the value ascribed to a Purchased Asset (other than the REO Asset) by Agent in its sole good faith discretion, using methodology and parameters customarily used by Agent to value similar assets, as may be as marked to market daily, and (ii) zero, with respect to any Mortgage Loan that is not an Eligible Mortgage Loan and (y) the REO Asset as of any date of determination (i) the value ascribed to each related Converted REO Property by Agent in its sole good faith discretion, using methodology and parameters customarily used by Agent to value similar assets, as may be marked to market daily or (ii) zero, with respect to any related Converted REO Property that does not satisfy the representations and warranties set forth in Exhibit B-2. In order to determine Market Value, the Agent will consider, among a number of factors, the value of outstanding Servicing Advances related to the Eligible Assets.

“Master Netting Agreement” means that certain Amended and Restated Global Netting and Security Agreement, dated as of May 17, 2013, among Purchaser, Seller and certain Affiliates and Subsidiaries of Purchaser and/or Seller, entered into in connection with this Agreement and the Mortgage Loan Participation Purchase and Sale Agreement, as the same shall be amended, supplemented or otherwise modified from time to time.

“Material Adverse Change” means, with respect to a Person, any material adverse change in the business, condition (financial or otherwise), operations, performance or Property of such Person including the insolvency of such Person or its Parent Company, if applicable.

“Material Adverse Effect” means (a) a Material Adverse Change with respect to Seller, Servicer or any of their respective Affiliates; (b) a material impairment of the ability of Seller, Servicer or any of their respective Affiliates that is a party to any Program Document to perform under any Program Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of any Program Document against Seller, Servicer or any of their respective Affiliates that is a party to any Program Document; (d) a material adverse effect on the Market Value of the Purchased Assets; or (e) a material adverse effect on the Approvals of Seller or Servicer.

“Maturity Date” means September 30, ~~2023~~2024.

“Maximum Age Since Origination” means for (a) each Eligible Mortgage Loan (other than Wet-Ink Mortgage Loans, FHA Buyout Loans, VA Buyout Loans and HECM Buyout Loans), the following period of time commencing with the related Origination Date for which such Eligible Mortgage Loan may be subject to a Transaction hereunder: (i) ninety (90) days for Fannie Mae Mortgage Loans, Freddie Mac Mortgage Loans and Ginnie Mae Mortgage Loans, (ii) ninety (90) days for Modified Loans and (iii) 364 calendar days for Jumbo Mortgage Loans and (b) for the REO Asset, the 364 day period of time commencing with the date the REO Asset is sold to Purchaser by Seller. Wet-Ink Mortgage Loans shall have the aging restrictions set forth in the Pricing Side Letter.

“Maximum Aggregate Purchase Price” means, with respect to this Agreement, the Mortgage Loan Participation Purchase and Sale Agreement and the Loan Agreement in the aggregate, an amount equal to the sum of the Committed Amount and the Uncommitted Amount.

“Membership Certificate” means a physical certificate evidencing a 100% beneficial ownership interest in the Existing REO Subsidiary and registered in the name of Barclays.

“Merger” means the occurrence of a merger of W and Merger Corporation, a Delaware corporation and a wholly-owned subsidiary of WMIH, with and into NMH, with NMH continuing as the surviving corporation and a wholly-owned subsidiary of WMIH.

“MERS” means Mortgage Electronic Registration Systems, Inc., a Delaware corporation, or any successor in interest thereto.

“MERS Designated Mortgage Loan” means any Mortgage Loan as to which the related Mortgage or Assignment of Mortgage, has been recorded in the name of MERS, as agent for the holder from time to time of the Mortgage Note.

“MERS Identification Number” shall have the meaning assigned thereto in the Custodial Agreement.

“Modified Loan” means an Eligible Mortgage Loan that (a) is insured by FHA or VA, (b) was purchased out of a Ginnie Mae Security solely as a result of modifications to such Eligible Mortgage Loan and (c) is a Ginnie Mae Mortgage Loan and is expected to be repooled into a Ginnie Mae Security.

“Monthly Payment” shall mean the scheduled monthly payment of principal and interest on a Mortgage Loan as adjusted in accordance with changes in the mortgage interest rate pursuant to the provisions of the Mortgage Note for an Adjustable Rate Mortgage Loan.

“Monthly Payment Date” means the twentieth (20th) day of each calendar month beginning with February 20, 2016; provided that if such day is not a Business Day, the next succeeding Business Day.

“Moody’s”: Moody’s Investors Service, Inc. or its successors in interest.

“Mortgage” means a mortgage, deed of trust, or other security instrument, securing a Mortgage Note.

“Mortgage Interest Rate” means, with respect to each Mortgage Loan, the annual rate at which interest accrues on such Mortgage Loan from time to time in accordance with the provisions of the related Mortgage Note.

“Mortgage Loan” means a Jumbo Mortgage Loan, a Ginnie Mae Mortgage Loan, a Fannie Mae Mortgage Loan or a Freddie Mac Mortgage Loan.

“Mortgage Loan File” shall have the meaning assigned thereto in the Custodial Agreement.

“Mortgage Loan Participation Purchase and Sale Agreement” means that certain Mortgage Loan Participation Purchase and Sale Agreement, dated as of March 25, 2011, between Barclays and Seller, as the same may be amended, modified or supplemented from time to time.

“Mortgage Note” means a promissory note or other evidence of indebtedness of the obligor thereunder, evidencing a Mortgage Loan, and secured by the related Mortgage.

“Mortgaged Property” means the real property (or leasehold estate, if applicable) securing repayment of the debt evidenced by a Mortgage Note.

“Mortgagee” means the record holder of a Mortgage Note secured by a Mortgage.

“Mortgagor” means the obligor or obligors on a Mortgage Note, including any person who has assumed or guaranteed the obligations of the obligor thereunder.

“MSR Facility Borrowed Amount” means the ~~outstanding amount borrowed~~ Outstanding Aggregate Loan Amount, as defined under the Loan Agreement, as of any date of determination.

“Negative Amortization” means the portion of interest accrued at the Mortgage Interest Rate in any month which exceeds the Monthly Payment on the related Mortgage Loan for such month and which, pursuant to the terms of the Mortgage Note, is added to the principal balance of the Mortgage Loan.

“Net Worth” means, with respect to any Person, such Person’s assets minus such Person’s liabilities, each determined in accordance with GAAP.

“New Construction One-Time Close Loan” means a Ginnie Mae Mortgage Loan, Fannie Mae Mortgage Loan or Freddie Mac Mortgage Loan that is in Strict Compliance with the eligibility requirements of the Ginnie Mae Program, Fannie Mae Program or Freddie Mac Program, as

applicable, created to serve borrowers to single-close construction-to-permanent financing transactions, as such program may be amended, supplemented or otherwise modified, from time to time.

“New Permitted Holders” shall mean KKR & Co. LLP, management of WMIH, KKR & Co. LLP controlled investment affiliates and any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with KKR & Co. LLP (but, in each case, excluding any “portfolio company” (as such term is customarily used in the private equity business) of KKR & Co. LLP). For purposes of this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative of the foregoing.

“Non-Recourse Debt” shall mean liabilities for which the assets securing such obligations are the only source of repayment.

“Non-Utilization Fee” shall have the meaning assigned thereto in the Pricing Side Letter. “Notice Date” shall have the meaning assigned thereto in Section 3(b) hereof.

“Obligations” means (a) all amounts due and payable by Seller to Purchaser in connection with a Transaction hereunder, together with interest thereon (including interest which would be payable as post-petition interest in connection with any bankruptcy or similar proceeding) and other obligations and liabilities of Seller to Purchaser arising under, or in connection with, the Program Documents or directly related to the Purchased Assets, whether now existing or hereafter arising; (b) any and all sums paid by Purchaser or on behalf of Purchaser pursuant to the Program Documents in order to preserve any Purchased Asset or its interest therein; (c) in the event of any proceeding for the collection or enforcement of any of Seller’s indebtedness, obligations or liabilities referred to in clause (a), the reasonable expenses of retaking, holding, collecting, preparing for sale, selling or otherwise disposing of or realizing on any Purchased Asset, or of any exercise by Purchaser of its rights under the Program Documents, including without limitation, reasonable attorneys’ fees and disbursements and court costs; and (d) all of Seller’s indemnity obligations to Purchaser pursuant to the Program Documents.

“Obligor” means a Person obligated to make payments pursuant to a Contract; provided, that in the event that any payments in respect of a Contract are made by any other Person, such other Person shall also be deemed to be an Obligor.

“OFAC” means the Office of Foreign Assets Control of the United States Department of Treasury.

“OFSI” means the Office of Financial Sanctions Implementation of the United Kingdom’s HM Treasury.

“Operating Income” means for any period, the operating income of Seller for such period as determined in accordance with GAAP; provided, that (i) charges of up to a maximum aggregate amount of \$15,000,000 which directly relate to Seller’s stock-based management equity plan and (ii) mark-to-market adjustments to Seller’s mortgage servicing rights recorded at fair value, shall be excluded from this calculation.

“Origination Date” means the date on which a Mortgage Loan was originated or, in the case of (i) Modified Loans, the date on which such Mortgage Loan became a Modified Loan and (ii) Correspondent Loans, the date on which a Correspondent Loan was acquired by Seller.

“Originator” means Seller or any other third party originator as mutually agreed upon by Agent and Seller.

“Other Connection Taxes” means with respect to any Purchaser or Agent, taxes imposed as a result of a present or former connection between such Purchaser or Agent and the jurisdiction imposing such tax (other than connections arising from such Purchaser or Agent having executed, delivered, become a party to, performed its obligations under, received payments under, received or

perfected a security interest under, engaged in any other transaction pursuant to or enforced any Program Document, or sold or assigned an interest in any Purchased Asset or Program Document).

“Other Taxes” shall have the meaning assigned thereto in Section 8(b). “OTS” means Office of Thrift Supervision or any successor thereto.

“Outstanding Purchase Price” means, for any Purchased Asset, as of any date of determination, the Initial Purchase Price thereof, as reduced by any amount thereof repaid to the Purchaser pursuant to the terms of this Agreement and as increased by any Incremental Purchase Price related to such Purchased Asset.

“Parent Company”: A corporation or other entity owning at least 50% of the outstanding shares of voting stock of Seller.

“Person” means any legal person, including any individual, corporation, partnership, association, joint stock company, trust, limited liability company, unincorporated organization, governmental entity or other entity of similar nature.

“Price Differential” means, with respect to any Purchased Asset or Transaction as of any date of determination, an amount equal to the product of (A) the Pricing Rate (or during the continuation of an Event of Default, the Default Rate) and (B) the Outstanding Purchase Price for such Purchased Asset or Transaction, and (C) 1/360. Price Differential will be calculated in accordance with Section 3 herein for the actual number of days elapsed during a given Accrual Period.

“Price Differential Determination Date” means, with respect to any Monthly Payment Date, the second (2nd) Business Day preceding such date.

“Pricing Rate” means, as of any date of determination and with respect to an Accrual Period for any Purchased Asset or Transaction, an amount equal to the sum of (i) the greater of the Benchmark and the Floor plus (ii) the Applicable Margin.

“Pricing Side Letter” means that certain Second Amended and Restated Pricing Side Letter, dated as of January 29, 2016, between Seller and Purchaser, entered into in connection with this Agreement, as the same may be amended, modified or supplemented from time to time.

“Program Documents” means this Agreement, the Pricing Side Letter, the Custodial Agreements, the Collection Account Control Agreements, any assignment of Hedge Instrument, the Electronic Tracking Agreement, the Master Netting Agreement, the Fannie Mae Agreement, the Freddie Mac Agreement, the Verification Agent Letter, the Wire Confirmation, any Backup Servicer Agreement, the EPF Program Documents and all other agreements, documents and instruments entered into by Seller on the one hand, and any Purchaser or one of its Affiliates (or Custodian on its behalf) and/or Agent or one of its Affiliates on the other, in connection herewith or therewith with respect to the transactions contemplated hereunder or thereunder and all amendments, restatements, modifications or supplements thereto.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Purchase Date” means, with respect to each Transaction, the date on which Purchased Assets are sold by Seller to Purchaser or such Purchaser’s designee hereunder, provided that a Purchase Date for any FHA Buyout Loan, VA Buyout Loan or HECM Buyout Loan may occur no more than five (5) times within a calendar month and shall occur within the first three (3) weeks of such calendar month.

“Purchase Price Percentage” shall have the meaning assigned thereto in the Pricing Side Letter.

“Purchase Price Percentage Amount” shall have the meaning assigned thereto in the Pricing Side Letter.

“Purchased Assets” means, with respect to each Eligible Asset sold by Seller to Purchaser in a Transaction until its repurchase by Seller, whether now existing or hereafter acquired: (i) the Mortgage Loans, (ii) the Servicing Rights, (iii) Seller’s rights under any related Hedge Instruments to the extent related to the Mortgage Loans, (iv) such other Property, rights, titles or interest as are specified on the related Transaction Notice, (v) all mortgage guarantees and insurance relating to the individual Mortgage Loans (issued by governmental agencies or otherwise) or the related Mortgaged Property and any mortgage insurance certificate or other document evidencing such mortgage guarantees or insurance and all claims and payments related to the Mortgage Loans, (vi) all guarantees or other support for the Mortgage Loans, (vii) all rights to Income and the rights to enforce such payments arising from the Mortgage Loans and any other contract rights, payments, rights to payment (including payments of interest or finance charges) with respect thereto (including, with respect to any FHA Buyout Loan, VA Buyout Loan or any Converted REO Property related thereto, any rights to reimbursement of related Servicing Advances), (viii) all Takeout Commitments and Trade Assignments (including the rights to receive the related purchase price related therefor), (ix) the Collection Accounts and all amounts on deposit therein, (x) the REO Asset and the REO Property File with respect to any REO Property held by the REO Subsidiary, (xi) any proceeds related to any Part A FHA Claim and Part B FHA Claim or any related VA Claim, as applicable, (xii) all “accounts,” “deposit accounts,” “securities accounts,” “chattel paper,” “commercial tort claims,” “deposit accounts,” “documents,” “general intangibles,” “instruments,” “investment property,” and “securities accounts,” relating to the foregoing as each of those terms is defined in the Uniform Commercial Code and all cash and cash equivalents and all products and proceeds relating to or constituting any or all of the foregoing, (xiii) any purchase agreements or other agreements or contracts relating to or constituting any or all of the foregoing, (xiv) any other collateral pledged or otherwise relating to any or all of the foregoing, together with all files, material documents, instruments, surveys (if available), certificates, correspondence, appraisals, computer records, computer storage media, accounting records and other books and records relating to the foregoing, (xv) with respect to any Purchased Asset that is an FHA Buyout Loan, VA Buyout Loan or any Converted REO Property related thereto, the related Servicing Advances and rights to reimbursement thereof and (xvi) any and all replacements, substitutions, distributions on, or proceeds with respect to, any of the foregoing.

The term “Purchased Assets” with respect to any Transaction at any time also shall include Additional Purchased Mortgage Loans delivered pursuant to Section 7(b) hereof.

“Purchaser” shall have the meaning set forth in the preamble hereof.

“Purchaser’s Wire Instructions” shall have the meaning set forth in the Pricing Side Letter. “Records” means all instruments, agreements and other books, records, and reports and data generated by other media for the storage of information maintained by Seller or any other person or entity with respect to a Purchased Asset. Records shall include, without limitation (i) with respect to the REO Asset, the Membership Certificate, including the related stock power, the related REO Property File and any other instruments necessary to document ownership of such REO Asset, and (ii) with respect to the other Purchased Assets, the Mortgage Notes, any Mortgages, the Mortgage Loan Files, the Servicing Files, and any other instruments necessary to document or service an Eligible Asset that is a Purchased Asset, including, without limitation, the complete payment and modification history of each Eligible Asset that is a Purchased Asset.

“REO Asset” means, as the context requires, the Membership Certificate or the Trust Certificate, so long as the LLC Agreement provides that such Membership Certificate or the Trust Agreement provides that such Trust Certificate, as applicable, is a “Certificated Security” as defined in Article 8 of the Uniform Commercial Code.

“REO Deed” means, with respect to each REO Property acquired by or transferred to the REO Subsidiary, the instrument or document required by the law of the jurisdiction in which the REO Property is located to convey fee title.

“REO Funding Date” has the meaning assigned thereto in Section 3(j)(iii).

“REO Property” means a residential real property including land and improvements, together with all buildings, fixtures and attachments thereto, all insurance proceeds, liquidation

proceeds, condemnation proceeds, and all other rights, benefits, proceeds and obligations arising from or in connection therewith.

“REO Property File” means the original or a certified copy of (i) the unrecorded REO Deed showing that such REO Deed is being recorded to evidence the ownership of the related REO Property by the REO Subsidiary and (ii) the recorded REO Deed evidencing the ownership of the related REO Property by the REO Subsidiary.

“REO Subsidiary” means, as the context requires, the Existing REO Subsidiary or the Additional REO Subsidiary.

“REO Subsidiary Schedule of Assets” means an electronic schedule of assets, identifying the REO Properties currently owned by the REO Subsidiary, whereupon delivery of such schedule, Seller designates which items have been added to or removed from such schedule as compared to the version of such schedule most recently provided by Seller.

“REO Transfer Date” has the meaning assigned thereto in Section 3(j)(ii) hereof.

“Repurchase Date” means, with respect to any Transaction, the earliest of (i) the Termination Date, (ii) the date set forth in the related Transaction Notice as the scheduled Repurchase Date, (iii) the second Business Day following Seller’s written notice to the Purchaser requesting a repurchase of such Transaction or (iv) at the conclusion of the Maximum Age Since Origination for each such Transaction, or if such day is not a Business Day, the immediately following Business Day.

“Repurchase Price” means the price at which Purchased Assets are to be transferred from the Purchaser or such Purchaser’s designee to Seller upon termination of a Transaction, which will be determined in each case as the sum of: (i) any portion of the Outstanding Purchase Price, and in the case of the REO Asset, such unpaid portion of the Outstanding Purchase Price attributable to the REO Property subject to repurchase, (ii) the Price Differential accrued and unpaid thereon, (iii) Breakage Costs, if any, and (iv) any accrued and unpaid fees or expenses or indemnity amounts and any other outstanding amounts owing under the Program Documents from Seller to such Purchaser.

“Request for Release of Documents” shall mean the Request for Release of Documents set forth as Annex 5 of the DB Custodial Agreement or U.S. Bank Custodial Agreement, as applicable.

“Requirement of Law” means as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

“Restricted Mortgage Loan” means (i) a “Growing Equity Loan,” “Manufactured Home Loan,” “Graduated Payment Loan,” “Buydown Loan,” “Project Loan,” “Construction Loan” or “HECM Loan,” each as defined in the applicable Agency Guide, (ii) a 30+ Day Delinquent Mortgage Loan, (iii) a Mortgage Loan for which the related Escrow Payments have not been made by the next succeeding Due Date, or (iv) a High Cost Mortgage Loan.

“S&P”: S&P Global Ratings or any successor in interest.

“Sanctions Lists” shall have the meaning ascribed thereto in Section 39 hereof.

“SEC” shall have the meaning ascribed thereto in Section 35 hereof.

“Section 404 Notice” means the notice required pursuant to Section 404 of the Helping Families Save Their Homes Act of 2009 (P.L. 111-22), which amends 15 U.S.C. Section 1641 *et seq.*, to be delivered by a creditor that is an owner or an assignee of a Mortgage Loan to the related Mortgagor within thirty (30) days after the date on which such Mortgage Loan is sold or assigned to such creditor.

“Security” means a Ginnie Mae Security, a Fannie Mae Security or a Freddie Mac Security, as applicable.

“Seller” shall have the meaning set forth in the preamble hereof.

“Seller Mortgage Loan Schedule” means the list of Purchased Assets proposed to be purchased by Purchaser, in the form of Exhibit H hereto, that will be delivered in an excel spreadsheet format by Seller to Agent, Purchaser and Custodian and attached by the Custodian to the related Trust Receipt.

“Separateness Covenants” means the covenants located in Section 5.4 of the LLC Agreement and in Section 2.05 of the Trust Agreement.

“Servicer” means any servicer approved by Agent in its sole discretion, which may be Seller.

“Servicing Advances” shall mean, with respect to any FHA Buyout Loan, VA Buyout Loan or any Converted REO Property related thereto, any advances (including existing delinquency advances, Corporate Advances and Escrow Advances and all future Corporate Advances and Escrow Advances) by the Servicer, which advances shall be owned by the owner of the related Eligible Asset, and to the extent first advanced by Servicer shall be reimbursed by the owner of the Eligible Asset pursuant to the terms of the applicable servicing agreement. For the avoidance of doubt, the rights of Servicer to reimbursement are a contract right derived solely from the applicable servicing agreement and shall be subordinated to the rights of Seller and REO Subsidiary as owner of the related Eligible Assets and Purchaser as the purchaser hereunder.

“Servicing File” means with respect to each Mortgage Loan or REO Property, the file retained by Seller or its designee consisting of all documents that a prudent originator and servicer would include (including copies of the Mortgage Loan File), all documents necessary to document and service the Mortgage Loans and REO Properties and any and all documents required to be delivered in connection with any transfer of servicing pursuant to the Program Documents.

“Servicing Records” means with respect to a Mortgage Loan, the related servicing records, including but not limited to any and all servicing agreements, files, documents, records, data bases, computer tapes, copies of computer tapes, proof of insurance coverage, insurance policies, appraisals, other closing documentation, payment history records, and any other records relating to or evidencing the servicing of such Mortgage Loan.

“Servicing Rights” means contractual, possessory or other rights of Seller or any other Person to administer or service a Mortgage Loan or to possess the Servicing File.

“Servicing Term” shall have the meaning assigned thereto in Section 16(b).

“Set Off Eligible Agreement” means any lending or hedging agreement (including, without limitation, this Agreement) entered into between Seller or any of its Subsidiaries on the one hand, and Purchaser or any of its Affiliates on the other hand. For avoidance of doubt, Purchaser agrees that any flow agreement for the purchase and sale of Mortgage Loans (other than the Mortgage Loan Participation Purchase and Sale Agreement) or any securitization, debt or equity transaction with respect to which Purchaser or any of its Affiliates acts as underwriter, placement agent, securities administrator or in a similar capacity shall not constitute a Set Off Eligible Agreement.

“Settlement Agent” means, with respect to any Transaction the subject of which is a Wet-Ink Mortgage Loan, the entity approved by Agent, in its sole good-faith discretion, which may be a title company, escrow company or attorney in accordance with local law and practice in the jurisdiction where the related Wet-Ink Mortgage Loan is being originated.

“Settlement Date” means the date specified in a Takeout Commitment upon which the related Security is scheduled to be delivered to the specified Takeout Investor on a “delivery versus payment” basis.

“SOFR” means, with respect to any day, the secured overnight financing rate published for such day by the SOFR Administrator on the SOFR Administrator’s website, currently at <http://www.newyorkfed.org>, or any successor source identified by the SOFR Administrator from time to time.

“SOFR Administrator” means the Federal Reserve Bank of New York, as administrator of SOFR (or a successor administrator).

“Special Loan” means a (i) Fannie Mae Non-Traditional Loan or (ii) New Construction One-Time Close Loan.

“Specified Indebtedness” means the portion of payable and accrued liabilities as reported on Seller’s consolidated balance sheet in accordance with GAAP related to the purchase of mortgage servicing rights (including advances payable) arising in connection with the Mortgage Servicing Rights Purchase and Sale Agreement between Bank of America, National Association and Seller, dated January 6, 2013.

“Specified Indebtedness Amount” means, as of any date, an amount equal to the amount of any Specified Indebtedness on such date; provided that the “Specified Indebtedness Amount” shall not be an amount greater than \$5,000,000,000.

“Streamline Mortgage Loan” means any Mortgage Loan that is refinanced pursuant to the FHA Streamline Refinance program or the VA Interest Rate Reduction Refinancing program.

“Strict Compliance” means compliance of Seller and the Mortgage Loans with the requirements of the Agency Guide as amended by any agreements between Seller and the Applicable Agency, sufficient to enable Seller to issue and to service and Ginnie Mae to guarantee or Fannie Mae or Freddie Mac to issue and guarantee a Security; provided, that until copies of any such agreements between Seller and the Applicable Agency have been provided to Agent by Seller and agreed to by Agent, such agreements shall be deemed, as between Seller and Barclays, not to amend the requirements of the Agency Guide.

“Subsidiary” means, with respect to any Person, any corporation, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

“Takeout Commitment” means a fully executed trade confirmation from the related Takeout Investor to Seller confirming the details of a forward trade between the Takeout Investor and Seller with respect to one or more Purchased Assets, which trade confirmation shall be enforceable and in full force and effect, and shall be validly and effectively assigned to Barclays pursuant to a Trade Assignment, and relate to pools of Mortgage Loans that satisfy the “good delivery standards” of the Securities Industry and Financial Markets Association as set forth in the Securities Industry and Financial Markets Association Uniform Practices Manual, as amended from time to time.

“Takeout Investor” means either (i) Barclays Capital Inc., or any successor thereto, or (ii) any other Person approved by Agent in its sole discretion.

“Taxes” shall have the meaning assigned thereto in Section 8(a).

“Tangible Net Worth” means, with respect to any Person at any date of determination, (i) the Net Worth of such Person and its consolidated Subsidiaries, determined in accordance with GAAP, minus (ii) all intangibles determined in accordance with GAAP (including, without limitation, goodwill, capitalized financing costs and capitalized administration costs but excluding originated and purchased mortgage servicing rights and retained residual securities) and any and all advances to, investments in and receivables held from Affiliates; provided, however, that the non-cash effect (gain or loss) of any mark-to-market adjustments made directly to stockholders’ equity for fluctuation of the value of financial instruments as mandated under the Statement of Financial Accounting Standards No. 133 (or any successor statement) shall be excluded from the calculation of Tangible Net Worth.

“Term SOFR” means, with respect to any date of determination, the forward-looking term rate based on SOFR, for a corresponding tenor of one month, as of two (2) Business Days prior to the first day of the corresponding Accrual Period containing such date of determination, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any such date Term SOFR has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to Term SOFR has not occurred, then Term SOFR will be the Term SOFR as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such determination date.

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (or any successor administrator of a forward-looking term rate based on SOFR approved by Purchaser in its sole discretion).

“Termination Date” means the earliest to occur of (i) the Maturity Date, (ii) the termination of the Mortgage Loan Participation Purchase and Sale Agreement, (iii) at the option of Agent, the occurrence of an Event of Default under this Agreement after the expiration of any applicable grace period and (iv) with respect to the Uncommitted Amount, the fifteenth (15th) Business Day after the Purchaser delivers a notice of termination to the Seller.

“Total Net Indebtedness” means, with respect to any Person, for any period, (i) the aggregate Indebtedness of such Person and its Subsidiaries during such period minus (ii) the amount of any non-recourse debt (including any securitization debt).

“Trade Assignment” means an assignment to Barclays of a forward trade between the Takeout Investor and Seller with respect to one or more Purchased Assets, together with the related trade confirmation from the Takeout Investor to Seller that has been fully executed, is enforceable and is in full force and effect and confirms the details of such forward trade.

“Transaction” has the meaning assigned thereto in Section 1.

“Transaction Notice” means a written request of Seller to enter into a Transaction in a form attached as Exhibit C hereto or such other form as shall be mutually agreed upon between Seller and Purchaser, which is deemed to be delivered to the Purchaser in accordance with Section 3(c) herein.

“Trust Agreement” means the Amended and Restated Trust Agreement, dated October 25, 2019, between Nationstar Reverse Mortgage Funding LLC, U.S. Bank National Association and Wilmington Savings Fund Society, FSB, with respect to Nationstar HECM Acquisition Trust 2018-1, as may be amended, supplemented or otherwise modified from time to time.

“Trust Certificate” means a physical certificate evidencing a 100% beneficial ownership interest in the Additional REO Subsidiary and registered in the name of Barclays.

“Trust Receipt” shall have the meaning assigned thereto in the DB Custodial Agreement or the U.S. Bank Custodial Agreement, as applicable.

“UETA” means the Official Text of the Uniform Electronic Transactions Act as approved by the National Conference of Commissioners on Uniform State Laws at its Annual Conference on July 29, 1999.

“Uncommitted Amount” shall have the meaning assigned thereto in the Pricing Side Letter.

“Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Purchased Assets or the continuation, renewal or enforcement thereof is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform Commercial Code” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“Unrestricted Cash” means, as of any date of determination, the sum of (i) Seller’s cash, (ii) Seller’s Cash Equivalents that are not, in either case, subject to a Lien in favor of any Person or that are not required to be reserved by Seller in a restricted escrow arrangement or other similarly restricted arrangement pursuant to a contractual agreement or requirement of law.

“U.S. Bank Custodial Agreement” means that certain Custodial Agreement, dated as of November 25, 2013, among Seller, Purchaser and U.S. Bank National Association, entered into in connection with this Agreement, as the same may be amended, modified or supplemented from time to time.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“VA” means the U.S. Department of Veterans Affairs, an agency of the United States of America, or any successor thereto including the Secretary of Veterans Affairs.

“VA Buyout Loan” means an Eligible Mortgage Loan that (a) is insured by VA, (b) is a Ginnie Mae Mortgage Loan, (c) has been purchased out of a Ginnie Mae Security, and (d) is not a Modified Loan.

“Verification Agent” means an entity appointed by the Agent to perform specific services with respect to the Eligible Mortgage Loans, or its successors and assigns.

“Verification Agent Letter” means the agreement pursuant to which the Verification Agent performs services with respect to the Eligible Mortgage Loans.

“Warehouse Lender” means any lender providing financing to Seller for the purpose of warehousing, originating or purchasing a Mortgage Loan, which lender has a security interest in such Mortgage Loan to be purchased by Barclays.

“Warehouse Lender’s Release” means a letter, in the form of Exhibit E, from a Warehouse Lender to Barclays, unconditionally releasing all of Warehouse Lender’s right, title and interest in certain Mortgage Loans identified therein upon payment to the Warehouse Lender.

“Wet-Ink Mortgage Loan” means a Mortgage Loan (other than a Jumbo Mortgage Loan) that Seller is selling to Barclays simultaneously with the origination thereof that is funded as part, either directly or indirectly, with the Initial Purchase Price paid by Barclays hereunder and prior to receipt by Barclays or its Custodian of the original Mortgage Note.

“Wet-Ink Mortgage Loan Document Receipt Date” means for any Wet-Ink Mortgage Loan, the date that the Custodian executes an original trust receipt without exceptions.

“Wet-Ink Mortgage Loan Sublimit” shall have the meaning assigned thereto in the Pricing Side Letter.

“WMIH” means WMIH Corp., a Delaware corporation.

(b) Interpretation.

Headings are for convenience only and do not affect interpretation. The following rules of this subsection (b) apply unless the context requires otherwise. The singular includes the plural and conversely. A gender includes all genders. Where a word or phrase is defined, its other grammatical forms have a corresponding meaning. A reference to a subsection, Section, Annex or Exhibit is, unless otherwise specified, a reference to a section of, or annex or exhibit to, this Agreement. A reference to a party to this Agreement or another agreement or document includes the party’s successors and permitted substitutes or assigns. A reference to an agreement or document is to the agreement or document as amended, modified, novated, supplemented or replaced, except to the extent prohibited by any Program Document. A reference to legislation or to a provision of legislation includes any modification or re-enactment of it, a legislative provision substituted for it

and a regulation or statutory instrument issued under it. A reference to writing includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form. A reference to conduct includes, without limitation, an omission, statement or undertaking, whether or not in writing. The words “hereof,” “herein,” “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement. An Event of Default exists until it has been waived in writing by Agent or has been cured. The term “including” is not limiting and means “including without limitation.” In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including,” the words “to” and “until” each mean “to but excluding,” and the word “through” means “to and including.” This Agreement may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied. References herein to “fiscal year” and “fiscal quarter” refer to such fiscal periods of Seller.

Except where otherwise provided in this Agreement, any determination, consent, approval, statement or certificate made or confirmed in writing with notice to Seller by Purchaser or authorized officers of Purchaser as required by this Agreement is conclusive in the absence of manifest error. A reference to an agreement includes a security interest, guarantee, agreement or legally enforceable arrangement whether or not in writing related to such agreement.

A reference to a document includes an agreement in writing or a certificate, notice, instrument or document, or any information recorded in electronic form. Where Seller is required to provide any document to Purchaser under the terms of this Agreement, the relevant document shall be provided in writing or printed form unless Purchaser request otherwise.

This Agreement is the result of negotiations among, and has been reviewed by counsel to, Purchaser and Seller, and is the product of all parties. In the interpretation of this Agreement, no rule of construction shall apply to disadvantage one party on the ground that such party proposed or was involved in the preparation of any particular provision of this Agreement or this Agreement itself. Except where otherwise expressly stated, Purchaser may give or withhold, or give conditionally, approvals and consents and may form opinions and make determinations in their absolute sole discretion. Except as specifically required herein, any requirement of good faith, discretion or judgment by Purchaser or Agent shall not be construed to require Purchaser to request or await receipt of information or documentation not immediately available from or with respect to Seller, any other Person or the Purchased Assets themselves.

3. THE TRANSACTIONS

(a) It is acknowledged and agreed that, notwithstanding any other provision of this Agreement to the contrary, the facility provided under this Agreement is (i) a committed facility with respect to the Committed Amount and (ii) an uncommitted facility with respect to the Uncommitted Amount, and Purchaser shall have no obligation to enter into any Transactions hereunder with respect to the Uncommitted Amount. All purchases of Eligible Assets hereunder shall be first deemed committed up to the Committed Amount and then the remainder, if any, shall be deemed uncommitted up the Uncommitted Amount.

(b) Subject to the terms and conditions of the Program Documents, Purchaser may enter into Transactions provided, that the Aggregate MRA Purchase Price shall not exceed, as of any date of determination, the lesser of (a) the Maximum Aggregate Purchase Price (less the sum of the Aggregate EPF Purchase Price and MSR Facility Borrowed Amount) and (b) the aggregate Asset Base of all Purchased Assets and all Eligible Mortgage Loans proposed to be sold in such Transaction.

(c) Unless otherwise agreed, Seller shall request that Purchaser enter into a Transaction with respect to any Eligible Mortgage Loan by delivering to the indicated required parties (each, a “Required Recipient”) the required delivery items (each, a “Required Delivery Item”) set forth in the table below by the corresponding required delivery time (the “Required Delivery Time”), and

such Transaction shall occur no later than the corresponding required purchase time (the “Required Purchase Time”):

<u>Purchased Asset Type</u>	<u>Required Delivery Items</u>	<u>Required Delivery Time</u>	<u>Required Recipient</u>	<u>Required Purchase Time</u>
Eligible Mortgage Loans (other than Wet-Ink Mortgage Loans, FHA Buyout Loans, VA Buyout Loans, HECM Buyout Loans and Modified Loans)	Seller Mortgage Loan Schedule	No later than 3:00 p.m. (New York City time) on the Business Day prior to the requested Purchase Date	Purchaser and Custodian	No later than 5:00 p.m. (New York City time) on the requested Purchase Date
	For Correspondent Loans, the Correspondent Seller Release, duly executed and delivered by each applicable Correspondent Seller	No later than 3:00 p.m. (New York City time) on the Business Day prior to the requested Purchase Date	Purchaser	
	The complete Mortgage Files to Custodian for each Mortgage Loan subject to such Transaction	No later than 3:00 p.m. (New York City time) on the Business Day prior to the requested Purchase Date	Custodian	
AM Funded Wet-Ink Mortgage Loans	Seller Mortgage Loan Schedule	No later than 4:00 p.m. (New York City time) on the Business Day prior to the requested Purchase Date	Purchaser, Custodian and Disbursement Agent	No later than 9:00 a.m. (New York City time) on the requested Purchase Date
PM Funded Wet-Ink Mortgage Loans	Seller Mortgage Loan Schedule	No later than 1:00 p.m. (New York City time) on the requested Purchase Date	Purchaser, Custodian and Disbursement Agent	No later than 4:00 p.m. (New York City time) on the requested Purchase Date
Wet-Ink Mortgage Loans	(i) Seller Mortgage Loan Schedule and (ii) Wet-Ink Mortgage Loan Funding Report	No later than 2:00 p.m. (New York City time) on the requested Purchase Date	Purchaser and Custodian	No later than 4:00 p.m. (New York City time) on the requested Purchase Date

<u>Purchased Asset Type</u>	<u>Required Delivery Items</u>	<u>Required Delivery Time</u>	<u>Required Recipient</u>	<u>Required Purchase Time</u>
FHA Buyout Loans, VA Buyout Loans, HECM Buyout Loans and Modified Loans	Seller Mortgage Loan Schedule	No later than 10:00 a.m. (New York City time) on the Business Day prior to the requested Purchase Date	Purchaser and Custodian	No later than 5:00 p.m. (New York City time) on the requested Purchase Date

2. The date on which any notice pursuant to this Section 3(c) is given is known as the “Notice Date”. By submitting a Seller Mortgage Loan Schedule, Seller hereby agrees that it shall be deemed to have made all of the representations and warranties set forth in the form of Transaction Notice attached as Exhibit C hereto.

3. With respect to each Wet-Ink Mortgage Loan, immediately following the Purchase Date, Seller shall cause the related Settlement Agent to deliver to the Custodian the remaining documents in the Mortgage Loan File.

4. In addition, with respect to the purchase of any Eligible Mortgage Loans that are Wet-Ink Mortgage Loans, Seller shall deliver to Barclays and Custodian, no later than 5:00 p.m. (New York City time) one (1) Business Day prior to the proposed Purchase Date, the estimated Outstanding Purchase Price (the “Estimated Purchase Price”) of the Wet-Ink Mortgage Loans to be purchased on such Purchase Date within a variance not to exceed \$5,000,000 of the actual Outstanding Purchase Price on such Purchase Date (the “Allowable Variance”).

(d) Upon Seller’s request to enter into a Transaction pursuant to Section 3(c) and assuming all conditions precedent set forth in this Section 3 and in Sections 10(a) and (b) have been met, and provided no Default or Event of Default shall have occurred and be continuing, on the requested Purchase Date, Barclays shall, in the case of a Transaction with respect to the Committed Amount and may, in its sole discretion, in the case of a Transaction with respect to the Uncommitted Amount, purchase the Eligible Mortgage Loans, each included in the related Seller Mortgage Loan Schedule by transferring the Initial Purchase Price (net of any related Structuring Fee or any other fees and expense then due and payable by Seller to the Purchaser pursuant to the Agreement) in accordance with the following wire instructions or as otherwise provided:

Receiving Bank: Wells Fargo ABA#: 121 000 248
Account Name: Nationstar Mortgage Account Number: 4121888200

Seller acknowledges and agrees that the Initial Purchase Price for any Eligible Mortgage Loan includes a mutually negotiated premium allocable to the portion of the Purchased Assets that constitutes the related Servicing Rights.

(e) On the related Price Differential Determination Date, Agent shall calculate the Price Differential for each outstanding Transaction payable on the Monthly Payment Date utilizing the Pricing Rate. Not less than two (2) Business Days prior to each Monthly Payment Date, Agent shall provide Seller with an invoice for the amount of the Price Differential due and payable with respect to all

outstanding Transactions, setting forth the calculations thereof in reasonable detail and all accrued fees and expenses then due and owing to the Purchaser. On the earliest of (1) the Monthly Payment Date or (2) the Termination Date, Seller shall pay to the Purchaser the Price Differential then due and payable for (x) all outstanding related Transactions and (y) Purchased Assets for which the Purchaser has received the related Outstanding Purchase Price pursuant to Section 3(f).

(f) With respect to a Transaction, upon the earliest of (1) the Repurchase Date and (2) the Termination Date, Seller shall pay to the Purchaser the related Outstanding Purchase Price together with any other Obligations then due and payable, and shall repurchase all Purchased Assets then subject to such Transaction; provided that Seller may, within ninety (90) days of Agent's notification of the Benchmark Replacement, (A) give notice to Agent (with reasonable corroborative evidence upon request by the Agent) that the Benchmark Replacement is materially different from the successor rate of interest implemented by the majority of financial institutions similar to Agent for assets similar to the Purchased Assets in warehouse facilities in the United States similar to this Agreement and (B) elect to repurchase all Purchased Assets at the related Outstanding Purchase Price together with any other Obligations then due and payable and terminate this Agreement without penalty or premium on an elected Termination Date that is on or after the date the Benchmark Replacement is effective. The Repurchase Price shall be transferred directly to the Purchaser.

(g) If Agent determines in its sole discretion that any Change in Law or any change in accounting rules regarding capital requirements has the effect of reducing the rate of return on Purchaser's capital or on the capital of any Affiliate of Purchaser under this Agreement as a consequence of such Change in Law or change in accounting rules, then from time to time Seller will compensate the Purchaser or the Purchaser's Affiliate, as applicable, for such reduced rate of return suffered as a consequence of such Change in Law or change in accounting rules on terms similar to those imposed by the Purchaser. Further, if due to the introduction of, any change in, or the compliance by Purchaser with

(i) any eurocurrency reserve requirement, or (ii) the interpretation of any law, regulation or any guideline or request from any central bank or other Governmental Authority whether or not having the force of law, there shall be an increase in the cost to Purchaser or any Affiliate of Purchaser in engaging in the present or any future Transactions, then Seller shall, from time to time and upon demand by the Purchaser, compensate the Purchaser or the Purchaser's Affiliate for such increased costs, and such amounts shall be deemed a part of the Obligations hereunder. The Purchaser shall provide Seller with notice as to any such Change in Law, change in accounting rules or change in compliance promptly following such Purchaser's receipt of actual knowledge thereof.

(h) Seller shall indemnify the Purchaser and hold the Purchaser harmless from any losses, costs and/or expenses that Purchaser may sustain or incur as a result of Seller's termination of any Transaction on or before a Repurchase Date arising from the reemployment of funds obtained by the Purchaser hereunder or from actual out-of-pocket fees and expenses payable to terminate the deposits from which such funds were obtained ("Breakage Costs"). Purchaser and Agent shall use good faith efforts to mitigate all Breakage Costs. The Agent shall deliver to Seller a statement setting forth the amount and basis of determination of any Breakage Costs in such detail as determined in good faith by the Purchaser to be adequate, it being agreed that such statement and the method of its calculation shall be adequate and shall be conclusive and binding upon Seller, absent manifest error. The provisions of this Section 3(h) shall survive termination of this Agreement.

(i) To the extent that the Asset Base for any Purchased Mortgage Loan is greater than the Outstanding Purchase Price for such Purchased Mortgage Loan, Seller may request (an "Incremental Purchase Price Request") that Purchaser transfer an additional purchase price amount less than or equal to the positive difference between the Asset Base and the Outstanding Purchase Price for such Purchased Mortgage Loan (each such additional purchase price amount, an "Incremental Purchase Price"). Each Incremental Purchase Price Request and Purchaser's transfer of the applicable Incremental Purchase Price shall constitute a Transaction under this Agreement and will be subject to all conditions precedent and other terms required to be satisfied prior to execution of each such Transaction under this Agreement. In connection with each Incremental Purchase Price Request, Seller may direct Purchaser to transfer the applicable Incremental Purchase Price in full or in part to reduce the Exposure that is a positive number under the other Relevant Master Agreements identified under the Master Netting Agreement; provided however that pursuant to

Section 4.2 and Section 4.3 of the Master Netting Agreement, Barclays in its capacity as the Designated Barclays Entity under the Master Netting Agreement shall have the right to require Seller to transfer all or a portion of the Incremental Purchase Price to reduce the Exposure that is a positive under the other Relevant Master Agreements identified under the Master Netting Agreement, to zero.

(j) REO Property.

(i) Seller shall take all actions necessary to fully establish the Existing REO Subsidiary, including, but without limitation, filing a certificate of formation with the applicable state and executing the LLC Agreement.

(ii) Following the Effective Date, the Seller (A) (x) shall promptly transfer to Barclays the REO Asset and to the Existing REO Subsidiary the REO Properties related to Mortgage Loans that had been Purchased Assets but had converted to REO Properties prior to the Effective Date and (y) from time to time shall transfer certain REO Properties unrelated to Mortgage Loans that are Purchased Assets to the Existing REO Subsidiary, in each case along with written notice of the Transaction in the form of an REO Subsidiary Schedule of Assets to Barclays (any such date, an "REO Transfer Date") and (B) shall (x) subject to any applicable redemption period, deliver to Barclays within seven (7) Business Days following the related REO Transfer Date a foreclosure sale deed or evidence, as described in clause (iv) hereof, that Seller has caused the REO Deed to be sent for recording in the applicable office of the applicable jurisdiction and (y) promptly transfer to the Custodian the related REO Property File as the documents contained therein come into existence.

(iii) At any time that a Mortgage Loan that is a Purchased Asset is foreclosed upon, (A) the marketable title in the related REO Property shall promptly be vested in and retained by the Existing REO Subsidiary and allocated to the REO Asset (any such date, a "Foreclosure Date") and (B) Seller shall (x) subject to any applicable redemption period, deliver to Barclays within seven (7) Business Days following the related Foreclosure Date a foreclosure sale deed or evidence, as described in clause (iv) hereof, that Seller has caused the REO Deed to be sent for recording in the applicable office of the applicable jurisdiction; provided that if Seller fails to deliver such evidence within the applicable time period, the related REO Property shall no longer be considered an Eligible Asset and (y) promptly transfer to the Custodian the related REO Property File as the documents contained therein come into existence.

(iv) For purposes of this Agreement, a Mortgage Loan that is a Purchased Asset shall be deemed to have converted into an REO Property upon the earliest to occur of the following:

(A) an REO Deed shall have been received in the name of the Existing REO Subsidiary with respect to the Mortgaged Property related to such Mortgage Loan;

(B) the Existing REO Subsidiary shall have received a receipt or other written acknowledgment acceptable to Purchaser from the filing clerk evidencing the submission for filing of an REO Deed with respect to the Mortgaged Property related to such Mortgage Loan;

(C) the Existing REO Subsidiary shall have received a receipt issued by a Governmental Authority evidencing the Existing REO Subsidiary's right to receive the REO Deed for the Mortgaged Property related to such Mortgage Loan; or

(D) Purchaser shall have received such other evidence of the Existing REO Subsidiary's interest in such REO Property acceptable to Purchaser in its reasonable discretion.

(i) On any Foreclosure Date, a Transaction shall be deemed to occur with respect to any related Converted REO Property, and the Repurchase Price with respect to the related Mortgage Loan shall be reduced by the Outstanding Purchase Price of such Converted REO Property. A Transaction Notice shall not be required for any such deemed Transaction to occur; however, Seller shall provide prompt written notice in the form of an REO Subsidiary Schedule of Assets to Purchaser upon such deemed conversion.

4. **[RESERVED]**

5. **TAKEOUT COMMITMENTS**

Seller hereby assigns to Barclays, free of any security interest, lien, claim or encumbrance of any kind, Seller's rights under each Takeout Commitment to deliver the Purchased Assets specified therein to the related Takeout Investor and to receive the purchase price therefor from such Takeout Investor. Seller shall deliver to Barclays a duly executed and enforceable Trade Assignment on the date such Trade Assignment is executed by the related Takeout Investor. Subject to Barclays' rights hereunder, Barclays agrees that it will satisfy the obligation under the Takeout Commitment to deliver the related Purchased Assets to the Takeout Investor on the date specified therein. Seller understands that, as a result of this Section 5 and each Trade Assignment, Barclays will succeed to the rights and obligations of Seller with respect to each Takeout Commitment subject to a Trade Assignment, and that in satisfying each such Takeout Commitment, Barclays will stand in the shoes of Seller and, consequently, will be acting as a non-dealer in exercising its rights and fulfilling its obligations assigned pursuant to this Section 5 and each Trade Assignment. Each Trade Assignment delivered by Seller to Barclays shall be delivered by Seller in a timely manner sufficient to enable Barclays to facilitate the settlement of the related trade on the trade date in accordance with "good delivery standards" of the Securities Industry and Financial Markets Association as set forth in the Securities Industry and Financial Markets Association Uniform Practices Manual, as amended from time to time.

6. **PAYMENT AND TRANSFER**

Unless otherwise agreed by Seller and Purchaser, all transfers of funds hereunder shall be in Dollars in immediately available funds. Seller shall remit (or, if applicable, shall cause to be remitted) directly to the Purchaser all payments required to be made by it to the Purchaser hereunder or under any other Program Document in accordance with wire instructions provided by the Purchaser. Any payments received by Purchaser after 5:00 p.m. (New York City time) shall be applied on the next succeeding Business Day.

7. **MARGIN MAINTENANCE**

(k) Agent shall determine the Market Value of the Purchased Assets on a daily basis as determined by the Agent in its sole good faith discretion, including the right to determine that the Market Value with respect to one or more of the Purchased Assets may be zero. After making that determination, Agent may determine the Asset Base of any Purchased Asset on such day.

(l) If, as of any date of determination, the Agent determines that the aggregate Asset Base of all Purchased Assets and all Eligible Mortgage Loans proposed to be sold in such Transaction is less than the aggregate Outstanding Purchase Price of all Purchased Assets for all such Transactions (a "Margin Deficit"), then Agent may, by notice to the Seller (as such notice is more particularly set forth below, a "Margin Call"), require Seller to transfer to the Purchaser or the Purchaser's designee cash or, at the Purchaser's option (and provided Seller has additional Eligible Mortgage Loans), additional Eligible Mortgage Loans to the Purchaser ("Additional Purchased Mortgage Loans") to cure the Margin Deficit. If the Agent delivers a Margin Call to the Seller on or prior to 11:00 a.m. (New York City time) on any Business Day, then the Seller shall transfer cash or Additional Purchased Mortgage Loans to the Purchaser or its designee no later than (i) 5:00 p.m. (New York City time) on the same Business Day. In the event the Agent delivers a Margin Call to Seller after 11:00 a.m. (New York City time) on any Business Day, Seller shall be required to

transfer cash or Additional Purchased Mortgage Loans no later than (i) 12:00 p.m. (New York City time) on the next succeeding Business Day.

(m) Any cash transferred to Purchaser or its designee in satisfaction of a Margin Call or pursuant to Section 16(f)(ii) herein shall reduce the Outstanding Purchase Price of the related Transactions.

(n) The failure of Purchaser, on any one or more occasions, to exercise its rights hereunder, shall not change or alter the terms and conditions of this Agreement or limit the right of the Purchaser to do so at a later date. Seller and Purchaser each agree that a failure or delay by Purchaser to exercise its rights hereunder shall not limit or waive the Purchaser's rights under this Agreement or otherwise existing by law or in any way create additional rights for Seller.

(o) For the avoidance of doubt, it is hereby understood and agreed that Seller shall be responsible for satisfying any Margin Deficit existing as a result of any cram down of the unpaid principal balance of any Purchased Asset pursuant to any action by any bankruptcy court.

8. TAXES; TAX TREATMENT

(p) All payments made by Seller under this Agreement shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities (including penalties, interest and additions to tax) with respect thereto imposed by any Governmental Authority therewith or thereon, excluding (i) income taxes, branch profits taxes, franchise taxes or any other tax imposed on net income by the United States, a state or a foreign jurisdiction under the laws of which Purchaser, or Agent, is organized or, in the case of any Purchaser, of its applicable lending office, or a state or foreign jurisdiction with respect to which such Purchaser has a present or former connection (other than any connection arising from executing, delivering, being party to, engaging in any transaction pursuant to, performing its obligations under, receiving payments under, receiving or perfecting a security interest under or enforcing any Program Document, or selling or assigning any Purchased Asset or Program Document), or any political subdivision thereof, (ii) in the case of any Purchaser, U.S. federal withholding taxes imposed on amounts payable to or for the account of Purchaser with respect to an applicable interest in a Transaction pursuant to a law in effect on the date on which Purchaser enters into a Transaction or such Purchaser changes its lending office, except in each case to the extent that, pursuant to this Section 8, amounts with respect to such taxes were payable either to Purchaser's assignor immediately before such Purchaser became a party hereto or to such Purchaser immediately before it changed its lending office, (iii) taxes attributable to a Purchaser's failure to comply with Section 8(d), and (iv) any withholding taxes imposed under FATCA (collectively, such non-excluded taxes are hereinafter called "Taxes"), all of which shall be paid by Seller for its own account not later than the date when due. If Seller is required by law or regulation to deduct or withhold any taxes from or in respect of any amount payable hereunder, it shall: (a) make such deduction or withholding, (b) pay the amount so deducted or withheld to the appropriate Governmental Authority not later than the date when due, (c) deliver to the Purchaser, as soon as practicable, original or certified copies of tax receipts and other evidence satisfactory to the Purchaser of the payment when due of the full amount of such Taxes, and (d) if such taxes are Taxes, pay to the Purchaser such additional amounts (including all Taxes imposed by any Governmental Authority on such additional amounts) as may be necessary so that the Purchaser receives, free and clear of all Taxes, a net amount equal to the amount it would have received under this Agreement, as if no such deduction or withholding had been made.

(q) In addition, Seller agrees to pay to the relevant Governmental Authority in accordance with applicable law any current or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies (including, without limitation, mortgage recording taxes, transfer taxes and similar fees) imposed by the United States or any taxing authority thereof or therein that arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, except any such taxes that are Other Connection Taxes imposed with respect to an assignment ("Other Taxes").

(r) Seller agrees to indemnify Purchaser within ten (10) days after written demand therefor for the full amount of Taxes (including additional amounts attributable to amounts payable under this Section) and Other Taxes, paid by Purchaser or required to be withheld or deducted from

a payment to Purchaser, and any liability (including penalties, interest and expenses arising thereon or with respect thereto) arising therefrom or with respect thereto, provided that the Purchaser shall have provided Seller with evidence, reasonably satisfactory to Seller, of payment of Taxes or Other Taxes, as the case may be.

(s) Any Purchaser that is entitled to an exemption from or reduction of withholding tax with respect to payments made under any Program Document shall deliver to the Seller and Agent, at the time or times reasonably requested by the Seller or the Agent, such properly completed and executed documentation reasonably requested by the Seller or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Purchaser, if reasonably requested by the Seller or Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Seller or the Agent as will enable the Seller or the Agent to determine whether or not such Purchaser is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in the subsequent sentences of this Section 8(d)) shall not be required if in the Purchaser's reasonable judgment such completion, execution or submission would subject such Purchaser to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Purchaser. Agent and any Purchaser that is either (i) not incorporated under the laws of the United States, any State thereof, or the District of Columbia or (ii) not otherwise treated as a "United States person" under the Code (a "Foreign Purchaser") shall, to the extent it is legally entitled to do so, provide Seller and Agent with properly completed and duly executed copies of United States Internal Revenue Service ("IRS") Forms W-8BEN-E or W-8ECI or any successor form prescribed by the IRS (or IRS Form W-8IMY, with IRS Form W-8BEN-E or W-8ECI attached), certifying that such Person is (1) entitled to benefits under an income tax treaty to which the United States is a party which eliminates or reduces United States withholding tax under Sections 1441 through 1442 of the Code on payments to it, (2) entitled to the benefits of the exemption for portfolio interest under Section 881(c) of the Code or (3) otherwise fully exempt or entitled to relief from United States withholding tax under Sections 1441 through 1442 of the Code on payments to it, or certifying that the income receivable pursuant to this Agreement is effectively connected with the conduct of a trade or business in the United States, in any case, on or prior to the date upon which each such Foreign Purchaser becomes a Purchaser. In addition, the Agent shall be a "qualified intermediary" (as defined in Treasury regulation section 1.1441-1(e)(5)) and provide the Seller with copies of a properly completed and duly executed IRS Form W-8IMY with "qualified intermediary" checked in Part I and Part II properly completed to provide that the Agent is a "qualified intermediary" for Purchaser with respect to payments under this Agreement and the other Program Documents (with all appropriate attachments) for any amount received on behalf of Purchaser which eliminates withholding tax on payments to it on or prior to the date it becomes an Agent. Agent and each Foreign Purchaser will resubmit the appropriate form eliminating or reducing withholding tax on payments to it on the earliest of

(A) the third anniversary of the prior submission, or (B) on or before the expiration of thirty (30) days after there is a "change in circumstances" with respect to such Person as defined in Treas. Reg. Section 1.1441-1(e)(4)(ii)(D). For any period with respect to which the Foreign Purchaser has failed to provide Seller with the appropriate form or other relevant document as expressly required under this Section 8(d) (unless such failure is due to a change in treaty, law, or regulation occurring subsequent to the date on which a form originally was required to be provided or except to the extent that, pursuant to this Section 8, amounts payable with respect to such taxes were payable to Purchaser's assignor immediately before Purchaser became a party hereto), such Person shall not be entitled to "gross-up" of Taxes under Section 8(a) or indemnification under Section 8(c) with respect to Taxes imposed by the United States which are imposed because of such failure; provided, however, that should a Foreign Purchaser, which is otherwise exempt from, or eligible for relief from, a withholding tax, become subject to Taxes because of its failure to deliver a form required hereunder, Seller, as applicable, shall, at no cost or expense to Seller, take such steps as such Foreign Purchaser shall reasonably request to assist such Foreign Purchaser to recover such Taxes. Upon the execution of this Agreement, each Purchaser that is a "United States person" within the meaning of the Code shall deliver to Seller a duly executed copy of IRS Form W-9 or such other documentation or information prescribed by applicable laws or reasonably requested by Seller as will enable Seller, as applicable, to determine whether or not Purchaser is subject to backup withholding or information reporting requirements. Upon the execution of this Agreement, each Purchaser shall deliver to the Seller and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Seller or the Agent such documentation prescribed by

applicable law and such additional documentation reasonably requested by the Seller or the Agent to comply with their obligations under FATCA and to determine that such Purchaser has complied with such Purchaser's obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(t) Without prejudice to the survival of any other agreement, the agreements and obligations of the parties contained in this Section 8 shall survive the termination of this Agreement. Nothing contained in this Section 8 shall require Purchaser to make available any of its tax returns or other information that it deems to be confidential or proprietary.

(u) Each party to this Agreement acknowledges that it is its intent solely for purposes of U.S. federal and relevant state and local income and franchise taxes to treat each Transaction as indebtedness of the Seller that is secured by the Purchased Assets and that the Purchased Assets are owned by Seller in the absence of an Event of Default by the Seller. All parties to this Agreement agree to such treatment and agree to take no action inconsistent with this treatment, unless required by law.

9. SECURITY INTEREST; PURCHASER'S APPOINTMENT AS ATTORNEY-IN-FACT

(v) Seller and Purchaser intend that (other than for tax and accounting purposes) the Transactions hereunder be sales to Purchaser of the Purchased Assets and not loans from Purchaser to Seller secured by the Purchased Assets. However, in order to preserve Purchaser's rights under this Agreement in the event that a court or other forum recharacterizes the Transactions hereunder as other than sales, and as security for Seller's performance of all of its Obligations, Seller hereby grants to the Purchaser a first priority security interest in the related Purchased Assets. Seller acknowledges and agrees that its rights with respect to the Purchased Assets are and shall continue to be at all times junior and subordinate to the rights of the Purchaser hereunder.

(w) Seller hereby irrevocably constitutes and appoints Purchaser and any officers or agents thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Seller and in the name of Seller or in its own name, from time to time in Purchaser's discretion, to file such financing statement or statements relating to the Purchased Assets as Purchaser at its option may deem appropriate, and if an Event of Default shall have occurred and be continuing, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be reasonably necessary or desirable to accomplish the purposes of this Agreement, and, without limiting the generality of the foregoing, Seller hereby gives Purchaser the power and right, on behalf of Seller, without assent by, but with notice to, Seller, to do the following if an Event of Default shall have occurred and be continuing and Purchaser has elected to exercise their remedies pursuant to Section 18 hereof:

(i) in the name of Seller, or in its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due with respect to any Purchased Assets and to file any claim or to take any other action or initiate and maintain any appropriate proceeding in any appropriate court of law or equity or otherwise deemed appropriate by Purchaser for the purpose of collecting any and all such moneys due with respect to any Purchased Assets whenever payable;

(ii) to pay or discharge taxes and Liens levied or placed on or threatened against the Purchased Assets;

(iii) (A) to direct any party liable for any payment under any Purchased Assets to make payment of any and all moneys due or to become due thereunder directly to Purchaser or as Purchaser shall direct, (B) in the name of Seller, or in its own name, or otherwise as appropriate, to directly send or cause the applicable servicer to send "hello" letters, "goodbye" letters in the form of Exhibit D, and Section 404 Notices; (C) to ask or demand for, collect, receive payment of and receipt for any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Purchased

Assets; (D) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any Purchased Assets; (E) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Purchased Assets or any proceeds thereof and to enforce any other right in respect of any Purchased Assets; (F) to defend any suit, action or proceeding brought against Seller with respect to any Purchased Assets; (G) to settle, compromise or adjust any suit, action or proceeding described in clause (F) above and, in connection therewith, to give such discharges or releases as Purchaser may deem appropriate; and (H) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any Purchased Assets as fully and completely as though Purchaser were the absolute owner thereof for all purposes, and to do, at Purchaser's option and Seller's expense, at any time, and from time to time, all acts and things which Purchaser deem necessary to protect, preserve or realize upon the Purchased Assets and Purchaser's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as Seller might do.

Seller hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof.

This power of attorney is a power coupled with an interest and shall be irrevocable.

Seller also authorizes Purchaser, from time to time if an Event of Default shall have occurred and be continuing, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect to the Purchased Assets in connection with any sale provided for in Section 18 hereof.

The powers conferred on Purchaser hereunder are solely to protect Purchaser's interests in the Purchased Assets and shall not impose any duty upon it to exercise any such powers. Purchaser shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither Purchaser nor any of its officers, directors, employees or agents shall be responsible to Seller for any act or failure to act hereunder.

10. CONDITIONS PRECEDENT

(x) As conditions precedent to the effectiveness of this Agreement, Purchaser shall have received on or before the Effective Date (except as otherwise noted below) each of the following, in form and substance satisfactory to Purchaser and duly executed by each party thereto (as applicable):

(iv) Each of the Program Documents duly executed and delivered by the parties thereto and being in full force and effect, free of any modification, breach or waiver;

(v) Certificates of an officer of each of Seller and Existing REO Subsidiary attaching certified copies of Seller's and Existing REO Subsidiary's certificate of formation, operating agreement and manager resolutions, as applicable, approving the Program Documents and Transactions thereunder (either specifically or by general resolution), and all documents evidencing other necessary corporate action or governmental approvals as may be required in connection with the Program Documents;

(vi) Certified copies of good standing certificates from the jurisdictions of organization of each of Seller and Existing REO Subsidiary, dated as of no earlier than the date which is ten (10) Business Days prior to the Purchase Date with respect to the initial Transaction hereunder;

(vii) An incumbency certificate of the secretary of each of Seller and Existing REO Subsidiary certifying the names, true signatures and titles of Seller's and Existing REO Subsidiary's representatives who are duly authorized to request Transactions hereunder and to execute the Program Documents and the other documents to be delivered thereunder;

(viii) An opinion of Seller's counsel as to such matters as Purchaser or Agent may reasonably request including, without limitation, with respect to Purchaser's first priority lien on and perfected security interest in the Purchased Assets, a no material litigation, non-contravention, enforceability and corporate opinion with respect to Seller, an opinion with respect to the inapplicability of the Investment Company Act of 1940 (the "1940 Act Opinion") to Seller, an opinion that this Agreement constitutes a "repurchase agreement" and a "securities contract" within the meaning of the Bankruptcy Code and an opinion that no Transaction constitutes an avoidable transfer under Section 546(f) of the Bankruptcy Code, in form and substance acceptable to Purchaser and Agent in their reasonable discretion, and from nationally recognized outside counsel acceptable to Purchaser and Agent in their reasonable discretion; provided, however, that Seller is permitted to provide the 1940 Act Opinion to Purchaser after but no later than fifteen (15) days following the Effective Date;

(ix) Seller shall have paid to Purchaser and Purchaser shall have received all accrued and unpaid fees and expenses owed to Purchaser in accordance with the Program Documents, including without limitation, the Structuring Fee then due and owing pursuant to Section 2 of the Pricing Side Letter, and any fees due and owing to the Verification Agent, in each case, in immediately available funds, and without deduction, set-off or counterclaim;

(x) A copy of the insurance policies required by Section 14(q) of this Agreement;

(xi) Purchaser and/or Agent shall have completed the due diligence review pursuant to Section 36, and such review shall be satisfactory to Purchaser and Agent in its sole discretion;

(xii) Evidence that all other actions necessary to perfect and protect Purchaser's interest in the related Purchased Assets have been taken, including, without limitation, the establishment of the Collection Account, and duly executed and filed Uniform Commercial Code financing statements acceptable to Purchaser and covering the Purchased Assets on Form UCC1;

(xiii) Seller shall have provided evidence, satisfactory to Purchaser and Agent, that Seller's Approvals are in good standing; and

(xiv) Any other documents reasonably requested by Purchaser or Agent.

(y) As conditions precedent to each Transaction (including the initial Transaction), each of the following conditions shall have been satisfied:

(v) Purchaser or the Purchaser's designee shall have received on or before the Purchase Date with respect to Eligible Assets that are to be the subject of such Transaction (unless otherwise specified in this Agreement) the following, in form and substance satisfactory to the Purchaser and (if applicable) duly executed:

(A) Seller shall have paid to Purchaser and Purchaser shall have received all accrued and unpaid fees and expenses owed to Purchaser in accordance with the Program Documents in immediately available funds, and without deduction, set-off or counterclaim;

(B) The Transaction Seller Mortgage Loan Schedule (and additionally with respect to Correspondent Loans, the Correspondent Seller Release) with respect to such Purchased Assets, delivered pursuant to Section 3(c);

(C) Such certificates, customary opinions of counsel or other documents as Purchaser or Agent may reasonably request, provided that such opinions of counsel shall not be required routinely in connection with each Transaction but

shall only be required from time to time as deemed necessary by Purchaser in its commercially reasonable judgment;

(D) Purchaser shall have received the Structuring Fee and any Non-Utilization Fee in respect of such Transaction then due and owing pursuant to Section 2 of the Pricing Side Letter, in immediately available funds, and without deduction, set-off or counterclaim;

(E) (x) With respect to an Eligible Asset that is an Eligible Mortgage Loan (other than Wet-Ink Mortgage Loans), an original Trust Receipt executed by the Custodian without exceptions; and (y) with respect to an Eligible Asset that is the REO Asset, an original Trust Receipt executed by the Custodian identifying that the Custodian has received (i) an electronic copy of the REO Deeds relating to the REO Properties transferred to the Existing REO Subsidiary and (ii) the REO Property File relating to REO Properties held by the Additional REO Subsidiary;

(F) Such other certifications of Custodian as are required under Sections 2 and 4 of the Custodial Agreement;

(G) With respect to any table-funded Wet-Ink Mortgage Loan that is the subject of such Transaction, (i) a copy of the Closing Instruction Letter delivered to the applicable Settlement Agent and (ii)(a) a copy of the Closing Protection Letter from the applicable title company, or (b) a copy of the Escrow Instruction Letter signed by the applicable Settlement Agent;

(H)[reserved]; and

(I) a duly executed Warehouse Lender's Release from any Warehouse Lender (including any party that has a precautionary security interest in a Mortgage Loan) having a security interest in any Mortgage Loans, substantially in the form of Exhibit E, addressed to Barclays, releasing any and all of its right, title and interest in, to and under such Mortgage Loan (including, without limitation, any security interest that such secured party or secured party's agent may have by virtue of its possession, custody or control thereof) and, to the extent applicable, has filed Uniform Commercial Code termination statements in respect of any Uniform Commercial Code filings made in respect of such Mortgage Loan, and each such Warehouse Lender's Release and Uniform Commercial Code termination statement has been delivered to Barclays prior to such Transaction and to the Custodian as part of the Mortgage Loan File; and

(J) with respect to any FHA Buyout Loan, VA Buyout Loan or HECM Buyout Loan, evidence that such FHA Buyout Loan, VA Buyout Loan or HECM Buyout Loan, as applicable, is fully insured by FHA or VA, as applicable.

(xv) No Default or Event of Default shall have occurred and be continuing;

(xvi) Purchaser shall not have reasonably determined that the introduction of or a change in any Requirement of Law or in the interpretation or administration of any requirement of law applicable to Purchaser has made it unlawful, and no Governmental Authority shall have asserted that it is unlawful, for Purchaser to enter into Transactions with the applicable Pricing Rate;

(xvii) All representations and warranties in the Program Documents shall be true and correct on the date of such Transaction and Seller is in compliance with the terms and conditions of the Program Documents, other than as may be expressly waived by the Purchaser;

(xviii) The then Aggregate MRA Purchase Price when added to the Initial Purchase Price for the requested Transaction, shall not exceed, as of any date of determination, the lesser of (a) the Maximum Aggregate Purchase Price (less the sum of the Aggregate EPF Purchase Price and MSR Facility Borrowed Amount) and (b) the aggregate Asset Base of all Purchased Assets and all Eligible Mortgage Loans proposed to be sold in such Transaction;

(xix) The Initial Purchase Price for the requested Transaction shall not be less than \$1,000,000;

(xx) Satisfaction of any conditions precedent to the initial Transaction as set forth in clause (a) of this Section 10 that were not satisfied prior to such initial Purchase Date;

(xxi) Purchaser shall have determined that all actions necessary to maintain Purchaser's perfected security interest in the Purchased Assets have been taken;

(xxii) Purchaser or its designee shall have received any other documents reasonably requested by Purchaser;

(xxiii) There is no Margin Deficit at the time immediately prior to entering into a new Transaction (other than a Margin Deficit that will be cured contemporaneous with such Transaction in accordance with the provisions of Section 7 hereof); and

(xxiv) With respect to FHA Buyout Loans, VA Buyout Loan and HECM Buyout Loans, the FHA or VA, as applicable, continues to hold permanent indefinite authority to obtain funds directly from the United States Treasury without additional congressional approval.

(z) As conditions precedent to the initial Transaction involving REO Property, each of the following conditions, in addition to the foregoing conditions, shall have been satisfied:

(i) The REO Asset is delivered to Barclays, and the LLC Agreement is in form and substance acceptable to Purchaser and Agent.

(ii) The Assignment and Contribution Agreement shall be duly executed and delivered by the parties thereto and being in full force and effect, free of any modification, breach or waiver;

(iii) A nonconsolidation opinion with respect to the REO Subsidiary and Seller and an opinion that no assignment or contribution pursuant to the Assignment and Contribution Agreement constitutes an avoidable transfer under Section 546(f) of the Bankruptcy Code, each in form and substance acceptable to Purchaser and Agent in their reasonable discretion shall be delivered to Purchaser; and

(iv) An opinion with respect to the inapplicability of the Investment Company Act to the REO Subsidiary (and an opinion that the REO Subsidiary is not a covered fund under the Volcker Rule), a no material litigation, noncontravention, enforceability and corporate opinion with respect to the REO Subsidiary, and an opinion with respect to Barclays' perfected security interest in the REO Asset shall each be delivered to Purchaser.

(aa) As conditions precedent to any Transactions involving REO Property held by the Additional REO Subsidiary that are outstanding on or after November 30, 2019, each of the following conditions, in addition to the foregoing conditions, shall have been satisfied or waived by November 30, 2019:

(xxv) A nonconsolidation opinion with respect to the Additional REO Subsidiary and Seller, in form and substance acceptable to Purchaser and Agent in their reasonable discretion shall be delivered to Purchaser; and

(xxvi) An opinion with respect to the inapplicability of the Investment Company Act to the Additional REO Subsidiary, a no material litigation, noncontravention, enforceability and corporate opinion with respect to the Additional REO Subsidiary, and an opinion with respect to Barclays' perfected security interest in the related REO Asset shall each be delivered to Purchaser.

(ab) As a condition precedent to the initial Transaction involving VA Buyout Loans, Purchaser shall have notified Seller in writing that it has received internal approvals to fund such Mortgage Loans.

11. RELEASE OF PURCHASED ASSETS

Upon timely payment in full of the Repurchase Price and all other Obligations (if any) then owing with respect to a Purchased Asset or REO Property pursuant to Section 3(f) hereof, unless a Margin Deficit or an Event of Default shall have occurred and be continuing: (a) the Purchaser shall be deemed to have terminated any security interest that such Purchaser may have in such Purchased Asset, or in the case of the REO Asset, the REO Property subject to repurchase, (b) all of the Purchaser's right, title and interest in such Purchased Assets or, in the case of the REO Asset, the REO Property subject to repurchase, shall automatically transfer to Seller, and (c) with respect to such Purchased Asset, the Purchaser shall or shall direct Custodian to release such Purchased Asset to Seller or, in the case of the REO Asset, the Purchaser shall release the related REO Property File to Seller. Except as set forth in Sections 16(f)(ii) and 15, Seller shall give at least two (2) Business Days' prior written notice to the Purchaser if such repurchase shall occur on any date other than the Repurchase Date.

If such a Margin Deficit is applicable, Purchaser shall notify Seller of the amount thereof and Seller may thereupon satisfy the Margin Call in the manner specified in Section 7.

12. RELIANCE

With respect to any Transaction, Purchaser may conclusively rely upon, and shall incur no liability to Seller in acting upon, any request or other communication that Purchaser reasonably believe to have been given or made by a person authorized to enter into a Transaction on Seller's behalf.

13. REPRESENTATIONS AND WARRANTIES

Seller hereby represents and warrants to Purchaser and Agent, and shall on and as of the Purchase Date for any Transaction and on and as of each date thereafter through and including the related Repurchase Date be deemed to represent and warrant to Purchaser and Agent that:

(ac) Due Organization, Qualification, Power, Authority and Due Authorization. Each of Seller and REO Subsidiary is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and it has qualified to do business in each jurisdiction in which it is legally required to do so. Each of Seller and REO Subsidiary has the power and authority under its certificate of formation, operating agreement (or equivalent organizational documents) and applicable law to enter into this Agreement and the Program Documents and to perform all acts contemplated hereby and thereby or in connection herewith and therewith; this Agreement and the Program Documents and the transactions contemplated hereby and thereby have been duly authorized by all necessary action and do not require any additional approvals or consents or other action by, or any

notice to or filing with, any Person other than any that have heretofore been obtained, given or made.

(ad) Noncontravention. The consummation of the transactions contemplated by this Agreement and Program Documents are in the ordinary course of business of Seller and will not conflict with, result in the breach of or violate any provision of the certificate of formation and operating agreement of Seller or REO Subsidiary or result in the breach of any provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under, any agreement, indenture, loan or credit agreement or other instrument to which Seller or REO Subsidiary, the Mortgage Loans or any of Seller's or REO Subsidiary's Property is or may be subject to, or result in the violation of any law, rule, regulation, order, judgment or decree to which Seller or REO Subsidiary, the Mortgage Loans or Seller's or REO Subsidiary's Property is subject. Without limiting the generality of the foregoing, the consummation of the transactions contemplated herein or therein will not violate any policy, regulation or guideline of the FHA or VA or result in the voiding or reduction of the FHA insurance, VA guarantee or any other insurance or guarantee in respect of any Mortgage Loan or REO Property, and such FHA insurance or VA guarantee is in full force and effect or shall be in full force and effect as required by the applicable Agency Guide.

(ae) Legal Proceeding. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body pending or, to Seller's or REO Subsidiary's knowledge, threatened against or affecting Seller (or, to Seller's knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of this Agreement, the Program Documents or any agreement or instrument to which Seller or REO Subsidiary is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby, would adversely affect the proceedings of Seller in connection herewith or would or could materially and adversely affect Seller's or REO Subsidiary's ability to carry out its obligations hereunder.

(af) Valid and Binding Obligations. This Agreement, the Program Documents and every other document to be executed by Seller in connection with this Agreement is and will be legal, valid, binding and subsisting obligations of Seller, enforceable in accordance with their respective terms, except that (A) the enforceability thereof may be limited by bankruptcy, insolvency, moratorium, receivership and other similar laws relating to creditors' rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(ag) Financial Statements. The financial statements of Seller, copies of which have been furnished to Purchaser, (i) are, as of the dates and for the periods referred to therein, complete and correct in all material respects, (ii) present fairly the financial condition and results of operations of Seller as of the dates and for the periods indicated and (iii) have been prepared in accordance with GAAP consistently applied, except as noted therein (subject as to interim statements to normal year-end adjustments). Since the date of the most recent financial statements, there has been no Material Adverse Change with respect to Seller. Except as disclosed in such financial statements or pursuant to Section 14(i) hereof, Seller is not subject to any contingent liabilities or commitments that, individually or in the aggregate, have a material possibility of causing a Material Adverse Change with respect to Seller.

(ah) Accuracy of Information. Neither this Agreement nor any representations and warranties or information relating to Seller that Seller has delivered or caused to be delivered to Purchaser, including, but not limited to, all documents related to this Agreement, the Program Documents or Seller's financial statements, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein or herein in light of the circumstances under which they were made, not misleading. Since the furnishing of such documents or information, there has been no change, nor any development or event involving a prospective change that would render any of such documents or information untrue or misleading in any material respect.

(ai) No Consents. No consent, license, approval or authorization from, or registration, filing or declaration with, any regulatory body, administrative agency or other governmental instrumentality, nor any consent, approval, waiver or notification of any creditor, lessor or other

non-governmental Person, is required in connection with the execution, delivery and performance by Seller of this Agreement or any other Program Document, other than any that have heretofore been obtained, given or made.

(aj) Compliance With Law, Etc. No practice, procedure or policy employed or proposed to be employed by Seller or REO Subsidiary in the conduct of its businesses violates any law, regulation, judgment, agreement, regulatory consent, order or decree applicable to it which, if enforced, would result in a Material Adverse Effect.

(ak) Solvency. Seller is solvent and will not be rendered insolvent by any Transaction and, after giving effect to each such Transaction, Seller will not be left with an unreasonably small amount of capital with which to engage in its business. Seller does not intend to incur, nor believes that it has incurred, debts beyond its ability to pay such debts as they mature. Seller is not contemplating the commencement of insolvency, bankruptcy, liquidation or consolidation proceedings or the appointment of a receiver, liquidator, conservator, trustee or similar official in respect of Seller or any of its assets.

(al) Fraudulent Conveyance. The amount of consideration being received by Seller in respect of each Transaction, taken as a whole, constitutes reasonably equivalent value and fair consideration for the related Purchased Assets. Seller is not transferring any Purchased Assets with any intent to hinder, delay or defraud any of its creditors. The Agreement and the Program Documents, any other document contemplated hereby or thereby and each transaction have not been entered into fraudulently by Seller hereunder, or with the intent to hinder, delay or defraud any creditor or Purchaser.

(am) Investment Company Act Compliance. Neither Seller nor any of its Subsidiaries (including, without limitation, the REO Subsidiary) is required to be registered as an "investment company" as defined under the Investment Company Act or as an entity under the control of an entity required to be registered as an "investment company" as defined under the Investment Company Act. REO Subsidiary (i) is not required to register under the Investment Company Act either pursuant to Section 3(c)(5)(C) of the Investment Company Act or based upon the definition of "Investment Company" in Section 3(a)(1)(C) of the Investment Company Act, and (ii) is not a "covered fund" within the meaning of the final regulations issued December 10, 2013, implementing Section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, commonly known as the "Volcker Rule."

(an) Taxes. Each of Seller and REO Subsidiary has filed all federal and state tax returns that are required to be filed and paid all taxes, including any assessments received by it, to the extent that such taxes have become due (other than for taxes that are being contested in good faith or for which it has established adequate reserves). Any taxes, fees and other governmental charges payable by Seller in connection with a Transaction and the execution and delivery of the Program Documents have been paid.

(ao) Additional Representations. With respect to each Asset to be sold hereunder by Seller to Purchaser, Seller hereby makes all of the applicable representations and warranties set forth in Exhibit B-1 or B-2, as applicable, as of the date the related Mortgage Loan File is delivered to Purchaser or the Custodian with respect to the related Assets or as of the date the REO Property converts to Converted REO Property, as applicable, and continuously while such Asset is subject to a Transaction. Further, as of each Purchase Date, Seller shall be deemed to have represented and warranted in like manner that Seller has no knowledge that any such representation or warranty may have ceased to be true in a material respect as of such date, except as otherwise stated in a written notice to Agent, any such exception to identify the applicable representation or warranty and specify in reasonable detail the related knowledge of Seller.

(ap) No Broker. Seller has not dealt with any broker, investment banker, agent, or other person, except for Purchaser, who may be entitled to any commission or compensation in connection with the sale of Purchased Assets pursuant to this Agreement; provided, that if Seller has dealt with any broker, investment banker, agent, or other person, except for Purchaser, who may be entitled to any commission or compensation in connection with the sale of Purchased Assets

pursuant to this Agreement, such commission or compensation shall have been paid in full by Seller.

(aq) Good Title. Seller has not sold, assigned, transferred, pledged or hypothecated any interest in the REO Asset or any individual Mortgage Loan or REO Property subject to a Transaction to any person other than any sale, assignment, transfer, pledge or hypothecation that is released in conjunction with the sale to Purchaser hereunder or to REO Subsidiary as contemplated in this Agreement, and upon delivery of a Purchased Asset to Purchaser, the Purchaser will be the sole owner thereof (other than for tax and accounting purposes), free and clear of any lien, claim or encumbrance other than those arising under this Agreement.

(ar) Approvals. Seller has all requisite Approvals.

(as) Custodian. The Custodian is an eligible custodian under each Agency Guide and each Agency Program, and is not an Affiliate of Seller.

(at) No Adverse Actions. Seller has not received from any Agency a notice of extinguishment or a notice indicating material breach, default or material non-compliance which the Agent reasonably determines may entitle an Agency to terminate, suspend, sanction or levy penalties against the Seller, or a notice from any Agency, HUD, FHA or VA indicating any adverse fact or circumstance in respect of Seller which the Agent reasonably determines may entitle such Agency, HUD, FHA or VA, as the case may be, to revoke any Approval or otherwise terminate, suspend Seller as an Agency approved issuer or servicer, or with respect to which such adverse fact or circumstance has caused any Agency, HUD, FHA or VA, as the case may be, to terminate Seller, without any subsequent rescission thereof in such notice.

(au) Mortgage Recordation. Seller has submitted the original Mortgage in respect of each Mortgage Loan for recordation in the appropriate public recording office in the applicable jurisdictions wherein such recordation is necessary to perfect the lien thereof as against creditors of the applicable Mortgage.

(av) Affiliated Parties. Seller is not an Affiliate of the Custodian, Disbursement Agent, Settlement Agent (other than Title365 Company Inc.) or any other party to a Program Document hereunder.

(aw) REO Subsidiaries. The Membership Certificate represents 100% of the beneficial ownership of Existing REO Subsidiary, the Trust Certificate represents 100% of the beneficial ownership of the Additional REO Subsidiary, and each REO Subsidiary continues to hold legal title to all of its respective REO Property subject to a Transaction.

The representations and warranties set forth in this Agreement shall survive transfer of the Purchased Assets to Purchaser and shall continue for so long as the Purchased Assets are subject to this Agreement.

14. COVENANTS OF SELLER

Seller hereby covenants and agrees with Purchaser and Agent as follows:

(ax) Defense of Title. Seller warrants and will defend the right, title and interest of Purchaser in and to all Purchased Assets against all adverse claims and demands.

(ay) No Amendment or Compromise. None of Seller or those acting on Seller's behalf shall amend, modify, or waive any term or condition of, or settle or compromise any claim in respect of, any item of the Purchased Assets, any related rights or any of the Program Documents without the prior written consent of Purchaser, unless such amendment or modification does not (i) affect the amount or timing of any payment of principal or interest payable with respect to a Purchased Asset, extend its scheduled maturity date, modify its interest rate, or constitute a cancellation or discharge of its outstanding principal balance or (ii) materially and adversely affect the security afforded by the real property, furnishings, fixtures, or equipment securing the Purchased Asset. Notwithstanding the foregoing, the Seller may amend, modify or waive any term or condition of the individual Mortgage Loans in accordance with Accepted Servicing Practices and the Agency Guides; provided, that Seller shall promptly notify Purchaser of any amendment, modification or waiver that causes any Mortgage Loan to cease to be an Eligible Mortgage Loan.

(az) No Assignment. Except as permitted herein, Seller shall not sell, assign, transfer or otherwise dispose of, or grant any option with respect to, or pledge, hypothecate or grant a security interest in, or Lien on or otherwise encumber (except pursuant to the Program Documents) any of the Purchased Assets or any interest therein, provided that this Section 14(c) shall not prevent any of the following: any contribution, sale, assignment, transfer or conveyance of Purchased Assets in accordance with the Program Documents and any forward purchase commitment or other type of take out commitment for the Purchased Assets (without vesting rights in the related purchasers as against the Purchaser).

(ba) No Economic Interest. Neither Seller nor any affiliate thereof will acquire any economic interest in or obligation with respect to any Mortgage Loan except for record title to the Mortgage relating to the Mortgage Loan and the right and obligation to repurchase the Mortgage Loan hereunder.

(bb) Preservation of Purchased Assets. Seller shall take all actions necessary or, in the opinion of Purchaser, desirable, to preserve the Purchased Assets so that they remain subject to a first priority perfected security interest hereunder and deliver evidence that such actions have been taken, including, without limitation, duly executed and filed Uniform Commercial Code financing statements on Form UCC1. Without limiting the foregoing, Seller will comply with all applicable laws, rules, regulations and other laws of any Governmental Authority applicable to Seller relating to the Purchased Assets and cause the Purchased Assets to comply with all applicable laws, rules, regulations and other laws of any such Governmental Authority. Seller will not allow any default to occur for which Seller is responsible under any Purchased Assets or any Program Documents and Seller shall fully perform or cause to be performed when due all of its obligations under any Purchased Assets or the Program Documents.

(bc) Maintenance of Papers, Records and Files.

(vi) Seller shall maintain all Records relating to the Purchased Assets not in the possession of Custodian in good and complete condition in accordance with industry practices and preserve them against loss. Seller shall collect and maintain or cause to be collected and maintained all such Records in accordance with industry custom and practice, and all such Records shall be in the Purchaser's or Custodian's possession unless the Purchaser otherwise approves in writing. Seller will not cause or authorize any such papers, records or files that are an original or an only copy to leave Custodian's possession, except for individual items removed in connection with servicing a specific Mortgage Loan, in which event Seller will obtain or cause to be obtained a receipt from the Custodian for any such paper, record or file, or as otherwise permitted under the Custodial Agreement.

(vii) For so long as Purchaser has an interest in or Lien on any Purchased Asset, Seller will hold or cause to be held all related Records for the sole benefit of the Purchaser.

(viii) Upon reasonable advance notice from Custodian, Agent or Purchaser, Seller shall (x) make any and all such Records available to Custodian or Agent for examination, either by its own officers or employees, or by agents or contractors, or both, and make copies of all or any portion thereof, (y) permit Agent or its authorized agents to discuss the affairs, finances and accounts of Seller with its chief operating officer and chief financial officer and to discuss the affairs, finances and accounts of Seller with its independent certified public accountants.

(bd) Financial Statements and Other Information; Financial Covenants.

(i) Seller shall keep or cause to be kept in reasonable detail books and records setting forth an account of its assets and business and, as applicable, shall clearly reflect therein the transfer of Purchased Assets to Purchaser. Seller shall furnish or cause to be furnished to Purchaser and Agent the following:

(A) Financial Statements.

(1) Within ninety (90) days after the end of each fiscal year of Seller, the consolidated audited balance sheets of Seller and its consolidated Subsidiaries, which will be in conformity with GAAP, and the related consolidated audited statements of income and changes in equity showing the financial condition of Seller, and its consolidated Subsidiaries as of the close of such fiscal year and the results of operations during such year, and consolidated audited statements of cash flows, as of the close of such fiscal year, setting forth, in each case, in comparative form the corresponding figures for the preceding year. The foregoing consolidated financial statements are to be reported on by, and to carry the unqualified report (acceptable in form and content to Purchaser and Agent) of, an independent public accountant of national standing acceptable to Purchaser and Agent, which shall include KPMG LLP,

PricewaterhouseCoopers LLP, Deloitte LLP, and any other similarly situated independent public account;

(2) Within forty-five (45) days after the end of each of the first three fiscal quarters of each fiscal year of Seller, consolidated unaudited balance sheets and consolidated statements of income and changes in equity and unaudited statement of cash flows, all to be in a form acceptable to Purchaser and Agent, showing the financial condition and results of operations of Seller and its consolidated Subsidiaries, each on a consolidated basis as of the end of each such quarter and for the then elapsed portion of the fiscal year, setting forth, in each case, in comparative form the corresponding figures for the corresponding periods of the preceding fiscal year, certified by a financial officer of Seller (acceptable to Purchaser and Agent) as presenting fairly the financial position and results of operations of Seller and its consolidated Subsidiaries and as having been prepared in accordance with GAAP consistently applied, in each case, subject to normal year-end audit adjustments;

(3) Within forty-five (45) days after the end of each month, consolidated unaudited balance sheets and consolidated statements of income and changes in equity and unaudited statement of cash flows, all to be in a form acceptable to Purchaser and Agent, showing the financial condition and results of operations of Seller and its consolidated Subsidiaries on a consolidated basis as of the end of each such month and for the then elapsed portion of the fiscal year, setting forth, in each case, in comparative form the corresponding figures for the corresponding month of the preceding fiscal year, certified by a financial officer of Seller (acceptable to Purchaser and Agent) as presenting fairly the financial position and results of operations of Seller and its consolidated Subsidiaries and as having been prepared in accordance with GAAP consistently applied, in each case, subject to normal year-end audit adjustments;

(4) Reserved;

(5) Promptly upon becoming available, copies of all financial statements, reports, notices and proxy statements sent by Seller's Parent Company, Seller or any of Seller's consolidated Subsidiaries in a general mailing to their respective stockholders and of all reports and other material (including copies of all registration statements under the Securities Act of 1933, as amended) filed by any of them with any securities exchange or with the SEC or any governmental authority succeeding to any or all of the functions of the SEC;

(6) Promptly upon becoming available, copies of any press releases issued by Seller's Parent Company or Seller and copies of any annual and quarterly financial reports and any reports on Form H-(b)12 that Seller's Parent Company or Seller may be required to file with the SEC, the FDIC or the OTS or comparable reports which such Parent Company or Seller may be required to file with the SEC, the FDIC or the OTS or any other federal banking agency containing such financial statements and other information concerning such Parent Company's or Seller's business and affairs as is required to be included in such reports in accordance with the rules and regulations of the SEC, the OTS, the FDIC or such other banking agency, as may be promulgated from time to time;

(7) Such supplements to the aforementioned documents and such other information regarding the operations, business, affairs and financial condition of Seller's Parent Company, Seller or any of Seller's consolidated Subsidiaries as Purchaser may reasonably request.

Seller's obligation to deliver any report or other document under this Section 14(g)(i)(A) shall be deemed to have been satisfied if, and as of the date, such report or other document is filed with the SEC pursuant to the SEC's Electronic Data Gathering & Analysis **Recovery, and Retrieval** system.

(B) Warehouse Capacity. On or prior to the date on which Seller is required to deliver the monthly financial report required Section 14(g)(i)(A)(iii), Seller shall provide to Agent a report detailing its total warehouse capacity and utilization for the prior calendar month. Such warehouse capacity shall be (i) issued directly to Seller and (ii) in an amount equal to or greater than \$1,000,000 or such other amount as may be required by a Governmental Authority.

(C) Other Information. Upon the request of Purchaser or Agent, such other information or reports as Purchaser or Agent may from time to time reasonably request.

(ii) Seller shall comply with the following financial covenants:

(A) As of the last day of any quarter, the Tangible Net Worth of Seller shall exceed \$500,000,000;

(B) As of the last day of any quarter, Seller shall not permit the ratio of the Seller's Total Net Indebtedness to Tangible Net Worth to be greater than 9:1.

(C) As of the close of business on the last Business Day of any calendar month, Seller shall not permit its Liquidity to be less than \$125,000,000.

(A) Seller shall not permit its pre-tax Operating Income on a two-quarter rolling basis to be less than \$0.00.

(iii) Certifications. Seller shall execute and deliver a monthly certification substantially in the form of Exhibit A attached hereto within ten (10) days after the end of each calendar month. Each certification to be executed and delivered hereunder shall be sent via electronic mail to **USResiFinancing@barclayscapital.com; USResiFinancing@barclays.com** **and**

CoreRMBSBanking@barclayscapital.com and CreditSecuritizedPI@barclayscapital.com or such other email address as the Agent may furnish to the Seller from time to time by written notice.

(be) Agency Reporting. Seller shall comply with the reporting requirements of each Agency Guide.
(bf)

(i) Notice of Material Events. Seller shall promptly inform Purchaser and Agent in writing (via electronic mail to ~~USResiFinancing@barclayscapital.com~~ USResiFinancing@barclays.com and CoreRMBSBanking@barclayscapital.com or such other email address as the Agent may furnish to the Seller from time to time by written notice) of any of the following:

(i) any Default, Event of Default by Seller or any other Person (other than Purchaser or Purchaser's Affiliates) of any material obligation under any Program Document, or the occurrence or existence of any event or circumstance that Seller reasonably expects will with the passage of time become a Default, Event of Default by Seller or any other Person;

(ii) any material change in the insurance coverage of Seller as required to be maintained pursuant to Section 14(q) hereof, or any other Person pursuant to any Program Document, with copy of evidence of same attached;

(iii) the commencement of, or any determination in, any material dispute, litigation, investigation, proceeding, sanctions or suspension between Seller or its Parent Company, on the one hand, and any Governmental Authority or any other Person, on the other;

(iv) any material change in accounting policies or financial reporting practices of Seller which could reasonably be expected to have a Material Adverse Effect;

(v) any event, circumstance or condition that has resulted, or has a reasonable likelihood of resulting in either a Material Adverse Change or a Material Adverse Effect with respect to Seller;

(vi) any material modifications to the Seller's underwriting or acquisition guidelines;

(vii) any financial covenants or margin maintenance requirements Seller becomes subject to or any change or modification to, or waiver of compliance with, any financial covenants or margin maintenance requirements Seller is obligated to comply with, in either case, under any agreement for Indebtedness;

(viii) any penalties, sanctions or charges levied, or threatened to be levied, against Seller or any change, or threatened change, in Approval status, or actions taken, or threatened to be taken, against Seller by or disputes between Seller and any Applicable Agency, or any supervisory or regulatory Government Authority (including, but not limited to HUD, FHA and VA) supervising or regulating the origination or servicing of mortgage loans by, or the issuer status of, Seller;

(ix) any Change in Control of Seller; or

(x) promptly after Seller becoming aware of any termination or threatened termination by an Agency of the Custodian as an eligible custodian.

(j) Maintenance of Approvals. Seller shall take all necessary actions to maintain its Approvals at all times during the term of this Agreement. If, for any reason, Seller ceases to maintain any such Approval, Seller shall so notify Purchaser and Agent immediately.

(k) Maintenance of Licenses. Seller shall (i) maintain all licenses, permits or other approvals necessary for Seller to conduct its business and to perform its obligations under the Program Documents, (ii) remain in good standing under, and comply in all material respects with, all laws of each state in which it conducts business or any Mortgaged Property is located, and (iii) conduct its business strictly in accordance with applicable law.

(l) Taxes, Etc. Seller shall pay and discharge or cause to be paid and discharged, when due all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits or upon any of its Property, real, personal or mixed (including without limitation, the Purchased Assets) or upon any part thereof, as well as any other lawful claims which, if unpaid, might become a Lien upon such properties or any part thereof, except for any such taxes, assessments and governmental charges, levies or claims as are appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves are provided. Seller shall file on a timely basis all federal, and state and local tax and information returns, reports and any other information statements or schedules required to be filed by or in respect of it.

(m) Nature of Business. Seller shall not make any material change in the nature of its business as carried on at the date hereof.

(n) Limitation on Distributions. Seller shall have the right to pay dividends so long as Seller remains in compliance with the financial covenants set forth in Section 14(g)(ii) immediately following such dividend distribution. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, Seller shall not make any payment of any dividends or make distributions on account of, or set apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any capital stock, senior or subordinate debt of Seller or other equity interests, respectively, thereof, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or Property or in obligations of Seller.

(o) Use of Custodian. Without the prior written consent of Purchaser, Seller shall use no third party custodian as document custodian other than the Custodian for the Mortgage Loan File relating to the Mortgage Loans.

(p) Merger of Seller. Seller shall not, at any time, directly or indirectly (i) liquidate or dissolve or enter into any consolidation or merger or be subject to a Change in Control or sell all or substantially all of its Property (other than in connection with an asset-based financing or other secondary market transaction related to the Seller's assets in the ordinary course of the Seller's business) without providing Purchaser with not less than forty-five (45) days' prior written notice of such event; (ii) form or enter into any partnership, joint venture, syndicate or other combination which would have a Material Adverse Effect with respect to Seller; or (iii) make any Material Adverse Change with respect to Seller.

(q) Insurance. Seller shall obtain and maintain insurance with responsible companies in such amounts and against such risks as are customarily carried by business entities engaged in similar businesses similarly situated, including without limitation, the insurance required to be obtained and maintained by each Agency pursuant to the Agency Guides, and will furnish Purchaser on request full information as to all such insurance, and provide within fifteen (15) days after receipt of such request the certificates or other documents evidencing renewal of each such policy. Seller shall continue to maintain coverage, for itself and its Subsidiaries, that encompasses employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, Property (other than money and securities), and computer fraud in an aggregate amount of at least such amount as is required by each Agency.

(r) Affiliate Transaction. Seller shall not, at any time, directly or indirectly, sell, lease or otherwise transfer any Property or assets to, or otherwise acquire any Property or assets from, or otherwise engage in any transactions with, any of its Affiliates unless the terms thereof are no less favorable to Seller, than those that could be obtained at the time of such transaction in an arm's length transaction with a Person who is not such an Affiliate.

(s) Change of Fiscal Year. Seller shall not, at any time, directly or indirectly, except upon ninety (90) days' prior written notice to Purchaser, change the date on which its fiscal year begins from its current fiscal year beginning date.

(t) Transfer of Servicing Rights, Servicing Files and Servicing. With respect to the Servicing Rights of each Mortgage Loan, Seller shall transfer such Servicing Rights to the Purchaser or its designee on the related Purchase Date. With respect to the Servicing Files and the physical and contractual servicing of each Mortgage Loan to the extent in the possession of Seller, Seller shall deliver such Servicing Files and the physical and contractual servicing to the Purchaser or its designee upon the expiration of the Servicing Term unless either such Servicing Term is renewed by the Purchaser or the termination of the Seller as servicer pursuant to Section 16. Seller's transfer of the Servicing Rights, Servicing Files and the physical and contractual servicing under this Section shall be in accordance with customary standards in the industry including the transfer of the gross amount of all escrows held for the related Mortgages (without reduction for unreimbursed advances or "negative escrows").

(u) Audit and Approval Maintenance. Seller shall (i) at all times maintain copies of relevant portions of all final written Agency audits, examinations, evaluations, monitoring reviews and reports of its origination and servicing operations (including those prepared on a contract basis for any such agency) in which there are material adverse findings, including without limitation notices of defaults, notices of termination of approved status, notices of imposition of supervisory agreements or interim servicing agreements, and notices of probation, suspension, or non-renewal, and all necessary approvals from each Agency, (ii) promptly provide Agent with copies of such audits, examinations, evaluations, monitoring reviews and reports promptly upon receipt from any Agency or agent of any Agency, and (iii) take all actions necessary to maintain its respective Approvals.

(v) MERS. The Seller is a member of MERS in good standing and current in the payment of all fees and assessments imposed by MERS, and has complied with all rules and procedures of MERS. In connection with the assignment of any Mortgage Loan registered on the MERS System, the Seller agrees that at the request of the Purchaser it will, at the Purchaser's cost and expense prior to the occurrence of an Event of Default, but at the Seller's cost and expense following the occurrence and during the continuance of an Event of Default, cause the MERS System to indicate that such Mortgage Loan has been transferred to the Purchaser in accordance with the terms of this Agreement by including in MERS' computer files (a) the code in the field which identifies the specific owner of the Mortgage Loans and (b) the code in the field "Pool Field" which identifies the series in which such Mortgage Loans were sold. The Seller further agrees that it will not alter codes referenced in this paragraph with respect to any Mortgage Loan at any time that such Mortgage Loan is subject to this Agreement, and the Seller shall retain its membership in MERS at all times during the term of this Agreement.

(w) Fees and Expenses. Seller shall timely pay to Purchaser all fees and actual out of pocket expenses required to be paid by Seller hereunder and under any other Program Document to Purchaser in immediately available funds, and without deduction, set-off or counterclaim in accordance with the Purchaser's Wire Instructions.

(x) Agency Status. Once the Seller or any of its subservicers has obtained any status with an Agency mortgage loan pools for which Seller is issuer or servicer, Seller shall not take or omit to take any act that (i) would result in the suspension or loss of any of such status, or (ii) after which Seller or any such relevant subservicer would no longer be in good standing with respect to such status, or (iii) after which Seller or any such relevant subservicer would no longer satisfy all applicable Agency net worth requirements, if both (x) all of the material effects of such act or omission shall not have been cured by Seller or waived by the applicable Agency before termination of such status and (y) the termination of such status could reasonably be expected to have a Material Adverse Effect.

(y) Further Documents. Seller shall, upon request of Purchaser or Agent, promptly execute and deliver to Purchaser or Agent all such other and further documents and instruments of transfer, conveyance and assignment, and shall take such other action as Purchaser or Agent may require more effectively to transfer, convey, assign to and vest in Purchaser and to put Purchaser in

possession of the Property to be transferred, conveyed, assigned and delivered hereunder and otherwise to carry out more effectively the intent of the provisions under this Agreement.

(z) Due Diligence. Subject to the limitations contained in the Pricing Side Letter and the EPF Pricing Side Letter, Seller will permit Purchasers, Agent or their respective agents or designees, including the Verification Agent, to perform due diligence reviews on the Mortgage Loans subject to each Transaction hereunder up to the Due Diligence Review Percentage and within thirty (30) days following the related Purchase Date. Seller shall cooperate in all respects with such diligence and shall provide Purchasers, Agent or their respective agents or designees, including the Verification Agent, with all loan files and other information (including, without limitation, Seller's quality control procedures and results) reasonably requested by Purchasers, Agent or their respective agents or designees, including the Verification Agent, and shall bear all costs and expenses associated with such due diligence identified in this Section 14(z).

(aa) Reserved.

(bb) REO Subsidiary Governance. Neither Seller nor REO Subsidiary shall, at any time, directly or indirectly modify the REO Subsidiary's governing documents or otherwise permit such modification without the prior written consent of Purchaser. Seller shall comply with, and shall cause REO Subsidiary to comply with, REO Subsidiary's Separateness Covenants.

(cc) BPO or REO Property Valuation. With respect to each Converted REO Property that has been contributed to the REO Subsidiary, Seller shall deliver to Purchaser a BPO or a substantially similar property valuation report (i) on or around the date of the foreclosure sale therefor and on each six (6) month anniversary of such date thereafter, and (ii) at the time Seller or REO Subsidiary obtains marketable title thereto to the extent a new valuation is obtained at that time, for so long as such Converted REO Property remains within the REO Subsidiary.

15. REPURCHASE OF MORTGAGE LOANS

Upon discovery by Seller of a breach of any of the representations and warranties set forth on Exhibit B-1 or B-2 to this Agreement, as applicable, Seller shall give prompt written notice thereof to Purchaser. Upon any such discovery by the Purchaser, the Purchaser will notify Seller. It is understood and agreed that the representations and warranties set forth in Exhibit B-1 or B-2 to this Agreement, as applicable, with respect to the Mortgage Loans and REO Property, as applicable, shall survive delivery of the respective Mortgage Loan Files to the Purchaser or Custodian with respect to the Mortgage Loans or of the respective REO Property File with respect to the REO Property and shall inure to the benefit of Purchaser. The fact that Purchaser has conducted or has failed to conduct any partial or complete due diligence investigation in connection with its purchase of any Mortgage Loan shall not affect Purchaser's right to demand repurchase or any other remedy as provided under this Agreement. Seller shall, within five (5) Business Days of the earlier of Seller's discovery or receipt of notice with respect to any Mortgage Loan or REO Property of (i) any breach of a representation or warranty contained in Exhibit B-1 or B-2 to this Agreement, as applicable, or (ii) any failure to deliver any of the items required to be delivered as part of the Mortgage Loan File or REO Property File within the time period required for delivery pursuant to the Custodial Agreement, promptly cure such breach or delivery failure in all material respects. If within five (5) Business Days after the earlier of Seller's discovery of such breach or delivery failure or receipt of notice thereof that such breach or delivery failure has not been remedied by Seller, Seller shall promptly upon receipt of written instructions from Purchaser, at Purchaser's option, repurchase such Mortgage Loan at a purchase price equal to the Repurchase Price with respect to such Mortgage Loan by wire transfer to the account designated by the Purchaser.

16. SERVICING OF THE MORTGAGE LOANS; SERVICER TERMINATION

(a) Seller to Subservice.

(ix) Upon payment of the Initial Purchase Price, the Purchaser shall own the servicing rights related to the Mortgage Loans including the Mortgage Loan File. Seller and Purchaser each agree and acknowledges that the Mortgage Loans sold hereunder shall be sold to Purchaser on a servicing-released basis, and that Purchaser is engaging and hereby

does engage Seller to provide subservicing of each Mortgage Loan for the benefit of Purchaser.

(x) So long as a Mortgage Loan is outstanding or an REO Property is owned by the REO Subsidiary, Seller shall neither assign, encumber or pledge its obligation to subservice the Mortgage Loans or REO Properties in whole or in part, nor delegate its rights or duties under this Agreement (to other than a servicer) without the prior written consent of Purchaser, the granting of which consent shall be in the sole discretion of Purchaser. Seller hereby acknowledges and agrees that (i) Purchaser is entering into this Agreement in reliance upon Seller's representations as to the adequacy of its financial standing, servicing facilities, personnel, records, procedures, reputation and integrity, and the continuance thereof; and (ii) Seller's engagement hereunder to provide mortgage servicing for the benefit of Purchaser is intended by the parties to be a "personal service contract" and Seller is hereunder intended by the parties to be an "independent contractor".

(xi) Seller shall subservice and administer the Mortgage Loans on behalf of Purchaser in accordance with Accepted Servicing Practices (and, with respect to any REO Properties, on behalf of the REO Subsidiary). Seller shall have no right to modify or alter the terms of any Mortgage Loan or consent to the modification or alteration of the terms of any Mortgage Loan except in Strict Compliance with the related Agency Program. Seller shall at all times maintain accurate and complete records of its servicing of the Mortgage Loans and REO Properties, and Agent may, at any time during Seller's business hours on reasonable notice, examine and make copies of such Servicing Records. Seller agrees that Purchaser is the 100% beneficial owner of all Servicing Records relating to the Mortgage Loans and REO Properties. Seller covenants to hold such Servicing Records for the benefit of Purchaser and to safeguard such Servicing Records and to deliver them promptly to Agent or its designee (including the Custodian) at Agent's request or otherwise as required by operation of this Section 16.

(b) Servicing Term. Seller shall service or cause the Servicer to service such Mortgage Loans and REO Properties on behalf of Purchaser commencing as of the related Purchase Date until the first next Monthly Payment Date, which term may be extended in writing by Agent in its sole discretion, until the next following Monthly Payment Date (each, a "Servicing Term"). Notwithstanding the foregoing, that Purchaser and/or Agent shall have the right to immediately terminate the Seller, in its capacity as servicer, or any Servicer at any time following a Servicer Termination Event. If such Servicing Term is not extended by Agent or if Purchaser or Agent has terminated Seller, in its capacity as servicer, or Servicer as a result of a Servicer Termination Event, Seller shall transfer or shall cause such Servicer to transfer such servicing to Purchaser or its designee at no cost or expense to Purchaser as provided in Section 14(t). Seller, in its capacity as servicer, shall hold or cause to be held all Escrow Payments collected with respect to the Mortgage Loans it or a Servicer is subservicing on behalf of purchaser in segregated accounts for the sole benefit of the related Mortgagor and shall apply the same for the purposes for which such funds were collected. If Seller or Servicer should discover that, for any reason whatsoever, it or the Servicer has failed to fully perform its servicing obligations in any material respect with respect to the Mortgage Loans or REO Properties it is subservicing on behalf of Purchaser, Seller shall promptly notify Purchaser and Agent.

(c) Servicing Reports. As requested by Purchaser from time to time, Seller shall furnish to Purchaser, Agent and Verification Agent reports in form and scope satisfactory to Purchaser, setting forth (i) data regarding the performance of the individual Mortgage Loans, (ii) a summary report of all Mortgage Loans serviced by the Seller and originated pursuant to an Agency Guide, HUD and/or FHA guidelines (on a portfolio basis) and all REO Properties serviced by the Seller, in each case, for the immediately preceding month, including, without limitation, all collections, delinquencies, defaults, defects, claim rates, losses and recoveries and (iii) any other information reasonably requested by Purchaser or Agent or Verification Agent.

(d) Backup Servicer. The Agent, in its sole discretion, may appoint a backup servicer at any time during the term of this Agreement. In such event, Seller shall commence monthly delivery to such backup servicer of the servicing information required to be delivered to Purchaser pursuant

to Section 16(d) hereof and any other information reasonably requested by backup servicer, all in a format that is reasonably acceptable to such backup servicer. Purchaser shall pay all costs and expenses of such backup servicer, including, but not limited to all fees of such backup servicer in connection with the processing of such information and the maintenance of a servicing file with respect to the Purchased Assets. Seller shall cooperate fully with such backup servicer in the event of a transfer of servicing hereunder and will provide such backup servicer with all documents and information necessary for such backup servicer to assume the servicing of the Purchased Assets.

(e) Collection Account. Prior to the initial Purchase Date, Seller shall establish and maintain a separate account (the "Barclays Collection Account"). Such account shall be subject to the Collection Account Control Agreement. The Seller shall deposit or credit to the Collection Account all amounts collected on account of the Mortgage Loans and REO Properties within two (2) Business Days of receipt and such amounts shall be deposited or credited irrespective of any right of setoff or counterclaim arising in favor of Seller (or any third party claiming through it) under any other agreement or arrangement. Amounts on deposit in the Collection Account shall be distributed as provided in Section 16(f). Seller shall have the right to withdraw amounts on deposit therein at any time subject to the restrictions set forth in subsections 16(f)(ii) and (iv); provided, that Agent shall have the right to block such withdrawals at any time by providing written notice thereof to Seller and Bank in accordance with the terms of the Collection Account Control Agreement. Seller shall deliver, or cause Bank to deliver, to Purchaser, daily account statements in respect of the Collection Account.

(f) Income Payments.

(i) Where a particular term of a Transaction extends over the date on which Income is paid in respect of any Purchased Asset subject to that Transaction, (i) Seller shall deposit or cause to be deposited such Income into the related Collection Account no later than two (2) Business Days after receipt thereof, and (ii) such Income shall be the Property of the Purchaser subject to subsections 16(f)(ii), (iii) and (iv) below.

(ii) Seller shall have the option to (i) withdraw from a Collection Account all Income on deposit therein with respect to the Purchased Assets and use such funds at its discretion or (ii) cause the Bank to disburse such Income to the Purchaser, which amounts shall be applied by Purchaser in the following order of priority (i) to reduce outstanding Price Differential due and payable in respect of Purchased Assets for which the Purchaser has received the related Outstanding Purchase Price pursuant to Section 3(f) during the prior calendar month, (ii) to reduce the Outstanding Purchase Price for all outstanding Transactions, and (iii) to pay all other Obligations then due and payable to such Purchaser.

(iii) Notwithstanding anything herein or in the Collection Account Control Agreements to the contrary, Seller shall in no event be permitted to withdraw funds from the Collection Account to the extent that such action would result in the creation of a Margin Deficit (unless prior thereto or simultaneously therewith Seller cures such Margin Deficit in accordance with Section 16), or if an Event of Default is then continuing. Further, if an uncured Margin Deficit exists as of such Monthly Payment Date, Seller shall cause the Bank to disburse the Income related to the Transaction for which the Margin Deficit exists to the Purchaser (up to the amount of such Margin Deficit), which amounts shall be applied by the Purchaser to reduce the related Outstanding Purchase Price.

(iv) If a successor servicer takes delivery of such Mortgage Loans and rights to service such REO Properties either under the circumstances set forth in Section 16(i) or otherwise, all amounts deposited in the related Collection Account shall be paid to the Purchaser promptly upon such delivery.

(g) With respect to each FHA Buyout Loan, (i) Seller shall deposit FHA claims payments on such FHA Buyout Loan into the Barclays Collection Account within one Business Day of receipt and (ii) Seller shall service such FHA Buyout Loan in strict compliance with all FHA requirements.

(h) With respect to each HECM Buyout Loan, (i) Seller shall deposit FHA claims payments on such HECM Buyout Loan into the Barclays Collection Account within one Business Day of receipt and (ii) Seller shall service such HECM Buyout Loan in strict compliance with all FHA requirements.

(i) With respect to each VA Buyout Loan, (i) Seller shall deposit VA claim payments on such VA Buyout Loan into the Barclays Collection Account within one Business Day of receipt and (ii) Seller shall cause each Servicer to service the VA Buyout Loans in strict compliance with all VA requirements.

(j) Servicer Termination. Purchaser, in its sole discretion (and, with respect to any REO Properties, on behalf of the REO Subsidiary), may terminate Seller's rights and obligations as servicer of the affected Mortgage Loans and REO Properties and require Seller to deliver the related Servicing Records to Purchaser or its designee upon the occurrence of (i) an Event of Default or (ii) upon the expiration of the Servicing Term as set forth in Section 16(b) by delivering written notice to Seller requiring such termination. Such termination shall be effective upon Seller's receipt of such written notice; provided, that Seller's subservicing rights shall be terminated immediately upon the occurrence of any event described in Section 17(t), regardless of whether notice of such event shall have been given to or by Purchaser or Seller. Upon any such termination, all authority and power of Seller respecting its rights to subservice and duties under this Agreement relating thereto, shall pass to and be vested in the successor servicer appointed by Purchaser, and Purchaser is hereby authorized and empowered to transfer such rights to subservice the Mortgage Loans and REO Properties for such price and on such terms and conditions as Purchaser shall reasonably determine. Seller shall promptly take such actions and furnish to Purchaser such documents that Purchaser deem necessary or appropriate to enable Purchaser to enforce such Mortgage Loans and manage such REO Properties and shall perform all acts and take all actions so that the Mortgage Loans and REO Properties and all files and documents relating to such Mortgage Loans and REO Properties held by Seller, together with all escrow amounts relating to such Mortgage Loans and REO Properties, are delivered to a successor servicer, including but not limited to preparing, executing and delivering to the successor servicer any and all documents and other instruments, placing in the successor servicer's possession all Servicing Records pertaining to such Mortgage Loans and REO Properties and doing or causing to be done, all at Seller's sole expense. To the extent that the approval of the Applicable Agency is required for any such sale or transfer, Seller shall fully cooperate with Purchaser to obtain such approval. All amounts paid by any purchaser of such rights to service or subservice the Mortgage Loans and REO Properties shall be the Property of Purchaser. The subservicing rights required to be delivered to the successor servicer in accordance with this Section 16(i) shall be delivered free of any servicing rights in favor of Seller or any third party (other than Purchaser) and free of any title, interest, lien, encumbrance or claim of any kind of Seller other than record title to the Mortgages relating to the Mortgage Loans and the right and obligation to repurchase the Mortgage Loans and REO Properties hereunder. No exercise by Purchaser of its rights under this Section 16(i) shall relieve Seller of responsibility or liability for any breach of this Agreement.

(k) With respect to each FHA Buyout Loan and HECM Buyout Loan subject to a Transaction as of October 17, 2016, Seller shall, on or before November 16, 2016, revise the current U.S. Department of Housing and Urban Development's form for Single-Family Application for Insurance Benefits, as necessary, to remove all references relating to Sutton Funding LLC.

17. EVENTS OF DEFAULT

With respect to any Transactions covered by or related to this Agreement, the occurrence of any of the following events shall constitute an "Event of Default":

(l) Seller fails to transfer the Purchased Assets to the applicable Purchaser on the applicable Purchase Date (provided the Purchaser has tendered the related Initial Purchase Price);

(m) Seller either fails to repurchase the Purchased Assets on the applicable Repurchase Date or fails to perform its obligations under Section 7 or the last sentence of Section 15;

(n) Seller shall fail to (i) remit to Purchaser when due any payment required to be made under the terms of this Agreement, any of the other Program Documents or any other contracts or

agreements delivered in connection herewith or therewith, or (ii) perform, observe or comply with any material term, condition, covenant or agreement contained in this Agreement or any of the other Program Documents (other than the other "Events of Default" set forth in this Section 17) or any other contracts or agreements delivered in connection herewith or therewith, and such failure is not cured within the time period expressly provided for therein, or, if no such cure period is provided, within two (2) Business Days of the earlier of (x) Seller's receipt of written notice from Purchaser or Custodian of such breach or (y) the date on which Seller obtains notice or knowledge of the facts giving rise to such breach;

(o) Any representation or warranty made by Seller (or any of Seller's officers) in the Program Documents or in any other document delivered in connection therewith, or in any other contract or agreement, shall have been incorrect or untrue in any material respect when made or repeated or deemed by the terms thereof to have been incorrect or untrue in any material respect when made or repeated (other than the representations or warranties in Exhibit B-1 or B-2, as applicable, which shall be considered solely for the purpose of determining whether the related Purchased Asset is an Eligible Asset, unless (i) Seller shall have made any such representation or warranty with the knowledge that it was materially false or misleading at the time made or repeated or deemed to have been made or

(p) Seller or any of its Affiliates or Subsidiaries shall (A) be in default under, or fail to perform as requested under, or shall otherwise breach, beyond any applicable cure period, the terms of any warehouse, credit, repurchase, line of credit, financing or other similar agreement relating to any Indebtedness between Seller or any of its Affiliates or Subsidiaries, on the one hand, and any Person, on the other, which default or failure entitles any party to require acceleration or prepayment of any Indebtedness thereunder; or (B) fail to satisfy, when due and beyond any applicable cure period, any payment obligation under any other material agreement between Seller or any of its Affiliates or Subsidiaries, on the one hand, and any Person, on the other (it being understood that for the purposes of this clause (B) an agreement is material if the payment obligations thereunder exceed \$25,000,000 in the aggregate over the term of such agreement);

(q) Any Act of Insolvency of the Seller or any of its Affiliates;

(r) Any final judgment or order for the payment of money in excess of \$15,000,000 in the aggregate (to the extent that it is, in the reasonable determination of Purchaser, uninsured and provided that any insurance or other credit posted in connection with an appeal shall not be deemed insurance for these purposes) shall be rendered against Seller or any of Seller's Affiliates by one or more courts, administrative tribunals or other bodies having jurisdiction over them and the same shall not be discharged (or provisions shall not be made for such discharge) satisfied, or bonded, or a stay of execution thereof shall not be procured, within sixty (60) days from the date of entry thereof and Seller or any of Seller's Affiliates, as applicable, shall not, within said period of sixty (60) days, or such longer period during which execution of the same shall have been stayed or bonded, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(s) Any Governmental Authority or any person, agency or entity acting or purporting to act under governmental authority (i) shall have taken any action to condemn, seize or appropriate, or to assume custody or control of, all or any substantial part of the Property of Seller or any of Seller's Affiliates, or shall have taken any action to displace the management of Seller or any of Seller's Affiliates or to curtail its authority in the conduct of the business of Seller or any of Seller's Affiliates, or

(ii) takes any action in the nature of enforcement to remove, limit or restrict the approval of Seller or any of Seller's Affiliates as an issuer, Purchaser or a seller/servicer of Mortgage Loans or securities backed thereby;

(i) Seller, shall fail to comply with any of the financial covenants set forth in Section 14(g)(ii);

(j) Any Material Adverse Effect shall have occurred;

(k) This Agreement shall for any reason cease to create a valid first priority security interest or ownership interest upon transfer in any material portion of the Purchased Assets purported to be covered hereby;

- (l) A Change in Control of Seller shall have occurred that has not been approved by Agent;
- (m) Purchaser or Agent shall reasonably request, specifying the reasons for such request, reasonable information, and/or written responses to such requests, regarding the financial well-being of Seller, and such reasonable information and/or responses shall not have been provided within ten (10) Business Days of such request;
- (n) A default by Seller or any of its Affiliates or Subsidiaries shall have occurred and be continuing beyond the expiration of any applicable cure periods under any material agreement (including, without limitation, the Program Documents and the EPF Program Documents) or obligation entered into between such Person and Purchaser or any of its Affiliates;
- (o) The Seller ceases to be a member of MERS in good standing for any reason (unless MERS is no longer acting in such capacity);
- (p) Change of Servicer without consent of Agent;
- (q) Failure of Servicer to service the Mortgage Loans in accordance with Accepted Servicing Practices;
- (r) Failure of Servicer to meet the qualifications to maintain all requisite Approvals, such Approvals are revoked or such Approvals are materially modified;
- (s) If, at any time, Servicer's HUD ranking falls below "Tier 2" lender;
- (t) Failure by Servicer or Seller to remit when due Income payments or FHA claims, VA Claims or payments with respect to an FHA Buyout Loan, VA Buyout Loan or HECM Buyout Loan sold to Barclays hereunder when such remittance is required to be made under the terms of this Agreement or such Mortgage Loan;
- (u) the Servicer or any of its Affiliates fails to operate or conduct its business operations or any material portion thereof in the ordinary course;
- (v) the Verification Agent is terminated by the Agent, or resigns and the selection and approval by the Agent of a successor Verification Agent (such approval not to be unreasonably withheld or delayed) and the assumption of the Verification Agent's duties by such successor verification agent does not become effective within thirty (30) days of such termination or resignation;
- (w) Seller fails to deliver the 1940 Act Opinion to Purchaser within fifteen (15) days of the date hereof; and
- (x) REO Subsidiary breaches of any of its Separateness Covenants in any material respect.

18. REMEDIES

Upon the occurrence of an Event of Default, the Purchaser, at its option, shall have the right to exercise any or all of the following rights and remedies:

- (a) (i) The Repurchase Date for each Transaction hereunder shall, if it has not already occurred, be deemed immediately to occur (except that, in the event that the Purchase Date for any Transaction has not yet occurred as of the date of such exercise or deemed exercise, such Transaction shall be deemed immediately canceled). Seller's Obligations hereunder, to repurchase all Purchased Assets at the Repurchase Price therefor on the Repurchase Date in such Transactions shall thereupon become immediately due and payable; all Income paid after such exercise or deemed exercise shall be remitted to and retained by the Purchaser and applied to the aggregate Repurchase Prices and any other amounts owing by Seller hereunder; Seller shall immediately deliver to Purchaser or its designee any and
-

all original papers, records and files relating to the Purchased Assets subject to such Transaction then in its possession and/or control; and all right, title and interest in and entitlement to such Purchased Assets and Servicing Rights thereon shall become Property of the Purchaser.

(ii) Purchaser may (A) sell, on or following the Business Day following the date on which the Repurchase Price becomes due and payable pursuant to Section 18(a)(i) without notice or demand of any kind, at a public or private sale and at such price or prices as Purchaser may reasonably deem satisfactory, any or all or portions of the Purchased Assets on a servicing-released or servicing-retained basis, as Purchaser may determine in its sole discretion and/or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Assets, to give Seller credit for such Purchased Assets (including the Servicing Rights in respect of sales on a servicing-retained basis) in an amount equal to the Market Value of the Purchased Assets against the aggregate unpaid Repurchase Price and any other amounts owing by Seller hereunder. Seller shall remain liable to Purchaser for any amounts that remain owing to Purchaser following a sale and/or credit under the preceding sentence. The proceeds of any disposition of Purchased Assets shall be applied first to the reasonable costs and expenses including but not limited to legal fees incurred by Purchaser in connection with or as a result of an Event of Default; second to costs of cover and/or related hedging transactions; third to the aggregate Repurchase Prices; and fourth to all other Obligations.

(iii) The parties recognize that it may not be possible to purchase or sell all of the Purchased Assets on a particular Business Day, or in a transaction with the same purchaser, or in the same manner because the market for such Purchased Assets may not be liquid. In view of these characteristics of the Purchased Assets, the parties agree that liquidation of a Transaction or the underlying Purchased Assets does not require a public purchase or sale and that a good faith private purchase or sale shall be deemed to have been made in a commercially reasonable manner. Accordingly, Purchaser may elect the time and manner of liquidating any Purchased Asset and nothing contained herein shall obligate Purchaser to liquidate any Purchased Asset upon the occurrence of an Event of Default or to liquidate all Purchased Assets in the same manner or on the same Business Day or shall constitute a waiver of any right or remedy of Purchaser. Notwithstanding the foregoing, the parties to this Agreement agree that the Transactions have been entered into in consideration of and in reliance upon the fact that all Transactions hereunder constitute a single business and contractual obligation and that each Transaction has been entered into in consideration of the other Transactions.

(iv) The Purchaser may terminate the Agreement.

(b) Seller hereby acknowledges, admits and agrees that Seller's obligations under this Agreement are recourse obligations of Seller. In addition to its rights hereunder, Purchaser shall have the right to proceed against any of Seller's assets which may be in the possession of Purchaser, any of Purchaser's Affiliates or its designee (including the Custodian), including the right to liquidate such assets and to set-off the proceeds against monies owed by Seller to Purchaser pursuant to this Agreement. Purchaser may set off cash, the proceeds of the liquidation of the Purchased Assets and Additional Purchased Mortgage Loans and all other sums or obligations owed by Purchaser to Seller or against all of Seller's Obligations to Purchaser, or Seller's obligations to Purchaser under any other agreement among the parties, or otherwise, whether or not such obligations are then due, without prejudice to Purchaser's right to recover any deficiency.

(c) Purchaser shall have the right to obtain physical possession of the Records and all other files of Seller relating to the Purchased Assets and all documents relating to the Purchased Assets which are then or may thereafter come into the possession of Seller or any third party acting for Seller and Seller shall deliver to the Purchaser such assignments as the Purchaser shall request.

(d) Purchaser shall have the right to direct all Persons servicing the Purchased Assets to take such action with respect to the Purchased Assets as Purchaser determine appropriate, including,

without limitation, using its rights under a power of attorney granted pursuant to Section 9(b) hereof.

(e) Purchaser shall, without regard to the adequacy of the security for the Obligations, be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession of and protect, collect, manage, liquidate, and sell the Purchased Assets or any portion thereof, collect the payments due with respect to the Purchased Assets or any portion thereof, and do anything that Purchaser is authorized hereunder to do. Seller shall pay all costs and expenses incurred by Purchaser in connection with the appointment and activities of such receiver, and such shall be deemed part of the Obligations hereunder.

(f) Purchaser may, at its option, enter into one or more hedging transactions covering all or a portion of the Purchased Assets, and Seller shall be responsible for all damages, judgments, costs and expenses of any kind which may be imposed on, incurred by or asserted against Purchaser relating to or arising out of such hedging transactions; including without limitation any losses resulting from such hedging transactions, and such shall be deemed part of the Obligations hereunder.

(g) In addition to all the rights and remedies specifically provided herein, Purchaser shall have all other rights and remedies provided by applicable federal, state, foreign and local laws, whether existing at law, in equity or by statute, including, without limitation, all rights and remedies available to a purchaser/secured party under the Uniform Commercial Code.

Except as otherwise expressly provided in this Agreement, Purchaser shall have the right to exercise any of its rights and/or remedies without presentment, demand, protest or further notice of any kind, other than as expressly set forth herein, all of which are hereby expressly waived by Seller.

Purchaser may enforce its rights and remedies hereunder without prior judicial process or hearing, and Seller hereby expressly waives, to the extent permitted by law, any right Seller might otherwise have to require Purchaser to enforce its rights by judicial process. Seller also waives, to the extent permitted by law, any defense Seller might otherwise have to the Obligations, or any guaranty thereof, arising from use of nonjudicial process, enforcement and sale of all or any portion of the Purchased Assets or from any other election of remedies. Seller recognizes that nonjudicial remedies are consistent with the usages of the trade, are responsive to commercial necessity and are the result of a bargain at arm's length.

Seller shall cause all sums received by it with respect to the Purchased Assets to be deposited promptly upon receipt thereof but in no event later than twenty-four (24) hours thereafter. Seller shall be liable to Purchaser for the amount of all losses, costs and/or expenses (plus interest thereon at a rate equal to the Default Rate) which Purchaser may sustain or incur in connection with hedging transactions relating to the Purchased Assets, conduit advances and payments for mortgage insurance.

19. DELAY NOT WAIVER; REMEDIES ARE CUMULATIVE

No failure on the part of Purchaser to exercise, and no delay by Purchaser in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Purchaser of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy. All rights and remedies of Purchaser provided for herein are cumulative and in addition to any and all other rights and remedies provided by law, the Program Documents and the other instruments and agreements contemplated hereby and thereby, and are not conditional or contingent on any attempt by Purchaser to exercise any of its rights under any other related document. Purchaser may exercise at any time after the occurrence of an Event of Default one or more remedies permitted hereunder, as it so desires, and may thereafter at any time and from time to time exercise any other remedy or remedies permitted hereunder.

20. USE OF EMPLOYEE PLAN ASSETS

No assets of an employee benefit plan subject to any provision of ERISA shall be used by either party hereto in a Transaction.

21. INDEMNITY

(h) Seller agrees to indemnify and hold harmless Purchaser, Agent and their Affiliates and their respective officers, directors, employees, agents and advisors (each, an “Indemnified Party”) from and against (and will reimburse each Indemnified Party as the same is incurred within thirty (30) days following receipt of an invoice therefor) any and all claims, damages, losses, liabilities, increased costs and all other expenses including out-of-pocket expenses (including, without limitation, reasonable fees and expenses of outside counsel and audit and due diligence fees) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including without limitation, in connection with) (i) any investigation, litigation or other proceeding (whether or not such Indemnified Party is a party thereto) relating to, resulting from or arising out of any of the Program Documents and all other documents related thereto, any breach by Seller of any representation or warranty or covenant in this Agreement or any other Program Document, and all actions taken pursuant thereto, (ii) the Transactions, the actual or proposed use of the proceeds of the Transactions, this Agreement or any of the transactions contemplated thereby, including, without limitation, any acquisition or proposed acquisition, or any indemnity payable under the servicing agreement or other servicing arrangement, (iii) the actual or alleged presence of hazardous materials on any Property or any environmental action relating in any way to any Property, (iv) the actual or alleged violation of any federal, state, municipal or local predatory lending laws, or (v) the reduction of the unpaid principal balance due to a cram down or similar action authorized by any bankruptcy proceeding or other case arising out of or relating to any petition under the Bankruptcy Code, in each case, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted directly from such Indemnified Party’s gross negligence or willful misconduct or is the result of a claim made by Seller against the Indemnified Party, and Seller is ultimately the successful party in any resulting litigation or arbitration. Seller hereby agrees not to assert any claim against Purchaser or any of its Affiliates, or any of their respective officers, directors, employees, attorneys and agents, on any theory of liability, for special, indirect, consequential or punitive damages arising out of or otherwise relating to the Program Documents, the actual or proposed use of the proceeds of the Transactions, this Agreement or any of the transactions contemplated thereby. This paragraph (a) shall not apply with respect to taxes other than taxes that represent losses, claims, damages, etc. arising from any non-tax claim. **THE FOREGOING INDEMNITY AND AGREEMENT NOT TO ASSERT CLAIMS EXPRESSLY APPLIES, WITHOUT LIMITATION, TO THE NEGLIGENCE (BUT NOT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE INDEMNIFIED PARTIES.**

(i) If Seller fails to pay when due any costs, expenses or other amounts payable by it under this Agreement, including, without limitation, reasonable fees and expenses of counsel and indemnities, such amount may be paid on behalf of Seller by Purchaser, in its sole discretion and Seller shall remain liable for any such payments by Purchaser and such amounts shall be deemed part of the Obligations hereunder. No such payment by Purchaser shall be deemed a waiver of any of the Purchaser’s rights under the Program Documents.

(j) Without prejudice to the survival of any other agreement of Seller hereunder, the covenants and obligations of Seller contained in this Section 21 shall survive the payment in full of the Repurchase Price and all other amounts payable hereunder and delivery of the Purchased Assets by Purchaser against full payment therefor.

22. WAIVER OF REDEMPTION AND DEFICIENCY RIGHTS

Seller hereby expressly waives, to the fullest extent permitted by law, every statute of limitation on a deficiency judgment, any reduction in the proceeds of any Purchased Assets as a result of restrictions upon Purchaser or Custodian contained in the Program Documents or any other instrument delivered in connection therewith, and any right that they may have to direct the order in which any of the Purchased Assets shall be disposed of in the event of any disposition pursuant hereto.

23. REIMBURSEMENT; SET-OFF

(k) Seller agrees to pay on demand all reasonable out-of-pocket costs and expenses of Purchaser in connection with the initial and subsequent negotiation, modification, renewal and amendment of the Program Documents (including, without limitation, (A) all collateral review and UCC search and filing fees and expenses and (B) the reasonable fees and expenses of outside counsel for Purchaser with respect to advising Purchaser as to its rights and responsibilities, or the perfection, protection or preservation of rights or interests, under this Agreement and any other Program Document, with respect to negotiations with Seller or with other creditors of Seller arising out of any Default or any events or circumstances that may give rise to a Default and with respect to presenting claims in or otherwise participating in or monitoring any bankruptcy, insolvency or other similar proceeding involving creditors' rights generally and any proceeding ancillary thereto). Seller agrees to pay on demand, with interest at the Default Rate to the extent that an Event of Default has occurred, all costs and expenses, including without limitation, reasonable attorneys' fees and disbursements (and fees and disbursements of Purchaser's outside counsel) expended or incurred by Purchaser and/or Custodian in connection with the modification, renewal, amendment and enforcement (including any waivers) of the Program Documents (regardless of whether a Transaction is entered into hereunder), the taking of any action, including legal action, required or permitted to be taken by Purchaser (without duplication to Purchaser) and/or Custodian pursuant thereto or by refinancing or restructuring in the nature of a "workout." Further, Seller agrees to pay, with interest at the Default Rate to the extent that an Event of Default has occurred, all costs and expenses, including without limitation, reasonable attorneys' fees and disbursements (and fees and disbursements of Purchaser's outside counsel) expended or incurred by Purchaser in connection with (a) the rendering of legal advice as to Purchaser's rights, remedies and obligations under any of the Program Documents, (b) the collection of any sum which becomes due to Purchaser under any Program Document, (c) any proceeding for declaratory relief, any counterclaim to any proceeding, or any appeal, or (d) the protection, preservation or enforcement of any rights of Purchaser. For the purposes of this Section 23(a), attorneys' fees shall include, without limitation, fees incurred in connection with the following: (1) discovery; (2) any motion, proceeding or other activity of any kind in connection with a bankruptcy proceeding or case arising out of or relating to any petition under Title 11 of the United States Code, as the same shall be in effect from time to time, or any similar law; (3) garnishment, levy, and debtor and third party examinations; and (4) post-judgment motions and proceedings of any kind, including without limitation any activity taken to collect or enforce any judgment. Any and all of the foregoing amounts referred to in this Section 23(a) shall be deemed a part of the Obligations hereunder. Without prejudice to the survival of any other agreement of Seller hereunder, the covenants and obligations of Seller contained in this Section 23(a) shall survive the payment in full of the Repurchase Price and all other amounts payable hereunder and delivery of the Purchased Assets by the Purchaser against full payment therefor.

(l) In addition to any rights and remedies of Purchaser under this Agreement and by law, Purchaser and its related Affiliates shall have the right, without prior notice to Seller, any such notice being expressly waived by Seller to the extent permitted by applicable law, upon any amount becoming due and payable (whether at the stated maturity, by acceleration or otherwise) by Seller hereunder or under any Set Off Eligible Agreement, to set-off and appropriate and apply against such amount (subject to any existing limitations on recourse) any and all Property and deposits (general or special, time or demand, provisional or final), in any currency, or any other credits, indebtedness or claims, in any currency, or any other collateral (in the case of collateral not in the form of cash or such other marketable or negotiable form, by selling such collateral in a recognized market therefor or as otherwise permitted by law or as may be in accordance with custom, usage or trade practice), in each case, whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by the Purchaser or any Affiliate thereof to or for the credit or the account of Seller or any of its Subsidiaries (including, without limitation, the amount of any accrued and unpaid Completion Fees) except and to the extent that any of the same are held by Seller or such Subsidiary for the account of another Person. Purchaser may also (subject to any existing limitations on recourse) set-off cash and all other sums or obligations owed by the Purchaser or its Affiliates to Seller or its Subsidiaries hereunder or under any Set Off Eligible Agreement against all of Seller's obligations to the Purchaser or its Affiliates hereunder or under any Set Off Eligible Agreement, whether or not such obligations are then due. The exercise of any such right of set-off shall be without prejudice to any Purchaser's or its Affiliate's right to recover any deficiency. The Purchaser agrees to promptly notify Seller after any such set-off and application made by the Purchaser; provided that the failure to give such notice shall not affect the validity of such set-off and application.

24. FURTHER ASSURANCES

Seller agrees to do such further acts and things and to execute and deliver to Purchaser such additional assignments, acknowledgments, agreements, powers and instruments as are reasonably required by Purchaser and Agent to carry into effect the intent and purposes of this Agreement, to perfect the interests of Purchaser in the Purchased Assets or to better assure and confirm unto Purchaser its rights, powers and remedies hereunder.

25. ENTIRE AGREEMENT; PRODUCT OF NEGOTIATION

This Agreement supersedes and integrates all previous negotiations, contracts, agreements and understandings among the parties relating to a sale and repurchase of Purchased Assets and Additional Purchased Mortgage Loans, and it, together with the other Program Documents, and the other documents delivered pursuant hereto or thereto, contains the entire final agreement of the parties. No prior negotiation, agreement, understanding or prior contract shall have any validity hereafter.

26. TERMINATION

This Agreement shall remain in effect until the Termination Date. However, no such termination shall affect Seller's outstanding obligations to Purchaser at the time of such termination. Seller's obligations to indemnify Purchaser pursuant to this Agreement and the other Program Documents shall survive the termination hereof.

27. REHYPOTHECATION; ASSIGNMENT

(m) Purchaser may, in its sole election, and without the consent of the Seller engage in repurchase transactions with the Purchased Assets or otherwise pledge, hypothecate, assign, transfer or otherwise convey the Purchased Assets with a counterparty of the Purchaser's choice, in all cases subject to the Purchaser's obligation to reconvey the Purchased Assets (and not substitutes therefor) on the Repurchase Date, all at no cost to the Seller. In the event Purchaser engages in a repurchase transaction with any of the Purchased Assets or otherwise pledges or hypothecates any of the Purchased Assets, the Purchaser shall have the right to assign to the Purchaser's counterparty any of the applicable representations or warranties in Exhibit B-1 or B-2 to this Agreement, as applicable, and the remedies for breach thereof, as they relate to the Purchased Assets that are subject to such repurchase transaction.

(n) The Program Documents and the Seller's rights and obligations thereunder are not assignable by Seller without the prior written consent of the Purchaser. Any Person into which Seller may be merged or consolidated, or any corporation resulting from any merger, conversion or consolidation to which Seller shall be a party, or any Person succeeding to the business of Seller, shall be the successor of Seller hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. Without any requirement for further consent of the Seller and at no cost or expense to the Seller, each of the Purchaser and Agent may, in its sole election, assign or participate all or a portion of its rights and obligations under this Agreement and the Program Documents with a counterparty of the Purchaser's or Agent's choice. The Purchaser or Agent shall notify Seller of any such assignment and participation and shall maintain, for review by Seller upon written request, a register of assignees and participants and a copy of any executed assignment and acceptance by the Purchaser or Agent and assignee ("Assignment and Acceptance"), specifying the percentage or portion of such rights and obligations assigned. The Seller agrees that, for any such permitted assignment, Seller will cooperate with the prompt execution and delivery of documents reasonably necessary for such assignment process to the extent that Seller incurs no cost or expense that is not paid by the Purchaser or Agent, as applicable. Upon such assignment, (a) such assignee shall be a party hereto and to each Program Document to the extent of the percentage or portion set forth in the Assignment and Acceptance, and shall succeed to the applicable rights and obligations of the Purchaser or Agent hereunder, and (b) the Purchaser or Agent shall, to the extent that such rights and obligations have been so assigned by it to either (i) an Affiliate of the Purchaser or Agent which assumes the obligations of the Purchaser or Agent hereunder or (ii) to another Person which assumes the obligations of the Purchaser or Agent hereunder, be released from its obligations hereunder accruing thereafter and under the Program Documents.

(o) The Purchaser and Agent may distribute to any prospective assignee, participant or pledgee any document or other information delivered to the Purchaser by Seller subject to the confidentiality restrictions contained in Section 35 hereof; accordingly, such prospective assignee, participant or pledgee shall be required to agree to confidentiality provisions similar to those set forth in Section 35.

28. AMENDMENTS, ETC.

No amendment or waiver of any provision of this Agreement nor any consent to any failure to comply herewith or therewith shall in any event be effective unless the same shall be in writing and signed by Seller, Purchaser and Agent, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

29. SEVERABILITY

If any provision of any Program Document is declared invalid by any court of competent jurisdiction, such invalidity shall not affect any other provision of the Program Documents, and each Program Document shall be enforced to the fullest extent permitted by law.

30. BINDING EFFECT; GOVERNING LAW

This Agreement shall be binding and inure to the benefit of the parties hereto and their respective successors and assigns. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH, GOVERNED BY AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

31. WAIVER OF JURY TRIAL; CONSENT TO JURISDICTION AND VENUE; SERVICE OF PROCESS

SELLER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PROGRAM DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. SELLER HEREBY IRREVOCABLY AND UNCONDITIONALLY CONSENTS, ON BEHALF OF ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF ANY COURT OF THE STATE OF NEW YORK, OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THE PROGRAM DOCUMENTS IN ANY ACTION OR PROCEEDING. SELLER HEREBY SUBMITS TO, AND WAIVES ANY OBJECTION IT MAY HAVE TO, NON-EXCLUSIVE PERSONAL JURISDICTION AND VENUE IN THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, WITH RESPECT TO ANY DISPUTES ARISING OUT OF OR RELATING TO THE PROGRAM DOCUMENTS. SELLER HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF A SUMMONS AND COMPLAINT AND OTHER PROCESS IN ANY ACTION, CLAIM OR PROCEEDING BROUGHT BY ANOTHER PARTY IN CONNECTION WITH THIS AGREEMENT OR THE OTHER PROGRAM DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER, OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS, ON BEHALF OF ITSELF OR ITS PROPERTY, IN THE MANNER SPECIFIED IN THIS SECTION 31 AND TO SUCH PARTY'S ADDRESS SPECIFIED IN SECTION 34 OR SUCH OTHER ADDRESS AS SUCH PARTY SHALL HAVE PROVIDED IN WRITING TO THE OTHER PARTIES HERETO. NOTHING IN THIS SECTION 31 SHALL AFFECT THE RIGHT OF ANY PARTY HERETO TO (I) SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW, OR (II) BRING ANY ACTION OR PROCEEDING AGAINST ANY OTHER PARTY OR ITS PROPERTIES IN THE COURTS OF ANY OTHER JURISDICTIONS.

32. SINGLE AGREEMENT

Seller, Purchaser and Agent acknowledge that, and have entered hereinto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, Seller, Purchaser and Agent each agree (i) to perform all of its obligations in respect of each Transaction hereunder, and that a default in the performance of any such obligations shall constitute a default by it in respect of all Transactions hereunder, and (ii) that payments, deliveries and other transfers made by any of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transaction hereunder, and the obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

33. INTENT

Seller, Purchaser and Agent recognize that each of the Transactions and this Agreement is a “repurchase agreement” as that term is defined in Section 101 of the Bankruptcy Code, and a “securities contract” as that term is defined in Section 741 of the Bankruptcy Code, or a “qualified financial contract” as that term is defined in the Federal Deposit Insurance Act, as applicable, and a “master netting agreement” as that term is defined in Section 101 of the Bankruptcy Code.

It is understood that Purchaser’s right to liquidate, the Purchased Assets and terminate and accelerate the Transactions and this Agreement or to exercise any other remedies pursuant to Section 18 hereof is a contractual right to liquidate, terminate and accelerate the Transactions under a repurchase agreement, a securities contract, a master netting agreement, and a qualified financial contract as described in Sections 559, 555 and 561 of the Bankruptcy Code and Section 1821(e)(8)(A)(i) of the Federal Deposit Insurance Act, as applicable, and a contractual right to offset under a master netting agreement and across contracts, as described in Section 561 of the Bankruptcy Code. It is understood that Purchaser’s right to accelerate the Repurchase Date with respect to the Purchased Assets and any Transaction hereunder pursuant to Section 18 hereof is a contractual right to liquidate, terminate and accelerate the Transactions under a repurchase agreement, a securities contract, a master netting agreement, and a qualified financial contract as described in Sections 559, 555 and 561 of the Bankruptcy Code and Section 1821(e)(8)(A)(i) of the Federal Deposit Insurance Act, as applicable.

The parties hereby intend that any provisions hereof or in any other document, agreement or instrument that is related in any way to the servicing of the individual Mortgage Loans shall be deemed “related to” this Agreement within the meaning of Sections 101(38A)(A) and 101(47)(A)(v) of the Bankruptcy Code and part of the “contract” as such term is used in Section 741 of the Bankruptcy Code.

34. NOTICES AND OTHER COMMUNICATIONS

Except as provided herein, all notices required or permitted by this Agreement shall be in writing (including without limitation by Electronic Transmission, e-mail or facsimile) and shall be effective and deemed delivered only when received by the party to which it is sent; provided that notices of Events of Default and exercise of remedies or under Sections 6 or 18 shall be sent via overnight mail and by electronic transmission. Any such notice shall be sent to a party at the address, electronic mail or facsimile transmission number set forth below:

if to Seller: Nationstar Mortgage LLC
8950 Cypress Waters Boulevard Coppell, Texas 75019
Attention: Pedro Alvarez Telephone Number: (469) 426-3057
E-mail: pedro.alvarez@mrcooper.com With a copy to:

Nationstar Mortgage LLC
8950 Cypress Waters Boulevard Coppell, Texas 75019

Attention: General Counsel
E-mail: eldridge.burns@mrcooper.com

if to Purchaser: Barclays Bank PLC
745 Seventh Avenue, 2nd Floor New York, New York 10019
Attention: US Residential Financing Telephone: (212) 412-7990
E-mail: USResiFinancing@barclays.com

Barclays Bank PLC
745 Seventh Avenue, 5th Floor New York, New York 10019 Attention:
RMBS Banking Telephone: (212) 528-7482
Email: CoreRMBSBanking@barclayscapital.com With copies to:
Barclays Bank PLC – Operations US 400 Jefferson Park
Whippany, New Jersey 07981 Attention: Whole Loan Operations Telephone:
(201) 499-4456
E-mail: WholeLoanOperati@barclayscapital.com

if to Agent: Barclays Bank PLC
745 Seventh Avenue, 2nd Floor New York, New York 10019
Attention: US Residential Financing Telephone: (212) 412-7990
E-mail: USResiFinancing@barclays.com

Barclays Bank PLC
745 Seventh Avenue, 5th Floor New York, New York 10019 Attention:
RMBS Banking Telephone: (212) 528-7482
Email: CoreRMBSBanking@barclayscapital.com
With copies to:

Barclays Bank PLC – Operations US 400 Jefferson Park
Whippany, New Jersey 07981 Attention: Whole Loan Operations
Telephone: (201) 499-4456
E-mail: WholeLoanOperati@barclayscapital.com

or to such other address, e-mail address or facsimile number as either party may notify to the others in writing from time to time.

35. CONFIDENTIALITY

Seller, Purchaser and Agent each hereby acknowledge and agree that all written or computer-readable information provided by one party to the other in connection with the Program Documents or the Transactions contemplated thereby, including without limitation, Seller's Mortgagor information in the possession of Purchaser (the "Confidential Terms") shall be kept confidential and shall not be divulged to any party without the prior written consent of such other party except for (i) disclosure to Seller's direct and indirect parent companies, directors, attorneys, agents or accountants, provided that such attorneys or accountants likewise agree to be bound by this covenant of confidentiality, or are otherwise subject to confidentiality restrictions or (ii) with prior (if feasible) written notice to Purchaser, disclosure required by law, rule, regulation or order of a

court or other regulatory body or (iii) with prior (if feasible) written notice to Purchaser, disclosure to any approved hedge counterparty to the extent necessary to obtain any Hedge Instrument hereunder or (iv) with prior (if feasible) written notice to Purchaser, any disclosures or filing required under Securities and Exchange Commission (“SEC”) or state securities’ laws; provided that in the case of clause (iv), Seller shall not file the Pricing Side Letter. Notwithstanding anything herein to the contrary, except as reasonably necessary to comply with applicable securities laws, each party (and each employee, representative, or other agent of each party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. For this purpose, tax treatment and tax structure shall not include (i) the identity of any existing or future party (or any Affiliate of such party) to this Agreement or (ii) any specific pricing information or other commercial terms, including the amount of any fees, expenses, rates or payments arising in connection with the transactions contemplated by this Agreement.

36. DUE DILIGENCE

Subject to Section 14(z) and the limitations contained in the Pricing Side Letter and the EPF Pricing Side Letter, (i) Purchaser, Agent, Verification Agent or any of their respective agents, representatives or permitted assigns shall have the right, upon reasonable prior notice and during normal business hours, to conduct inspection and perform continuing due diligence reviews of (x) Seller and its Affiliates, directors, officers, employees and significant shareholders, including, without limitation, their respective financial condition and performance of its obligations under the Program Documents, and (y) the Servicing File and the Purchased Assets (including, but not limited to, any documentation related to Seller’s FHA servicing practices) and (ii) Seller agrees promptly to provide Purchaser, Agent, Verification Agent and their respective agents with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) relating to Seller’s respective business, operations, servicing, financial condition, performance of their obligations under the Program Documents, the documents contained in the Servicing Files or the Purchased Assets or assets proposed to be sold hereunder in the possession, or under the control, of Seller. In addition, Seller shall also make available to Purchaser, Agent and/or Verification Agent, upon reasonable prior notice and during normal business hours, a knowledgeable financial or accounting officer of Seller for the purpose of answering questions respecting any of the foregoing. Without limiting the generality of the foregoing, Seller acknowledges that Purchaser shall enter into transactions with Seller based solely upon the information provided by Seller to Purchaser and/or Agent and the representations, warranties and covenants contained herein, and that Purchaser, Agent and/or Verification Agent, at its option, shall have the right at any time to conduct itself or through its agents, or require Seller to conduct quality reviews and underwriting compliance reviews of the individual Mortgage Loans at the expense of Seller. Any such diligence conducted by Purchaser, Agent and/or Verification Agent shall not reduce or limit the Seller’s representations, warranties and covenants set forth herein. Seller agrees to reimburse Purchaser, Agent and/or Verification Agent for all reasonable out-of-pocket due diligence costs and expenses incurred pursuant to this Section 36.

37. AMENDMENT AND RESTATEMENT OF ORIGINAL AGREEMENT; NO NOVATION

(p) As of the date first written above, the terms and provisions of the Original Agreement as amended and restated shall be and hereby are amended, superseded and restated in their entirety by the terms and provisions of this Agreement.

(q) Notwithstanding the amendment and restatement of the Original Agreement by this Agreement, any amounts owing to Barclays under the Original Agreement whether on account of Transactions or otherwise which remain outstanding as of the date hereof, shall constitute Obligations owing hereunder. This Agreement is given in substitution for the Original Agreement, and not as payment of the obligations of the Seller thereunder, and is in no way intended to constitute a novation of the Original Agreement.

(r) Upon the effectiveness of this Agreement on the date first written above, unless the context otherwise requires, each reference to the Original Agreement in any of the Program

Documents and in each document, instrument or agreement executed and/or delivered in connection therewith shall mean and be a reference to this Agreement. Except as expressly modified as of the date hereof, all of the other Program Documents shall remain in full force and effect and are hereby ratified and confirmed.

38. CONTRACTUAL RECOGNITION OF BAIL-IN

Seller acknowledges and agrees that notwithstanding any other term of this Agreement or any other agreement, arrangement or understanding with Purchaser, any of Purchaser's liabilities, as the Bank of England (or any successor resolution authority) may determine, arising under or in connection with this Agreement may be subject to Bail-In Action and Seller accepts to be bound by the effect of:

- (s) any Bail-In Action in relation to such liability, including (without limitation):
 - (i) a reduction, in full or in part, of any amount due in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, Seller; and
 - (iii) a cancellation of any such liability; and
- (t) a variation of any term of this Agreement to the extent necessary to give effect to Bail-In Action in relation to any such liability.

39. USA PATRIOT ACT; SANCTIONS AND ANTI-TERRORISM

Each of Purchaser and Agent hereby notifies the Seller that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act, Title III of Pub. L. 109-177 (signed into law March 9, 2009) (the "Act"), it is required to obtain, verify, and record information that identifies the Seller, which information includes the name and address of the Seller and other information that will allow each of Purchaser and Agent, as applicable, to identify the Seller in accordance with the Act. Seller hereby represents and warrants to each of Purchaser and Agent, and shall on and as of the Purchase Date for any Transaction and on and as of each date thereafter through and including the related Repurchase Date be deemed to represent and warrant to each of Purchaser and Agent that:

(u) (i) Neither the Seller, nor the Parent Company nor, to the Seller's actual knowledge, any director, officer, or employee of the Seller or any of its subsidiaries, or to the Seller's actual knowledge, any Originator of a Purchased Asset is named on the list of Specifically Designated Nationals maintained by OFAC or any similar sanctions list issued by OFAC, OFSI, or any other Governmental Authority (collectively, the "Sanctions Lists") or is located, organized, or resident in a country or territory that is, or whose government is, the target of sanctions imposed by OFAC, OFSI, or any other Governmental Authority; (ii) no Person or Persons on the Sanctions Lists owns, whether individually or in the aggregate, directly or indirectly, a fifty percent or greater interest in, or otherwise controls, the Seller, the Parent Company or, to the Seller's actual knowledge, any Originator; and (iii) to the knowledge of the Seller, neither the Purchaser nor Agent is precluded by any Economic and Trade Sanctions and Anti-Terrorism Laws from entering into this Agreement or any transactions pursuant to this Agreement with the Seller due to the ownership or control by any person or entity of stocks, shares, bonds, debentures, notes, drafts or other securities or obligations of the Seller.

(v) (i) Seller will not conduct business with or engage in any transaction with any Obligor that the Seller knows, after reasonable diligence or after being notified by an Originator of a Purchased Asset, (x) is named on any of the Sanctions Lists or is located, organized, or resident in a country or territory that is, or whose government currently is, the target of sanctions imposed by OFAC or any other Governmental Authority; (y) is owned fifty percent or more, directly or indirectly, or otherwise controlled, by a Person named on any Sanctions List; (ii) if the Seller obtains actual knowledge, after reasonable due diligence, that any Obligor is named on any of the Sanctions Lists or that any Person or Persons on the Sanctions Lists owns, whether individually or in the aggregate, directly or indirectly, a fifty percent or greater interest in, or otherwise controls, the

Obligor, the Seller, or any Originator, as applicable, Seller will give prompt written notice to the Purchaser and Agent of such fact or facts; and
(iii) the Seller will (x) comply at all times with the requirements of the Economic and Trade Sanctions and Anti-Terrorism Laws applicable to any transactions, dealings or other actions relating to this Agreement and (y) will, upon the Purchaser's or Agent's reasonable request from time to time during the term of this Agreement, deliver a certification confirming its compliance with the covenants set forth in this Section 39.

40. CONTRACTUAL RECOGNITION OF UK STAY IN RESOLUTION

(w) Where a resolution measure is taken in relation to any BRRD undertaking or any member of the same group as that BRRD undertaking and that BRRD undertaking or any member of the same group as that BRRD undertaking is a party to this Agreement (any such party to this Agreement being an "Affected Party"), each other party to this Agreement agrees that it shall only be entitled to exercise any termination right under this Agreement against the Affected Party to the extent that it would be entitled to do so under the Special Resolution Regime if this Agreement were governed by the laws of any part of the United Kingdom.

(x) For the purpose of this Section 40, "resolution measure" means a 'crisis prevention measure', 'crisis management measure' or 'recognised third-country resolution action', each with the meaning given in the "PRA Rulebook: CRR Firms and Non-Authorised Persons: Stay in Resolution Instrument 2015", as may be amended from time to time (the "PRA Contractual Stay Rules"), provided, however, that 'crisis prevention measure' shall be interpreted in the manner outlined in Rule 2.3 of the PRA Contractual Stay Rules; "BRRD undertaking", "group", "Special Resolution Regime" and "termination right" have the respective meanings given in the PRA Contractual Stay Rules.

41. NOTICE REGARDING CLIENT MONEY RULES

Purchaser, as a CRD credit institution (as such term is defined in the rules of the FCA), holds all money received and held by it hereunder as banker and not as trustee. Accordingly, money that is received and held by Purchaser from Seller will not be held in accordance with the provisions of the FCA's Client Asset Sourcebook relating to client money (the "Client Money Rules") and will not be subject to the statutory trust provided for under the Client Money Rules.

In particular, Purchaser shall not segregate money received by it from Seller from Purchaser money and Purchaser shall not be liable to account to you for any profits made by Purchaser use as banker of such cash and upon failure of Purchaser, the client money distribution rules within the Client Asset Sourcebook (the "Client Money Distribution Rules") will not apply to these sums and so you will not be entitled to share in any distribution under the Client Money Distribution Rules.

42. BENCHMARK REPLACEMENT

(y) Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Program Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to Purchaser and Seller without any amendment to, or further action or consent of any other party to, this Agreement or any other Program Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Purchaser. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Seller may revoke any request for a Transaction to be made or continued that would bear interest by reference to such Benchmark until the Seller's receipt of notice from the Agent that a Benchmark Replacement has replaced such Benchmark.

(z) In connection with the implementation and administration of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes

from time to time and, notwithstanding anything to the contrary herein or in any other Program Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(aa) The Agent will promptly notify the Seller and the Purchaser of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes.

(ab) Any determination, decision or election that may be made by the Agent or Purchaser pursuant to this Section 42, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 42.

43. EXECUTION IN COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Agreement by signing and delivering one or more counterparts. The parties intend that faxed signatures and electronically imaged signatures such as .pdf files shall constitute original signatures and are binding on all parties. The original documents shall be promptly delivered, if requested. The parties agree that this Agreement, any addendum, exhibit or amendment hereto or any other document necessary for the consummation of the transactions contemplated by this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with E-Sign, UETA and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on all parties hereto to the same extent as if it were physically executed and each party hereby consents to the use of any secure third party electronic signature capture service with appropriate document access tracking, electronic signature tracking and document retention as may be reasonably chosen by a signatory hereto, including but not limited to DocuSign.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller, Agent and Purchaser have caused their names to be signed to this Second Amended and Restated Master Repurchase Agreement by their respective officers thereunto duly authorized as of the date first above written.

NATIONSTAR MORTGAGE LLC,
as Seller

By:___
Name:
Title:

BARCLAYS BANK PLC, as Purchaser and Agent

By:___
Name:
Title:

EXHIBIT A MONTHLY CERTIFICATION

I,____, of Nationstar Mortgage LLC (the “Seller”), in accordance with that certain Second Amended and Restated Master Repurchase Agreement (“Agreement”), dated as of January 29, 2016, by and between Barclays Bank PLC and Seller do hereby certify that:

- (i) To the best of my knowledge, no Default or Event of Default has occurred and is continuing;
- (ii) Attached hereto as Schedule One is a schedule of each financial covenant that the Seller is subject to under any agreement (other than this Agreement), and a calculation which demonstrates compliance with each such financial covenant; and
- (iii) The Seller has complied with each of the covenants set forth in Section 14(g)(ii), as evidenced by the worksheet attached hereto as Schedule Two.

[Signature Page Follows]

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Agreement.

IN WITNESS WHEREOF, I have signed this certificate.

Date: __, 201[]

NATIONSTAR MORTGAGE LLC

By: __
Name:
Title:

[SEAL]

I,____, of Seller, do hereby certify that
__ is the duly elected or appointed, qualified and acting __ of
Seller, and the signature set forth above is the genuine signature of such officer on the date hereof.

SCHEDULE ONE TO EXHIBIT A OTHER FINANCIAL COVENANTS

SCHEDULE TWO TO EXHIBIT B FINANCIAL COVENANTS WORKSHEET

EXHIBIT B-1

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO MORTGAGE LOANS

Capitalized terms used but not defined in this Exhibit B-1 have the meanings assigned to such terms in the Second Amended and Restated Master Repurchase Agreement dated as of January 29, 2016 (the "Agreement"), by and between Barclays Bank PLC ("Purchaser" or "Agent") and Nationstar Mortgage LLC ("Seller"). Seller hereby represents and warrants to the Purchaser and Agent that, for each Mortgage Loan, as of the related Purchase Date and the related Repurchase Date and on each date that such Mortgage Loan, is subject to a Transaction:

(ac) All information provided to Purchaser by Seller, including without limitation the information set forth in the Seller Mortgage Loan Schedule, with respect to the Mortgage Loan is true and correct in all material respects;

(ad) Such Mortgage Loan is an Eligible Mortgage Loan;

(ae) Such Mortgage Loan was owned solely by Seller, is not subject to any lien, claim or encumbrance, including, without limitation, any such interest pursuant to a loan or credit agreement for warehousing mortgage loans, and was originated or acquired by Seller from an Originator, underwritten and serviced in Strict Compliance (in respect of Fannie Mae Mortgage Loans, Freddie Mac Mortgage Loans and Ginnie Mae Mortgage Loans) or Barclays' underwriting guidelines (in respect of Jumbo Mortgage Loans) and has at all times remained in compliance with all applicable law and regulations, including without limitation the Federal Truth-in-Lending Act, the Real Estate Settlement Procedures Act, regulations issued pursuant to any of the aforesaid, and any and all rules, requirements, guidelines and announcements of each Agency, and, as applicable, the FHA and VA, as the same may be amended from time to time;

(af) The improvements on the land securing such Mortgage Loan are and will be kept insured at all times by responsible insurance companies reasonably acceptable to Purchaser and the Applicable Agency against fire and extended coverage hazards under policies, binders or certificates of insurance with a standard mortgagee clause in favor of Seller and its assigns, providing that such policy may not be canceled without prior notice to Seller. Any proceeds of such insurance shall be held in trust for the benefit of Purchaser. The scope and amount of such insurance shall satisfy the rules, requirements, guidelines and announcements of the Applicable Agency, and shall in all cases be at least equal to the lesser of (A) the principal amount of such Mortgage Loan or (B) the maximum amount permitted by applicable law, and shall not be subject to reduction below such amount through the operation of a coinsurance, reduced rate contribution or similar clause;

(ag) Each Mortgage is a valid first lien subject only to exceptions permitted by the applicable Agency Program. Seller shall hold for the benefit of Purchaser such policy of title insurance, and, upon request of Purchaser, shall immediately deliver such policy to the Purchaser or to the Custodian on behalf of the Purchaser;

(ah) Such Mortgage Loan (other than a Jumbo Mortgage Loan) is either (i) insured by the FHA under the National Housing Act, guaranteed by the VA under the Servicemen's Readjustment Act of 1944 or (ii) with respect to Fannie Mae Mortgage Loans and Freddie Mac Mortgage Loans, is otherwise eligible to be insured or guaranteed in accordance with the requirements of the applicable Agency Program and, in either case, such Mortgage Loan is not subject to any defect that would prevent recovery in full or in part against the FHA, VA or other insurer or guarantor, as the case may be;

(ai) Except with respect to HECM Buyout Loans, a mortgage identification number ("MIN") has been assigned by MERS and such MIN is accurately provided on the Seller Mortgage Loan Schedule. Except with respect to HECM Buyout Loans, either the Mortgage is in favor of MERS or an Assignment of Mortgage to MERS has been duly and properly recorded;

(aj) Except with respect to HECM Buyout Loans, Seller has not received any notice of liens or legal actions with respect to such Mortgage Loan and no such notices have been electronically posted by MERS;

(ak) Each Mortgage Loan (other than a Jumbo Mortgage Loan, a HECM Buyout Loan, a VA Buyout Loan or an FHA Buyout Loan) is eligible for sale to the Applicable Agency and fully complies with all of the terms and conditions, including any covenants, representations and warranties, in the applicable Agency Guide and eligible for securitization by and/or sale to Fannie Mae, Freddie Mac or eligible for inclusion in a Ginnie Mae MBS pool;

(al) There are no restrictions, contractual or governmental, which would impair the ability of Seller from servicing the Mortgage Loans;

(am) Such Mortgage Loan may not result in Negative Amortization;

(an) The Mortgagor is one or more natural persons and/or trustees for an Illinois land trust or a trustee under a “living trust” and such “living trust” is in compliance with Applicable Agency guidelines for such trusts;

(ao) Such Mortgage Loan is not a High Cost Mortgage Loan;

(ap) No predatory, abusive or deceptive lending practices, including but not limited to, the extension of credit to a Mortgagor without regard for the Mortgagor’s ability to repay the Mortgage Loan and the extension of credit to a Mortgagor which has no tangible net benefit to the Mortgagor, were employed in connection with the origination of the Mortgage Loan. Such Mortgage Loan is in compliance with the anti-predatory lending eligibility for purchase requirements of the Fannie Mae Guide;

(aq) With respect to any Mortgage Loan (other than a Streamline Mortgage Loan, a Mortgage Loan guaranteed by the VA under the Servicemen’s Readjustment Act of 1944, a HARP Mortgage Loan, a Fannie Mae Non-Traditional Loan, and any other Mortgage Loan underwritten and originated in accordance with a program sponsored and/or administered by a Governmental Authority; provided, that such program has been approved by the Purchaser in its sole discretion), on the Origination Date the related Mortgagor’s FICO Score was equal to or greater than 550 (for this purpose, it being acknowledged that, other than with respect to any Fannie Mae Non-Traditional Loan, the related Mortgagor shall be deemed to have a FICO Score of zero where no FICO Score is available);

(ar) If such Mortgage Loan was pledged to another warehouse, credit, repurchase or other financing facility immediately prior to the related Purchase Date, (i) such pledge has been released immediately prior to, or concurrently with, the related Purchase Date hereunder and (ii) Barclays has received a Warehouse Lender’s Release Letter in respect of such Mortgage Loan;

(as) Such Mortgage Loan has not been released from the possession of the Custodian under (i) Section 5 of the DB Custodial Agreement, to Seller or its bailee for a period in excess of thirty (30) calendar days (or if such thirtieth day is not a Business Day, the next succeeding Business Day); or (ii) Section 5 of the U.S. Bank Custodial Agreement, to Seller or its bailee for a period in excess of thirty (30) calendar days (or if such thirtieth day is not a Business Day, the next succeeding Business Day) or, in each case, such earlier time period as indicated on the related Request for Release of Documents;

(at) Each Streamline Mortgage Loan and HARP Mortgage Loan fully complies with all applicable terms and conditions, including any covenants, representations and warranties, of the related Agency Guide, the FHA regulations and the VA regulations, and the guidance issued by the Federal Housing Finance Authority, Fannie Mae and Freddie Mac for origination of mortgage loans under the Home Affordable Refinance Program, as applicable, unless the Seller has obtained a waiver in respect of any such noncompliance from the related Agency, FHA, VA or the Federal Housing Finance Authority, as applicable;

(au) Except with respect to HECM Buyout Loans and Cooperative Loans, such Mortgage Loan is a MERS Designated Mortgage Loan;

(av) With respect to each Mortgage Loan that is a Wet-Ink Mortgage Loan, the Settlement Agent has been instructed in writing by Seller to hold the related Mortgage Loan File as agent and bailee for Barclays or Agent and to promptly forward such Mortgage Loan File in accordance with the provisions of the Custodial Agreement and the Escrow Instruction Letter (if applicable);

(aw) Each Mortgage Loan has been fully disbursed and is secured by a first lien;

(ax) The Mortgage Loan does not have a loan-to-value ratio in excess of what is permitted under the Pricing Side Letter or the Agency Guides for mortgage loans of the same type as the Mortgage Loans; provided, that if any Mortgage Loan fails to comply with any loan-to-value representations and warranties required by any Agency, then Seller has obtained a waiver in respect of any such noncompliance from such Agency;

(ay) The Mortgage Loan is not secured by property located in (a) a state where the Seller is not licensed as a lender/mortgage banker or (b) a state that the Purchaser has notified Seller is unacceptable due to a high cost, predatory lending or other law in such state;

(az) The Mortgage Loan has not been converted to an ownership interest in real property through foreclosure or deed-in-lieu of foreclosure;

(ba) The Mortgage Loan relates to Mortgaged Property that consists of (i) a detached single family dwelling, (ii) a two-to-four family dwelling, (iii) a one-family dwelling unit in a Freddie Mac eligible condominium project, (iv) a townhouse, or (v) a detached single family dwelling in a planned unit development none of which is a cooperative (except to the extent of the Cooperative Loan Sublimit) or commercial property; and is not related to Mortgaged Property that consists of (a) mixed use properties, (b) log homes, (c) earthen homes, (d) underground homes, (e) mobile homes or manufactured housing units (whether or not secured by real property), (f) any dwelling situated on more than ten acres of property or (g) any dwelling situated on a leasehold estate;

(bb) The Mortgage Loan is not a Restricted Mortgage Loan; and

(aa) The Mortgage Loan made its first scheduled Monthly Payment when it was due (inclusive of any)

EXHIBIT B-2

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO CONVERTED REO PROPERTIES

Capitalized terms used but not defined in this Exhibit B-2 have the meanings assigned to such terms in the Second Amended and Restated Master Repurchase Agreement dated as of January 29, 2016 (the "Agreement"), by and between Barclays Bank PLC ("Purchaser" or "Agent") and Nationstar Mortgage LLC ("Seller"). Seller hereby represents and warrants to the Purchaser and Agent that, for each Converted REO Property as of the date of the pledge of the REO Asset and on each date that such Converted REO Property is held by the Seller or Wilmington Savings Fund Society, as trustee for the Additional REO Subsidiary ("Trustee"), as applicable:

- (a) The information set forth in the REO Subsidiary Schedule of Assets with respect to such Converted REO Property is true and correct.
 - (b) The Seller or Trustee, as applicable, is the sole owner and holder of the related Converted REO Property and has the full right to transfer the Converted REO Property. The Converted REO Property is free and clear of any Lien or encumbrance other than (A) Liens for real estate taxes not yet due and payable, (B) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of the related security instrument, such exceptions appearing of record being acceptable to mortgage lending institutions generally, and (C) other matters to which like properties are commonly subject which do not, individually or in the aggregate, materially interfere with the use, enjoyment or marketability of the REO Property.
 - (c) The Converted REO Property was foreclosed in the name of Seller or Trustee, as applicable. Except with respect to any right of redemption to which such title may be subject as identified on the related REO Subsidiary Schedule of Assets, the Seller or Trustee has good and marketable title to the Converted REO Property with full right to transfer and sell the Converted REO Property to Purchaser. To Seller's knowledge, the foreclosure sale was properly conducted and the interests of all persons in the related loan were foreclosed, other than any unexpired rights of redemption that inure to the related Mortgagor under applicable law.
 - (d) All buildings or other customarily insured improvements upon the Converted REO Property are insured by an insurer against loss by fire, hazards of extended coverage and such other hazards in an amount not less than the greater of (i) 100% of the replacement cost of all improvements to the Converted REO Property, or (ii) the amount necessary to avoid the operation of any co insurance provisions with respect to the Converted REO Property, and consistent with the amount that would have been required as of the date of origination in accordance with the Applicable Agency guidelines in place on the date of origination of the related Mortgage Loan. The Converted REO Property is also covered by comprehensive general liability insurance against claims for personal and bodily injury, death or property damage occurring on, in or about the related Converted REO Property, in an amount customarily required by prudent institutional lenders. If any improvement on, or any portion of, the Converted REO Property, at the time of origination, is in an area identified by any federal Governmental Authority as having special flood hazards, and flood insurance is available, a flood insurance policy meeting the current guidelines of the Federal Emergency Management Agency is in effect with a generally acceptable insurance carrier. All individual insurance policies contain a standard insured party clause naming Seller and its successors and assigns as insured party, and all premiums thereon have been or will be paid. The hazard insurance policy is the valid and binding obligation of the insurer, is in full force and effect, and will be in full force and effect and inure to the benefit of Purchaser upon the consummation of the transactions contemplated by this Agreement.
The applicable Servicer has administered such insurance policies in accordance with the applicable servicing agreement. The Seller has not engaged in any act or omission which would impair the coverage of any such policy, or the validity and binding effect of either, including, without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been or will be received, retained or realized by any attorney, firm or other person or entity, and no such unlawful items have been received, retained or realized by Seller.
 - (e) Except, as otherwise disclosed in REO Subsidiary Schedule of Asset, there are no real property taxes including supplemental or other taxes, if any, governmental assessments, insurance
-

premiums, water, sewer and municipal charges, condominium charges and assessments, leasehold payments or ground rents that are delinquent by more than ninety (90) days; provided, however, that a disclosure of outstanding charges provided to Purchaser may include the total amount without specifying the related categories of outstanding charges.

- (f) Seller has not received any written notice that there exists a violation that would have a material adverse effect on the value of the Converted REO Property or Purchaser's interest therein or of any local, state or federal environmental law, rule or regulation with respect to the Converted REO Property. There has been no violation of any law or regulation or breach of any contractual obligation contained in any agreement included in the REO Property File, by Seller in connection with the management of the Converted REO Property in each case which is material and adverse to Purchaser.
 - (g) The REO Deed (or a copy thereof) other documents required to be delivered by Seller under the Custodial Agreement have been delivered to the Trustee, Custodian or its designee, as applicable. Seller or Trustee, as applicable, is in possession of complete, true and accurate REO Property File for each Converted REO Property, except for such documents the originals of which have been delivered to the Custodian. The REO Deed is in recordable form and is acceptable in all respects for recording under the laws of the jurisdiction in which the Converted REO Property is located and has been delivered for recordation to the appropriate recording office. The REO Deed has been properly recorded in the name of Seller or Trustee, as applicable or properly submitted for recording to the applicable recording office in accordance with the applicable servicing agreement. Notwithstanding the foregoing, the representation and warranty set forth in this clause (h) shall be deemed satisfied if
 - (ii) the Seller shall have provided a receipt or other written acknowledgment acceptable to Purchaser from the filing clerk evidencing the submission for filing of an REO Deed with respect to the related Mortgaged Property, or (ii) Seller shall have received a receipt issued by a Governmental Authority evidencing the Seller's or Trustee's right to receive the REO Deed for the related Mortgaged Property.
 - (h) Except as otherwise disclosed in an REO Subsidiary Schedule of Assets, (i) the Seller has not received notice of any proceeding pending or threatened for the total or partial condemnation of the Converted REO Property and (ii) the Seller has no actual knowledge of any Converted REO Property that is damaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado, vandalism, natural disaster or other casualty which would cause such REO Property to become uninhabitable.
 - (i) To the best of Seller's knowledge the Converted REO Property is free, in all material respects, from any and all toxic or hazardous substances, other than those commonly used for homeowner repair and maintenance and/or household purposes, and there exists no pending action or proceeding directly involving the Converted REO Property in which material compliance with any environmental law, rule or regulation is at issue.
 - (j) To the best of Seller's knowledge, any eviction proceeding relating to a Converted REO Property that has been commenced has been commenced in accordance with applicable law and such eviction proceeding will not materially and adversely affect Buyer.
 - (k) The Converted REO Property has been and is currently being managed and maintained by the applicable Servicer and any other prior property manager in compliance in all material respects with all applicable laws and regulations and customary practices employed by managers of similar Converted REO Property in accordance with the applicable servicing agreement.
 - (l) None the Seller, Trustee nor the Servicer has received notice from any Person (including without limitation any Governmental Authority) that any Converted REO Property is subject to any consumer litigation which could have a material and adverse effect on the value of any such Converted REO Property.
 - (m) Solely with respect to Converted REO Properties which are condominium units, neither Seller nor the Additional REO Subsidiary are "sponsors" or nominees of a "sponsor" under any plan of condominium organization affecting the unit and the ownership and sale of any such condominium unit will not violate any federal, state or local law or regulation regarding
-

condominiums or require registration, qualification or similar action under such law or regulation.

- (n) To Seller's actual knowledge, there are no valid and enforceable mechanics' or similar liens or claims which have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the Converted REO Property, which are material and adverse to Purchaser.
 - (o) There are no existing lease agreements with any tenant with respect to the Converted REO Property.
 - (p) To the knowledge of Seller and the applicable Servicer, there are no material management, service, supply, security, maintenance or other similar contracts or agreements with respect to any Converted REO Property which are not terminable at will and if not terminated would have a material adverse effect on the value of the Converted REO Property or Purchaser's interest therein.
 - (q) Other than with respect to a Converted REO Property as to which the redemption period has not yet expired or the eviction process has not yet been completed, no holdover borrower or other tenant has any right to occupy or is currently occupying any Converted REO Property.
 - (r) Following the related date of conversion, each Converted REO Property is covered by an ALTA owner's title insurance policy, insuring the Seller or Trustee, applicable as fee owner, or an ALTA lender's title insurance policy, insuring the Seller as fee owner by virtue of it having succeeded to the interests of the borrower with respect to the insured mortgage loan, issued by a title insurer generally acceptable to institutional lenders, ensuring that the Seller or Trustee, as applicable, is the holder of good and marketable, fee simple title to the Converted REO Property. The Seller or Additional REO Subsidiary is the sole insured of such lender's or owner's title insurance policy, as applicable, and such lender's or owner's title insurance policy is in full force and effect and will be in full force and effect upon a sale of the Converted REO Properties to Purchaser. To the Seller's knowledge no claims have been made under such owner's title insurance policy by Seller and Seller has not taken or failed to take, an act or omission, anything which would impair the coverage of such owner's title insurance policy.
 - (s) Each Converted REO Property is covered by FHA Mortgage Insurance (including, without limitation, with respect to Part A FHA Claims and Part B FHA Claims) and there exists no impairment to full recovery in accordance with the terms of such FHA Mortgage Insurance without indemnity to HUD or the FHA under the FHA Mortgage Insurance. All necessary steps have been taken to keep such guaranty or insurance valid, binding and enforceable and each of such is the binding, valid and enforceable obligation of the FHA to the full extent thereof, without surcharge, set-off or defense. There are no circumstances existing with respect to each Converted REO Property that would permit HUD or the the FHA, as applicable, to deny coverage under any applicable insurance or guaranty.
-

EXHIBIT C
FORM OF TRANSACTION NOTICE

[insert date]

Barclays Bank PLC
745 Seventh Avenue, ~~4th Floor~~ New York, New York 10019
~~Attention: Ellen Kiernan~~

Email: USResiFinancing@barclays.com

Re: Second Amended and Restated Master Repurchase Agreement, dated as of January 29, 2016 by and between Barclays Bank PLC (“Purchaser” and “Agent”) and Nationstar Mortgage LLC (“Seller”)

Ladies/Gentlemen:

Reference is made to the above-referenced Second Amended and Restated Master Repurchase Agreement (the “Repurchase Agreement”); capitalized terms used but not otherwise defined herein shall have the meaning given them in the Repurchase Agreement).

In accordance with Section 3(c) of the Repurchase Agreement, the undersigned Seller hereby requests, and the Purchaser agree, agrees to enter into a Transaction with us, in connection with our delivery of Eligible Mortgage Loans and all related Servicing Rights, on ___ [insert requested Purchase Date, which must be at least one (1) Business Day following the date of the request] (the “Purchase Date”), in connection with which we shall sell to you such Eligible Mortgage Loans on the Seller Mortgage Loan Schedule attached hereto. The unpaid principal balance of the Eligible Mortgage Loans that are not FHA Buyout Loans, VA Buyout Loans or HECM Buyout Loans is \$___and the Outstanding Purchase Price to be paid by Barclays for such Eligible Mortgage Loans shall be [insert applicable Outstanding Purchase Price]. The unpaid principal balance of the Eligible Mortgage Loans that are FHA Buyout Loans is \$___and the Outstanding Purchase Price to be paid by Barclays for such FHA Buyout Loans shall be [insert applicable Outstanding Purchase Price]. The unpaid principal balance of the Eligible Mortgage Loans that are VA Buyout Loans is \$___and the Outstanding Purchase Price to be paid by Barclays for such VA Buyout Loans shall be [insert applicable Outstanding Purchase Price]. The unpaid principal balance of the Eligible Mortgage Loans that are HECM Buyout Loans is \$___and the Outstanding Purchase Price to be paid by Barclays for such HECM Buyout Loans shall be [insert applicable Outstanding Purchase Price]. Barclays shall transfer to the Seller an amount equal to \$___[insert amount which represents the Outstanding Purchase Price of the Eligible Mortgage Loans that are not FHA Buyout Loans, VA Buyout Loans or HECM Buyout Loans net of any related Structuring Fee or any other fees then due and payable by Seller to Barclays pursuant to the Agreement]. Barclays shall transfer to the Seller an amount equal to \$___[insert amount which represents the Outstanding Purchase Price of the FHA Buyout Loans net of any related Structuring Fee, Transaction Fees or any other fees then due and payable by Seller to Barclays pursuant to the Agreement]. Barclays shall transfer to the Seller an amount equal to \$___[insert amount which represents the Outstanding Purchase Price of the VA Buyout Loans net of any related Structuring Fee, Transaction Fees or any other fees then due and payable by Seller to Barclays pursuant to the Agreement]. Barclays shall transfer to the Seller an amount equal to \$___[insert amount which represents the Outstanding Purchase Price of the HECM Buyout Loan net of any related Structuring Fee, Transaction Fees or any other fees then due and payable by Seller to Barclays pursuant to the Agreement]. Seller agrees to repurchase such Purchased Asset on the Repurchase Date(s) at the Repurchase Price(s) listed below.

The Eligible Mortgage Loans have the characteristics on the electronic file or computer tape or disc delivered by Seller to the Purchaser with respect thereto in connection with this Transaction Notice.

The Seller hereby certifies, as of such Purchase Date, that:

- (1) no Default or Event of Default has occurred and is continuing on the date hereof (or to the extent existing, shall be cured after giving effect to such Transaction) nor will occur after giving effect to such Transaction as a result of such Transaction;
- (2) each of the representations and warranties made by the Seller in or pursuant to the Program Documents is true and correct in all material respects on and as of such date as if made on and as of the date hereof (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);
- (3) the Seller is in compliance with all governmental licenses and authorizations and are qualified to do business and are in good standing in all required jurisdictions, except as would not be reasonably likely to have a Material Adverse Effect;
- (4) Seller has all requisite Approvals; and
- (5) the Seller has satisfied all applicable conditions precedent in Sections 10(a) and (b) of the Repurchase Agreement and all other requirements of the Program Documents.

The undersigned duly authorized officer of Seller further represents and warrants that (a) with respect to the Eligible Mortgage Loans subject to the Transaction requested herein that are not Wet-Ink Mortgage Loans, the documents constituting the Mortgage Loan Files (as defined in the Custodial Agreement) and (b) with respect to Eligible Mortgage Loans that are Wet-Ink Mortgage Loans, the Transaction Notice and the Seller Mortgage Loan Schedule, in each case as more specifically identified on the Seller Mortgage Loan Schedule delivered to the Barclays and the Custodian in connection herewith (the "Received Assets"), have been or are hereby submitted to Custodian and such required documents are to be held by the Custodian for the Purchaser, (2) all other documents related to such Received Assets (including, but not limited to, mortgages, insurance policies, loan applications and appraisals) have been or will be created and held by Seller for the Purchaser, (3) all documents related to such Received Assets withdrawn from Custodian shall be held by Seller for the Purchaser, and (4) upon the Purchaser's wiring of the Outstanding Purchase Price pursuant to Section 3(b) of the Repurchase Agreement, the Purchaser will have agreed to the terms of the Transaction as set forth herein and purchased the Received Assets from the Seller.

Seller hereby represents and warrants that (x) the Received Assets have an unpaid principal balance as of the date hereof of \$__ and (y) the number of Received Assets is __.

Very truly yours,

NATIONSTAR MORTGAGE LLC

By: __ Name:
Title:

EXHIBIT D
FORM OF GOODBYE LETTER

«Primary_Borrower» [__] [], 201[]
«Mailing_address_line_1»
«Mail_city», «Mail_state» «Mail_zip»

RE: Transfer of Mortgage Loan Servicing Mortgage Loan «Account_number»

Dear Customer:

Nationstar Mortgage LLC is the present servicer of your mortgage loan. Effective [Date] the servicing of your mortgage will be transferred to____. This transfer does not affect the terms and conditions of your mortgage, other than those directly related to servicing. Because of the change in servicer, we are required to provide you with this disclosure.

Nationstar Mortgage LLC cannot accept any payments received after [Date]. Effective [Date], all payments are to be made to____. Any payments received by Nationstar Mortgage LLC after [Date] will be forwarded to____.____will be contacting you shortly with payment instructions. Please make future payments to:

Attn:
[Address]

If you currently make payments by an automatic checking or savings account deduction, that service will discontinue effective with the transfer date. After the servicing transfer, you may request this service from____.

In [Date], you will receive a statement from Nationstar Mortgage LLC reflecting the amount, if any, of the interest and taxes paid on your behalf in 201[]. A similar statement will be sent ____for the period beginning [Date] through year-end. Both statements must be added together for income tax purposes.

If you have any questions concerning your account through [Date], you should continue to contact Nationstar Mortgage LLC, at <Seller's Phone Number>, <HOURS OF OPERATION>. Questions after the transfer date should be directed to____Customer Service Department at 1-800-____, Monday – Friday, 7 a.m. – 7 p.m. EST.

Sincerely,

Loan Servicing Department Nationstar Mortgage LLC

NOTICE OF ASSIGNMENT, SALE OR TRANSFER OF SERVICING RIGHTS

You are hereby notified that the servicing of your mortgage loan, that is the right to collect payments from you, is being assigned, sold or transferred.

The assignment, sale or transfer of the servicing of the mortgage loan does not affect any term or condition of the mortgage instruments, other than the terms directly related to the servicing of your loan.

Except in limited circumstances, the law requires that your present servicer send you a notice at least 15 days before the effective date, or at closing. Your new servicer must also send you this notice no later than 15 days after this effective date.

This notification is a requirement of Section 6 of the Real Estate Settlement Procedures Act (RESPA) (12 U.S.C. 2605). You should also be aware of the following information, which is set out in more detail in Section 6 of RESPA (12 U.S.C. 2605).

During the 60 day period following the effective date of the transfer of the loan servicing, a loan payment received by your old servicer before its due date may not be treated by the new loan servicer as late, and a late fee may not be imposed upon you.

Section 6 of RESPA (12 U.S.C. 2605) gives you certain consumer rights. If you send a “**qualified written request**” to you loan servicer concerning the servicing of your loan, your servicer must provide you with a written acknowledgement within 20 Business Days of receipt of your request. A “**qualified written request**” is written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, which includes your name and account number and your reasons for the request. If you want to send a “**qualified written request**” regarding the servicing of your loan, it must be sent to this address:

[Address]

No later than 60 Business Days after receiving your request, your servicer must make any appropriate corrections to your account, and must provide you with a written clarification regarding any dispute. During this 60 Business Day period, your servicer may not provide information to a consumer reporting agency concerning any overdue payment related to such period or qualified written request. However, **this does not prevent the servicer from initiating foreclosure** if proper grounds exist under the mortgage documents.

A Business Day is any day excluding legal public holidays (State or federal), Saturday and Sunday.

Section 6 of RESPA also provides for damages and costs for individuals or classes of individuals, in circumstances where servicers are shown to have violated the requirements of that Section. You should seek legal advice if you believe your rights have been violated.

MIRANDA DISCLOSURE – For your protection, please be advised that we are attempting to collect a debt and any information obtained will be used for that purpose. Calls will be monitored and recorded for quality assurance purposes. If you do not wish for your call to be recorded please notify the customer service associate when calling.

BANKRUPTCY INSTRUCTION – Attention to any customer in Bankruptcy or who has received a bankruptcy discharge of this debt. Please be advised that this letter constitutes neither a demand for payment of the captioned debt nor a notice of personal liability to any recipient hereof who might have received a discharge of such debt in accordance with applicable bankruptcy laws or who might be subject to the automatic stay of Section 362 of the United States Bankruptcy Code. However, it may be a notice of possible enforcement of our lien against the collateral property, which has not been discharged in your bankruptcy.

EXHIBIT E

FORM OF WAREHOUSE LENDER'S RELEASE

(Date)

Barclays Bank PLC – ~~Mortgage Finance~~ 745 Seventh Avenue, ~~4th~~
~~Floor~~
New York, New York 10019
~~Attention: Joseph O'Doherty~~
~~Email: USResiFinancing@barclays.com~~
~~xrawholeloanreleases@barclays.com~~

Barclays Bank PLC – Legal Department 745 Seventh Avenue, 20th Floor
New York, New York 10019

Barclays Capital – Operations US-400 Jefferson Park
Whippany, New Jersey 07981 Attention: Matt Lederman
Telephone: (201) 499-4456
E-mail: matt.lederman@barclays.com

Nationstar Mortgage LLC
8950 Cypress Waters Boulevard Coppell, Texas 75019
Attention: General Counsel

Re: Certain Assets Identified on Schedule A hereto and owned by Nationstar Mortgage LLC

Capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Second Amended and Restated Master Repurchase Agreement, dated as of January 29, 2016 (the "Repurchase Agreement"), between Barclays Bank, PLC and Nationstar Mortgage LLC.

The undersigned hereby releases all right, interest, lien or claim of any kind with respect to the Mortgage Loan described in the attached Schedule A, such release to be effective automatically without any further action by any party upon receipt by Barclays Bank PLC in immediately available funds of \$____, in accordance with the following wire instructions: []

Very truly yours,

[WAREHOUSE LENDER]

By: ___ Name: Title:

[SCHEDULE A TO EXHIBIT E – LIST OF ASSETS TO BE RELEASED]
EXHIBIT F

[RESERVED]
EXHIBIT G

[RESERVED]
EXHIBIT H

FORM OF SELLER MORTGAGE LOAN SCHEDULE

field header	Description
pool_user_key	GNMA Pool num
collateral_user_key	NS loan id
track_user_description	borrower name
Lnamount	original or modified loan amount
curr_upb	unpaid balance (optional)
Rate	interest rate
pi	original or modified P&I
casenum	case number
zip	zipcode
state	state
city	city
address	property address
maturity	maturity date
closedate	Note date
firstdue	first pay date
mers_register_flag	MERS registered
mers_min	MIN #
is_mom	MOM loan Y/N
armindex	index type
armadj	first rate change date
armround	rounding factor
armmargin	margin
anncap	annual rate cap
lifecap	life cap
armfloor	floor rate
rounding_method	round nearest, up, or down
arm_lookback	lookback days
armindex_rate	index rate
c_armfix	loan type (ARM or Fixed)
armpcap_init	initial periodic rate cap
armpfloor_init	initial periodic rate floor
mod flag	yes or no
collateral status	wet or dry
judicial/nonjudicial	state is judicial or nonjudicial
mod effective date	effective date of mod
mod term	loan term after mod

EXHIBIT I

SPECIAL ELIGIBILITY REQUIREMENTS FOR FHA BUYOUT LOANS, VA BUYOUT LOANS AND HECM BUYOUT LOANS

1. Each FHA Buyout Loan is an FHA-insured mortgage loan.
 2. Each VA Buyout Loan is an VA-insured mortgage loan.
 2. Each HECM Buyout Loan is an FHA-insured mortgage loan.
-

EXHIBIT J CORRESPONDENT SELLER RELEASE
[insert date]

Nationstar Mortgage LLC
8950 Cypress Waters Boulevard Coppell, Texas 75019
Attention: General Counsel

Re: Correspondent Seller Release

Effective immediately upon the receipt (the date and time of such receipt, the "Date and Time of Sale") by [Name of Correspondent Seller] of \$___, [Name of Correspondent Seller] hereby relinquishes any and all right, title and interest it may have in and to the mortgage loans described in Exhibit A attached hereto (the "Loans"), including any security interest therein, and certifies that all notes, mortgages, assignments and other documents in its possession or in the possession of its custodial agent relating to such Loans have been released to Nationstar Mortgage LLC or its designee as of the Date and Time of Sale.

[NAME OF CORRESPONDENT SELLER]

By:___
Name:
Title:

EXHIBIT K FORM OF GUARANTY

This GUARANTY (as the same may be amended, restated, supplemented or otherwise modified from time to time, this "Guaranty"), dated as of [___], 20 is by Nationstar Mortgage LLC, a Delaware limited liability company ("Guarantor").

WHEREAS, Guarantor is furnishing its guaranty of the Guaranteed Obligations (as hereinafter defined) in order to induce Purchaser (as hereinafter defined) to purchase certain Eligible Mortgage Loans under the Master Repurchase Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Master Repurchase Agreement"), dated as of August 20, 2013, among Home Community Mortgage LLC ("Seller") and Barclays Bank PLC ("Purchaser" and "Agent").

Capitalized terms not otherwise defined herein are used herein with the same meanings given to such terms in the Master Repurchase Agreement.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged by the Guarantor, the parties hereto agree as follows:

SECTION 1. Guarantee.

(a) Guarantor unconditionally and irrevocably guarantees to Agent the due and punctual payment by, and performance of, the Obligations (as defined in the Master Repurchase Agreement) by Seller arising under or in connection with the Program Documents (the "Guaranteed Obligations"). Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from it, and it will remain bound upon this Guaranty notwithstanding any extension or renewal of any Guaranteed Obligation until the Guaranteed Obligations have been paid in full. Anything contained herein to the contrary notwithstanding, the obligations of Guarantor hereunder at any time shall be limited to an aggregate amount equal to the largest amount that would not render its obligations hereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of the Bankruptcy Code (Title 11, United States Code) or any comparable provisions of any similar federal or state law.

(b) Guarantor, to the extent permitted by applicable law, waives presentation to, demand for payment from and protest to Seller, and also waives notice of protest for nonpayment, notice of acceleration and notice of intent to accelerate. The obligations of Guarantor hereunder shall not be affected by (i) the failure of Agent or Purchaser to assert any claim or demand or to enforce any right or remedy against Seller under the provisions of the Program Documents or any other agreement or otherwise; (ii) any extension or renewal of any provision hereof or thereof; (iii) any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of the Program Documents or of any other agreement; (iv) the release, exchange, waiver or foreclosure of any security held by Agent or Purchaser for the Guaranteed Obligations or any of them or (v) the failure of Agent or Purchaser to exercise any right or remedy against any other guarantor of the Guaranteed Obligations.

(c) Guarantor further agrees that this Guaranty constitutes a guaranty of performance and of payment when due and not just of collection, and waives, to the extent permitted by applicable law, any right to require that any resort be had by Agent or Purchaser to any security held for payment of the Guaranteed Obligations or to any balance of any deposit, account or credit on the books of Agent in favor of Seller or to any other Person.

(d) Guarantor hereby assumes responsibility for keeping itself informed of the financial condition of Seller and any and all endorsers and/or other guarantors of all or any part of the Guaranteed Obligations, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations, or any part thereof, that diligent inquiry would reveal, and Guarantor hereby agrees that Agent shall have no duty to advise Guarantor of information known to it regarding such condition or any such circumstances. In the event Agent, in its sole discretion, undertakes at any time or from time to time to provide any such information to Guarantor, Agent shall be under no obligation (i) to undertake any investigation not a part of its regular business routine, (ii) to disclose any information which Agent, pursuant to accepted or reasonable

commercial finance or banking practices, wishes to maintain confidential or (iii) to make any other or future disclosures of such information or any other information to Guarantor.

(e) This Guaranty shall not be affected by the genuineness, validity, regularity or enforceability of the Guaranteed Obligations, the Program Documents or any other instrument evidencing any of the Guaranteed Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefore or by any other circumstance relating to the Guaranteed Obligations which might otherwise constitute a defense to this Guaranty. Agent makes no representation or warranty in respect to any such circumstances or has any duty or responsibility whatsoever to Guarantor in respect to the management and maintenance of the Guaranteed Obligations or any collateral which may secure the Guaranteed Obligations.

SECTION 2. No Impairment of Guaranty. The obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, until the Guaranteed Obligations have been paid in full, shall not be released, discharged or otherwise affected by:

(a) any extension, renewal, settlement, indulgence, compromise, claim, waiver, release, surrender, of or with respect to the Guaranteed Obligations or any part thereof or any agreement relating thereto, whether (in any such case) by operation of law or otherwise, or any failure or omission to enforce any right, power or remedy with respect to the Guaranteed Obligations or any part thereof or any agreement relating thereto;

(b) any modification, amendment or restatement of or supplement to the Program Documents or any other instrument or document delivered in connection therewith, including, without limitation, any such amendment which may increase the amount of, or the interest rates applicable to, any of the Guaranteed Obligations guaranteed hereby;

(c) any release, surrender, compromise, settlement, waiver, subordination or modification, with or without consideration, of any collateral securing the Guaranteed Obligations or any part thereof, or any other obligation of any person or entity with respect to the Guaranteed Obligations or any part thereof, or any nonperfection or invalidity of any direct or indirect security for the Guaranteed Obligations;

(d) any change in the corporate, partnership or other existence, structure or ownership of Seller, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Seller, or any of their respective assets or any resulting release or discharge of any obligation of Seller;

(e) the existence of any setoff, claim, counterclaim, recoupment, termination or other rights which Guarantor may have at any time against Seller or any other person, whether in connection herewith or in connection with any unrelated transactions; provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(f) the enforceability or validity of the Guaranteed Obligations or any part thereof or the genuineness, enforceability or validity of any agreement relating thereto or with respect to any collateral securing the Guaranteed Obligations or any part thereof, or any other invalidity or unenforceability relating to or against Seller for any reason related to the Program Documents, or any provision of applicable law, decree, order or regulation of any jurisdiction purporting to prohibit the payment by Seller of any of the Guaranteed Obligations or otherwise affecting any term of any of the Guaranteed Obligations;

(g) the failure of Agent or Purchaser to take any steps to perfect and maintain any security interest in, or to preserve any rights to, any security or collateral for the Guaranteed Obligations, if any;

(h) the election by, or on behalf of Agent or Purchaser, in any proceeding instituted under Chapter 11 of Title 11 of the United States Code (11 U.S.C. 101 et. seq.) (the "Bankruptcy Code"), of the application of Section 1111(b)(2) of the Bankruptcy Code;

(i) any borrowing or grant of a security interest by Seller, as debtor-in-possession, under Section 364 of the Bankruptcy Code;

(j) the disallowance, under Section 502 of the Bankruptcy Code, of all or any portion of the claims of Agent for repayment of all or any part of the Guaranteed Obligations; or

(k) any other act or omission to act or delay of any kind by Seller, willful or otherwise, Agent or any other person or any other circumstance whatsoever which might, but for the provisions of this Section 2, constitute a legal or equitable discharge of Guarantor's obligations hereunder.

SECTION 3. Continuation and Reinstatement, etc.

(a) Guarantor further agrees that its guaranty hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by Agent upon the bankruptcy or other reorganization of Seller or otherwise. In furtherance of the provisions of this Guaranty, and not in limitation of any other right which Agent may have at law or in equity against Seller by virtue hereof, upon failure of Seller to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice or otherwise, Guarantor hereby promises to and will, upon receipt of written demand by Agent, forthwith pay or cause to be paid to Agent in cash an amount equal to the unpaid amount of all such Guaranteed Obligation, and thereupon Agent shall assign such Guaranteed Obligation, together with all security interests, if any, then held by Agent or Purchaser in respect of such Guaranteed Obligation, to Guarantor.

(b) Upon payment by Guarantor of any sums to Agent hereunder, all rights of Guarantor against Seller involved, arising as a result thereof by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior final and indefeasible payment in full of all the Guaranteed Obligations (other than unasserted contingent indemnification obligations) to Agent. If any amount shall be paid to Guarantor for the account of Seller, such amount shall be held in trust for the benefit of Agent to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

SECTION 4. Representation and Warranties. Guarantor makes the following representations and warranties to Agent, all of which shall survive the execution and delivery of this Guaranty and the issuance and purchase of the Notes:

(a) Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and is in good standing as a foreign limited liability company in all jurisdictions where the nature of its properties or business so requires, except where the failure to be in good standing in such other jurisdiction would not, in the aggregate, have a Material Adverse Effect. Guarantor has the power and authority to own its properties and carry on its businesses as now being conducted and to execute, deliver and perform its obligations under this Guaranty.

(b) The execution, delivery and performance of this Guaranty (i) have been duly authorized by all necessary corporate action on the part of Guarantor, (ii) will not violate any provision of applicable law or any approval of a Governmental Authority applicable to Guarantor, (iii) will not violate any provision of the certificate of formation or operating agreement or any other organizational document of Guarantor, (iv) will not violate or result in a default under any provision of any indenture, material agreement, bond, note or other similar material instrument to which Guarantor is a party or by which Guarantor or any of its properties or assets are bound, and (v) will not result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any properties or assets of Guarantor.

(c) This Guaranty when executed will constitute the legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, subject (i) as to the enforcement of remedies, to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and (ii) to general principles of equity.

(d) Guarantor will realize a direct economic benefit as a result of the amounts paid by

Purchaser to Seller pursuant to the Master Repurchase Agreement.

(e) The execution of this Guaranty and the consummation of the transactions contemplated hereby are in the ordinary course of business of Guarantor and will not conflict with, result in the breach of or violate any provision of the certificate of formation or operating agreement of Seller nor result in the violation of any law, rule, regulation, order, judgment or decree to which Guarantor or Seller is subject, including without limitation the Real Estate Settlement Procedures Act, and any and all rules, requirements, guidelines and announcements of any Governmental Authority issued pursuant to any of the aforesaid.

SECTION 5. General Waivers; Additional Waivers.

(a) General Waivers. To the extent permitted by applicable law, Guarantor irrevocably waives acceptance hereof, presentment, demand or action on delinquency, protest, the benefit of any statutes of limitations and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any person against Seller or any other person.

(b) Additional Waivers. Notwithstanding anything herein to the contrary, to the extent permitted by applicable law, Guarantor hereby absolutely, unconditionally, knowingly, and expressly waives:

(1) any right it may have to revoke this Guaranty as to future indebtedness or notice of acceptance hereof;

(2) notices, demands, presentments, protests, notices of protest, notices of dishonor, notices of any action or inaction, including acceptance hereof, notices of default under this Guaranty notices of Event of Defaults under the Program Documents or any agreement or instrument related thereto, notices of any renewal, extension, modification or amount of the Guaranteed Obligations or any agreement related thereto, notices of any adverse change in the financial condition of Sellers or of any other fact that might increase Guarantor's risk hereunder, and notices of any Transactions, purchases, loans or other financial accommodations made or extended under the Program Documents or the creation or existence of any Guaranteed Obligations;

(3) its right, if any, to require Agent to institute suit against, or to exhaust any rights and remedies which Agent has or may have against any third party, or against any collateral provided by any third party. In this regard, Guarantor agrees that it is bound to the payment of each and all Guaranteed Obligations, whether now existing or hereafter arising, as fully as if the Guaranteed Obligations were directly owing to Agent by Guarantor. Guarantor further waives any defense arising by reason of any disability or other defense (other than the defense that the Guaranteed Obligations shall have been fully and finally performed and indefeasibly paid) of Guarantor in respect thereof;

(4) (i) any rights to assert against Agent or Purchaser any defense (legal or equitable), set-off, counterclaim, or claim which Guarantor may now or at any time hereafter have against any other party liable to Agent; (ii) any defense, set-off, counterclaim, or claim, of any kind or nature, arising directly or indirectly from the present or future lack of perfection, sufficiency, validity, or enforceability of the Guaranteed Obligations or any security therefor; (iii) any defense Guarantor has to performance hereunder, and any right Guarantor has to be exonerated, arising by reason of the alteration by Agent of the Guaranteed Obligations or the acceptance by Agent or Purchaser of anything in partial satisfaction of the Guaranteed Obligations; and (iv) the benefit of any statute of limitations affecting Guarantor's liability hereunder or the enforcement thereof, and any act which shall defer or delay the operation of any statute of limitations applicable to the Guaranteed Obligations shall similarly operate to defer or delay the operation of such statute of limitations applicable to Guarantor's liability hereunder; and

(5) any defense arising by reason of or deriving from (i) any claim or defense based upon an election of remedies by Agent, such as nonjudicial foreclosure; or (ii) any election by Agent under Section 1111(b) of Title 11 of the United States Code entitled "Bankruptcy", as now and hereafter in effect (or any successor statute), to limit the amount of, or any collateral securing, its claim against Guarantor.

SECTION 6. Notices. Notices and other communication provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy or electronic photocopy format sent by electronic mail, to the applicable party at its address set forth below its name on the signature pages of this Guaranty or such other address as shall be designated by such party in a written notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Guaranty shall be deemed to have been given on the fifth (5th) Business Day after the date when sent by registered or certified mail, postage prepaid, return receipt requested, if by mail, or upon receipt by such party, if by any electronic or facsimile communications equipment, in each case addressed to such party as provided herein or in accordance with the latest unrevoked written direction from such party.

SECTION 7. Successors. Each reference herein to Agent shall be deemed to include its successors and permitted assigns (including but not by way of limitation, Purchaser or any assignee of any of the Guaranteed Obligations), in whose favor the provisions of this Guaranty shall inure. Each reference herein to Guarantor shall be deemed to include its successors and assigns, all of whom shall be bound by the provisions of this Guaranty.

SECTION 8. Stay of Acceleration. If acceleration of the time for payment of any amount payable by Seller under the Program Documents is stayed upon the insolvency, bankruptcy or reorganization of Seller, all such amounts otherwise subject to acceleration under the terms of the Program Documents shall nonetheless be payable by Guarantor hereunder forthwith on demand by Agent.

SECTION 9. Setoff; No Deductions.

(a) Upon the occurrence and during the continuance of an Event of Default or the failure by Seller or Guarantor to timely perform all or any part of the Guaranteed Obligations in accordance with the Program Documents or this Guaranty, Agent may, without notice to Guarantor and regardless of the acceptance of any security or collateral for the payment hereof, appropriate and apply in accordance with the terms of the Program Documents toward the payment of all or any part of the Guaranteed Obligations (i) any indebtedness due or to become due from Agent to Guarantor, and (ii) any moneys, credits or other property belonging to Guarantor, at any time held by or coming into the possession of Agent or any of its affiliates.

(b) Guarantor represents and warrants that it is organized and resides in the United States of America. Guarantor shall make all payments hereunder without setoff or counterclaim and free and clear of and without deduction for any taxes, levies, imposts, duties, charges, fees, deductions, withholdings, compulsory loans, restrictions or conditions of any nature now or hereafter imposed or levied by any jurisdiction or any political subdivision thereof or taxing or other authority therein unless Guarantor is compelled by law to make such deduction or withholding

SECTION 10. SERVICE OF PROCESS. GUARANTOR (I) HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE STATE COURTS OF THE STATE OF NEW YORK AND TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK, FOR THE PURPOSE OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF OR BASED UPON THIS GUARANTY, OR THE SUBJECT MATTER HEREOF BROUGHT BY AGENT, PURCHASER OR ANY OF THEIR RESPECTIVE SUCCESSORS OR ASSIGNS AND (II) HEREBY WAIVES, AND AGREES NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE, OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT SUBJECT PERSONALLY TO THE JURISDICTION OF THE ABOVE-NAMED COURTS, THAT ITS PROPERTY IS EXEMPT OR IMMUNE FROM ATTACHMENT OR EXECUTION, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF THE SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THIS GUARANTY OR THE SUBJECT MATTER HEREOF OR THEREOF MAY NOT BE ENFORCED IN OR BY SUCH COURT, AND (III) HEREBY AGREES NOT TO ASSERT ANY OFFSETS OR COUNTERCLAIMS (OTHER THAN COMPULSORY COUNTERCLAIMS) IN ANY SUCH ACTION, SUIT OR PROCEEDING. GUARANTOR HEREBY CONSENTS TO SERVICE OF PROCESS BY CERTIFIED MAIL AT

ITS ADDRESS SET FORTH ON THE SIGNATURE PAGES OF THIS GUARANTY, AND AGREES THAT THE SUBMISSION TO JURISDICTION AND THE CONSENT TO SERVICE OF PROCESS BY MAIL IS MADE FOR THE EXPRESS BENEFIT OF AGENT AND PURCHASER. FINAL JUDGMENT AGAINST GUARANTOR IN ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE CONCLUSIVE, AND MAY BE ENFORCED IN OTHER JURISDICTIONS (X) BY SUIT, ACTION OR PROCEEDING ON THE JUDGMENT, A CERTIFIED OR TRUE COPY OF WHICH SHALL BE CONCLUSIVE EVIDENCE OF THE FACT AND OF THE AMOUNT OF ANY INDEBTEDNESS OR LIABILITY OF GUARANTOR THEREIN DESCRIBED OR (Y) IN ANY OTHER MANNER PROVIDED BY OR PURSUANT TO THE LAWS OF SUCH OTHER JURISDICTION; PROVIDED, HOWEVER, THAT AGENT OR PURCHASER MAY AT ITS OPTION BRING SUIT OR INSTITUTE OTHER JUDICIAL PROCEEDINGS AGAINST GUARANTOR OR ANY OF ITS ASSETS IN ANY STATE OR FEDERAL COURT OF THE UNITED STATES OR OF ANY COUNTRY OR PLACE WHERE GUARANTOR OR SUCH ASSETS MAY BE FOUND.

SECTION 11. GOVERNING LAW. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF (EXCEPT FOR SECTION 5-1401 AND SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW) AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW.

SECTION 12. No Waiver, etc. Neither a failure nor a delay on the part of Agent or Purchaser in exercising any right, power or privilege under this Guaranty shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of Agent or Purchaser herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which Agent or Purchaser may have under this Guaranty, at law, in equity, by statute, or otherwise.

SECTION 13. Modification, etc. No modification, amendment or waiver of any provision of this Guaranty, nor the consent to any departure by Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by Agent and Guarantor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Guarantor in any case shall entitle Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 14. Severability. If any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall in no way be affected or impaired thereby.

SECTION 15. Headings. Section headings used herein are for convenience of reference only and are not to affect the construction of, or be taken into consideration in interpreting, this Guaranty.

SECTION 16. Expenses. Guarantor shall pay on demand all reasonable and documented out-of-pocket expenses (including reasonable attorneys' fees) in any way relating to the enforcement or protection of Agent's rights under this Guaranty or in respect of the Guaranteed Obligations, including any incurred during any "workout" or restructuring in respect of the Guaranteed Obligations and any incurred in the preservation, protection or enforcement of any rights of Purchaser in any insolvency proceeding. The obligations of Guarantor under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

SECTION 17. Indemnification and Survival. Without limitation on any other obligations of Guarantor or remedies of Agent or Purchaser (each such Person being called an "Indemnitee") under this Guaranty, Guarantor shall, to the fullest extent permitted by law, indemnify, defend and save and hold harmless Agent and Purchaser from and against, and shall pay on demand, any and all damages, losses, liabilities and expenses (including reasonable attorneys' fees) that may be suffered or incurred by Agent or Purchaser in connection with or as a result of any failure of any Guaranteed Obligations to be the legal, valid and binding obligations of Seller

enforceable against Seller in accordance with their terms; provided that such indemnity shall not be available, as to any Indemnitee, to the extent that such damages, losses, liabilities and expenses resulted from the gross negligence or willful misconduct of such Indemnitee. The obligations of Guarantor under this paragraph shall survive the payment in full of the Guaranteed Obligations and termination of this Guaranty.

SECTION 18. WAIVER OF JURY TRIAL. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW WHICH CANNOT BE WAIVED, EACH OF AGENT AND GUARANTOR HEREBY WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY FORUM IN RESPECT OF ANY ISSUE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING OUT OF OR BASED UPON THIS GUARANTY OR THE SUBJECT MATTER HEREOF, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING OR WHETHER IN CONTRACT OR TORT OR OTHERWISE. GUARANTOR ACKNOWLEDGES THAT IT HAS BEEN INFORMED BY AGENT THAT THE PROVISIONS OF THIS SECTION 18 CONSTITUTE A MATERIAL INDUCEMENT UPON WHICH AGENT HAS RELIED, IS RELYING AND WILL RELY IN ENTERING INTO THIS GUARANTY. GUARANTOR MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 18 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF AGENT TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY. AGENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 18 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF GUARANTOR TO THE WAIVER OF ITS RIGHTS TO TRIAL BY JURY.

SECTION 19. Obligations Independent. The obligations of Guarantor hereunder are those of primary obligor, and not merely as surety, and are independent of the Guaranteed Obligations. A separate action may be brought against Guarantor to enforce this Guaranty whether or not Seller or any other person or entity is joined as a party.

[Signature Page Follows]

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed by its duly authorized officer as of the date first written above.

NATIONSTAR MORTGAGE LLC, as Guarantor

By: __ Name: __ Title: __

Address for Notices:
8950 Cypress Waters Boulevard Coppell, Texas 75019 Attention: General Counsel

Acknowledged and Agreed By:

BARCLAYS BANK PLC, as Purchaser and Agent

By: __ Name: __ Title: __

Address for Notices:

745 Seventh Avenue, 4th Floor New York, New York 10019 Attention:
Joseph O'Doherty

**AMENDMENT NO. 2
TO LOAN AND SECURITY AGREEMENT - NATIONSTAR MORTGAGE LLC**

This Amendment No. 2 to the Loan and Security Agreement (this “Amendment”) is made as of this 3rd day of August, 2022, by and among NATIONSTAR MORTGAGE LLC, a Delaware limited liability company (“Borrower”), MORGAN STANLEY BANK, N.A., a national banking association, as the initial lender (together with its successors and assigns, the “Lender”) and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, as administrative agent for the Lenders (in such capacity, the “Administrative Agent”), and amends that certain Loan and Security Agreement, dated as of August 20, 2020 (as amended by Amendment No. 1 thereto dated as of September 17, 2021 and as may be further amended, restated, supplemented or otherwise modified from time to time, the “Agreement”), by and among the Borrower, Lender and Administrative Agent.

WHEREAS, the Administrative Agent, the Lender and the Borrower have agreed to amend the Agreement as more particularly set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments to the Agreement. Effective as of the date hereof, the Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Exhibit A hereto.

SECTION 2. Fees and Expenses. The Borrower agrees to pay to the Administrative Agent all reasonable, documented and invoiced out-of-pocket fees and expenses incurred by the Administrative Agent in connection with this Amendment, including all reasonable fees and out of pocket costs and expenses of the legal counsel to the Administrative Agent incurred in connection with this Amendment, in accordance with Section 12.13 of the Agreement.

SECTION 3. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Agreement.

SECTION 4. Limited Effect. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 5. Representations and Warranties. The Borrower hereby represents and warrants to the Administrative Agent and the Lender that it is in material compliance with all the terms and provisions set forth in the Agreement on its part to be observed or performed, and that no Event of Default has occurred or is continuing, and hereby confirms and reaffirms the representations and warranties contained in Article VI of the Agreement.

SECTION 6. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF, OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH SHALL GOVERN.

SECTION 7. Counterparts. This Amendment may be executed in one or more counterparts and by different parties hereto on separate counterparts, each of which, when so executed, shall constitute one and the same agreement. Counterparts may be delivered electronically.

SECTION 8. Miscellaneous.

(a) This Amendment shall be binding upon the parties hereto and their respective successors and assigns.

(b) The various headings and sub-headings of this Amendment are inserted for convenience only and shall not affect the meaning or interpretation of this Amendment or the Agreement or any provision hereof or thereof.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Lender, the Administrative Agent and the Borrower have each caused their names to be duly signed to this Amendment by their respective officers thereunto duly authorized, all as of the date first above written.

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as Administrative Agent

By: /s/ Michael Calandra
Name: Michael Calandra
Title: Authorized Signatory

NATIONSTAR MORTGAGE LLC,
as Borrower

By: /s/ Pedro Alvarez
Name: Pedro Alvarez
Title: Treasurer

MORGAN STANLEY BANK, N.A.,
as Lender

By: /s/ Danus Houseal
Name: Danus Houseal
Title: Authorized Signatory

EXHIBIT A

[see attached]

CONFORMED COPY through:
Amendment No. 1, dated 9/17/21
Amendment No. 2, dated 8/3/22

LOAN AND SECURITY AGREEMENT

dated as of August 20, 2020 among

NATIONSTAR MORTGAGE LLC,
as Borrower,

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,

as Administrative Agent and

MORGAN STANLEY BANK, N.A.,
as a Lender

This LOAN AND SECURITY AGREEMENT (as amended or supplemented from time to time, this “Agreement”) dated as of August 20, 2020, is among NATIONSTAR MORTGAGE LLC, a Delaware limited liability company (the “Borrower”), MORGAN STANLEY BANK, N.A., a national banking association, as the initial lender (together with its permitted successors and assigns, each a “Lender” and collectively, the “Lenders”), and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, as administrative agent for the Lenders (in such capacity, together with its permitted successors and assigns, the “Administrative Agent”).

BACKGROUND

The Borrower has asked the Lenders to extend credit to the Borrower consisting of a revolving loan facility in the aggregate principal amount of up to the Committed Facility Amount.

The Borrower shall secure all of its Obligations by granting to the Administrative Agent, for the benefit of the Lenders, a first priority lien on the Collateral (subject to Ginnie Mae’s rights as further described herein).

The Lenders have agreed, subject to the terms and conditions of this Agreement, to provide such financing to the Borrower from time to time.

Accordingly, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING MATTERS

Section 1.01 Definitions; Construction.

- (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings specified in Schedule I.
 - (b) All terms used in Article 9 of the UCC, and not specifically defined herein, are used herein as defined in such Article 9.
 - (c) Unless otherwise stated in this Agreement, in the computation of a period of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.
 - (d) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined.
 - (e) Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.
 - (f) The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”.
 - (g) Unless the context requires otherwise (i) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (1) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (2) the words “herein”, “hereof” and “hereunder”,
-

and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (3) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (4) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time and (5) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(h) Any Event of Default shall be deemed to be continuing until waived by the Required Lenders or other requisite Lenders as required by Section 12.01 and shall be deemed to be not continuing once waived by the Required Lenders.

Section 1.02 Accounting Matters. Except as otherwise expressly provided herein, all accounting terms used herein shall be interpreted, and all financial statements and certificates and reports as to financial matters required to be delivered to the Lender hereunder shall be prepared in accordance with GAAP consistently applied.

ARTICLE II

LOANS, BORROWING, PREPAYMENT

Section 2.01 Reserved.

Section 2.02 Loans. Subject to the conditions set forth in this Agreement, the Lenders agree to make one or more loans to the Borrower from time to time from the date hereof until the Maturity Date in an aggregate amount not to exceed the lesser of (i) the Committed Facility Amount and (6) the Borrowing Base (each such loan, a “Loan”). Notwithstanding anything to the contrary contained herein, the Borrower may request no more than five (5) Loans in any calendar month.

Section 2.03 Notes. Upon the request of any Lender, such Lender’s Pro Rata Share of any Loan may be evidenced by a promissory note of the Borrower substantially in the form of Exhibit 2.03(a) hereto (each such note, a “Note” and collectively, the “Notes”).

Section 2.04 Making the Loans.

(a) The Borrower shall give the Administrative Agent prior written notice (in substantially the form of Exhibit 2.04(a) hereto (a “Request for Borrowing”), not later than 1:00 p.m. (New York City time) on the date which is one (1) Business Day prior to the proposed Funding Date of each proposed Loan. Such Request for Borrowing shall (i) specify the principal amount of the proposed Loan, (7) specify the proposed Funding Date, which must be a Business Day; (8) be accompanied by a Borrowing Base Certificate, which shall include the amount of each of Eligible Corporate Advances, Eligible Escrow Advances, Eligible MBS Advances or the Market Value of Eligible Pledged Servicing Receivables; and (9) a verification by the Advance Verification Agent of the amount of each of Eligible Corporate Advances, Eligible Escrow Advances, Eligible MBS Advances set forth in such Borrowing Base Certificate. The Administrative Agent and the Lenders may act without liability upon the basis of written, telecopied, e-mail or telephonic notice reasonably believed by the Administrative Agent to be from the Borrower (or from any Responsible Officer thereof designated in writing purportedly from the Borrower to the Administrative Agent). The Administrative Agent and each Lender shall be entitled to rely conclusively on any Responsible Officer’s authority to request a Loan on behalf of the Borrower. Notice of receipt of each Request for Borrowing, together with the amount of each Lender’s Pro Rata Share thereof, shall be provided by the Administrative Agent to each Lender by email with reasonable

promptness, but (provided the Administrative Agent shall have received such notice by 1:00 p.m. (New York City time)) on the same Business Day as the Administrative Agent's receipt of such Request for Borrowing from the Borrower. Each Lender shall make the amount of its Loan available to the Administrative Agent not later than 1:00 p.m. (New York City time) on each proposed Funding Date by wire transfer of same day funds in dollars, to the Administrative Agent's Account.

(b) By delivering a Request for Borrowing, the Borrower represents and warrants to the Administrative Agent and each Lender that, after taking into account the amount of the requested Loan, all conditions precedent to such Loan specified in Section 5.01 and/or Section 5.02, as applicable, will be satisfied on the related Funding Date.

Section 2.05 Borrowing Base; Market Value; Asset Coverage Certificate.

(a) The Market Value of Eligible Pledged Servicing Receivables included in the Borrowing Base shall be determined by the Administrative Agent in its sole discretion at any time and from time-to-time on a daily basis or more frequently. The Borrower shall obtain and deliver to the Administrative Agent an Advance Verification Report relating to the Eligible MBS Advances, Eligible Corporate Advances and Eligible Escrow Advances from an Advance Verification Agent on a quarterly basis by the sixtieth (60th) calendar day following the end of each quarter for related activity during the prior fiscal quarter and at quarter end, at the Borrower's expense. The Borrower shall also obtain and deliver to the Administrative Agent a Valuation Report relating to the Eligible Pledged Servicing Receivables from a Valuation Agent on a monthly basis, by the second (2nd) Business Day prior to the Payment Date of each month, at the Borrower's expense. The Administrative Agent's determination of Market Value from

time to time may differ from values set forth in any such Valuation Report and may take into account the results of the Administrative Agent's due diligence review of Mortgage Files.

(b) The Administrative Agent's determination of Market Value shall be conclusive upon all parties to this Agreement.

Section 2.06 Interest. Each Loan shall bear interest on the principal amount outstanding from time to time, from the date of funding of the Loan to repayment (whether by acceleration or otherwise), at a rate per annum equal to the sum of (a) the applicable Benchmark, plus (b) **if the Benchmark is Term SOFR, the Term SOFR Adjustment, plus** (c) the Applicable Margin (the "Interest Rate"). Interest on each Loan shall be payable monthly, in arrears, on each Payment Date and at maturity (whether upon demand, by acceleration or otherwise). Interest on each Loan for each Interest Period shall be computed on the basis of a 360 day year, in each case for the actual number of days elapsed in the Interest Period during which it accrues.

Section 2.07 Increased Costs. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (a) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and

(b) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any letter of credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or maintaining its obligation to make any such Loan, or to increase the cost to such Lender or such other Recipient of participating in, issuing or maintaining any letter of credit (or of maintaining its obligation to participate in or to issue any letter of credit), or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will either

(i) pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered or (ii) terminate this Agreement without paying such additional amounts; provided, however, that in determining any additional amounts due under this Section 2.07, each Lender or other Recipient shall treat the Borrower in the same manner it treats other similarly situated borrowers in the facilities with substantially similar collateral.

Section 2.08 Alternative Rate of Interest and Successor Index Rate.

(a) If any change in, or the introduction, adoption, effectiveness, interpretation or reinterpretation or phase-in, in each case after the date hereof, of any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other Governmental Authority affects the amount of capital required to be maintained by any Lender and such Lender determines that the rate of return on its capital as a consequence of the Loans or other advances of funds made by such Lender pursuant to this Agreement or any of the Loan Documents relating to fundings or commitments under this Agreement is reduced to a level below that which such Lender would have achieved but for the occurrence of any such circumstance, then, in any such case within thirty (30) days after written notice (which may be by email) from time to time by such Lender to the Borrower, the Borrower shall either (i) pay to such Lender compensation sufficient to compensate such Lender for such reduction in rate of return or (ii) terminate this Agreement without paying such additional amounts; provided, that such Lender shall provide the Borrower with such notice within a reasonable period of time following such Lender's discovery of such increased costs or reductions; provided, further, that in determining any additional amounts due under this Section 2.08, each Lender or other Recipient shall treat the Borrower in the same manner it treats other similarly situated borrowers in the facilities with substantially similar collateral. A statement of such Lender as to any such additional amount or amounts (including calculations thereof in reasonable detail), in the absence of manifest error, shall be conclusive and binding on the Borrower and such Lender. Notwithstanding the forgoing, (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith, and 1. all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign Governmental Authorities, in each case pursuant to Basel III, shall, in the case of clause (a) and clause (b), be deemed to be introduced, adopted, implemented and/or effective after the date hereof (regardless of the date enacted, adopted, issued, implemented and/or effective). Notwithstanding anything to the contrary in this Section 2.08 the Borrower shall not be required to compensate any Lender pursuant to this Section 2.08 for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine month period shall be extended to include the period of such retroactive effect.

(b) If on any Business Day, any Lender determines (which determination shall be conclusive absent manifest error) that it has become unlawful for it to honor its obligation to make or maintain Loans hereunder using the Interest Rate, or maintaining its Loans (or its Loan)

included in any advance, then such Lender shall give notice thereof to the Administrative Agent and the Borrower by facsimile, or other electronic means (including email) as promptly as practicable thereafter and, until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such notice no longer exist, the Loans of such Lender shall accrue interest at the Alternative Rate; provided, however, that in determining illegality under this Section 2.08, each Lender shall treat the Borrower in the same manner it treats other similarly situated borrowers in the facilities with substantially similar collateral.

(c) ~~Notwithstanding anything to the contrary herein or in any other Loan Document, if:~~ **Benchmark Replacement.**

(i) ~~Benchmark Replacement.~~ **Notwithstanding anything to the contrary herein or in any other Loan Document, if** (A) a Benchmark Transition Event ~~or, as the case may be, an Early Opt-in Election~~ and (B) a Benchmark Replacement Date with respect thereto have occurred prior to the Reference Time in connection with any setting of the then-current Benchmark, then such Benchmark Replacement will replace the then-current Benchmark for all purposes under this Agreement and under any other **Financing Loan** Document in respect of such Benchmark setting and subsequent Benchmark settings without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other **Financing Loan** Document; ~~or.~~

~~(ii) (A) a Benchmark Transition Event or, as the case may be, an Early Opt-in Election and the Benchmark Replacement Date with respect thereto has already occurred prior to the Reference Time for any setting of the then-current Benchmark and as a result the then-current Benchmark is being determined in accordance with clauses (2), (3) or (4) of the definition of "Benchmark Replacement"; and~~

~~(B) the Administrative Agent subsequently determines, that (w) Term SOFR and a Benchmark Replacement Adjustment with respect thereto is or has become available and the Benchmark Replacement Date with respect thereto has occurred, (x) there is currently a market for U.S. dollar-denominated transactions utilizing Term SOFR as a Benchmark and for determining the Benchmark Replacement Adjustment with respect thereto, (y) Term SOFR is being recommended as the Benchmark for U.S. dollar-denominated syndicated credit facilities by the Relevant Government Authority and (z) in any event, Term SOFR, the Benchmark Replacement Adjustment with respect thereto and the application thereof is administratively feasible for the Administrative Agent (as determined by the Administrative Agent), then clause (1) of the definition of "Benchmark Replacement" will, without requiring any amendment to, or requiring any further action by or consent of any other party to, this Agreement or any other Financing Document, replace such then-current Benchmark for all purposes hereunder and under any other Financing Document in respect of such Benchmark setting and subsequent Benchmark settings on and from the beginning of the next Interest Period or, as the case may be, Available Tenor so long as the Administrative Agent notifies all the parties hereto prior to the commencement of such next Interest Period or, as the case may be, Available Tenor.~~

(ii) ~~(iii)~~ **Benchmark Replacement Conforming Changes.** In connection with the implementation **or administration** of **Term SOFR or** a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without requiring any further action by or consent of any other party to this Agreement or any other Loan Document.

(iii) ~~(iv)~~ **Notices; Standards for Decisions and Determinations.** The Administrative Agent will promptly notify all the parties hereto of (i) any occurrence of (A) a Benchmark

Transition Event ~~or, as the case may be, an Early Opt-in Election~~ and (B) the Benchmark Replacement Date with respect thereto, (ii) the implementation of any Benchmark Replacement, and (iii) the effectiveness of any Benchmark Replacement Conforming Changes.

Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 2.08(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in the Administrative Agent's sole discretion and without consent from any other party to this Agreement or any other Loan Document; provided, that Borrower may, within ninety (90) days of Administrative Agent's notification of the Benchmark Replacement other than a SOFR-based rate, (i) give notice to Lender and the Administrative Agent of its good faith determination that the Benchmark Replacement is not consistent with the successor rate of interest implemented by the majority of financial institutions similar to Lender for assets similar to the Collateral in warehouse facilities in the United States similar to this Agreement and (ii) elect to terminate this Agreement without penalty or premium on an elected termination date that is on or after the date the Benchmark Replacement is effective.

Section 2.09 Prepayment of Loans. (a) The Borrower shall prepay or repay, as the case may be, the Outstanding Aggregate Loan Amount with respect to all Loans and other amounts due hereunder (i) in accordance with this Section 2.09 and (ii) otherwise in full on the Maturity Date.

(b) Optional Prepayments. The Borrower may, from time to time and at any time, upon at least one (1) Business Day prior written notice to the Administrative Agent, prepay the principal of the Loans, in whole or in part without premium or penalty. Each prepayment made pursuant to this Section 2.09(b) shall be accompanied by (A) a Prepayment Notice in substantially the form attached hereto as Exhibit 2.09(b) and (B) payment of accrued interest to the date of such payment on the amount prepaid. Each such prepayment shall be applied to reduce the principal balance of the Loans or as otherwise specified by the Borrower.

(c) Margin Call. If at any time a Borrowing Base Deficiency shall occur then the Administrative Agent may by notice to the Borrower (each, a "Margin Notice"), require the Borrower to prepay the outstanding principal amount of the Loans in an amount equal to the aggregate amount necessary to eliminate such Borrowing Base Deficiency. If such Margin Notice is received prior to 10:00 a.m. (New York City time) on any Business Day, then prepayment shall be made no later than 5:00 p.m. (New York City time) on the same Business Day. If such Margin Notice is received after 10:00 a.m. (New York City time), then the prepayment shall be made no later than 5:00 p.m. (New York City time) on the next Business Day. The Administrative Agent may provide a Margin Notice to Borrower electronically, such as via electronic mail.

(d) Application of Payments. On each Payment Date and Funding Date, any proceeds of Collateral on deposit in the Advance Collection Account or other payments

received by the Administrative Agent (including from the Dedicated Accounts and Fee Collection Account following the occurrence and continuance of an Event of Default) shall be applied:

(iv) *first*, any interest due and owing (to the extent not paid pursuant to Section 2.06) and, after an Event of Default has occurred and is continuing, ratably to pay any (x) unpaid Obligations in respect of any fees and expenses then due and payable in respect of the Loans or indemnities and (y) other amounts then due and payable by the Borrower to the Administrative Agent, in each case, until paid in full;

- (v) *second*, to pay principal on the Loans in an amount to reduce the Outstanding Aggregate Loan Amount to the extent necessary to eliminate any Borrowing Base Deficiency;
- (vi) *third*, to the ratable payment of all other unpaid Obligations then due and payable; and
- (vii) *fourth*, any remaining amounts shall be released to the Borrower;

provided, that any cash held in the Dedicated Accounts, Fee Collection Account and Advance Collection Account may only be applied by the Administrative Agent to the extent that such proceeds have been received by, or for the account of, the Borrower free and clear of all Ginnie Mae rights and other restrictions on transfer under applicable Ginnie Mae guidelines.

Section 2.10 Dedicated Accounts, Fee Collection Account and Advance Collection Account. The Borrower has established and shall continue to use one or more Dedicated Accounts, a Fee Collection Account and an Advance Collection Account. The Dedicated Accounts, Fee Collection Account and Advance Collection Account shall be subject at all times to a Control Agreement and may not be a “zero balance” account. If the related Servicing Rights are subject to an interest of a Sold Excess Servicing Spread Purchaser, the Borrower shall cause all Servicing Income to be remitted to the Dedicated Accounts no later than two (2) Business Days following receipt and identification thereof. The Borrower shall cause to be deposited into the Fee Collection Account all Servicing Income that is not related to Servicing Rights that are subject an interest of a Sold Excess Spread Purchaser within two (2) Business Days following the Borrower’s receipt and identification thereof. In addition, Borrower shall cause to be deposited into the Advance Collection Account all Advance Reimbursement Amounts within two (2) Business Days following the Borrower’s receipt and identification thereof. The Borrower may withdraw funds from the Dedicated Accounts and the Fee Collection Account in its discretion in the ordinary course of business unless an Event of Default has occurred and is continuing and the Administrative Agent has delivered a Control Notice to (i) the Dedicated Account Administrator pursuant to the Sold Excess Servicing Spread Purchaser Account Control Letter Agreement and (ii) the Fee Collection Account Bank pursuant to the related Control Agreement, as applicable. If an Event of Default has occurred and is continuing and the Administrative Agent has delivered a Control Notice to the Dedicated Account Administrator pursuant to the Sold Excess Servicing Spread Purchaser Account Control Letter Agreement or a Control Notice to the Fee Collection Account Bank pursuant to the related Control Agreement, all Servicing Income on deposit in the Dedicated Accounts and Fee Collection Account shall be applied pursuant to Section 2.09(d); provided that any cash held in the Dedicated Accounts, Fee Collection Account and Advance Collection Account may only be applied by the Administrative Agent to the extent that such proceeds have been received by, or for the account of, the Borrower free and clear of all Ginnie Mae rights and other restrictions on transfer under applicable Ginnie Mae guidelines. At any time, funds in the Advance Collection Amount relating to Advance Reimbursement Amounts may be only released in accordance with Section 2.09(d). In addition, upon the purchase of an Early Buy-out Loan, the Borrower shall, no later than later than 5:00 (New York City time) on the second (2nd) Business Day, deposit the outstanding amount of any Eligible Corporate Advances and Eligible Escrow Advances arising from such Early Buy-out Loan into the Advance Collection Account. Further, upon and in connection with any sale, assignment or transfer of any Servicing Rights, the Borrower shall deposit the principal amount of the Loans related to any of the Eligible Pledged Servicing Receivables that have been assigned or transferred as well as any Advance Reimbursement Amounts related to such Eligible Pledged Servicing Receivables into the Fee Collection Account or the Advance Collection Account, as applicable.

ARTICLE III

PAYMENTS; COMPUTATIONS; TAXES; FEES

Section 3.01 Payments and Computations, etc.

(a) Unless otherwise expressly stated herein, all amounts to be paid or deposited hereunder by the Borrower shall be paid or deposited by the Borrower to the Administrative Agent's Account in accordance with the terms hereof no later than 3:00 p.m. (New York City time) on the day when due in lawful money of the United States of America in same day funds, and the Administrative Agent shall remit such funds to the applicable Lenders by the close of business on such day; provided, that funds received by the Administrative Agent after 3:00 p.m. (New York City time) on such due date may, at the Administrative Agent's discretion, be deemed to have been paid by the Borrower on the next Business Day. If the Administrative Agent shall deem any such payment to be paid on the next Business Day, such payment shall be a non-conforming payment. The Administrative Agent shall give prompt notice to the Borrower and each applicable Lender if any payment is deemed to be a non-conforming payment. Interest shall continue to accrue on any principal for which a deemed non-conforming payment is made from the date such amount was due and payable until the date on which such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding Business Day) at the Default Rate.

(b) If an Event of Default has occurred and is continuing, the Borrower shall, to the extent permitted by law, pay interest on the outstanding principal amount of the Loans and all other Obligations (including interest and fees) outstanding for the period from the date of such Event of Default until the date paid, at the applicable Default Rate, payable on demand; provided, no Interest Rate shall at any time exceed the maximum rate permitted by Requirements of Law.

(c) All computations of interest and fees hereunder shall be made on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which payable.

(d) All payments made by the Borrower under this Agreement shall be made without defense, set-off or counterclaim (except any defense that a payment has already been made).

(e) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest or fees hereunder.

Section 3.02 Sharing of Payments. If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any Obligation in excess of its ratable share of payments on account of similar obligations obtained by all the Lenders, such Lender shall forthwith purchase (for cash at face value) from the other Lenders such participations in such similar obligations held by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (10) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant. The Borrower consents to the foregoing and agrees that, to the extent permitted by any applicable Requirements of Law, any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and

counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

Section 3.03 Fees. As and when due and payable under the terms of the Fee Letter, the Borrower shall pay the fees set forth in the Fee Letter.

Section 3.04 Taxes.

(a) Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by Requirements of Law. If any Requirements of Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Requirements of Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to

additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Requirements of Law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(c) Tax Indemnification. Without limiting the provisions of Sections 3.04(a) and (b) above or duplicating the payment obligations set forth therein, the Borrower shall, and does hereby, indemnify each Recipient and shall make payment in respect thereof within ten

(10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 3.04) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that if any Recipient fails to give notice to the Borrower of the imposition of any Indemnified Taxes or Other Taxes within two hundred seventy (270) days following its receipt of actual written notice of the imposition of such Indemnified Taxes or Other Taxes, there will be no obligation for the Borrower to pay interest or penalties attributable to the period beginning after such 270th day and ending seven (7) days after the Borrower receives notice from such Recipient. A certificate as to the amount of such payment or liability delivered to the Borrower by any Recipient (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (11) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.02 relating to the maintenance of a Participant Register and (12) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or assessed by the relevant Governmental Authority. A certificate as to the amount of

such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent under this paragraph (d).

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section 3.04, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such

Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(f) Status of Lenders; Tax Documentation.

(viii) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times prescribed by Requirements of Law or when reasonably requested by the Borrower or the Administrative Agent, such duly and properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by Requirements of Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution, and submission of such documentation (other than such documentation set forth in Sections 3.04(f)(ii)(A), 3.04(f)(ii)(B) and 3.04(f)(ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ix) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person:

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or before the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), duly completed and executed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) each Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party
(x) with respect to payments of interest under any Loan Document, executed copies of Internal Revenue Service Form W-8BEN or, as applicable, Internal Revenue Service Form W-8BEN-E, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, Internal Revenue Service Form W-8BEN or, as applicable, Internal Revenue Service Form

W-8BEN-E, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(2) executed copies of Internal Revenue Service Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of Internal Revenue Service Form W-8BEN or, as applicable, Internal Revenue Service Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY, accompanied by an Internal Revenue Service Form W-8ECI, W-8BEN (or, as applicable, W-8BEN-E), a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, Internal Revenue Service Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner.

(A) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Requirements of Law as a basis for claiming exemption from or a reduction in

U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Requirements of Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(B) if a payment made to a Lender under any Loan Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Lender fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Requirements of Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D) “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

(C) Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been

indemnified pursuant to this Section 3.04 (including by the payment of additional amounts pursuant to this Section 3.04), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 3.04 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 3.04 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all Obligations under any Loan Document.

(i) Defined Terms. For purposes of this Section 3.04, the term Requirements of Law includes FATCA.

ARTICLE IV SECURITY INTEREST

Section 4.01 Security Interest. As security for the prompt payment and performance of all of its Obligations and any other covenants contained in this Agreement, the Borrower hereby pledges and grants a security interest, subject to the rights, interests and prerogatives of Ginnie Mae and to the terms and conditions of the Acknowledgement Agreement, to the Administrative Agent, for the benefit of the Lenders, all of the Borrower's right, title and interest, in, to, and under, whether now owned or hereafter acquired, in all of the following, whether now or hereafter existing and wherever located (all being collectively referred to herein as the "Collateral"):

(a) the Dedicated Accounts, all cash in the Dedicated Accounts and all other property from time to time deposited therein or otherwise credited thereto;

(b) the Fee Collection Account, all cash in the Fee Collection Account and all other property from time to time deposited therein or otherwise credited thereto;

(c) the Advance Collection Account, all cash in the Advance Collection Account and all other property from time to time deposited therein or otherwise credited thereto

(d) all Servicing Income;

(e) all Eligible Pledged Servicing Receivables;

(f) all Advance Reimbursement Amounts;

(g) all Servicing Rights whether or not yet accrued, earned due or payable as well as all other present and future rights and interests of the Borrower in such Servicing Rights;

(h) all subservicing agreements related to the Servicing Rights in respect of which a different Person is subservicing for the Borrower and all rights and claims of the Borrower under such subservicing agreements;

(i) all books, correspondence, files and other records, including all tapes, disks, cards, software, data and computer programs in the possession or under the control of the Borrower or any other Person from time to time acting for the Borrower that at any time evidence or contain information relating to any of the property described in the preceding clauses of this Section 4.01 hereof or are otherwise necessary or helpful in the collection or realization thereof; and

(j) all Proceeds, including all cash Proceeds and noncash Proceeds, and products of any and all of the foregoing Collateral; in each case howsoever the Borrower's

interest therein may arise or appear (whether by ownership, security interest, claim or otherwise).

Section 4.02 Provisions Regarding Pledge of Servicing Rights to Be Included In Financing Statements.

(a) Notwithstanding anything to the contrary in the Agreement or any of the other Loan Documents, the security interest of the Administrative Agent, for the benefit of the Lenders, created hereby with respect to the Collateral is subject to the following provisions to be included in each financing statement filed in respect hereof (or any variation required by Ginnie Mae):

“(1) The property subject to the security interest reflected in this instrument (the “*Security Interest*”) includes all of the right, title and interest of the Borrower, as debtor (the “*Debtor*”) in certain mortgages and/or participation interests related to such mortgages (“*Pooled Mortgages*”), and pooled under the mortgage-backed securities program of Ginnie Mae, pursuant to section 306(g) of the National Housing Act, 12 U.S.C. § 1721(g);

(1) To the extent that the Security Interest relates in any way to the Pooled Mortgages, such Security Interest is subject and subordinate to all rights, powers and prerogatives of Ginnie Mae, whether now existing or hereafter arising, under and in connection with: (i) 12 U.S.C. § 1721(g) and any implementing regulations; (ii) the terms and conditions of that certain Acknowledgment Agreement dated as of August 20, 2020, with respect to the Security Interest, by and among Ginnie Mae, Debtor and the Administrative Agent; (iii) applicable guaranty agreements and contractual agreements between Ginnie Mae and Debtor; and (iv) the Ginnie Mae Guide and other applicable guides and amendments (items (i), (iii) and (iv), collectively, the “Ginnie Mae Contract”);

(2) Such rights, powers and prerogatives of Ginnie Mae include, but are not limited to, Ginnie Mae's right, by issuing a letter of extinguishment to Debtor, to effect and complete the extinguishment of all redemption, equitable, legal or other right, title or interest of Debtor in the Pooled Mortgages, in which event the Security Interest as it relates in any way to the Pooled Mortgages shall instantly and automatically be extinguished as well; and

(3) For purposes of clarification, “subject and subordinate” in clause (2) above means, among other things, that any cash held by the Administrative Agent as collateral and any cash proceeds received by the Administrative Agent in respect of any sale or other disposition of, collection from, or other realization upon, all or any part of the collateral may only be applied by the Administrative Agent to the extent that such proceeds have been

received by, or for the account of, the Debtor free and clear of all Ginnie Mae rights and other restrictions on transfer under applicable Ginnie Mae guidelines; provided that this clause (4) shall not be interpreted as establishing rights in favor of Ginnie Mae except to the extent that such rights are reflected in, or arise under, the Ginnie Mae Contract.”

(b) The Administrative Agent, on behalf of the Lenders, acknowledges and agrees that (x) the Borrower is entitled to Servicing Income and Advance Reimbursement Amounts with respect to a given Mortgage Pool only so long as the Borrower is an issuer in good standing pursuant to Ginnie Mae rules, regulations, guides and similar announcements; (y) upon the Borrower’s loss of such good-standing issuer status, the Administrative Agent’s rights to any Servicing Income and Advance Reimbursement Amounts related to a given Mortgage Pool also terminate; and (z) the pledge of the Borrower’s rights to Servicing Income and Advance Reimbursement Amounts conveys no rights (such as a right to become a substitute servicer or issuer) that are not otherwise specifically provided for in the rules, regulations, guides or similar announcements by Ginnie Mae, provided, that foregoing provisions of this Section 4.02(b) shall automatically be deemed amended or modified if and to the extent Ginnie Mae amends the corresponding requirement, whether in its rules, regulations, guides, Servicing Contracts or published announcements.

Section 4.03 Authorization of Financing Statements. The Borrower hereby authorizes the Administrative Agent to file any financing or continuation statements required to perfect, protect, or more fully evidence the Administrative Agent’s security interest in the Collateral granted hereunder so long as such financing statements include the legend and provisions contemplated by Section 4.02(a) above. The Administrative Agent will notify the Borrower of any such filing (but the failure to deliver such notice shall not prejudice any rights of the Administrative Agent under this Section 4.03).

Section 4.04 Administrative Agent’s Appointment as Attorney In Fact; Rights Upon Event of Default.

(a) The Borrower hereby irrevocably constitutes and appoints the Administrative Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney in fact with full irrevocable power and authority in the place and stead of the Borrower and in the name of the Borrower or in its own name, from time to time in the Administrative Agent’s discretion, if an Event of Default, shall have occurred and be continuing, for the purpose of carrying out the terms of this Agreement (or any Servicing Contracts, subject to the Acknowledgement Agreement), to take any action on behalf of the Borrower pursuant to the Acknowledgement Agreement and to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement (or any Servicing Contracts, subject to the Acknowledgement Agreement) to the extent such actions are permitted to be taken by the Administrative Agent under the Acknowledgement Agreement, and, without limiting the generality of the foregoing, the Administrative Agent shall have the right and the Borrower hereby gives the Administrative Agent the power and right, on behalf of the Borrower, without assent by, but with notice to, the Borrower, if an Event of Default shall have occurred and be continuing, to do the following (subject to limitations contained in the Acknowledgement Agreement):

(i) In the name of the Borrower or its own name, or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any mortgage insurance or with respect to any other Collateral and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Administrative Agent for the purpose of collecting any and all such moneys due under any such mortgage insurance or with respect to any other Collateral whenever payable;

(ii) (A) To direct any party liable for any payment under any Collateral to make payment of any and all moneys due or to become due thereunder directly to the Lenders or as the Administrative Agent shall otherwise direct; (a) to ask or demand for, collect, receive payment of and receipt for, any and all moneys, claims and other amounts due or to become due at any time in respect of or arising out of any Collateral; (b) to sign and endorse any invoices, assignments, verifications, notices and other documents in connection with any of the Collateral;

(c) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (d) in connection with the above, to give such discharges or releases as the Administrative Agent may deem appropriate; and (e) generally, to sell, transfer, pledge and make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Administrative Agent were the absolute owner thereof for all purposes, and to do, at the Administrative Agent's option and the Borrower's expense, at any time, or from time to time, all acts and things which the Administrative Agent deems necessary to protect, preserve or realize upon the Collateral and the Administrative Agent's Liens thereon and to effect the intent of this Agreement, all as fully and effectively as the Borrower might do; and

(i) Perform or cause to be performed, the Borrower's obligations under any Servicing Contract to the extent permitted by the Acknowledgement Agreement.

(a) The Borrower hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. The power of attorney is a power coupled with an interest and shall be irrevocable but shall terminate on the date that all Obligations (other than Unliquidated Obligations) have been paid in full.

(b) The Borrower also authorizes the Administrative Agent, at any time and from time to time, to execute, in connection with the sale provided for in Section 8.02(c) hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral; provided, that the exercise of such powers are in accordance with the Acknowledgement Agreement, if and to the extent applicable.

(c) The powers and rights conferred on the Administrative Agent pursuant to this Section 4.04 are solely to protect the Administrative Agent's and the Lenders' interest in the Collateral and shall not impose any duty upon the Administrative Agent to exercise any such powers and rights. The Administrative Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and rights, and neither the Administrative Agent nor any of its officers, directors, or employees shall be responsible to the Borrower for any act or failure to act under this Section 4.04, except for its own gross negligence, bad faith or willful misconduct; provided, that the Administrative Agent shall exercise such powers and rights only in accordance with the Acknowledgement Agreement, if and to the extent applicable.

Section 4.05 Release of Security Interest.

(a) Upon termination of this Agreement and repayment to the Lenders of all Obligations in full and the performance of all obligations (other than Unliquidated Obligations) under the Loan Documents, the Administrative Agent on behalf of each Lender shall release its security interest in any remaining Collateral; provided, that if any payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, or upon or as a result of the appointment of a receiver, intervener or conservator of, or a trustee or similar officer for the Borrower or any substantial part of its Property, or otherwise, this Agreement, all rights hereunder and the Liens created hereby shall continue to be effective, or be reinstated, until such payments have been made. Any sale of any Collateral made in

connection with a disposition expressly permitted hereunder shall be made free and clear of any Liens created under this Agreement or any other Loan Document (and free and clear of any proceeds of the sale of such Collateral after giving effect to any application of any proceeds required to cause no Borrowing Base Deficiency to exist after giving effect to such sale).

(b) The Lenders hereby irrevocably authorize the Administrative Agent to release any Liens on any Collateral (i) upon payment and satisfaction in full in cash of all Secured Obligations, and the cash collateralization of all Unliquidated Obligations in a manner satisfactory to the Administrative Agent, (13) constituting property being sold or disposed of if the Borrower certifies to the Administrative Agent that the sale or disposition is made in compliance with the terms of this Agreement (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry), (14) constituting property leased to the Borrower or any Subsidiary under a lease which has expired or been terminated in a transaction permitted under this Agreement, or (15) as required to effect any sale or other disposition of such Collateral in connection with any exercise of remedies of the Administrative Agent and the Lenders pursuant to Article VIII. The Administrative Agent agrees to promptly provide evidence of the release of the Administrative Agent's security interest in the Collateral that are requested by the Borrower upon termination of this Agreement and repayment to the Lenders of all Obligations in full and the performance of all obligations (other than Unliquidated Obligations) under the Loan Documents.

ARTICLE V CONDITIONS PRECEDENT

Section 5.01 Conditions Precedent. The effectiveness of this Agreement is subject to the condition precedent that the Administrative Agent shall have received each of the items set forth in Schedule 5.01 (unless otherwise indicated) dated such date, and in such form and substance, as is satisfactory to the Administrative Agent and the Lenders.

Section 5.02 Further Conditions Precedent. The decision to fund a Loan shall be subject to satisfaction of the further conditions precedent set forth in Schedule 5.02 as of the making of such Loan.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

Section 6.01 Representations and Warranties of the Borrower. The Borrower represents and warrants to the Administrative Agent and each Lender that on the Closing Date and, as to any Collateral becoming subject to the security interest hereunder after the Closing Date, as of such later Funding Date:

(a) Formation and Good Standing. Schedule 6.01(a) hereto sets forth (i) the exact legal name of the Borrower as of the Closing Date, (ii) the state or jurisdiction of organization of the Borrower as of the Closing Date, (iii) the type of organization of the Borrower as of the Closing Date and (iv) the organizational identification number of the Borrower or states that no such organizational identification number exists, as of the Closing Date. The Borrower has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of formation, and has all requisite limited liability company power and authority to own all of its Property, including the Collateral, and to conduct its business as such properties are presently owned and such business is presently conducted, and had at all relevant times, and the Borrower now has, all necessary limited liability company power, authority and legal right to own the Collateral.

(i) Due Qualification. The Borrower is (i) duly qualified to do business and has obtained all material licenses and approvals (including all material licenses and approvals required to originate and service residential mortgage loans and own mortgage servicing rights), in all jurisdictions in which its ownership or lease of property or the conduct of its business

requires such qualification, licenses or approvals except where in the case of clause (i) above the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Power and Authority, Due Authorization. The Borrower (i) has all necessary limited liability company power and authority and legal right to (A) execute and deliver each of the Loan Documents to be executed and delivered by it in connection herewith, (B) carry out the terms of the Loan Documents to which it is a party, and (C) borrow the Loans and grant a security interest in the Collateral on the terms and conditions herein provided, and (ii) has taken all necessary limited liability company action to duly authorize (A) such borrowing and grant and (B) the execution, delivery and performance of this Agreement and all of the Loan Documents to which it is a party.

(c) Binding Obligations. Each Loan Document to which the Borrower is a party, when duly executed and delivered by it, will constitute a legal, valid and binding obligation of the Borrower enforceable against it in accordance with its respective terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(d) No Violation. Neither the Borrower's execution and delivery of the Loan Documents nor the consummation of the transactions contemplated hereby and thereby will conflict with, or result in any breach of (i) any of the terms and provisions of, or constitute (with or without notice, lapse of time or both) a default under the Borrower's organizational documents, or, constitute a default or trigger any termination right under any indenture, loan agreement, warehouse line of credit, repurchase agreement, mortgage, deed of trust, Servicing Contract or other material agreement or instrument to which it is a party or by which it is otherwise bound, or result in the creation or imposition of any Lien upon any of its properties pursuant to the terms of any such indenture, loan agreement, mortgage, deed of trust, or other material agreement or instrument, other than this Agreement, or (19) any Requirements of Law applicable to it of any Governmental Authority having jurisdiction over it or any of its properties.

(e) No Proceedings. There are no actions, suits, arbitrations, investigations or proceedings pending or, to its knowledge threatened against the Borrower or affecting any of its Property before any Governmental Authority or Agency, (1) as to which there is a reasonable likelihood of an adverse decision, and which, in the event of an adverse decision, would reasonably be likely to have a Material Adverse Effect, (i) which questions the validity or enforceability of any of the Loan Documents, (ii) which seeks to prevent the consummation of any of the transactions contemplated by any Loan Documents, (4) if such action, suit, arbitration, investigation or proceeding is initiated or brought by any Governmental Authority, makes a claim or claims in an aggregate amount greater than \$50,000,000 or (5) requires filing with the Securities and Exchange Commission in accordance with the Securities Exchange Act of 1934 or any rules thereunder and which has not been so filed.

(f) Approvals. No authorization, consent, approval, or other action by, and no notice to or filing with, any court, Governmental Authority or regulatory body or other Person domestic or foreign, including any of the Agencies, is required for the Borrower's due execution, delivery or performance of any Loan Document to which it is a party except for (i) consents that have been obtained in connection with transactions contemplated by the Loan Documents, (ii) filings to perfect the security interest created by this Agreement, (iii) consents and approvals that may be required by any of the Agencies (including the Acknowledgement Agreement), and (iv) authorizations, consents, approvals, filings, notices, or other actions the failure to make could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(g) Solvency; Fraudulent Conveyance. The Borrower is Solvent and will not cease to be Solvent due to or following the making of any Loan hereunder (both immediately before and after giving effect to such Loan). The amount of consideration being received by the Borrower after giving effect to each Loan by the Lenders constitutes reasonably equivalent

value and fair consideration for such Loan. The Borrower is not pledging any Collateral with any intent to hinder, delay, or defraud any of its creditors.

(h) Margin Stock. The Borrower is not and will not be engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation T, U or X), and no proceeds of any Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock or for any purpose that violates, or is inconsistent with, the provisions of Regulation T, U and X.

(i) Accurate Reports. The information, reports, financial statements, exhibits and schedules furnished in writing by or on behalf of the Borrower to the Administrative Agent, each Lender in connection with this Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto, when taken as a whole, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading. There is no fact known to a Responsible Officer that, after due inquiry, could reasonably be expected to have a Material Adverse Effect that has not been disclosed herein, in the other Loan Documents or in a report, financial statement, exhibit, schedule, disclosure letter or other writing furnished to the Administrative Agent and each Lender for use in connection with the transactions contemplated hereby or thereby.

(j) No Default. No Default or Event of Default has occurred and is continuing.

(k) Investment Company Act. Neither the Borrower nor any of its subsidiaries is an “investment company”, or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act.

(l) Taxes. The Borrower has filed (or caused to be filed) all United States federal income tax returns and all other material tax returns that are required to be filed, and has paid (or caused to be paid) all taxes shown on such returns or pursuant to any assessment received by the Borrower or on behalf of the Borrower, except such taxes, if any, as are being contested in good faith by appropriate proceedings and as to which adequate reserves have been provided in accordance with GAAP consistently applied.

(m) No Adverse Actions. The Borrower has not received a notice from any Agency indicating any adverse fact or circumstance in respect of the Borrower which adverse fact or circumstance would reasonably be expected to entitle such Agency to terminate the Borrower with cause or with respect to which such adverse fact or circumstance has caused such Agency to explicitly threaten to terminate the Borrower in such notice.

(n) Financial Statements. The Borrower has heretofore furnished to the Administrative Agent on behalf of the Lenders a copy of its (a) consolidated balance sheet and the consolidated balance sheets of its consolidated Subsidiaries for the fiscal year ended December 31, 2019 and the related consolidated statements of income and retained earnings and of cash flows for the Borrower and its consolidated Subsidiaries for such fiscal year with the opinion thereon of Ernst & Young LLP or successor thereto acceptable to the Administrative Agent on behalf of the Lenders and (b) consolidated balance sheet and the consolidated balance sheets of its consolidated Subsidiaries for the fiscal quarter ending June 30, 2020 and the related consolidated statements of income and retained earnings and of cash flows for the Borrower and its consolidated Subsidiaries for such fiscal quarter setting forth in each case in comparative

form the figures for the previous year. All such financial statements are complete and correct and fairly present, in all material respects, the consolidated financial condition of the Borrower and its Subsidiaries and the consolidated results of their operations as at such dates and for such period, all in accordance with GAAP applied on a consistent basis. Since December 31, 2019, there has been no material adverse change in the consolidated business, operations or financial condition of the Borrower and its consolidated Subsidiaries taken as a whole from that set forth in said financial statements nor is the Borrower aware of any state of facts which (without notice or the lapse of time) would result in any such material adverse change. The Borrower did not have, on December 31, 2019, any liabilities, direct or indirect, fixed or contingent, matured or unmatured, known or unknown, or liabilities for Taxes, long-term leases or unusual forward or long-term commitments not disclosed by, or reserved against in, said balance sheet and related statements, and at the present time there are no material unrealized or anticipated losses from any loans, advances or other commitments of the Borrower except as heretofore disclosed to the Administrative Agent on behalf of the Lenders in writing.

(o) Properties. The Borrower has good and marketable title to, valid leasehold interests in, or valid licenses to use, all Property and assets material to its business as then being conducted, free and clear of all Liens, except Permitted Encumbrances. All such properties and assets are in condition satisfactory to allow the Borrower to perform its operations.

(p) Compliance with Laws. The Borrower is in compliance in all material respects with all applicable Requirements of Law.

(q) ERISA. As of the Closing Date, neither the Borrower nor any of its ERISA Affiliates contributes to, sponsors, maintains or has an obligation to contribute to or maintain any Multiemployer Plan or any Employee Plan and has not within the six (6) preceding calendar years prior to the date hereof established, sponsored, maintained, contributed to or been obligated to contribute to or maintain any Multiemployer Plan or any Employee Plan. Except as would not reasonably be expected to result in a Material Adverse Effect and except as required by Section 4980B of the Internal Revenue Code or similar state insurance laws, neither the Borrower nor any of its ERISA Affiliates maintains an employee welfare benefit plan (as defined in Section 3(1) of ERISA) which provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Borrower or any of its ERISA Affiliates or coverage after a participant's termination of employment. Assuming that no portion of any Loan has been funded (initially or through participation, assignment, transfer or securitization of such Loan) with plan assets of a plan covered by ERISA, Section 4975 of the Code or Similar Law, the execution of this Agreement, the making of the Loans and the other transactions contemplated by the Loan Documents, including but not limited to the exercise by the Administrative Agent of its rights under the Loan Documents, are not and will not give rise to a non-exempt prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code, and are not prohibited or otherwise restricted by Similar Law.

(r) Intellectual Property. The Borrower owns or licenses or otherwise has the right to use all material Intellectual Property rights that are necessary for the operation of its business, without infringement upon or conflict with the rights of any other Person with respect thereto, except for such infringements and conflicts which, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(s) Chief Executive Office. The Borrower's chief executive office on the effective date is located at 8950 Cypress Waters Blvd, Coppell, Texas, 75019.

(t) Location of Books and Records. The Borrower keeps its corporate books and records at its chief executive office.

(u) Agency Set Off Rights. The Borrower has no actual notice, including any notice received from any Agency, that any circumstances exist that would result in the Borrower being liable to any Agency for any amount due by reason of: (i) any breach of servicing or subservicing obligations or breach of mortgage selling warranty to the Agency under any Servicing Agreement or any other similar contracts relating to the Borrower's Agency servicing or subservicing portfolio (including any due and unmet mortgage repurchase obligation), (ii) any due and unperformed obligation with respect to mortgage loans that the Borrower is servicing for any Agency pursuant to a recourse agreement, (iii) any loss or damage to any Agency by reason of any inability to transfer to a purchaser of mortgage servicing rights the Borrower's selling and servicing representations, warranties and obligations, as well as any existing mortgage-backed securities recourse obligations, or other recourse obligations, and (iv) any other due and unmet obligations to any Agency under any Servicing Agreement or any other similar contracts relating to the Borrower's entire Agency servicing portfolio.

(v) Compliance with Financial Covenants. The Borrower is in compliance with the financial covenants set forth in Section 7.01(i).

(w) Agency Qualifications. The Borrower is an approved seller, servicer, seller/servicer or issuer, as applicable, of mortgage loans for Ginnie Mae, Fannie Mae and Freddie Mac, with the facilities, procedures, and experienced personnel necessary for the sound servicing of mortgage loans of the same type as the Mortgage Loans. No event has occurred, including but not limited to a change in insurance coverage, which would make the Borrower unable to comply with Ginnie Mae, Fannie Mae or Freddie Mac eligibility requirements or which would require notification to Ginnie Mae, Fannie Mae or Freddie Mac.

(x) Anti-Money Laundering Laws. The operations of the Borrower are conducted and have been conducted in all material respects in compliance with the applicable anti-money laundering statutes of all jurisdictions to which the Borrower is subject and the rules and regulations thereunder, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA Patriot Act) (the "Patriot Act" and collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Borrower with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Borrower, threatened.

(y) No Prohibited Persons. Neither the Borrower nor, to the knowledge of the Borrower, any director, officer, agent or employee of the Borrower or any of its Subsidiaries is a Person that is currently the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC-administered sanctions"), or is located, organized or resident in a country or territory that is the subject of OFAC-administered sanctions; and the Borrower will not, directly or indirectly, use the proceeds of the Loans hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund activities of or business with any Person, or in any country or territory, that at the time of such funding or facilitation, is the subject of OFAC-administered sanctions, or in a manner that would otherwise cause any Person (including any Person involved in or facilitating the Loans, whether as a Lender, the Administrative Agent, advisor, or otherwise) to violate any OFAC-administered sanctions.

(aa) Foreign Corrupt Practices Act. Neither the Borrower nor, to the knowledge of the Borrower, any director, officer, agent or employee of the Borrower is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign

Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the “FCPA”); and Seller has conducted its businesses in compliance with the FCPA.

(bb) Anti-Corruption Laws and Sanctions. The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers and employees with Anti-Corruption Laws, including the FCPA, and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of the Borrower, its employees are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in the Borrower being designated as a Sanctioned Person. None of (a) the Borrower, to the knowledge of the Borrower, such Subsidiary, any of their respective directors, officers or employees, or (b) to the knowledge of the Borrower, any agent of the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the Loans hereunder, is a Sanctioned Person. No transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

(cc) Servicing Contracts. The Borrower has delivered to the Administrative Agent and each Lender true and complete copies of all Servicing Contracts related to the Servicing Rights existing on the Closing Date and all amendments thereto that are material to the valuation of the Eligible Pledged Servicing Receivables or the Advance Reimbursement Amounts , in each case, other than the Ginnie Mae Guide or other information publicly available on or through Ginnie Mae’s website.

(dd) Regulatory Status. The Borrower not a “bank holding company” or a direct or indirect subsidiary of a “bank holding company” as defined in the Bank Holding Company Act of 1956, as amended, and Regulation Y thereunder of the Board of Governors of the Federal Reserve System.

Section 6.02 Representations Concerning the Collateral. The Borrower represents and warrants to the Administrative Agent and each Lender that as of each day that a Loan is outstanding pursuant to this Agreement:

(a) The Borrower has not assigned, pledged, conveyed, or encumbered any Collateral to any other Person (except any sale of Excess Servicing Spread as acknowledged in any Intercreditor and Subordination Agreement or to the extent any such pledge has been released prior to the grant of any security interest thereon hereunder), and immediately prior to the pledge of any such Collateral, the Borrower was the sole owner of such Collateral and had good and marketable title thereto (subject to the rights of Ginnie Mae with respect to the Servicing Rights), free and clear of all Liens other than Permitted Collateral Liens.

(b) The provisions of this Agreement are effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a valid security interest in all right, title, and interest of the Borrower in, to and under the Collateral, subject only to Permitted Collateral Liens.

(c) All information concerning all Servicing Rights set forth on the Electronic File pursuant to which such Servicing Rights were, are or will be (as applicable) pledged to the Administrative Agent, for the benefit of the Lenders will not, taken as a whole, contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date of such Electronic File.

(d) Upon the filing of financing statements on Form UCC-1 naming the Administrative Agent as “Secured Party” and the Borrower as “Debtor”, and describing the Collateral, in the appropriate jurisdictions, the Administrative Agent, for the benefit of the

Lenders, has a duly perfected first priority security interest under the UCC in all right, title, and interest of the Borrower in, to and under, subject to the interests of Ginnie Mae, the Servicing Rights.

(e) All filings and other actions necessary to perfect the security interest in the Collateral created under this Agreement have been duly made or taken and are in full force and effect, and the Loan Documents create in favor of the Administrative Agent, for the benefit of the Lenders, a valid and, together with such filings and other actions, perfected first priority security interest in the Collateral, securing the payment of the Obligations (subject to the interests of Ginnie Mae), and all filings and other actions necessary to perfect such security interest have been duly taken. Subject to the rights of Ginnie Mae as set forth in Section 4.02 and in the Acknowledgement Agreement and other Permitted Collateral Liens, the Borrower is the legal and beneficial owner of the Collateral free and clear of any Lien, except for the Liens created or permitted under the Loan Documents.

(f) Subject only to the Ginnie Mae Guide and the terms of the Acknowledgement Agreement, the Borrower has the full right, power and authority to pledge the Servicing Rights, and the pledge of such Servicing Rights may be further assigned without any requirement, except as may be specified in the Ginnie Mae Guide.

(g) All Advances included in the Collateral or in any calculation of the Borrowing Base are Eligible Corporate Advances, Eligible Escrow Advances or Eligible MBS Advances, as the case may be.

ARTICLE VII COVENANTS

Section 7.01 Affirmative Covenants of the Borrower. The Borrower covenants and agrees with the Administrative Agent and each Lender that, so long as any Loan is outstanding and until all Obligations (other than Unliquidated Obligations) have been paid in full:

(a) Compliance with Laws, etc. The Borrower will comply in all material respects with all applicable Requirements of Law applicable to the Borrower and the Collateral.

(b) Performance and Compliance with Servicing Contracts. The Borrower will comply in all material respects with all terms, provisions and covenants required to be observed by it under the Servicing Contracts, maintain the Servicing Contracts in full force and effect and enforce in all material respects the Servicing Contracts in accordance with the terms thereof.

(c) Taxes. The Borrower and its Subsidiaries shall timely file all federal and state income tax returns and all other material tax returns that are required to be filed by them and shall timely pay all federal and state income Taxes and all other material Taxes due, except for any such Taxes as are being appropriately contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been provided in accordance with GAAP consistently applied.

(d) Due Diligence. The Borrower shall, without unreasonable delay, permit the Administrative Agent on behalf of the Lenders to inspect, and to discuss with the Borrower's officers, agents and auditors, the affairs, finances, and accounts of the Borrower, the Servicing Rights and other Collateral, and the Borrower's books and records, and to make abstracts or reproductions thereof and to duplicate, reduce to hard copy or otherwise use any and all computer or electronically stored information or data, in each case, (i) during normal business hours, (ii) upon reasonable prior notice (provided, that upon the occurrence of an Event of Default that is continuing, no notice shall be required), and (iii) at the expense of the Borrower to discuss with its officers, its affairs, finances, and accounts; provided that the Borrower's

obligation to reimburse such expenses shall be limited to the Administrative Agent's actual, reasonable and documented out-of-pocket costs and expenses.

(e) Changes in Servicing Contracts. The Borrower shall provide written notice to the Administrative Agent of any (i) changes in any Servicing Contracts that would reasonably be likely to materially and adversely affect the Servicing Rights within five (5) Business Days after the Borrower receives notice thereof, other than any changes in the Servicing Contracts solely as a result of changes in the Ginnie Mae Guide, (26) any termination of any Servicing Contracts within two (2) Business Days after the Borrower receives notice thereof and (27) copies of any amendments to existing Servicing Contracts entered into in the previous month that are material to the valuation of the Eligible Pledged Servicing Receivables or to the Borrower's Advance Reimbursement Rights within ten (10) days after the execution thereof.

(f) Legal Existence, etc. The Borrower shall (i) preserve and maintain its legal existence and good standing in its jurisdiction of formation with all requisite limited liability company power and authority to own its properties (including the Collateral) and conduct its business and to carry out the terms of the Loan Documents; (28) preserve and maintain all of its material rights, privileges and franchises necessary to conduct its business as then being conducted; (29) maintain all material licenses and approvals (including all material licenses and approvals required to originate and service residential mortgage loans and own mortgage servicing rights) necessary to conduct its business as then being conducted; and (30) keep records and books of account in accordance with GAAP consistently applied in all material respects.

(g) Financial Statements. The Borrower shall maintain a system of accounting established and administered in accordance with GAAP consistently applied, and furnish to the Administrative Agent (for forwarding to the Lenders):

(ii) Within forty-five (45) calendar days after the end of each calendar month, the unaudited consolidated balance sheets of the Borrower as at the end of such period and the related unaudited consolidated statements of income and retained earnings and of cash flows for the Borrower for such period and the portion of the fiscal year through the end of such period;

(iii) Within ninety (90) days after the close of each fiscal year, Financial Statements, including a statement of income and changes in shareholders' equity of the Borrower for such year, and the related balance sheet as of the end of such year, all in reasonable detail and accompanied by (A) an opinion of an accounting firm as to said financial statements which opinion shall not be qualified or limited by reference to the status of the Borrower as a "going concern" or reference of similar import and (B) a written statement of a public accountant (x) to the effect that, on the basis of such examination conducted substantially in compliance with the Uniform Single Attestation Program for Mortgage Bankers, such firm is of the opinion that the Borrower's overall subservicing operations have been conducted in compliance with the Uniform Single Attestation Program for Mortgage Bankers except for such exceptions that, in the opinion of such public accountant, the Uniform Single Attestation Program for Mortgage Bankers requires it to report, in which case such exceptions shall be set forth in such statements, or (y) attesting to the Borrower's assessment of compliance with the servicing criteria set forth in Section 1122(d) of Securities and Exchange Commission regulation AB (17 C.F.R. Section 229.1122(d)) that was delivered by the Borrower to the Administrative Agent;

(iii) together with the financial statements delivered pursuant to clauses and (ii) above, the Electronic File and a Compliance Certificate in the form of Exhibit 7.01 attached hereto from a Responsible Officer of the Borrower (1) stating that to such Person's knowledge, no Event of Default has occurred and is continuing, or if an Event of Default has occurred and is continuing, a statement as to the nature thereof and the action which is proposed to be taken with respect thereto, (2) showing in reasonable detail the calculations demonstrating compliance with Section

7.01(i) of this Agreement, (3) disclosing any penalties, fines or other amounts that the Borrower reasonably believes to be payable within sixty (60) days to the CFPB or any other Governmental Authority or governmental regulator (to the extent the Borrower is permitted to disclose such matters in accordance with Requirements of Law) in an aggregate amount in excess of the amount that, individually or in the aggregate, is reasonably likely to result in a Material Adverse Effect, (4) listing any new locations where the Borrower keeps its books and records, any new chief executive office locations, (5) describing any litigation or proceeding that is pending or threatened against the Borrower as to which there is a reasonable likelihood that an adverse determination would exceed \$25,000,000 or constitute a Material Adverse Effect and (6) including a summary of all repurchase and indemnity claims by Ginnie Mae, as of the most recent month end, with respect to mortgage loans originated or serviced by the Borrower;

(i) promptly upon Ginnie Mae's request, deliver to Ginnie Mae copies of (i) the Borrowing Base Certificate delivered to the Administrative Agent pursuant to Section 2.04(a)(iii), (ii) the Advance Verification Report or the Valuation Report delivered to the Administrative Agent pursuant to Section 2.05(a) or (iii) the Compliance Certificate delivered to the Administrative Agent pursuant to Section 7.01(g)(iii).

(ii) promptly, from time to time and without unreasonable delay, such other information regarding the business affairs, operations and financial condition of the Borrower as the Administrative Agent or any Lender may reasonably request in writing; and

(iii) as soon as reasonably possible, and in any event within thirty (30) days after a Responsible Officer of the Borrower knows, or with respect to any Employee Plan or Multiemployer Plan to which the Borrower or any of its Subsidiaries makes direct contributions, has reason to believe, that any of the events or conditions specified below with respect to any Employee Plan or Multiemployer Plan has occurred or exists, a statement signed by a senior financial officer of the Borrower setting forth details respecting such event or condition and the action, if any, that the Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by the Borrower or an ERISA Affiliate with respect to such event or condition):

(A) any Reportable Event with respect to an Employee Plan, (provided that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA, including without limitation the failure to make on or before its due date a required installment under Section 430(j) of the Code or Section 303(j) of ERISA, shall be a Reportable Event under this paragraph (A) regardless of the issuance of any waivers in accordance with Section 412(d) of the Code); and any request for a waiver under Section 412(c) of the Code for any Employee Plan;

(B) the distribution under Section 4041(c) of ERISA of a notice of intent to terminate any Employee Plan or any action taken by the Borrower or an ERISA Affiliate to terminate any Employee Plan;

(C) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Employee Plan, or the receipt by the Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(D) the complete or partial withdrawal from a Multiemployer Plan by the Borrower or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by the Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in insolvency pursuant to Section 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(E) the institution of a proceeding by a fiduciary of any Multiemployer Plan against the Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within thirty (30) days; and

(F) the adoption of an amendment to any Employee Plan that would result in the loss of tax-exempt status of the Employee Plan and trust of which such Employee Plan is a part if the Borrower or an ERISA Affiliate fails to provide timely security to such Employee Plan if and as required by the provisions of Section 401(a)(29) of the Code.

(h) Agency Approval. The Borrower shall be approved by Ginnie Mae as an approved issuer (the “Ginnie Mae Approvals”), with no event having occurred, including a change in insurance coverage, which (i) would make the Borrower unable to comply with the eligibility requirements for maintaining the Ginnie Mae Approvals or (ii) would otherwise have a Material Adverse Effect and require notification to Ginnie Mae. Should the Borrower for any reason, cease to possess the Ginnie Mae Approvals, or should notification to Ginnie Mae be required pursuant to the foregoing sentence, the Borrower shall so notify the Administrative Agent promptly in writing. Notwithstanding the preceding sentence, the Borrower shall take all necessary action to maintain all of its Ginnie Mae Approvals at all times during the term of this Agreement.

(i) Financial Covenants. The Borrower shall:

(iv) Leverage Ratio. Maintain at all times a ratio of its Total Net Indebtedness to Tangible Net Worth of not greater than 9:1;

(v) Tangible Net Worth: Maintain at all times minimum tangible net worth of not less than 110% of the Single-Family Issuer Minimum Net Worth Requirement set by Ginnie Mae (each as determined in accordance with the Ginnie Mae Guide);

(vi) Net Income. Not permit its Net Income (plus depreciation expense and excluding any mark-to-market adjustments) for any two consecutive quarters to be less than \$1.00; and

(vii) Liquidity. Maintain at all times liquidity on the last Business Day of each calendar month of not less than 120% of the Single-Family Issuer Minimum Liquidity Requirement set by Ginnie Mae (each as determined in accordance with the Ginnie Mae Guide).

(j) Quality Control. The Borrower shall conduct quality control reviews of its servicing operations in accordance with industry standards and Agency requirements. Upon the reasonable prior written request of any Lender, the Borrower shall report to such Lender the internal quality control findings relating to servicing operations as such reports are finalized.

(k) Intellectual Property. The Borrower shall own or license or otherwise have the right to use all material Intellectual Property rights that are necessary for the operation of its business, without infringement upon or conflict with the rights of any other Person with respect thereto, except for such infringements and conflicts which would not reasonably be expected to have a Material Adverse Effect.

(l) Further Assurances. The Borrower shall take such action and execute, acknowledge and deliver, at its sole cost and expense, such agreements, instruments or other documents as the Administrative Agent may reasonably require from time to time in order (i) to give effect to the provisions of this Agreement and the other Loan Documents, (31) to subject any of the Collateral to valid and perfected first priority Liens, (32) to establish and maintain the validity and effectiveness of any of the Loan Documents and the validity, perfection and priority

of the Liens intended to be created thereby, and (33) to better assure, convey, grant, assign, transfer and confirm unto the Administrative Agent and each Lender the rights now or hereafter granted to it under this Agreement or any other Loan Document. In furtherance of the foregoing, to the maximum extent permitted by Requirements of Law, the Borrower (i) authorizes the Administrative Agent to file any financing statement required hereunder or under any other Loan Document, and any continuation statement or amendment with respect thereto, in any appropriate filing office without the signature of the Borrower at the expense of the Borrower, and (ii) ratifies the filing of any financing statement, and any continuation statement or amendment with respect thereto, filed without the signature of the Borrower.

(m) Special Affirmative and Negative Covenants Concerning Servicing Rights, Eligible Pledged Servicing Receivables and Advance Reimbursement Amounts.

(iii) The Borrower shall defend the right, title and interest of the Administrative Agent, for the benefit of the Lenders, in and to the Servicing Rights pledged to the Administrative Agent, for the benefit of the Lenders, against the claims and demands of all

Persons whomsoever, subject to the restrictions imposed by the Ginnie Mae Agency Requirements and the Acknowledgement Agreement.

(iv) The Borrower shall not assign, pledge, convey or encumber any Collateral to any other Person other than in respect of Permitted Collateral Liens and shall preserve the security interests granted hereunder and upon request by the Administrative Agent, undertake all actions which are necessary or appropriate, in the reasonable judgment of the Administrative Agent, to (x) maintain the Administrative Agent and the Lenders' security interest (including the first priority thereof, subject only to Permitted Collateral Liens with respect to the related Eligible Pledged Servicing Receivables and other Collateral) in the Collateral in full force and effect at all times prior to the satisfaction of all Obligations under this Agreement (excluding any Unliquidated Obligations) and the release of the Administrative Agent's and the Lenders' lien in accordance with the terms and provisions of this Agreement, and (y) preserve and protect the Collateral and protect and enforce the rights of the Administrative Agent and the Lenders to the Collateral, including (1) the making or delivery of all filings and recordings (of financing or continuation statements), or amendments thereto or assignments thereof, and such other instruments or notices, as may be necessary or appropriate and (2) causing to be marked conspicuously its master data processing records with a legend, acceptable to the Administrative Agent, evidencing that such security interest has been granted in accordance with this Agreement.

(v) The Borrower shall diligently fulfill its duties and obligations under the Servicing Contracts in all material respects and shall not default in any material respect under any of the Servicing Contracts.

(vi) The Borrower shall diligently and timely collect and enforce in all material respects its Advance Reimbursement Amounts, Eligible Pledged Servicing Receivables and its servicing compensation under each Servicing Contract and cause the Borrower's rights to collect Advance Reimbursement Amounts and Eligible Pledged Servicing Receivables under each Servicing Contract to remain in full force and effect except as otherwise contemplated hereby.

(vii) The Borrower shall continue to maintain Fidelity Insurance in an aggregate amount at least equal to the greatest minimum amount required by any Agency with respect to the Borrower. The Borrower shall maintain Fidelity Insurance in respect of its officers, employees and agents, with respect to any claims made in connection with all or any portion of the Collateral. The Borrower shall notify the Administrative Agent of any material change in the terms of any such Fidelity Insurance.

(viii) The provisions of this Agreement shall continue to be effective to create in favor of the Administrative Agent, for the benefit of the Lenders, a valid security interest in all right, title, and interest of the Borrower in, to and under the Collateral, subject only to Permitted Collateral Liens.

(ix) Subject only to the Ginnie Mae Guide and the terms of the Acknowledgement Agreement, the Borrower shall continue to have the full right, power and authority to pledge the Servicing Rights to the Administrative Agent, for the benefit of the Lenders, and the pledge of such Servicing Rights may be further assigned without any requirement, except as may be specified in the Ginnie Mae Guide.

(x) Without unreasonable delay after the Administrative Agent's written request, the Borrower shall deliver to the Administrative Agent Mortgage Files for a statistically significant sample of the Mortgage Loans related to Collateral added or proposed to be added since the last Funding Date (such sample size to be determined by the Administrative Agent in its sole discretion).

(n) Maintenance of Property. The Borrower shall keep all Property and assets useful and necessary in its business in a condition satisfactory to allow the Borrower to perform its operations and free and clear of all Liens (other than Permitted Encumbrances).

(o) Use of Proceeds. Subject to any limitations contained in the Acknowledgement Agreement, the Borrower shall use the proceeds of the Loans to (i) fund the Borrower's purchase of additional servicing portfolios; (34) provide collateral for the Borrower's warehouse lines of credit; or (35) fund the acquisition of and performance of required servicing activities for additional servicing and/or servicing portfolios.

(p) Maintenance of Insurance by the Borrower. The Borrower shall at all times maintain insurance with responsible and reputable insurance companies or associations (including, without limitation, errors and omissions insurance, comprehensive general liability, hazard, rent, worker's compensation and business interruption insurance) with respect to its properties (including all real properties leased or owned by it) and business, in such amounts and covering such risks as is required by the Agencies and any Governmental Authority having jurisdiction with respect thereto or as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated.

(q) Servicing Facilities. The Borrower or its subservicer shall maintain adequate financial standing, servicing facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same types as may from time to time constitute Mortgage Loans in accordance with the requirements of the Agencies.

(r) Anti-Money Laundering Laws. The Borrower shall conduct its operations in all material respects in compliance with the applicable Anti-Money Laundering Laws.

(s) No Prohibited Persons. Neither the Borrower nor any director, officer, agent or employee of the Borrower shall be a Person that is subject of any OFAC-administered sanctions, or shall be located, organized or resident in a country or territory that is the subject of OFAC-administered sanctions; and the Borrower will not, directly or indirectly, use the proceeds of the Loans hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, to fund activities of or business with any Person, or in any country or territory, that at the time of such funding or facilitation, is the subject of OFAC-administered sanctions, or in a manner that would otherwise cause any Person (including any Person involved in or facilitating the Loans, whether as a Lender, the Administrative Agent, advisor, or otherwise) to violate any OFAC-administered sanctions.

(t) Foreign Corrupt Practices Act. Neither the Borrower nor any director, officer, agent or employee of the Borrower shall take any action, directly or indirectly, that would result in a violation by such persons of the FCPA; and the Borrower shall conduct its businesses in compliance with the FCPA and shall institute and maintain policies and procedures designed to ensure continued compliance therewith.

Section 7.02 Negative Covenants of the Borrower. The Borrower covenants and agrees with the Administrative Agent and each Lender that, so long as any Loan is outstanding and until all Obligations (other than Unliquidated Obligations) have been paid in full:

(a) Prohibition of Fundamental Changes. The Borrower shall not enter into any transaction of merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution). The Borrower shall not, without the prior written consent of the Lenders, directly or indirectly alter, modify or otherwise change: (i) its current business operations; and (ii) its current mortgage loan origination platform (including but not limited to its process of mortgage loan acquisitions). The Borrower shall not convey, sell, lease, assign, transfer or otherwise dispose of (collectively, "Transfer"), all or substantially all of its Property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired or allow any Subsidiary to Transfer substantially all of its assets to any Person; provided, that the Borrower may after prior written notice to the Administrative Agent allow such action with respect to any Subsidiary which is not a material part of the Borrower's overall business operations. Upon the occurrence of an Event of Default, the Borrower shall not create or acquire any Subsidiary without the prior written consent of the Lenders.

(b) Assignment. Except as permitted or contemplated by this Agreement, the Borrower shall not sell, assign, transfer or otherwise dispose of, or grant any option with respect to, or pledge, hypothecate or grant a security interest in or lien on or otherwise encumber any of the Collateral or any interest therein. Notwithstanding the foregoing, provided that no Default or Event of Default shall have occurred and is continuing, the Borrower may sell Eligible Servicing Rights free and clear of Administrative Agent's interest therein so long as the sale of such assets will not cause a Borrowing Base Deficiency in the sole discretion of the Administrative Agent. Upon any such sale, Administrative Agent agrees to release its interests hereunder in the sold Eligible Servicing Rights.

(c) Material Change in Business. The Borrower shall maintain its primary business as a residential mortgage servicer.

(d) Distributions. If an Event of Default has occurred and is continuing, the Borrower shall not pay any dividends with respect to any capital stock or other equity interests in such entity, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of the Borrower.

(e) Chief Executive Office; Legal Name; Jurisdiction of Organization. The Borrower shall not move its chief executive office from the address referred to in Section 6.01(t) or change its jurisdiction of organization or legal name unless, in each case, it shall have provided Administrative Agent 30 days' prior written notice of such change.

(f) Transactions with Affiliates. The Borrower shall not enter into any transaction, including the purchase, sale, lease or exchange of property or assets or the rendering or accepting of any service, with any Affiliate unless such transaction is (i) not otherwise prohibited by this Agreement and (ii) upon fair and reasonable terms no less favorable to the Borrower than it would obtain in a comparable arm's length transaction with a Person which is not an Affiliate.

(g) Excess Servicing Spread. Any Excess Servicing Spread shall only be sold to an Existing Spread Owner or to a third party approved in writing by Administrative Agent in its sole discretion and in a manner that is in form and substance similar to the Borrower's existing transactions involving excess servicing spreads; provided that such third party shall execute and deliver or affirm (i) an Intercreditor and Subordination Agreement, (ii) a Sold Excess Servicing Spread Purchaser Account Control Letter Agreement and (iii) a Control Agreement. Notwithstanding anything herein to the contrary, no Dedicated Account shall be subject to the control of any third party not in control of a Dedicated Account as of the Closing Date, unless such third party is approved by the Administrative Agent in writing in its sole discretion.

(h) Plan Assets. The Borrower shall not be an employee benefit plan as defined in Section 3(3) of ERISA that is subject to Title I of ERISA, a "plan" as defined in and subject to Section 4975 of the Code or an entity deemed to hold the "plan assets" of any of the foregoing pursuant to 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA. The transactions contemplated by this Agreement will not be in violation of any Similar Law that is applicable to the Borrower.

(i) Modification of the Servicing Contracts. The Borrower shall not consent with respect to any Servicing Contracts to (i) the modification, amendment or termination of such Servicing Contracts in a manner that is materially adverse to the interests of the Administrative Agent and the Lenders, (ii) the waiver of any provision of such Servicing Contracts to the extent any such waiver is materially adverse to the interests of the Administrative Agent and the Lenders, (iii) the resignation of the Borrower as servicer under the Servicing Contracts or (iv) the assignment, transfer, or material delegation of any of its rights or obligations, under such Servicing Contracts, in the case of each of clauses (i)-(iv) above, without the prior written consent of Administrative Agent exercised in Administrative Agent's sole good faith discretion. Notwithstanding anything to the contrary herein, Ginnie Mae has the absolute and unconditional right to modify the Ginnie Mae Guide at any time.

(j) Dedicated Accounts, Fee Collection Account and Advance Collection Account. Close or fail to continue to utilize the Dedicated Accounts, the Fee Collection Account and the Advance Collection Account.

Section 7.03 Notice of Certain Occurrences. The Borrower covenants and agrees with the Administrative Agent and each Lender that, so long as any Loan is outstanding and until all Obligations (other than Unliquidated Obligations) have been paid in full:

(a) Defaults. As soon as possible, but in any event within one (1) Business Day after a Responsible Officer of the Borrower has knowledge of any Default, the Borrower shall furnish to the Administrative Agent a written statement of a Responsible Officer of the Borrower setting forth details of such Default and no more than three (3) Business Days after a Responsible Officer of the Borrower has knowledge of any Default a written statement from a Responsible Officer of the Borrower setting forth the action that the Borrower has taken or proposes to take with respect to such Default.

(b) Litigation. Promptly after a Responsible Officer of the Borrower has knowledge thereof, and in any event within twenty (20) days after service of process on any of the following, the Borrower shall furnish to the Administrative Agent notice of any action, suit or proceeding instituted by or against the Borrower in any federal or state court or before any commission, regulatory body or Governmental Authority that (i) questions or challenges the validity or enforceability of any of the Loan Documents or any action to be taken in connection with the transactions contemplated hereby, (ii) makes a claim or claims in an aggregate amount greater than \$10,000,000, (iii) which, individually or in the aggregate, if adversely determined, could be reasonably likely to have a Material Adverse Effect, or (iv) requires filing with the

Securities and Exchange Commission in accordance with the Securities Exchange Act of 1934 and any rules thereunder.

(c) Judgments, Penalties and Fines. Promptly after a Responsible Officer of the Borrower has knowledge thereof, the Borrower shall furnish to the Administrative Agent notice of any individual judgments, penalties, fines or other amounts payable to the CFPB, any Governmental Authority (to the extent the Borrower is permitted to disclose such matters in accordance with Requirements of Law), any other state or federal governmental regulator or any other third party in excess of \$25,000,000;

(d) Servicing Contract Transfer. Promptly, but in any event within three (3) Business Days, the Borrower shall notify the Administrative Agent of the transfer, termination or other loss of all or any part of any Servicing Contract related to any Servicing Rights (or the termination or replacement of the Borrower thereunder), the reason for such transfer, loss or replacement, if known to it and the effects that such transfer, loss or replacement will have (or will likely have) on the prospects for full and timely collection of all amounts owing to the Borrower under or in respect of the Borrower's Servicing Contracts related to the Servicing Rights.

(e) Agency Notices. Unless the Borrower is prohibited by the Applicable Agency, any regulator, a Governmental Authority or a Requirement of Law from sharing due to confidentially restrictions, the Borrower shall promptly, but in any event within three (3) Business Days of receipt, furnish to the Administrative Agent (i) a copy of any notices it receives from any Agency indicating any adverse fact or circumstance in respect of the Borrower with respect to which adverse fact or circumstance such Agency, respectively, announce its intention to terminate or threatens in writing to terminate the Borrower with cause and (ii) a copy of any notice from any Agency indicating material breach, default or material non-compliance by the Borrower. For the avoidance of doubt, to the extent the Borrower is prohibited from sharing any of the notices referenced in clauses (i) and (ii) above but is not prohibited from sharing the substance of such notices, the Borrower shall promptly notify the Administrative Agent of the substance of such notices.

(f) Advance Verification Agent. Promptly after the replacement of the Advance Verification Agent, the Borrower shall furnish notice to Ginnie Mae.

ARTICLE VIII EVENTS OF DEFAULT

Section 8.01 Events of Default. The following events shall be "Events of Default":

(a) The Borrower shall fail to pay, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), (i) all or any portion of the principal of the Loans or any mandatory prepayment, including any amount required to cure a Borrowing Base Deficiency pursuant to Section 2.09(c), or any amount payable pursuant to Section 3.04 of this Agreement or any interest on any Loan under this Agreement, (36) any fee payable under the Fee Letter, and, in the case of this clause (ii), such failure continues for a period of two (2) Business Days or (37) any indemnity or expense payable under this Agreement or any other Loan Document, and, in the case of this clause (iii), such failure continues for a period of two (2) Business Days after written demand therefor;

(b) (i) The Borrower shall fail to comply with the requirements of Sections 7.01(b), 7.01(d), 7.01(e)(i), 7.01(e)(ii), 7.01(f)(i), 7.01(g), 7.01(h), 7.01(i), 7.01(m)(other than 7.01(m)(v)), 7.01(o), 7.01(r), 7.01(s), 7.02(t), 7.02 and 7.03, (ii) the Borrower shall fail to comply with the requirements of Sections 7.01(m)(v) or 7.01(p) and such failure shall remain unremedied for two (2) Business Days (provided that, in the case of Sections 7.01(m)(v) and

7.01(p), such two (2) Business Day cure right shall only apply to the extent no material loss has been incurred by the Borrower as a result of such non-compliance) or (iii) the Borrower shall fail to perform or comply with any other term, covenant or agreement contained in any Loan Document to be performed or observed by it and such failure shall remain unremedied for 30 days after the earlier of the date a Responsible Officer of the Borrower has knowledge of such failure and the date written notice of such default shall have been given by the Administrative Agent to the Borrower;

(c) Any representation, warranty or certification made or deemed made herein or in any other Loan Document by the Borrower or any certificate furnished to the Administrative Agent and the Lenders pursuant to the provisions thereof, shall prove to have been false or misleading in any material respect (unless such representation or warranty is qualified by materiality and then, in any respect) as of the time made or furnished and such false or misleading statement was not corrected in a subsequent writing delivered to the Administrative Agent or otherwise remedied in a manner satisfactory to the Administrative Agent within five (5) Business Days after the earlier of the date a Responsible Officer of the Borrower has knowledge of such false or misleading statement and the date written notice of such false and misleading statement shall have been given by the Administrative Agent to the Borrower; provided, that the Borrower shall not be permitted to correct or remedy any representations and warranties made (i) with actual knowledge that they were materially false or misleading at the time made or (ii) any representation, warranty or certification made or deemed made pursuant to Sections 6.01(a), 6.01(b), 6.01(c), 6.01(g), 6.01(h) and 6.01(l);

(d) (1) The failure of the Borrower to be an approved servicer under the guidelines of Ginnie Mae with respect to any Eligible Pledged Servicing Receivables, (i) the Borrower is involuntarily terminated as servicer with respect to any Eligible Pledged Servicing Receivables, (ii) the Borrower shall cease to be approved by or its approval shall be revoked, rescinded, halted, eliminated, withdrawn, annulled, repealed, voided or terminated by Ginnie Mae as an approved seller/servicer or lender or (iii) the failure of the Borrower to maintain Ginnie Mae net worth requirements and such failure is unwaived by Ginnie Mae;

(e) The Borrower, Mr. Cooper Group, or any Subsidiary of Mr. Cooper Group shall be in default under, or fail to perform as required under, any note, indenture, repurchase agreement, loan and security agreement, credit facility, guaranty, swap agreement or any other contract to which it is a party, including, without limitation, any Lender Indebtedness, and such note, indenture, repurchase agreement, loan and security agreement, credit facility, guaranty, swap agreement or other contract, other than any Lender Indebtedness, is in excess of \$25,000,000, which default (i) involves the failure to pay a matured obligation, or (ii) permits the acceleration of the maturity of obligations or permits the prepayment of any indebtedness thereunder by any other party to or beneficiary of such note, indenture, repurchase agreement, guaranty, swap agreement or other contract;

(f) The Administrative Agent, for the benefit of the Lenders, does not, or ceases to, have a first priority perfected security interest in any of the Collateral, subject only to Permitted Collateral Liens, other than as a result of a release of such security interest by the Administrative Agent or in connection with a transaction that is permitted by this Agreement;

(g) Any final judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against the Borrower, by a court, administrative tribunal or other body having jurisdiction over them and the same shall not be satisfied or discharged (or provisions shall not be made for such discharge) or bonded, or a stay of execution thereof shall not be procured, within thirty (30) days from the date of entry thereof or, if a stay of execution is procured, thirty (30) days from the date such stay is lifted;

(h) (1) The Borrower files a voluntary petition in bankruptcy, seeks relief under any provision of any Insolvency Law or consents to the filing of any petition against it under any such law; (iv) a proceeding shall have been instituted by any Person in a court having jurisdiction in the premises seeking a decree or order for relief in respect of the Borrower in an involuntary case under any applicable Insolvency Law, or for the appointment of a receiver, liquidator, assignee, trustee, custodian, sequestrator, conservator or other similar official of the Borrower, or for any substantial part of its Property, or for the winding-up or liquidation of its affairs and the Borrower shall have failed to obtain a relief (including a dismissal) or a stay of such involuntary proceeding within thirty (30) days; (v) the admission in writing by the Borrower of its inability to pay its debts as they become due; (vi) the Borrower consents to the appointment of or taking possession by a custodian, receiver, conservator, trustee, liquidator, sequestrator or similar official, of all or any part of its Property or any custodian, receiver, conservator, trustee, liquidator, sequestrator or similar official takes possession of all or any part of the Property of the Borrower; (vii) the Borrower makes an assignment for the benefit of any of its creditors; or (viii) the Borrower generally fails to pay, or admits in writing its inability to pay, its debts as they become due;

(i) Any Loan Document ceases to be in full force and effect or the Borrower shall contest the validity or enforceability of any provision of any Loan Document; or the Borrower shall deny in writing that it has any or further liability or obligation under any Loan Document or shall purport to revoke, terminate or rescind in writing any provision of any Loan Document that materially impairs any Lender's rights and remedies thereunder;

(j) A Change of Control occurs without the prior written consent of the Administrative Agent and the Required Lenders and the Administrative Agent (at the direction of the Required Lenders acting in their sole discretion) declares in writing that such Change of Control is "Event of Default" hereunder; or

(k) (1) any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Internal Revenue Code) involving any Employee Plan, (2) any failure to satisfy the minimum funding standards of Section 302 of ERISA, whether or not waived, shall exist with respect to any Employee Plan, (3) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Employee Plan, which Reportable Event or institution of proceedings is, in the reasonable opinion of the Lenders, likely to result in the termination of such Employee Plan for purposes of Title IV of ERISA, and, in the case of a Reportable Event, the continuance of such Reportable Event unremedied for ten (10) days after notice of such Reportable Event pursuant to Section 4043(a) of ERISA is given, or the continuance of such proceedings for ten (10) days after commencement thereof, as the case may be, (4) any Employee Plan shall terminate for purposes of Title IV of ERISA, (5) any withdrawal liability to a Multiemployer Plan shall be incurred by the Borrower or any of its Subsidiaries or (6) any other event or condition shall occur or exist; and in each case in clauses

(1) through (6) above, such event of condition, together with all other such events or conditions, if any, is likely to subject the Borrower or any of its Subsidiaries to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Borrower or any of its Subsidiaries; or

(l) any materially adverse change in the property, business or financial condition of the Borrower shall occur, in each case as determined by the Administrative Agent in its sole discretion, or any other condition shall exist which, in the Administrative Agent's sole discretion, constitutes a material impairment of the Borrower's ability to perform its obligations under this Loan Agreement or related documents.

Section 8.02 Remedies.

(a) Optional Acceleration. If an Event of Default (other than an Event of Default described in Section 8.01(h)) has occurred and is continuing, the Administrative Agent may (or at the direction of the Required Lenders shall) by written notice to the Borrower, terminate the Facility and declare all Loans and all other Obligations to be immediately due and payable.

(b) Automatic Acceleration. If an Event of Default described in Section 8.01(h) has occurred and is continuing, the Facility shall be automatically terminated and the Loans and all other Obligations shall be immediately due and payable upon the occurrence of such event, without demand or notice of any kind.

(c) Remedies. If an Event of Default has occurred and is continuing, the Administrative Agent, for the benefit of the Lenders, in addition to all other rights and remedies under this Agreement or otherwise, shall have all other rights and remedies provided under the UCC of each applicable jurisdiction and other Requirements of Laws, which rights shall be cumulative (but shall be subject to the rights of any Agency, as applicable, with respect to the related Servicing Rights). The Borrower agrees, if an Event of Default has occurred and is continuing and following notice from the Administrative Agent, to assemble, at its expense, all of the Collateral that is in its possession (whether by return, repossession, or otherwise) at a place designated by the Administrative Agent. All out-of-pocket costs incurred by the Administrative Agent in the collection of all Obligations, and the enforcement of its rights hereunder, including attorneys' fees and legal expenses, shall constitute Obligations. Without limiting the foregoing, if an Event of Default has occurred and is continuing and the Administrative Agent has accelerated the Loans pursuant to this Section 8.02, the Administrative Agent may, to the fullest extent permitted by Requirements of Law, without notice, advertisement, hearing or process of law of any kind, (i) enter upon any premises where any of the Collateral which is in the possession of the Borrower (whether by return, repossession, or otherwise) may be located and take possession of and remove such Collateral and (38) sell any or all of such Collateral, free of all rights and claims of the Borrower therein and thereto, at any public or private sale. Any such sale shall be conducted in a commercially reasonable manner and in accordance with Requirements of Law. The Borrower hereby expressly waives, to the fullest extent permitted by Requirements of Law, any and all notices, advertisements, hearings or process of law in connection with the exercise by the Administrative Agent of any of its rights and remedies if an Event of Default has occurred and is continuing. The Administrative Agent shall have the right (but not the obligation) to bid for (including by Credit Bid) and purchase any or all Collateral at any public or private sale. The Borrower hereby agrees that in any sale of any of the Collateral, the Administrative Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of Requirements of Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications, and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any Governmental Authority, and the Borrower further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner. The Administrative Agent shall not be liable for any sale, private or public, conducted in accordance with this Section 8.02(c). If an Event of Default has occurred and is continuing, and upon acceleration of the Loans hereunder, the Loans and all other Obligations shall be immediately due and payable, and collections on the Eligible Pledged Servicing Receivables or Advance Reimbursement Amounts and proceeds of sales and securitizations of Eligible Pledged Servicing Receivables or Advance Reimbursement Amounts, and other Collateral will be used to pay the Obligations, with any balance remaining from such collections and proceeds paid by the Administrative Agent to the Borrower.

(d) The Borrower hereby acknowledges and agrees that the Obligations of the Borrower under this Agreement and the other Loan Documents constitute full recourse obligations of the Borrower.

(e) Right to Realize on Collateral. Anything contained in any of the Loan Documents to the contrary notwithstanding, the Borrower, the Administrative Agent and each Lender hereby agree that (i) no Lender shall have any right individually to realize upon any of the Collateral, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of Lenders, in accordance with the terms hereof and all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent, and (39) in the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale, the Administrative Agent or any Lender may be the purchaser of any or all of such Collateral at any such sale and the Administrative Agent, as agent for and representative of the Lenders (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Administrative Agent at such sale.

(f) The exercise of all remedies under this Section 8.02 is subject to the terms, conditions and limitations set forth in the Acknowledgment Agreement.

ARTICLE IX AGENT

Section 9.01 Appointment of Administrative Agent. Each Lender hereby appoints Morgan Stanley Mortgage Capital Holdings LLC as the Administrative Agent hereunder and under the other Loan Documents and each Lender hereby authorizes Morgan Stanley Mortgage Capital Holdings LLC to act as its agent in accordance with the terms hereof, including, Section 9.03, and the other Loan Documents. The provisions of this Article IX are solely for the benefit of the Administrative Agent and Lenders and, except as set forth in this sentence, the Borrower shall not have any rights, obligations or duties as a third party beneficiary of any of the provisions of this Article IX and none of the provisions of this Article IX shall affect any rights of the Borrower hereunder. In performing its functions and duties hereunder, the Administrative Agent shall act solely as an agent of the Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Borrower.

Section 9.02 Rights as Lender. With respect to its Pro Rata Share of the Loans made by it, if any, the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender or maker of a Loan. The terms “Lenders” or “Required Lenders” or any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender or one of the Required Lenders. With respect to its participation in the Loans, the Administrative Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder. The Administrative Agent and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisor capacity for and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

Section 9.03 Powers and Duties. Each Lender irrevocably authorizes the Administrative Agent to take such action on such Lender’s behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to the Administrative Agent by the terms hereof and thereof, together with such powers, rights

and remedies as are reasonably incidental thereto. The Administrative Agent shall have only those duties and responsibilities that are expressly specified herein and in the other Loan Documents. The Administrative Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. The Administrative Agent shall not have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender; and nothing herein or in any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect hereof or of any of the other Loan Documents except as expressly set forth herein or therein.

Section 9.04 General Immunity.

(a) No Responsibility for Certain Matters. The Administrative Agent shall not be responsible for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or of any other Loan Document or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by the Administrative Agent to Lenders or by or on behalf of the Borrower to the Administrative Agent or any Lender in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of the Borrower or any other Person liable for the payment of any Obligations, nor shall the Administrative Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default.

(b) Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, partners, directors, employees or agents shall be liable to any Lender for any action taken or omitted by the Administrative Agent under or in connection with any of the Loan Documents except to the extent caused by the Administrative Agent's gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. The Administrative Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or with any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until the Administrative Agent shall have received instructions in respect thereof from the Required Lenders (or such other Lenders as may be required to give such instructions under Section 12.01) and, upon receipt of such instructions from the Required Lenders (or such other Lenders, as the case may be), the Administrative Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions. Without prejudice to the generality of the foregoing, (i) the Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of its attorneys, accountants, experts and other professional advisors selected by it; (40) no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or (where so instructed) refraining from acting hereunder or under any of the other Loan Documents in accordance with the instructions of the Required Lenders (or such other Lenders as may be required to give such instructions under Section 12.01); and (41) no action taken or omitted by the Administrative Agent shall be considered to have resulted from the Administrative Agent's gross negligence, bad faith or willful misconduct if such action or omission was done at the direction of the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in any other Loan Document).

Section 9.05 Reserved.

Section 9.06 Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of the Borrower in connection with the Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of the Borrower. The Administrative Agent shall not have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of the Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and the Administrative Agent shall not have any responsibility with respect to the accuracy of or the completeness of any information provided to the Lenders.

(b) Each Lender, by delivering its signature page to this Agreement and funding its Loan on the Closing Date or any other funding date, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by the Administrative Agent, the Required Lenders or the Lenders, as applicable on the Closing Date or such other funding date. Each Lender acknowledges that by agreeing to fund the Loans on any Funding Date, such Lender agrees that all conditions precedent to such Loan have been met on such Funding Date.

Section 9.07 Right to Indemnity. Each Lender, in proportion to its Pro Rata Share, severally, but not jointly, agrees to indemnify the Administrative Agent, its Affiliates and their respective officers, partners, directors, trustees, employees and agents (each, an "Indemnitee Agent Party"), and hold such Indemnitee Agent Party harmless to the extent that such Indemnitee Agent Party shall not have been reimbursed by the Borrower, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including documented out-of-pocket costs and expenses and all reasonable counsel fees) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Indemnitee Agent Party in exercising its powers, rights and remedies or performing its duties hereunder or under the other Loan Documents or otherwise in its capacity as such Indemnitee Agent Party in any way relating to or arising out of this Agreement or the other Loan Documents, **IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY, OR SOLE NEGLIGENCE OF SUCH INDEMNITEE AGENT PARTY;** provided, no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Indemnitee Agent Party's gross negligence, bad faith or willful misconduct, as determined by a court of competent jurisdiction in a final, non-appealable order. If any indemnity furnished to any Indemnitee Agent Party for any purpose shall, in the opinion of such Indemnitee Agent Party, be insufficient or become impaired, such Indemnitee Agent Party may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided, in no event shall this sentence require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof; and provided, further, this sentence shall not be deemed to require any Lender to indemnify any Indemnitee Agent Party against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement described in the proviso in the immediately preceding sentence.

Section 9.08 Reserved.

Section 9.09 Delegation of Duties. The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or

through any one or more sub agents appointed by the Administrative Agent. The Administrative Agent and any such sub agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates and their respective officers, partners, directors, trustees, employees and agents. The exculpatory provisions of this Article IX shall apply to any such sub agent and to such other parties as are listed above.

Section 9.10 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Insolvency Law or any other judicial proceeding relative to the Borrower or the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower), the Administrative Agent shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations arising under the Loan Documents that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent hereunder) allowed in such judicial proceeding;

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and

(c) any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent hereunder.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

Section 9.11 Agent under Loan Documents. Each Lender hereby further authorizes the Administrative Agent, on behalf of and for the benefit of the Lenders, to be the agent for and representative of the Lenders with respect to the Collateral and the Loan Documents. Subject to Section 12.01, without further written consent or authorization from the Lenders, the Administrative Agent may execute any documents or instruments necessary to release any Lien encumbering any item of Collateral that is the subject of a sale or other disposition of assets permitted hereby or to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 12.01) have otherwise consented.

ARTICLE X ASSIGNMENT

Section 10.01 Restrictions on Assignments.

(a) The Borrower shall not assign its rights hereunder or any interest herein without the prior written consent of each Lender. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, Indemnitee Agent Parties under Section 9.07, Indemnified Party under Section 11.01 their respective successors and

assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Administrative Agent and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Right to Assign. Each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including all or a portion of the Loans owing to it or other Obligations (provided, however, that each such assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of the Loans):

(i) to any Person meeting the criteria of clause (i)(a) of the definition of the term “Eligible Assignee” upon the giving of notice to the Borrower and the Administrative Agent; and

(ii) to any Person otherwise constituting an Eligible Assignee with the prior written consent of the Administrative Agent and solely to the extent no Event of Default is continuing, the prior written consent of the Borrower (which acceptance shall be deemed to have been given if the Borrower has not responded within five (5) Business Days of receipt by a Responsible Officer of the Borrower of a written request for such acceptance); provided, each such assignment pursuant to this Section 10.01(b)(ii) shall be in an aggregate amount of not less than \$5,000,000.

(c) Mechanics. The assigning Lender and the assignee thereof shall execute and deliver to the Administrative Agent and the Borrower an Assignment Agreement, together with such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver to the Administrative Agent pursuant to Section 3.04.

(d) Notice of Assignment. Upon its receipt and acceptance of a duly executed and completed Assignment Agreement, any forms, certificates or other evidence required by this Agreement in connection therewith, and upon receipt of the processing fee described below in Section 10.01(f), the Administrative Agent shall record the information contained in such Assignment Agreement in the Register, shall give prompt notice thereof to the Borrower and shall maintain a copy of such Assignment Agreement.

(e) Representations and Warranties of Lenders and Assignees. Each Lender, upon execution and delivery hereof or, upon executing and delivering an Assignment Agreement, each assignee Lender, as the case may be, represents and warrants as of the Closing Date or as of the applicable Effective Date (as defined in the applicable Assignment Agreement) that (i) such assignment is subject to the Acknowledgement Agreement; (42) in the case of an assignee Lender, it is an Eligible Assignee; (43) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Loans, as the case may be; (44) it will make or invest in, as the case may be, its Loans for its own account in the ordinary course of its business and without a view to distribution of such Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.01, the disposition of such Loans or any interests therein shall at all times remain within its exclusive control); and (45) such Lender is in compliance with all U.S. economic sanctions laws, executive orders and implementing regulations as promulgated by OFAC, including with regard to the source of funds used to make any Loan hereunder.

(f) Effect of Assignment. Subject to the terms and conditions of this Section 10.01, as of the “Effective Date” specified in the applicable Assignment Agreement: (i) the assignee thereunder shall have the rights and obligations of a “Lender” hereunder to the extent such rights and obligations hereunder have been assigned to it pursuant to such Assignment Agreement and shall thereafter be a party hereto and a “Lender” for all purposes hereof; (46) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned

thereby pursuant to such Assignment Agreement, relinquish its rights (other than any rights which survive the termination hereof under Section 12.09) and be released from its obligations hereunder (and, in the case of an Assignment Agreement covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto; provided, anything contained in any of the Loan Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); and (47) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to the Administrative Agent for cancellation, and thereupon the Borrower shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the outstanding Loans of the assignee and/or the assigning Lender. The Administrative Agent shall receive a processing fee in the amount of \$3,500 payable by the applicable assignee Lender upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such assignee Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto and such pledge or assignment of a security interest is subject to the Acknowledgement Agreement.

Section 10.02 Permitted Participants; Effect. Any Lender may, in the ordinary course of its business and in accordance with Requirements of Law, at any time (and from time to time) sell to one or more banks or other entities (each a "Participant"), participating interests in any Loan owing to such Lender, any Note held by such Lender, or any other interest of such Lender under this Agreement or the other Loan Documents. In the event of any such sale by such Lender of a participating interest to a Participant, (i) such Lender's obligations hereunder and under the other Loan Documents shall remain unchanged; (48) such Lender shall remain solely responsible to the Borrower for the performance of such obligations; and (49) such Lender shall remain the owner of its Loans and the holder of any Note issued to it in evidence thereof for the purposes under the Loan Documents. All amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests. The Borrower and such Lender shall continue to deal solely and directly with each other in connection with such Lender's rights and obligations under the Loan Documents. Each Lender shall, acting solely for this purpose as agent of the Borrower, maintain a register in the United States on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loan, Notes or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any other information relating to a Participant's interest in any commitments, Loans, Notes, letters of credit or other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, Loan, Note, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

Section 10.03 Voting Rights of Participants. The Required Lenders shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents; provided, that any amendment, modification,

or waiver with respect to any Loan in which such Participant has an interest which (i) forgives principal, interest, or fees or reduces the interest rate, principal amount or fees payable with respect to any such Loan, (ii) extends the Maturity Date, (iii) increases the Committed Facility Amount, (iv) postpones any date fixed for any regularly scheduled payment of principal of, or interest or fees on, any such Loan or (v) releases all or substantially all of the Collateral (other than as expressly permitted pursuant to the Loan Documents), shall, in each such case, require the consent of the Participants representing, in the aggregate, more than fifty percent (50%) of the participation interests in the Loans.

Section 10.04 Maintenance of Register; Transfer. The Administrative Agent shall, acting solely for this purpose as agent of the Borrower, establish and maintain (i) a record of ownership (the "Register") in which the Administrative Agent shall register by book entry the interest (including any rights to receive payment hereunder) of each Lender in each Loan, and any assignment (or reassignment) of all or any portion of such interest, obligation or right and accounts in the Register in accordance with its usual practice in which it shall record (x) the name and address of each Lender (or assignee, if applicable), (y) the amount of any principal or interest on each Loan due and payable or paid and (z) any other payment received by each Lender (or assignee, if applicable) from the Borrower with respect to any Loan. Notwithstanding anything to the contrary contained herein, (i) each Loan is a registered obligation, (ii) the right, title and interest of each Lender (or assignee, if applicable) in and to such Loan shall be transferable only upon notation of such transfer in the Register and (iii) no assignment thereof shall be effective until recorded therein. The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower or its agent shall treat each Person whose name is recorded in the Register as the Lenders (or assignee, if applicable) for all purposes of each Loan. This Section 10.04 shall be construed so that each Loan (and each Note evidencing such Loan) is at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code, including but not limited to U.S. Treasury Regulations Sections 5(f), 103-1(c) and 1.871-14(c), and any corresponding provisions of succeeding law. Information contained in the Register shall be available for access by the Borrower and each Lender (or assignee, if applicable, and with respect to each Lender, access shall only be granted with respect to such Lender's Loans) during normal business hours and from time to time upon reasonable advance notice.

ARTICLE XI INDEMNIFICATION

Section 11.01 Indemnities by the Borrower. Without limiting any other rights which any such Person may have hereunder or under Requirements of Law, but except as otherwise set forth herein, the Borrower hereby agrees to indemnify and hold harmless, the Administrative Agent, the Lenders, their Affiliates, successors, permitted transferees and assigns and all officers, directors, shareholders, controlling persons, employees and agents of any of the foregoing (each an "Indemnified Party"), forthwith on demand, from and against any and all damages, losses, claims, liabilities, obligations, penalties, judgments and related costs and expenses, including reasonable and documented attorneys' fees and disbursements (all of the foregoing being collectively referred to as "Indemnified Amounts") awarded against or incurred by any of them arising out of or resulting from this Agreement, the other Loan Documents, or any transaction contemplated hereby or thereby or arising out of or relating to the Borrower's origination and servicing practices or failure to maintain any governmental approvals or licensing with respect to the Mortgage Loans, other than (a) Indemnified Amounts to the extent a court of competent jurisdiction determines (in a final, non-appealable determination) that they resulted from gross negligence, bad faith or willful misconduct on the part of such Indemnified Party, 1. Excluded Taxes (other than any incremental Taxes arising solely by reason of a breach by the Borrower of its obligations under this Agreement), and 2. any lost profits or indirect, exemplary, punitive or consequential damages of any Indemnified Party. In any suit, proceeding or action brought by any Lender in connection with any Collateral for any sum owing thereunder, or to enforce any

provisions of any Collateral, the Borrower will save, indemnify and hold the Administrative Agent and the Lenders harmless from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim, recoupment or reduction or liability whatsoever of the account debtor or obligor thereunder, arising out of a breach by the Borrower of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such account debtor or obligor or its successors from the Borrower. Under no circumstances shall any Indemnified Party be liable to the Borrower for any lost profits or indirect, exemplary, punitive or consequential damages. This Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

Section 11.02 General Provisions. If for any reason the indemnification provided above in Section 11.01 (and subject to the limitations on indemnification contained therein) is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless on the basis of public policy, then the Borrower shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by such Indemnified Party on the one hand and the Borrower on the other hand but also the relative fault of such Indemnified Party as well as any other relevant equitable considerations.

The provisions of this Article XI shall survive the termination of this Agreement and the payment of the Obligations

ARTICLE XII MISCELLANEOUS

Section 12.01 Amendments, etc.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document (excluding the Fee Letter), and no consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Required Lenders (or by the Administrative Agent with the consent of the Required Lenders) and the Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given; provided, that no amendment, waiver or consent shall without the written consent of each Lender or each Lender adversely affected thereby, in each case, as required below:

(i) (A) reduce the principal of, or interest on, the Loans payable to any Lender, reduce the amount of any fee or any other amount payable for the account of any Lender, or (B) postpone or extend any scheduled date fixed for any payment of principal of, or interest or fees (but not prepayment) on, the Loans payable to any Lender, in each case, without the written consent of such Lender;

(ii) change the percentage of the commitments or of the aggregate unpaid principal amount of the Loans that is required for the Lenders or any of them to take any action hereunder without the written consent of each Lender;

(iii) amend the definition of "Required Lenders" without the written consent of each Lender;

(iv) amend the definition of "Pro Rata Share" without the written consent of each Lender affected thereby;

(v) release all or substantially all of the Collateral (except as otherwise provided in this Agreement and the other Loan Documents) or subordinate any Lien granted in favor of the Administrative Agent for the benefit of the Lenders without the written consent of each Lender;

- (vi) amend, modify or waive this Section 12.01 of this Agreement without the written consent of each Lender; or
- (vii) amend, modify or waive Sections 2.09(a) or 3.02 of this Agreement without the written consent of each Lender;
- (viii) amend, modify or waive Sections 5.01 or 5.02 of this Agreement without the written consent of each Lender;
- (ix) amend the definition of “Borrowing Base” or any definition used therein without the written consent of each Lender; or
- (x) amend, waive or consent to any provision of this Agreement to permit the Borrower or any of its Affiliates to (A) purchase Loans on a non-pro rata basis, (B) become an Eligible Assignee pursuant to Section 10.04 and/or (C) make offers to make optional prepayments on a non-pro rata basis without the written consent of each Lender.

Notwithstanding the foregoing, (A) no amendment, waiver or consent shall (1) unless in writing and signed by the Administrative Agent, affect the rights or duties of the Administrative Agent (but not in its capacity as a Lender) under this Agreement or the other Loan Documents and (ii) be made other than by a solicitation of all Lenders that have a right to consent, in a manner that treats all such Lenders in the same manner, and (B) any consent fee or other consideration payable in connection with any amendment, waiver or consent shall be payable ratably to all Lenders who consent to such requested amendment, waiver or consent.

(i) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender adversely affected thereby,” the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as a “Non-Consenting Lender”), then the Borrower may elect to replace a Non-Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, another bank or other entity which is reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase at the par value and for cash the Loans and other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and to become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender and to comply with the requirements of Section 10.01, and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of such replacement all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to and including the date of termination, and, upon such payment, such Non-Consenting Lender shall be immediately terminated without further action from any Person.

Section 12.02 Notices, etc. All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including facsimile communication) and shall be (1) personally delivered or sent by certified mail or overnight air courier, or postage prepaid, to the intended party at the address or facsimile number of such party set forth opposite its name on Schedule 12.02 or at such other address as shall be designated by such party in a written notice to the other parties hereto or (i) in the case of all notices and other communications other than Notices of Borrowing and notices under Section 7.03(a), posted to a data site with an email notification to the Administrative Agent on behalf of each Lender. All such notices and communications shall be effective, (ii) if personally delivered, when received, if sent by overnight air courier, the next Business Day after delivery to the related air courier service, if delivery is guaranteed as of the next Business Day, (iii) if made available by the Borrower by uploading and posting to an agreed upon data site, once posted, and (iv) if sent by certified mail, three (3) Business Days after having been deposited in the mail,

postage prepaid, if sent during business hours (if sent after business hours, then on the next Business Day) except that notices and communications pursuant to Article II shall not be effective until received. In addition to the available means of delivering notice above, all notices and other communication provided for hereunder shall, unless stated otherwise herein, be in writing and shall be effective when sent via email during business hours to the Borrower at jeff.neufeld@nationstarmail.com with a copy to the general counsel of the Borrower at tony.villani@nationstarmail.com, to the Administrative Agent at resifsl_nonqm@morganstanley.com and fsl_non_agency_neon@morganstanley.com with copies to wltapes@morganstanley.com and to the Lenders at the email addresses set forth on Schedule 12.02, once receipt has been confirmed by electronic means (if sent via email after business hours, then on the next Business Day).

Section 12.03 Binding Effect; Assignability. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and the Lenders, and their respective successors and assigns, provided, that nothing in the foregoing shall be deemed to authorize any assignment not permitted in Section 10.01.

(a) GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, WHICH BY ITS TERMS APPLIES TO THIS AGREEMENT).

(b) EACH PARTY HERETO HEREBY SUBMITS TO THE NON-EXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK LOCATED IN THE BOROUGH OF MANHATTAN, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT IN THE BOROUGH OF MANHATTAN, THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY HERETO HEREBY CONSENTS TO PROCESS BEING SERVED IN ANY SUIT, ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, OR ANY DOCUMENT DELIVERED PURSUANT HERETO BY THE MAILING OF A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, RETURN RECEIPT REQUESTED, TO ITS RESPECTIVE ADDRESS SPECIFIED AT THE TIME FOR NOTICES UNDER THIS AGREEMENT OR TO ANY OTHER ADDRESS OF WHICH IT SHALL HAVE GIVEN WRITTEN OR ELECTRONIC NOTICE TO THE OTHER PARTIES. THE FOREGOING SHALL NOT LIMIT THE ABILITY OF ANY PARTY HERETO TO BRING SUIT IN THE COURTS OF ANY OTHER JURISDICTION.

(c) EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY

BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 12.03(c) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR TO ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 12.04 Entire Agreement. This Agreement and the Loan Documents embody the entire agreement and understanding of the parties hereto and supersede any and all prior agreements, arrangements and understanding relating to the matters provided for herein.

Section 12.05 Acknowledgement. Each party hereto hereby acknowledges that:

- (a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement, the Note and the other Loan Documents to which it is a party;
- (b) the Administrative Agent and the Lenders have no fiduciary relationship to the Borrower, and the relationship between the Borrower and the Administrative Agent and each Lender is solely that of debtor and creditor; and
- (c) no joint venture exists among or between the Lenders and the Borrower.

Section 12.06 Captions and Cross References. The various captions (including the table of contents) in this Agreement are included for convenience only and shall not affect the meaning or interpretation of any provision of this Agreement. Except as the context requires, any references in this Agreement to any Section or Exhibit are to such Section or Exhibit of this Agreement, as the case may be.

Section 12.07 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 12.08 Confidentiality.

- (a) The Administrative Agent and each Lender agrees (on behalf of itself and each of its affiliates, directors, officers, employees and representatives) to use reasonable precautions to keep confidential, in accordance with its customary procedures for handling confidential information of this nature and in accordance with safe and sound practices of comparable commercial finance companies, any non-public information supplied to it by the Borrower
-

pursuant to this Agreement or the other Loan Documents (and which at the time is not, and does not thereafter become, publicly available or available to such Person from another source not known to be subject to a confidentiality obligation to such Person not to disclose such information), provided, that nothing herein shall limit the disclosure by the Administrative Agent or any Lender of any such information (i) to its Affiliates and Affiliate Funds and to its and its Affiliates' and Affiliate Funds' respective equityholders (including partners), directors, officers, employees, agents, trustees, counsel, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential in accordance with this Section 12.08); (ii) to any other party hereto; (iii) to any assignee or participant (or prospective assignee or participant) so long as such assignee or participant (or prospective assignee or participant) first agrees, in writing, to be bound by confidentiality provisions similar in substance to this Section 12.08; (iv) to the extent required by any Requirement of Law or judicial process or as otherwise requested by any Governmental Authority whether by subpoena or similar legal process; (v) to the National Association of Insurance Commissioners or any similar organization, any examiner, auditor or accountant or any nationally recognized rating agency or otherwise to the extent consisting of general portfolio information that does not identify the Borrower; (vi) to the extent necessary in connection with any litigation to which the Administrative Agent or any Lender is a party; (vii) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; or (viii) with the consent of the Borrower. Notwithstanding the foregoing, there shall be no duty to protect the confidentiality of information that: 1. is already known to the Administrative Agent or any Lender (as applicable) or is already in its or their possession prior to disclosure by the Borrower; 2. becomes available to the Administrative Agent or any Lender (as applicable) from a source other than the Borrower; 3. is or becomes publicly available (other than as a result of disclosure by the Administrative Agent or any Lender in breach of the terms herein); or 4. is independently developed by the Administrative Agent or any Lender (as applicable) without reference to the information disclosed by the Borrower.

(b) The Borrower shall not issue any news releases and/or publish "tombstone" advertisements and other announcements relating to this transaction in newspapers, trade journals and/or other appropriate media except (i) disclosures required by Requirements of Law, regulation, legal process or the rules of the Securities and Exchange Commission or (ii) with the prior approval of the Administrative Agent. Notwithstanding the foregoing, Administrative Agent, and the Lenders may, with the consent of the Borrower (not to be unreasonably withheld), publish or disseminate general information describing the size and maturity of credit facility evidenced hereby and the name of the Borrower in any "tombstone" or comparable advertising materials on its website or in other of Administrative Agent's or such Lender's marketing materials (but shall not so publish or disseminate the name of any other Lender without such Lender's prior written consent); provided, that once the Borrower provides its consent to the form and content of any "tombstone" or comparable advertisement materials, the Administrative Agent may continue to publish or disseminate such approved "tombstone" materials until the Borrower revokes its consent in writing.

Section 12.09 Survival. Any provision hereof that by the express terms state that they shall survive the repayment of the Loans and/or the termination of this Loan Agreement shall so survive. In addition, each representation and warranty made, or deemed to be made by a request for a borrowing, herein or pursuant hereto shall survive the making of such representation and warranty, and the Administrative Agent and each Lender shall not be deemed to have waived, by reason of making any Loan, any Default or Event of Default that may arise by reason of such representation or warranty proving to have been false or misleading, except to the extent that the Borrower provided the Administrative Agent prior written notice that such representation or warranty was false or misleading at the time such Loan was made.

Section 12.10 No Waiver; Remedies Cumulative. No failure or delay on the part of the Administrative Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Administrative Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 12.11 Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of the Borrower or any other Person or against or in payment of any or all of the Obligations. To the extent that the Borrower makes a payment or payments to the Lenders (or to the Administrative Agent, on behalf of Lenders), or the Lenders (or to the Administrative Agent on behalf of the Lenders) enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 12.12 Patriot Act. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Act.

Section 12.13 Expenses. Whether or not the transactions contemplated hereby shall be consummated, the Borrower agrees to pay promptly after receipt of an invoice (a) all the Administrative Agent's reasonable out-of-pocket costs and expenses of negotiation, preparation and execution of the Loan Documents and any consents, amendments, waivers or other modifications thereto; 5. all the reasonable and documented out-of-pocket fees, expenses and disbursements of counsel to the Administrative Agent in connection with the negotiation, preparation, execution and administration of the Loan Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by the Borrower; 6. all the out-of-pocket costs and expenses of creating and perfecting Liens in favor of the Administrative Agent, for the benefit of the Lenders; 7. all the Administrative Agent's reasonable out-of-pocket costs and expenses for and disbursements of any of the Administrative Agent's, auditors, accountants, consultants or appraisers whether internal or external (including those incurred in connection with the custody or preservation of any of the Collateral); 8. all the reasonable out-of-pocket costs and expenses in connection with the custody or preservation of any of the Collateral; and 9. after the occurrence of a Default or an Event of Default, all out-of-pocket costs and expenses and all attorneys' fees and costs of settlement, incurred by the Administrative Agent and Lenders in enforcing any Obligations of or in collecting any payments due from the Borrower hereunder or under the other Loan Documents by reason of such Default or Event of Default or in connection with any refinancing

or restructuring of the credit arrangements provided hereunder in the nature of a “work out” or pursuant to any insolvency or bankruptcy cases or proceedings.

Section 12.14 Successor Administrative Agent.

(a) The Administrative Agent may resign at any time by giving thirty (30) days’ prior written notice thereof to the Lenders and the Borrower. Upon any such notice of resignation, the Required Lenders shall have the right, with the consent of the Borrower (not to be unreasonably withheld, conditioned or delayed) so long as no Event of Default has occurred and is continuing (in which case the Borrower’s consent is not required), to appoint a successor administrative agent; provided, that if an Event of Default has occurred and is continuing or no successor administrative agent has been agreed upon within thirty (30) days following receipt of notice of such resignation, then such resignation shall nonetheless become effective (except that the retiring Administrative Agent shall continue to hold the Collateral and all liens and security interest therein for the benefit of the Lenders until a successor administrative agent is appointed) and the Required Lenders shall appoint a successor in consultation with the Borrower (except that no consultation shall be required if an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent hereunder by a successor administrative agent, that successor administrative agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor administrative agent all sums and items of Collateral held under the Loan Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor administrative agent under the Loan Documents, and (ii) execute and deliver to such successor administrative agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor administrative agent of the security interests created under the Loan Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After any retiring Administrative Agent’s resignation hereunder as Administrative Agent, the provisions of Article IX and Sections 11.01 and 12.13 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent hereunder.

(b) Notwithstanding anything herein to the contrary, the Administrative Agent may assign its rights and duties as Administrative Agent hereunder to one of its Affiliates without the prior written consent of, or prior written notice to, the Borrower or the Lenders; provided, that the Borrower and the Lenders may deem and treat such assigning Administrative Agent as the Administrative Agent for all purposes hereof, unless and until such assigning Administrative Agent provides written notice to the Borrower and the Lenders of such assignment. Upon such assignment such Affiliate shall succeed to and become vested with all rights, powers, privileges and duties as Administrative Agent hereunder and under the other Loan Documents.

Section 12.15 Severability. If any one or more of the covenants, agreements, provisions or terms of this Agreement shall be for any reason whatsoever held invalid, then such covenants, agreements, provisions or terms shall be deemed severable from the remaining covenants, agreements, provisions or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions or terms of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective signatories thereunto duly authorized, as of the date first above written

NATIONSTAR MORTGAGE LLC, as Borrower

By: _____
Name:
Title:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as Administrative Agent

By: _____
Name:
Title:

MORGAN STANLEY BANK, N.A., as Lender

By: _____
Name:
Title:

SCHEDULE I DEFINITIONS

1.1 Definitions. As used in this Agreement the following terms have the meanings as indicated:

“Acknowledgement Agreement” means an Acknowledgement Agreement, by and among Ginnie Mae, the Borrower and the Administrative Agent as secured party, pursuant to which Ginnie Mae acknowledges the security interest of the Administrative Agent, for the benefit of the Lenders, in the Borrower’s rights under the Servicing Contracts related to pools of mortgage loans securitized with Ginnie Mae, in the form agreed by the Administrative Agent, the Lenders, the Borrower and Ginnie Mae together with any amendments and addenda thereto.

“Administrative Agent” has the meaning set forth in the preamble.

“Administrative Agent’s Account” means the account from time to time designed by Administrative Agent as the “Agent’s Account.”

“Advance” means any or all of an MBS Advance, Corporate Advance or Escrow Advance.

“Advance Collection Account” means deposit account number 550386707 established by the Borrower at the Advance Collection Bank and which shall be subject to a “Blocked Account Control Agreement.

“Advance Collection Account Bank” means any financial institution mutually acceptable to Administrative Agent and Borrower.

“Advance Reimbursement Amounts” means with respect to any Advance, any amount that the Borrower collects on a Mortgage Loan, withdraws from a custodial account in accordance with the applicable Servicing Agreement, or receives from any Person that purchases or acquires the related Mortgage Loan, to reimburse any such Advance, including any Liquidation Proceeds, the FHA Claims Proceeds, PIH Claim Proceeds, USDA Claim Proceeds or VA Claim Proceeds.

“Advance Verification Agent” means an independent certified public accountant, or any other verification agent selected by the Borrower and consented to in writing by the Administrative Agent (such consent not to be unreasonably withheld), or its successor as verification agent under the Advance Verification Agent Letter.

“Advance Verification Report” means the report delivered by the Advance Verification Agent pursuant to the Advance Verification Agent Letter.

“Advance Verification Agent Letter” means the letter agreement among the Borrower, the Lender and the Advance Verification Agent, regarding the scope of services, as the same relate to the services to be provided by the Advance Verification Agent in respect of the Eligible

Pledged Servicing Receivables, and any other agreement with the Verification Agent, in each case in form and substance as approved by the Borrower and the Agent.

“Affiliate” means, with respect to a Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first Person.

“Agency” means each of Fannie Mae, Freddie Mac and Ginnie Mae.

“Agency Guide” means, with respect to (1) Fannie Mae, the Fannie Mae Selling Guide and the Fannie Mae Servicing Guide, as amended from time to time, (2) Freddie Mac, the Single-Family Seller/Servicer Guide, as amended from time to time and (3) with respect to Ginnie Mae, the Ginnie Mae MBS Guide, as amended from time to time.

“Agreement” has the meaning set forth in the preamble.

“Alternative Rate” means a rate of interest equal to the sum of (a) the Federal Funds Rate, (b) a margin equal to the average spread between the Federal Funds Rate and the Benchmark for the ninety (90) days immediately preceding the first date on which the Alternative Rate is applicable *plus* (c) the Applicable Margin; provided, that the sum of (a) and (b) shall not be less than the **Benchmark Floor**.

“Ancillary Income” means all money which is due and payable in connection with the servicing of each Mortgage Loan other than the servicing fees and specifically including late charge fees, assignment transfer fees, insufficient funds check charges, amortization schedule fees, interest from escrow accounts and all other incidental fees and charges and any Float Benefit, in each case, to the extent such amounts are allocable to a Mortgage Loan.

“Applicable Margin” has the meaning given to it in the Fee Letter.

“Assignment Agreement” means an Assignment and Assumption Agreement substantially in the form of Exhibit C, with such amendments or modifications as may be approved by the Administrative Agent.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date.

“Benchmark” means, initially, the greater of (i) ~~One-Month LIBOR~~Term SOFR and (ii) the **Benchmark Floor**; provided that, if a Benchmark Transition Event ~~or, as the case may be, an Early Opt-in Election~~ and the Benchmark Replacement Date with respect thereto have occurred with respect to ~~One-Month LIBOR~~the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.08(c).

“Benchmark Floor” shall have the meaning set forth in the Fee Letter.

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent on the applicable Benchmark Replacement Date:

(1) ~~the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment with respect thereto;~~

(~~2~~1) the sum of: (a) either of (i) Compounded SOFR or (ii) Daily Simple SOFR, as selected by the Administrative Agent to be the then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for the applicable loan facility market and (b) the applicable Benchmark Replacement Adjustment;

(~~3~~2) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment; **or**

(43) the sum of: (a) the alternate rate of interest that has been selected by the Administrative Agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated secured financings or securitizations relating to the relevant asset class, as applicable at such time and (b) the Benchmark Replacement Adjustment;

~~provided that, in the case of clause (1) of this definition, such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion.~~

If at any time the Benchmark Replacement as determined pursuant to clause (1), (2), **or** (3) ~~or (4)~~ of this definition would be less than the **Benchmark** Floor, the Benchmark Replacement will be deemed to be the **Benchmark** Floor for the purposes of this Agreement.

“**Benchmark Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Administrative Agent as of the Benchmark Replacement Date:

(1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or

(2) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the

replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time.

“**Benchmark Replacement Conforming Changes**” means, with respect to **either the use or administration of Term SOFR or** any Benchmark Replacement, any technical, administrative or operational changes (including but not limited to changes to the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters, **but excluding, for the avoidance of doubt, any spread adjustments**) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such ~~Benchmark Replacement rate~~ and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such ~~Benchmark Replacement rate~~ exists, in such other manner of administration as the Administrative Agent determines is reasonably necessary in connection with the administration of this Agreement.

“**Benchmark Replacement Date**” means the ~~earliest~~ **earlier** to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published

component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein; or.

~~(3) in the case of an Early Opt-in Election, the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lender, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fourth (4th) Business Day after the date notice of such Early Opt-in Election is provided to the Lender, written notice of objection to such Early Opt-in Election from the Lender.~~

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current

Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors of the Federal Reserve System, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Borrower” has the meaning set forth in the preamble.

“Borrowing Base” means, at any time, the sum of (a) product of (i) the MSR Advance Rate and (ii) the most recently determined aggregate Market Value of the Eligible Pledged Servicing Receivables minus the Market Value of any Excess Servicing Spread sold to a Sold Excess Spread Purchaser, plus (b) the product of (i) the current MBS Advance Rate and (ii) the aggregate amount of the Eligible MBS Advances, plus (c) the product of (i) the current Corporate Advance Rate and (ii) the aggregate amount of the Eligible Corporate Advances, and plus (d) the product of (i) the current Escrow Advance Rate and (ii) the aggregate amount of the Eligible Escrow Advances.

“Borrowing Base Certificate” means a certificate substantially in the form of Exhibit A signed by a Responsible Officer of the Borrower and setting forth (i) the valuation of (a) the Eligible Pledged Servicing Receivables and (b) the Excess Servicing Spread sold to a Sold Excess Spread Purchaser, in each case, as set forth in the most recent Valuation Report delivered to the Administrative Agent, (ii) the then current (or expected) balance of all Eligible MBS Advances, Eligible Corporate Advances and Eligible Escrow Advances and the unpaid principal balance of the Mortgage Loans relating to the Eligible Pledged Servicing Receivables and (iii) such other data and information as mutually agreed between the Borrower and the Administrative Agent.

“Borrowing Base Deficiency” means the circumstance that exists, as of any Business Day, in the event that the Outstanding Aggregate Loan Amount exceeds the Borrowing Base by \$250,000 or more.

“Business Day” ~~means~~**shall mean** any day other than (i) a Saturday or Sunday, ~~or~~ (ii) a day on which banking institutions in the States of New York, Texas or Delaware, or ~~with respect to any One-Month LIBOR Rate provisions, London, England, are required on the New York Stock Exchange, the Federal Reserve Bank of New York or any Custodian is authorized or obligated by law or executive order~~ to be closed.

“Capitalized Lease” means, with respect to any Person, any lease of (or other arrangement conveying the right to use) real or personal property by such Person as lessee that is required under GAAP to be capitalized on the balance sheet of such Person.

“Capitalized Lease Obligations” means, with respect to any Person, obligations of such Person and its Subsidiaries under Capitalized Leases, and, for purposes hereof, the amount of any such obligation shall be the capitalized amount thereof determined in accordance with GAAP consistently applied.

“Cash Equivalents” means (i) securities with maturities of 90 days or less from the date of acquisition issued or fully guaranteed or insured by the United States government or any agency thereof, (ii) certificates of deposit and eurodollar time deposits with weighted average maturities of 90 days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of \$500,000,000 and a rating of at least A+ from S&P and A1 from Moody’s, (iii) repurchase obligations of any commercial bank satisfying the requirements of clause (ii) of this definition, having a term of not more than seven days with respect to securities issued or fully guaranteed or insured by the United States Government, (iv) securities with weighted average maturities of 90 days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A+ by S&P or A1 by Moody’s, (v) securities with maturities of 90 days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (ii) of this definition or, (vi) shares of 2-a7 money market mutual

funds rated AAA by Moody's & S&P that have a weighted average maturity of 90 days or less or

similar funds which invest exclusively in assets satisfying the requirements of clauses (i) through (v) of this definition.

“CFPB” means the Consumer Financial Protection Bureau, an agency of the United States, or any successor thereto.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means (a) less than 100% of the Borrower's equity securities are owned, directly or indirectly, by Mr. Cooper Group, or (b) a sale of all or substantially all of the assets of the Borrower.

“Closing Date” means the date on which all Loan Documents are executed by the Borrower and the Lenders and all of the conditions set out in Section 5.01 are satisfied or waived by Lenders.

“Code” means the Internal Revenue Code of 1986, as amended. “Collateral” has the meaning set forth in

Section 4.01.

“Committed Facility Amount” has the meaning given to it in the Fee Letter.

“Compliance Certificate” means a certificate in form acceptable to the Administrative Agent substantially in the form of Exhibit 7.01 hereto.

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Administrative Agent in accordance with:

(2) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(3) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology

for this rate, and conventions for this rate that have been selected by the Administrative Agent giving due consideration to any industry-accepted market practice for similar U.S. dollar

denominated secured financing or securitization transactions relating to the relevant asset class, as applicable at such time.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“Control Agreement” means, (i) with respect to a Dedicated Account, the “Account Control Agreements” set forth on Schedule I to the Sold Excess Servicing Spread Purchaser Account Control Letter Agreement, (ii) with respect to the Fee Collection Account a “Shifting Account Control Agreement” among the Administrative Agent, the Borrower and the Fee Collection Account Bank (iii) with respect to the Advance Collection Account a “Blocked Account Control Agreement” among the Administrative Agent, the Borrower and the Advance Collection Account Bank and (iv) after the Closing Date, any other “Account Control Agreement” with respect to the Fee Collection Account, Advance Collection Account or a Dedicated Account, in form and substance acceptable to Administrative Agent in its sole discretion, , in each case, as they may be amended, supplemented or otherwise modified from time to time.

“Control Notice” means a “shifting control notice,” an “access termination notice” or such similar term as defined in any Control Agreement.

“Copyrights” means any and all rights in any published and unpublished works of authorship owned by the Borrower, including (i) copyrights and moral rights, (ii) all renewals, extensions, restorations and reversions thereof, (iii) copyright registrations and recordings thereof and all applications in connection therewith, (iv) income, license fees, royalties, damages, and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (v) the right to sue for past, present, and future infringements thereof, and (vi) all of the Borrower’s rights corresponding thereto throughout the world.

“Corporate Advance” means any advance disbursed by or on behalf of the Borrower in its capacity as servicer with respect to any Mortgage Pool as required by the Ginnie Mae Contract with respect to any related Mortgage Loan (other than amounts advanced as MBS Advances or Escrow Advances).

“Corporate Advance Rate” has the meaning given to it in the Fee Letter.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Credit Bid” means, an offer submitted by the Administrative Agent (on behalf of the Lenders), at the request of the Required Lenders, to acquire all or any portion of the Collateral in exchange for and in full and final satisfaction of all or a portion (as determined by the Administrative Agent, at the request of the Required Lenders) of the claims and Obligations under this Agreement and other Loan Documents.

“Custodial File” means with respect to any Mortgage Loan, a file being held by the Custodian that contains the mortgage documents pertaining to such Mortgage Loan.

“Custodian” means any financial institution that holds documents for any of the Mortgage Loans on behalf of an Agency.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which may include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans at such times; provided that, if the Administrative Agent decides that any such convention is not administratively feasible **for the Administrative Agent**, then the Administrative Agent may establish another convention in its reasonable discretion.

“Default” means any event that, with the giving of notice or lapse of time, or both, would become an Event of Default.

“Dedicated Account” means ~~(i)~~ the following deposit accounts established by the Borrower with JPMorgan Chase Bank National Association: ~~826194875, 826194305, 826194297, 550385998, and 550385980~~ and ~~(ii) the following deposit accounts established by the Borrower with Wells Fargo Bank, National Association: 4122403124, 4122403108, 4122403116, 4122403090, 4122402886, 4122402860, 4552680373, 4556639698, 4122402878, 4552680365, 4556639680, 4168626505, 416916307, 4168626570, 4168626471, 4166646851 and 4122402852691351297, 691352071, 691351305 and 691351925~~, which shall be subject to the Sold Excess Servicing Spread Purchaser Account Control Letter Agreement.

“Default Rate” means, with respect to any Loan for any Interest Period, and any late payment of fees or other amounts due hereunder, the Interest Rate for the related Interest Period (or for all successive Interest Periods during which such fees or other amounts were delinquent), plus 2.50% per annum.

“Early Buy-out Loans” mean any delinquent Mortgage Loan relating to an Eligible Pledged Servicing Receivable that is purchased from the related Mortgage Pool by or at the direction of the Borrower.

~~“Early Opt-in Election” means, if the then-current Benchmark is One-Month LIBOR, the occurrence of the joint election by the Administrative Agent and the Borrower~~

~~to trigger a fallback from One-Month LIBOR and the provision by the Administrative Agent of written notice of such election to other parties hereto.~~

“Electronic Files” means any electronic file or date tape, in form and substance acceptable to the Administrative Agent and containing the information agreed to between the Borrower and the Administrative Agent.

“Eligible Assignee” means (i)(a) any Lender or any Affiliate or Fund Affiliate of any Lender, or (b) any commercial bank, insurance company, investment or mutual fund or other entity that is an “accredited investor” (as defined in Regulation D under the Securities Act), that extends credit or buys loans as one of its businesses and that has total assets in excess of

\$100,000,000, and (ii) any other Person (other than a natural Person) approved by the Administrative Agent that has total assets in excess of \$100,000,000.

“Eligible Corporate Advances” means all Corporate Advances that are: (i) free and clear of any Liens, subject to (x) the security interest granted hereunder in favor of the Administrative Agent, for the benefit of the Lenders and (y) the rights, interests and prerogatives of Ginnie Mae under the Ginnie Mae Contract; (ii) evidenced on records of the Borrower in accordance with the requirements of the Ginnie Mae Contract; (iii) reimbursable out of Advance Reimbursement

Amounts in accordance with the Ginnie Mae Contract; and (iv) made out of the Borrower's own funds or from Persons other than Mortgagors.

“Eligible Escrow Advances” means all Escrow Advances that are: (i) free and clear of any Liens, subject to (x) the security interest granted hereunder in favor of the Administrative Agent, for the benefit of the Lenders and (y) the rights, interests and prerogatives of Ginnie Mae under the Ginnie Mae Contract; (ii) evidenced on records of the Borrower in accordance with the requirements of the Ginnie Mae Contract; (iii) reimbursable out of Advance Reimbursement Amounts in accordance with the Ginnie Mae Contract; and (iv) made out of the Borrower's own funds or from Persons other than Mortgagors.

“Eligible MBS Advances” means all MBS Advances that are: (i) free and clear of any Liens, subject to (x) the security interest granted hereunder in favor of the Administrative Agent, for the benefit of the Lenders and (y) the rights, interests and prerogatives of Ginnie Mae under the Ginnie Mae Contract; (ii) evidenced on records of the Borrower in accordance with the requirements of the Ginnie Mae Contract; (iii) reimbursable out of Advance Reimbursement Amounts in accordance with the Ginnie Mae Contract; and (iv) less than 30 days old.

“Eligible Pledged Servicing Receivables” means all of the Borrower's present and future rights to have, demand, receive, recover, obtain and retain servicing fees and other compensation (including proceeds of any disposition, termination and/or transfer of servicing) owing, paid or due to be paid on, under or in respect of the Mortgage Loans excluding, in any case, (i) any guaranty fees payable to any Agency and (ii) any Advance Reimbursement Amounts, in each case with respect to which the Administrative Agent has received an executed Acknowledgement Agreement, which Acknowledgement Agreement has not terminated or been terminated by Ginnie Mae.

“Employee Plan” means an employee pension benefit plan (as defined in Section 3(2) of ERISA) (other than a Multiemployer Plan) covered by Title IV of ERISA or Section 412 of the Code.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case, as in effect from time to time.

“ERISA Affiliate” means, with respect to Borrower, any trade or business (whether or not incorporated) which is a member of a group of which Borrower is a member and which would be deemed to be a single employer under Section 414(b), (c), (m) or (o) of the Code.

“Escrow Advance” means any advance disbursed by Borrower in its capacity as Servicer with respect to any Mortgage Pool as required by the Ginnie Mae Contract in order to cover expenses to be paid under the mortgage, including, but not limited to, taxes, special assessments, ground rents, other charges that are or may become first liens on the mortgaged property, hazard insurance premiums, and mortgage insurance premiums due under any related Mortgage Loan when the funds on deposit in any escrow custodial account or any other account containing escrow funds related to the applicable Mortgage Pool are insufficient to make the required payment.

“Escrow Advance Rate” has the meaning given to it in the Fee Letter. “Event of Default” has the meaning set forth in Section 8.01.

“Excess Servicing Spread” means mortgage servicing spreads relating to the Eligible Pledged Servicing Receivables (any sale or pledge of which must be approved by the Administrative Agent in its sole discretion).

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) Taxes attributable to such Recipient’s failure to comply with Section 3.04(f), (c) any United States federal withholding taxes imposed under FATCA, and

(d) in the case of a Lender, any United States federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or commitment (other than pursuant to an assignment request by the Borrower) or (ii) such Lender changes its lending office, except, in each case to the extent that, pursuant to Section 3.04, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office.

“Existing Spread Owner” means each of MSR VIII LLC, MSR XI LLC, MSR XXVIII LLC, MSR XXVIII 2 LLC, MSR XXXIII LLC, ~~and MSR XXXIII 2 LLC, MSR Spruce AV1A Corp., MSR Spruce AV2B LP, MSR Pine AV1A Corp., MSR Pine AV2B LP, MSR Palm AV1A Corp. and MSR Palm AV2A LTD.~~

“Facility” means the loan facility provided to the Borrower by the Administrative Agent and each Lender pursuant to this Agreement.

“Fannie Mae” means Fannie Mae, also known as The Federal National Mortgage Association, or any successor thereto.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreement (and related legislation or official administrative guidance) implementing the foregoing.

“Federal Funds Rate” means, for any Interest Period, a fluctuating interest rate per annum equal, for each day (or if such day is not a Business Day, for the immediately preceding Business Day) during such period, to the rate determined by the Administrative Agent on such day (or if such day is not a Business Day, for the immediately preceding Business Day) for Federal Funds as published in H.15(519) under the heading “Federal Funds (Effective)” or, if not published by 3:00 p.m., New York City time on such day (or if such day is not a Business Day, on the immediately preceding Business Day), the rate on such day as published in Composite Quotations under the heading “Federal Funds/Effective Rate.” In the event that such rate is not published in either H.15(519) or Composite Quotations by 3:00 p.m. New York City time, on such day (or if such day is not a Business Day, for the immediately preceding Business Day) the Federal Funds Rate will be the arithmetic mean (as calculated in good faith by the Administrative Agent) of the rates as of 9:00 a.m., New York City time on such day for the last transaction in overnight Dollar federal funds arranged by three leading brokers of federal funds transactions in the City of New York selected by the Administrative Agent; provided, that if the brokers so selected by the Administrative Agent are not quoting as mentioned in this sentence, the Federal Funds Rate with respect to such date will be the Federal Funds Rate as most recently determined in accordance with this definition.

“Fee Collection Account” means an account established by Borrower for the benefit of the Lenders that is subject to the “Shifting Account Control Agreement”.

“Fee Collection Account Bank” means JPMorgan Chase Bank, N.A.

“Fee Letter” means the Fee Letter, dated as of August 20, 2020, between the Borrower and the Administrative Agent, as such fee letter may be further amended, supplemented or otherwise modified from time to time.

“FHA” means the Federal Housing Administration, an agency within HUD, or any successor thereto, and including the Federal Housing Commissioner and the Secretary of HUD where appropriate under the FHA Regulations.

“FHA Claim Proceeds” means the portion of insurance proceeds which are received from FHA under an FHA Mortgage Insurance Contract in the event of a default with respect to an FHA Loan and are permitted reimbursements to the Borrower, in its capacity as servicer, for MBS Advances, Corporate Advances or Escrow Advances in accordance with the terms of the Ginnie Mae Contract, including any debenture interest on such Advances.

“FHA Loan” means a Mortgage Loan which is the subject of an FHA Mortgage Insurance Contract.

“FHA Mortgage Insurance Contract” means the contractual obligation of the FHA respecting the insurance of a Mortgage Loan.

“FHA Regulations” means the regulations promulgated by HUD under the National Housing Act, as amended from time to time and codified in 24 Code of Federal Regulations, and other HUD issuances relating to FHA Loans, including the related handbooks, circulars, notices and mortgagee letters.

“Fidelity Insurance” means insurance coverage with respect to employee errors, omissions, dishonesty, forgery, theft, disappearance and destruction, robbery and safe burglary, property (other than money and securities) and computer fraud in an aggregate amount acceptable to the Agencies.

“Financial Statements” means the consolidated financial statements of the Borrower prepared in accordance with GAAP, consistently applied, for the year or other period then ended. Such financial statements will be audited, in the case of annual statements, by such independent certified public accountants approved by the Administrative Agent on behalf of the Lenders (which approval shall not be unreasonably withheld).

“Float Benefit” means the net economic benefit resulting from investments of funds representing escrow and custodial deposits held for the account of the servicer or subservicer, or the related Agency relating to the Mortgage Loans.

~~“Floor” means, for any transaction under this Agreement, fifteen basis points (0.15%).~~

“Foreign Lender” means a Lender that is not a U.S. Person.

“Freddie Mac” means Freddie Mac, also known as The Federal Home Loan Mortgage Corporation, or any successor thereto.

“Fund” means any Person (other than a natural Person) that is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“Fund Affiliate” means, with respect to any Lender that is a Fund, any other Fund that invests in commercial loans or similar extensions of credit and is advised or managed by such Lender or an Affiliate of such Lender or by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Funding Date” means the date any Loan is disbursed in accordance with the terms hereof.

“GAAP” means United States Generally Accepted Accounting Principles inclusive of, but not limited to, applicable statements of Financial Accounting Standards issued by the Financial Accounting Standards Board, its predecessors and successors and SEC Staff Accounting Guidance as in effect from time to time.

“Ginnie Mae” means Ginnie Mae, also known as The Government National Mortgage Association, or any successor thereto.

“Ginnie Mae Agency Requirements” means with respect to any Mortgage Loan, (a) the Ginnie Mae Contract and (b) the statutes and implementing regulations governing the mortgage loan insurance or guarantee program of the FHA, PIH, USDA or VA, as applicable, and any agreements, announcements, directives and correspondence related thereto, and all amendments to any of the foregoing.

“Ginnie Mae Contract” has the meaning set forth in Section 4.02(a)(2).

“Ginnie Mae Guide” means the Ginnie Mae Mortgage-Backed Securities Guide, Handbook 5500.3, Rev., as amended from time to time, and any related announcements, directives and correspondence issued by Ginnie Mae.

“Ginnie Mae MBS” means a Ginnie Mae I MBS or a Ginnie Mae II MBS with respect to which the Company is the issuer of record and that is guaranteed by Ginnie Mae, backed by pools of Ginnie Mae eligible mortgage loans in accordance with Section 306(g) of the National Housing Act, 12 U.S.C. Section 1721(g), the issuance of which and the servicing of such Ginnie Mae eligible mortgage loans by the Company are governed in all respects by the Ginnie Mae Contract.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, any municipality and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Indebtedness” means as to any Person, (a) obligations created, issued or incurred by such Person for borrowed money (whether by loan, the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person); (b) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business so long as such trade accounts payable are payable within 90 days of the date the respective goods are delivered or the respective services are rendered; (c) indebtedness of others secured by a Lien on the property of such Person, whether or not the respective indebtedness so secured has been assumed by such Person; (d) obligations (contingent or otherwise) of such Person in respect of letters of credit or similar instruments issued or accepted by banks and other financial institutions for the account of such Person; (e) Capital Lease Obligations of such Person; (f) obligations of such Person under repurchase agreements or like arrangements; (g) indebtedness of others guaranteed by such Person; (h) all obligations of such Person incurred in connection with the acquisition or carrying of fixed assets by such Person; (i) indebtedness of general partnerships of which such Person is a general partner; and (j) any other indebtedness of such Person by a note, bond, debenture or similar instrument.

“Indemnified Amounts” has the meaning set forth in Section 11.01. “Indemnified Party” has the meaning set forth in Section 11.01.

“Indemnified Taxes” means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (ii) to the extent not otherwise described in (i), Other Taxes.

“Indemnitee Agent Party” has the meaning set forth in Section 9.07.

“Insolvency Law” means any bankruptcy, reorganization, moratorium, delinquency, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction in effect at any time during the term of this Agreement.”

“Insolvency Proceeding” means any proceeding commenced by or against any Person under any provision of any Insolvency Law.

“Intellectual Property” means any and all Patents, Copyrights, Trademarks, trade secrets, know-how, inventions (whether or not patentable), algorithms, software programs (including source code and object code), processes, product designs, industrial designs, blueprints, drawings, data, customer lists, URLs and domain names, specifications, documentations, reports, catalogs, literature, and any other forms of technology or proprietary information of any kind owned by the Borrower, including all rights therein and all applications for registration or registrations thereof.

“Intercreditor and Subordination Agreements” means those certain Intercreditor and Subordination Agreements by and among the Borrower, the Administrative Agent and, as applicable, MSR VIII LLC, MSR XI LLC, MSR XXVIII LLC, MSR XXVIII 2 LLC, MSR XXXIII LLC, **and MSR XXXIII 2 LLC, ~~MSR Pine AV1A Corp., MSR Pine AV2B LP, MSR Spruce AV1A Corp., MSR Spruce AV2B LP, MSR Palm AV1A Corp. and MSR Palm AV2A LTD~~** or any other Person party to any Excess Servicing Spread financing holding a Permitted Collateral Lien pursuant to clause (iii) of the definition thereof.

“Interest Period” means, (a) an initial period commencing on the Closing Date and ending on and including the last day of the calendar month in which the Closing Date occurs and (b) each subsequent calendar monthly period thereafter.

“Interest Rate” has the meaning set forth in Section 2.06.

“Investment Company Act” means the Investment Company Act of 1940, as amended, together with the rules and regulations promulgated thereunder.

“Lender” has the meaning set forth in the preamble.

“Lender Indebtedness” shall mean any indebtedness of the Borrower hereunder and under any other arrangement (other than this Agreement) between the Borrower on the one hand and any Lender or any Affiliate of any Lender on the other hand (including, without limitation, the amount of any loans, interest due and default interest, termination payments, hedging costs, structuring or other facility fees and expenses).

“Lien” means with respect to any property or asset of any Person (a) any mortgage, lien, pledge, charge or other security interest or encumbrance of any kind in respect of such property or asset or (b) the interest of a vendor or lessor arising out of the acquisition of or agreement to acquire such property or asset under any conditional sale agreement, lease purchase agreement or other title retention agreement, and in each case, other than an Agency’s rights and interests in the related Servicing Rights.

“Liquidated Asset” means a Mortgage Loan that has been either (a) repurchased from a Mortgage Pool or (b) released from a Mortgage Pool following (i) a short sale or (ii) a sale of the related mortgaged property (including the acquisition of any mortgaged property in connection with the foreclosure thereof).

“Liquidation Proceeds” means, with respect to any Mortgage Loan that becomes a Liquidated Asset, the portion of Advance Reimbursement Amounts recovered in accordance with the terms of the Ginnie Mae Contract from the proceeds received on account of the liquidation of such Mortgage Loan.

“Loan” has the meaning set forth in Section 2.02.

“Loan Documents” means this Agreement, the Fee Letter, the Notes, the Control Agreements, the Sold Excess Servicing Spread Purchaser Account Control Letter Agreements, the Intercreditor and Subordination Agreements and all notices, certificates, financing statements and other documents to be executed and delivered by the Borrower in connection with the transactions contemplated by this Agreement.

“Margin Notice” has the meaning set forth in Section 2.09.

“Market Value” means, with respect to any date of determination, the value of any Eligible Pledged Servicing Receivable, which is inclusive of the Excess Servicing Spread sold to a Sold Excess Spread Purchaser, in each case, as determined by the Administrative Agent in its sole discretion, exercised in good faith.

“Material Adverse Effect” means a material adverse effect on (a) the property, business, operations or financial condition of the Borrower, (b) the ability of the Borrower to perform its obligations under any of the Loan Documents to which it is a party, (c) the validity or enforceability of any of the Loan Documents, (d) the rights and remedies of the Administrative Agent or any Lender under any of the Loan Documents, (e) the Collateral, taken as a whole, or

(f) the validity, perfection, priority or enforceability of the Administrative Agent’s security interest, for the benefit of the Lenders, in the Collateral, taken as a whole.

“Material Debt Facility” has the meaning set forth in Section 8.01(e). “Maturity Date” has the meaning given

to it in the Fee Letter.

“MBS Advance” means any advance disbursed by the Borrower in its capacity as servicer from its own funds with respect to any Mortgage Pool as required by the Ginnie Mae Contract in order to provide for the payment of principal and interest amounts due on the related Ginnie Mae MBS on its remittance date under the Ginnie Mae Contract and specifically excludes the Borrower’s use of excess funds from one Mortgage Pool to cover MBS Advances attributable to another Mortgage Pool, as permitted under Section 15-5(A) of the Ginnie Mae Guide.

“MBS Advance Rate” has the meaning given to it in the Fee Letter. “MSR Advance Rate” has the meaning

given to it in the Fee Letter.

“Moody’s” means Moody’s Investors Service, Inc. or its successor in interest.

“Mortgage” means a mortgage, mortgage deed, deed of trust, or other instrument creating a first lien on or first priority security interest in an estate in fee simple in real property securing a Mortgage Note including any riders, assumption agreements or modifications relating thereto.

“Mortgage File” means, with respect to any Mortgage Loan, a file or files pertaining to such Mortgage Loan that contains the mortgage documents pertaining to such Mortgage Loan which are specified in the relevant Electronic File and incorporated herein by reference, and any additional mortgage documents pertaining to such Mortgage Loan required by the Agency Guides.

“Mortgage Loan” means the mortgage loans included in all Mortgage Pools related to a Ginnie Mae MBS, whether now existing or hereafter created, for so long as such Ginnie Mae MBS shall remain outstanding listed on the relevant Electronic File (as provided to the Administrative Agent on the Closing Date, pursuant to Section 7.01(g)(iii) and updated from time to time to reflect the addition or removal of any such mortgage loans or Mortgage Pool).

“Mortgage Note” means a promissory note or other evidence of indebtedness of a Mortgagor secured by a Mortgage pertaining to a Mortgage Loan.

“Mortgage Pool” means a pool or package of mortgage loans insured by the FHA or guaranteed by the PIH, USDA or VA backing a Ginnie Mae MBS.

“Mortgagor” means the obligor on a Mortgage Note.

“Mr. Cooper Group” means Mr. Cooper Group Inc., a Delaware corporation.

“Multiemployer Plan” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA.

“Net Income” means, for any period, the operating income of the Borrower for such period as determined in accordance with GAAP, consistently applied; provided, that (i) charges of up to a maximum aggregate amount of \$15,000,000 which directly relate to the Borrower’s stock-based management equity plan and (ii) mark-to-market adjustments to the Borrower’s mortgage servicing rights recorded at fair value shall both be excluded from the foregoing calculation.

“Obligations” means the Outstanding Aggregate Loan Amount, all accrued interest thereon and all other interest, fees, expenses and other amounts payable by the Borrower to the Administrative Agent and each Lender pursuant to this Agreement, a Note or any other Loan Document including any interests, fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding.

“OFAC-administered sanctions” has the meaning set forth in Section 6.01(z).

~~“One-Month LIBOR Rate” means, with respect to each day or portion thereof, the rate of interest appearing on Reuters ICE Libor Rates Page LIBOR01 (or on any successor or substitute page of such service, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such page of such service, as determined by the Administrative Agent in good faith from time to time for purposes of providing quotations of interest rates applicable to U.S. dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, on that day, as the rate for delivery on that day of one (1) month U.S. dollar deposits; provided that in the event that such rate is not available at such time for any reason, then the LIBOR Rate for the relevant day shall be the rate at which one (1) month U.S. dollar deposits are offered by~~

~~the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m. London time on that day.~~

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under this Agreement or under any other Loan Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement or any other Loan Document except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made at the request of the Borrower) and except any prohibited transaction excise tax arising from any Lender’s use of “plan assets” of any plan covered by ERISA, Section 4975 of the Code or Similar Law to fund (initially or through participation, assignment, transfer or securitization) any portion of the Loan).

“Outstanding Aggregate Loan Amount” means, at any time, the aggregate principal amount of the Loans funded by the Lenders, minus the aggregate amount of payments and prepayments received by the Lenders prior to such time and applied to reduce the principal amount of the Loans.

“Participant” has the meaning set forth in Section 10.02. “Participant Register” has the meaning set forth in Section 10.02.

“Patents” means patents and patent applications owned by the Borrower, including (i) all continuations, divisionals, continuations-in-part, re-examinations, reissues, and renewals thereof and improvements thereon, (ii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past, present, or future infringements thereof, (iii) the right to sue for past, present, and future infringements thereof, and (iv) all of the Borrower’s rights corresponding thereto throughout the world.

“Patriot Act” has the meaning set forth in Section 6.01(y).

“Payment Date” means, each of (i) the 25th day of each month, commencing on September 25, 2020 provided, if such day is not a Business Day, the Payment Date shall be the following Business Day and (ii) the Maturity Date.

“PBGC” shall mean the Pension Benefit Guaranty Corporation or any entity succeeding to any or all of its functions under ERISA.

“Permitted Collateral Liens” means (i) the security interest granted hereunder in favor of the Administrative Agent, for the benefit of the Lenders, (ii) the rights of Ginnie Mae under the Servicing Contracts and the Ginnie Mae Guide and (iii) Liens on excess servicing spreads and collections and proceeds thereof in respect of Ginnie Mae mortgage servicing rights granted in connection with sales of such excess servicing spread which have been approved by the Administrative Agent in its sole discretion and are subject to an Intercreditor and Subordination Agreement.

“Permitted Encumbrance” means:

- (a) the security interest granted hereunder in favor of the Administrative Agent, for the benefit of the Lenders;
- (b) the rights of Ginnie Mae under the Servicing Contracts, the Acknowledgement Agreement and the Ginnie Mae Guide;
- (c) the rights of Freddie Mac and Fannie Mae under the related Servicing Agreements and servicing guides of Freddie Mac and Fannie Mae as in effect from time to time;
- (d) banker's Liens incurred in the nature of rights of setoff arising in the ordinary course of business of the Borrower;
- (e) Liens on Property (other than any Collateral);
- (f) Liens in connection with sales or financings of Freddie Mac or Fannie Mae mortgage servicing rights (including any excess servicing spreads in respect of Freddie Mac or Fannie Mae mortgage servicing rights);
- (g) Liens on excess servicing spreads and collections and proceeds thereof in respect of Ginnie Mae mortgage servicing rights granted in connection with sales of such excess servicing spread which have been approved by the Administrative Agent in its sole discretion and are subject to an Intercreditor and Subordination Agreement;
- (h) purchase money Liens on equipment acquired or held by the Borrower in the ordinary course of its business to secure purchase money Indebtedness so long as such Lien only
 - (i) attaches to such property and (ii) secures the Indebtedness that was incurred to acquire such property or any refinancing in respect thereof;
- (i) deposits and pledges of cash securing (i) obligations incurred in respect of workers' compensation, unemployment insurance or other forms of governmental insurance or benefits, (ii) the performance of bids, tenders, leases, contracts (other than for the payment of money) and statutory obligations or (iii) obligations on surety or appeal bonds, but only to the extent such deposits or pledges are made or otherwise arise in the ordinary course of business and secure obligations not past due;
- (j) Liens of landlords and mortgagees of landlords (i) arising by statute or under any lease or related contractual obligation entered into in the ordinary course of business, (ii) on fixtures and movable tangible property located on the real property leased or subleased from such landlord, (iii) for amounts not yet due or that are being contested in good faith by appropriate proceedings diligently conducted and (iv) for which adequate reserves or other appropriate provisions are maintained on the books of such Person in accordance with GAAP consistently applied;
- (k) the title and interest of a lessor or sublessor in and to personal property leased or subleased, in each case extending only to such personal property; and
- (l) judgment liens securing judgments and other proceedings not constituting an Event of Default under Section 8.01(g).

"Person" means any individual, corporation, estate, partnership, limited liability company, limited liability partnership, joint venture, association, joint-stock company, business trust, trust, unincorporated organization, government or any agency or political subdivision thereof, or other entity of a similar nature.

“PIH” means the Office of Public and Indian Housing within the United States Department of Housing and Urban Development, or any successor thereto.

“PIH Claim Proceeds” means the portion of guaranty claim proceeds which are received from PIH in the event of a default with respect to a PIH Loan and are permitted reimbursements to the Borrower, in its capacity as servicer, for MBS Advances, Corporate Advances or Escrow Advances in accordance with the Ginnie Mae Contract, including any accrued unpaid interest on such Advances.

“PIH Loan” means a Mortgage Loan which is guaranteed by PIH, as evidenced by a PIH loan guaranty document.

“Prepayment Notice” means a notice substantially in the form of Exhibit 2.09(b).

“Pro Rata Share” means, with respect to, a Lender’s right to receive payments of interest, fees, and principal with respect to the Loans and all other matters (including, without limitation, the indemnification obligations arising under Section 9.07), the quotient (expressed as a percentage) obtained by dividing (i) the sum of the unpaid principal amount of such Lender’s Loans, by (ii) the sum of the aggregate unpaid principal amount of all Loans.

“Property” means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible.

“Recipient” means the Administrative Agent and any Lender.

“Reference Time” **means**, with respect to any setting of the then-current Benchmark **means**, (1) if such Benchmark is ~~One-Month LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting~~ **Term SOFR, the time set forth in the definition of Term SOFR**, and (2) if such Benchmark is not ~~One-Month LIBOR~~ **Term SOFR**, the time determined by the Administrative Agent in accordance with the Benchmark Replacement Conforming Changes.

“Register” has the meaning set forth in Section 10.04.

“Related Escrow Account Balances” means the balance, on the related Funding Date, of any escrow or impound accounts maintained by the Borrower which relate to any Mortgage Loan, including items escrowed for mortgage insurance, property taxes (either real or personal), hazard insurance, flood insurance, ground rents, or any other escrow or impound items required by any Mortgage Note or Mortgage, reduced by any unpaid real estate taxes or insurance premiums required to be paid by the Borrower, with respect to which amounts have been escrowed by the related Mortgage.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event.

“Request for Borrowing” has the meaning set forth in Section 2.04(a).

“Required Lenders” means, as of any date of determination, Lenders holding more than fifty percent (50%) of the Outstanding Aggregate Loan Amount.

“Requirements of Law” means, with respect to any Person or any of its property, the certificate of incorporation or articles of association and by-laws, certificate of limited partnership, limited partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of any arbitrator or Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject, whether Federal, state or local (including usury laws and the Federal Truth in Lending Act).

“Responsible Officer” means, with respect to the Borrower, the chief executive officer, chief financial officer, chief operating officer, chief accounting officer, the general counsel, treasurer or secretary of the Borrower, or any other officer having substantially the same authority and responsibility.

“S&P” means S&P Global Ratings, a subsidiary of S&P Global Inc. “Securities Act” means the Securities Act of 1933, as amended.

“Serviced Loans” means all Mortgage Loans serviced by or required to be serviced by the Borrower under any Servicing Contract, irrespective of whether the actual servicing is done by another Person (i.e. a subservicer) retained by the Borrower for that purpose.

“Servicing Agreement” means, any Servicing Contract or other servicing agreement (including whole loan servicing portfolios of whole mortgage loans), pooling and servicing agreements, interim servicing agreements and other servicing agreements, and any other agreement governing the rights, duties and obligations of the Borrower, as a servicer, under such servicing agreements (including for the avoidance of doubt, any agreements related to primary servicing, sub-servicing, special servicing and master servicing).

“Servicing Contracts” means, with respect to each Mortgage Loan, any servicing agreement applicable thereto, including the Ginnie Mae Agency Requirements and any other agreements under which such Mortgage Loan is serviced and administered.

“Servicing Income” means, with respect to the Eligible Pledged Servicing Receivables at any time, all income from servicing the Mortgage Loans, consisting of the spread between interest actually collected from mortgagors and interest required to be paid to holders of the corresponding Ginnie Mae MBS, including any Ancillary Income, prepayment charges payable to the Borrower as servicer (as applicable), and all Surplus Proceeds excluding, in any case, (i) any guaranty fees payable to any Agency and (ii) any Advance Reimbursement Amounts.

“Servicing Rights” means with respect to each Mortgage Loan, all the Borrower’s right, title and interest in, to and under the related Servicing Contracts, whether now or hereafter existing, acquired or created, whether or not yet accrued, earned, due or payable, as well as all other present and future right and interest under such Servicing Contracts, including the right (i) to receive the Servicing Income payable thereunder (including any Uncollected Fees) , (ii) to receive any Advance Reimbursement Amounts, (iii) to hold and administer the Related Escrow Account Balances, (iv) to hold and administer, in accordance with the applicable Ginnie Mae Agency Requirements, the Custodial File, and the Mortgage File arising from or connected to the servicing or subservicing of such Mortgage Loan under this Agreement and (v) all proceeds, income, profits, rents and products of any of the foregoing including all of the Borrower’s rights to proceeds of any sale or other disposition of the Servicing Rights.

“Similar Law” means any state or other statute, regulation or other restriction regulating investments of, or fiduciary obligations with respect to, governmental plans within the meaning of Section 3(32) of ERISA which is substantially similar to Section 406 of ERISA or Section 4975 of the Code.

“SOFR” means, with respect to any day means, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of ~~the~~such benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s ~~Website~~website.

“Sold Excess Servicing Spread Purchaser” means, collectively, MSR VIII LLC, MSR XI LLC, MSR XXVIII LLC, MSR XXVIII 2 LLC, MSR XXXIII LLC, and MSR XXXIII 2 LLC and each of their successors and assigns, and, after the Effective Date, any other third party approved in writing by Administrative Agent in its sole discretion.

“Sold Excess Servicing Spread Purchaser Account Control Letter Agreement” means that certain letter agreement dated as of the date hereof, by and among the Borrower, the Administrative Agent, for the benefit of the Lenders, MSR Admin LLC and the Sold Excess Servicing Spread Purchaser and, after the Closing Date, any other letter agreement executed and delivered by a Sold Excess Servicing Spread Purchaser in form and substance acceptable to the Administrative Agent in its sole good faith discretion.

“Solvent” means, with respect to the Borrower on a particular date, that on such date (i) the most recently reported value of the assets of the Borrower, taking into account the fair value of assets accounted for on a fair value basis and the carrying value of other assets, is greater than the total amount of the most recently reported liabilities of the Borrower (including the fair value of liabilities reported on a fair value basis), (60) after giving effect to each Loan, the Borrower is able to realize upon its assets and pay its debts and other liabilities as they mature, assuming an orderly disposition, and (61) the Borrower does not have an unreasonably small amount of capital with which to conduct its business.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership or other entity of which at least a majority of the securities or other ownership interests having by the terms thereof ordinary voting power to elect a majority of the board of directors or other persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or Controlled by such Person or one or more Subsidiaries of such Person or by such Person and one or more Subsidiaries of such Person.

“Successor Index Rate” means a rate determined by Administrative Agent in accordance with Section 2.08(c) hereof.

“Successor Index Rate Conforming Changes” means with respect to any proposed Successor Index Rate, any spread adjustments or other conforming changes to the timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the discretion of Administrative Agent, to reflect the adoption of such Successor Index Rate and to permit the administration thereof by Administrative Agent in a manner substantially consistent with market practice.

“Surplus Proceeds” means proceeds of sales of any Servicing Rights to the extent that such proceeds have been received by, or for the account of, the Borrower or the Administrative Agent or any Lender free and clear of all Ginnie Mae rights and other restrictions on transfer under applicable Ginnie Mae guidelines.

“Tangible Net Worth” means, with respect to any Person as of any date of determination, the excess, if any, of (i) the net worth of such Person’s and such Person’s consolidated Subsidiaries as determined in accordance with GAAP consistently applied, over (ii) all intangible

assets determined in accordance with GAAP consistently (including goodwill, capitalized financing costs and capitalized administration costs but excluding originated and purchased mortgage servicing rights and retained residual securities) and any and all advances to, investments in and receivables held from Affiliates; provided, however, that the non-cash effect (gain or loss) or any mark-to-market adjustments made directly to stockholders' equity for fluctuation of the value of financial instruments as mandated under the Statement of Financial Accounting Standards No. 133 (or any successor statement) shall be excluded from the calculation of Tangible Net Worth.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term SOFR” means, ~~for the applicable Corresponding Tenor as of the applicable Reference Time, with respect to any Loan for any day, the Term SOFR Reference Rate for a tenor one month, as such rate is published by the Term SOFR Administrator for such day at 6:00 a.m. (New York City time); provided, however, that if as of 5:00 p.m. (New York City time) the Term SOFR Reference Rate for the foregoing tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator.~~

“Term SOFR Adjustment” means a percentage equal to 0.075% (7.5 basis points).

“Term SOFR Administrator” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Agent in its reasonable discretion).

“Term SOFR Reference Rate” means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Total Net Indebtedness” means, with respect to any Person for any period, the excess, of any, of (i) the aggregate Indebtedness of such Person and its Subsidiaries during such period *over*

- (ii) the amount of any Non-Recourse Debt (including any securitization debt).

“Trademarks” means any and all trademarks, trade names, registered trademarks, trademark applications, service marks, registered service marks, brand names, certification marks, collective marks, logos, symbols, trade dress, assumed names, fictitious names and service mark applications owned by the Borrower, including (i) all extensions, modifications and renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due or payable under and with respect thereto, including payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of the Borrower's business symbolized by the foregoing or connected therewith, and (v) all of the Borrower's rights corresponding thereto throughout the world.

“UCC” means the Uniform Commercial Code as in effect on the date hereof in the State of New York; provided, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any Purchased Items is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform

Commercial Code” shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the Benchmark Replacement Adjustment with respect thereto.

“Uncollected Fees” means with respect to any Mortgage Loan, any accrued late charges, fees for checks that are returned for insufficient funds, assumption fees, and other fees charged to Mortgagors in connection with the servicing or subservicing of such Mortgage Loan which have not been collected by the Borrower as of the related Funding Date.

“Unliquidated Obligations” means, at any time, any Obligations (or portion thereof) that are contingent in nature or unliquidated at such time, including any Obligation that is: (i) an obligation to reimburse a bank for drawings not yet made under a letter of credit issued by it;

- (ii) any other obligation (including any guarantee) that is contingent in nature at such time; or
- (iii) an obligation to provide collateral to secure any of the foregoing types of obligations.

“Unrestricted Cash” means, as of any date of determination, the sum of (i) the Borrower’s cash, (ii) the Borrower’s Cash Equivalents that are not, in either case, subject to a Lien or adverse claim in favor of any Person or that are not required to be reserved by the Borrower in a

restricted escrow arrangement or other similarly restricted arrangement pursuant to a contractual agreement or requirement of law.

“U.S. Government Securities Business Day” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“USDA” means the Rural Housing Service of the Rural Development Agency of the United States Department of Agriculture, or any successor.

“USDA Claim Proceeds” means the portion of guarantee claim proceeds which are received from USDA in the event of a default with respect to a USDA Loan and are permitted reimbursements to the Borrower, in its capacity as servicer, for MBS Advances, Corporate Advances or Escrow Advances in accordance with the Ginnie Mae Contract, including any accrued unpaid interest on such Advances.

“USDA Loan” means a Mortgage Loan which is guaranteed by USDA, as evidenced by a USDA Loan Guarantee Document.

“USDA Loan Guarantee Document” means a loan guarantee document issued by USDA in accordance with 7 CFR § 3555.107.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning set forth in Section 3.04(f)(ii)(B)(3). “VA” means the U.S. Department of Veterans Affairs, an agency of the United States of

America, or any successor thereto including the Secretary of Veterans Affairs.

“VA Claim Proceeds” means the portion of guaranty claim proceeds which are received from VA in the event of a default with respect to a VA Loan and are permitted reimbursements to the Borrower, in its capacity as servicer, for MBS Advances, Corporate Advances or Escrow Advances in accordance with the Ginnie Mae Contract, including any accrued unpaid interest on such Advances.

“VA Loan” means a Mortgage Loan which is subject of a VA Loan Guaranty Agreement as evidenced by a loan guaranty certificate, or a Mortgage Loan which is a vendor loan sold by the VA.

“VA Loan Guaranty Agreement” means the obligation of the United States to pay a specific percentage of a Mortgage Loan (subject to a maximum amount) upon default of the mortgagor pursuant to the Servicemen’s Readjustment Act of 1944.

“Valuation Agent” means Phoenix Valuations, LLC or another third party appraisal firm selected by the Administrative Agent in its sole discretion.

“Valuation Report” means a valuation report which shall evaluate the fair market value of all of the Servicing Rights, as applicable, as of the date stated in the written report of such evaluation, each such evaluation and report to be made at the Borrower’s expense, it being understood that, for purposes of this Agreement, each Valuation Report shall take into account customary factors, including current market conditions and the fact that the Servicing Rights may be terminated by the relevant Servicing Contract’s counterparty, or sold or otherwise disposed of, under circumstances where the Borrower is in default under such agreement.

“Withholding Agent” means the Borrower and the Administrative Agent.

SCHEDULE 5.01

CONDITIONS PRECEDENT TO THE EFFECTIVENESS OF THIS AGREEMENT

- (a) This Agreement duly executed by the parties hereto;
 - (b) If requested, any Notes duly executed by the Borrower;
 - (c) The Acknowledgement Agreement executed by Ginnie Mae;
 - (d) A filed UCC-1 financing statement on the Collateral of the Borrower (where applicable);
 - (e) A Control Agreement with respect to each of the Fee Collection Account and the Advance Collection Account;
 - (f) Intercreditor and Subordination Agreements relating to each Excess Servicing Spread transaction existing on the Closing Date and all other agreements (including Control Agreements) contemplated by Section 7.02(g);
 - (g) A certificate of a Responsible Officer of the Borrower, certifying as to the (i) accuracy and completeness of each of the representations and warranties contained in each Loan Document to which the Borrower is a party, (ii) the absence of a Default or Event of Default under such Loan Documents to which the Borrower is a party as of the Closing Date and (iii) compliance with the financial covenants set forth in Section 7.01(i) of this Agreement and including supporting calculations (after giving effect to any Loans funded on the Closing Date);
 - (h) The Borrower shall have paid or made arrangements for the payment of all fees, costs and expenses and Taxes then payable pursuant to Section 3.04;
 - (i) Resolutions (or written consent), good standing certificate, certificate of formation, limited liability company agreement and incumbency certificate of the Borrower, all certified by the secretary or the assistant secretary of the Borrower;
 - (j) Payoff letters with respect to any Indebtedness to be repaid with the proceeds of the Closing Date Loans;
 - (k) The results of searches for any effective UCC financing statements, Tax Liens or judgment Liens filed against the Borrower or its property acceptable to the Lenders);
 - (l) Receipt by the Administrative Agent and the Lenders of (i) the Borrower's financial models, forecasts, audited financial statements for the year ended December 31, 2019 and the relevant Electronic Files; (ii) receipt of any third party consents or amendments required to consummate the transactions contemplated by this Agreement, including the incurrence of Indebtedness and granting of Liens on the Collateral; and (iii) a third-party prepared appraisal and valuation of the servicing rights Collateral, by a firm selected by the Administrative Agent in consultation with the Borrower;
 - (m) The Administrative Agent and the Lenders have completed their due diligence on the corporate, capital, and legal structure of the Borrower and the nature and status of all material contracts, securities, labor, insurance, tax, litigation, environmental matters, and other material matters involving the Borrower;
-

(n) Satisfactory receipt by the Administrative Agent and the Lenders of an opinion of counsel to the Borrower, opining as to, among other things, corporate matters, New York enforceability, Investment Company Act status, security interest creation, and perfection;

(o) Since December 31, 2019, there shall not have occurred any event, condition or state of facts which would reasonably be expected to have a Material Adverse Effect;

(p) Receipt of all deliverables necessary for the completion of, to the reasonable satisfaction of the Lenders, management background checks and “Know Your Customer” regulations and policies, performed by third parties selected by the Required Lenders;

(q) An Internal Revenue Service Form W-9, completed and duly executed by the Borrower; and

(r) Such other agreements, instruments, approvals, and other documents, each satisfactory to the Lenders in form and substance, as the Lenders may reasonably request.

SCHEDULE 5.02

CONDITIONS PRECEDENT TO EACH LOAN

- (a) The Administrative Agent shall have received a duly executed copy of the Request for Borrowing for such Loan in accordance with Section 2.04;
- (b) The Borrower shall have delivered to the Administrative Agent an executed copy of the Borrowing Base Certificate for such Loan in accordance with Section 2.04(a)(iii);
- (c) On the applicable Funding Date, the following statements shall be true (and the Borrower by delivering such Request for Borrowing shall be deemed to have certified that):
- (i) the representations and warranties set forth in Article VI are true and correct in all material respects (unless any such representation and warranty is qualified by materiality and then, in such case, the accuracy of such representation and warranty in all respects);
- (ii) all conditions precedent to the making of such Loan have been satisfied;
- (iii) no Default or Event of Default is in existence or would arise from the making of such Loan;
- (iv) after giving effect to the making of such Loan, no Borrowing Base Deficiency will exist;
- (v) the Outstanding Aggregate Loan Amount of under this Agreement, after giving effect to such Loan, does not exceed the Committed Facility Amount;
- (vi) None of the following “market events” shall have occurred and/or be continuing:
- (A) an event or events shall have occurred resulting in the effective absence of a “lending market” for financing debt obligations secured by mortgage servicing rights or securities or an event or events shall have occurred resulting in a Lender not being able, after making commercially reasonably best efforts, to finance loans secured by mortgage servicing rights through the “lending market” with traditional counterparties;
- (B) there shall have occurred a material adverse change in the financial condition of a Lender which prevents the Lender from funding its obligations under this Agreement; or
- (C) a Force Majeure Event; (For purposes of this Schedule 5.02, “Force Majeure Event” shall mean any event beyond the control of the Lenders which the Lenders reasonably determine has resulted in the Lenders’ inability to perform their obligations under this Agreement including, without limitation, acts of God, strikes, lockouts, riots, acts of war or terrorism, epidemics, pandemics, nationalization, expropriation, currency restrictions, fire, communication line failures, computer viruses, power failures, communication line failures, computer viruses, power failures, earthquakes, or other disasters of a similar nature to the foregoing.)
- (a) ~~(a)~~ All Loan Documents shall continue to be in full force and effect in all material respects; and
- (b) ~~(b)~~ The Administrative Agent has obtained a perfected first priority lien on the Collateral included in the Borrowing Base.
-

SCHEDULE 6.01(a) FORMATION AND GOOD STANDING

Nationstar Mortgage LLC, a Delaware limited liability company, with an organizational identification number of 3355698.

SCHEDULE 12.02

The Borrower:

Nationstar Mortgage LLC 8950 Cypress Water Blvd. Coppell, Texas 75019
Attention: Pedro Alvarez, Senior Vice President and Treasurer
Telephone: (469) 426-3057

Email: Pedro.Alvarez@nationstarmail.com With a copy to:

Nationstar Mortgage LLC 8950 Cypress Water Blvd. Coppell, Texas 75019 Attention: General Counsel
Email: John.Fietz@nationstarmail.com

The Administrative Agent and Lender:

Morgan Stanley Bank, N.A.
Morgan Stanley Mortgage Capital Holdings LLC
1585 Broadway
New York, New York 10036 Attention: Darius Houseal Telephone No.: 212-761-2850
Fax No.: 212-507-0331
Email: resifsl_nonqm@morganstanley.com and fsl_non_agency_neon@morganstanley.com

With Copies to:

Email: wltapes@morganstanley.com and to the Lenders at the email addresses set forth on Schedule 12.02 of the Loan and Security Agreement

Third Amended and Restated Master Repurchase Agreement Dated as of August 31, 2020
between
BANK OF AMERICA, N.A.
and
NATIONSTAR PARTICIPATION SUB 1BM LLC
and acknowledged and agreed to by NATIONSTAR MORTGAGE LLC
CONFORMED THROUGH AMENDMENT NUMBER THREE

This AMENDMENT NUMBER THREE (this "Amendment") is made as of this 12th day of August, 2022, by and among Bank of America, N.A. ("Buyer"), Nationstar Participation Sub 1BM LLC ("Seller") and Nationstar Mortgage LLC ("Guarantor") to that certain Third Amended and Restated Master Repurchase Agreement, dated as of August 31, 2020 (as amended, restated, supplemented or otherwise modified from time to time, the "Agreement"), between Seller and Buyer and acknowledged and agreed to by Guarantor, as guarantor and pledgor.

WHEREAS, Buyer, Seller and Guarantor have previously entered into the Agreement pursuant to which Buyer may, from time to time, purchase certain participation interests from Seller and Seller agrees to sell certain participation interests to Buyer under a master repurchase facility; and

WHEREAS, Buyer, Seller and Guarantor hereby agree that the Agreement shall be amended as more fully provided herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments. Effective as of the date hereof, the Agreement is hereby amended as follows:

- (a) Alternative Rate. Section 4.12 of the Agreement is hereby amended by deleting such section in its entirety and replacing it with the following:

4.12 Replacement of Term SOFR or Successor Rate. Notwithstanding anything to the contrary herein or in any other Principal Agreement:

- (a) If Buyer determines (which determination shall be conclusive absent manifest error), or Nationstar Parties notify Buyer that Nationstar Parties have determined that: (i) adequate and reasonable means do not exist for ascertaining Term SOFR, including, without limitation because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or (ii) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over Buyer or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to Buyer, that will continue to provide Term SOFR after such specific date (the latest date on which Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely (the "Scheduled Unavailability Date")), then, on a date and time determined by Buyer (any such date, the "Term SOFR Replacement Date"), which date shall be, solely with respect to clause (ii) above, no later than the Scheduled Unavailability Date, Term SOFR will be replaced hereunder and under any other Principal Agreement with Daily Simple SOFR for any payment period for the Price Differential calculated that can be determined by Buyer, in each

case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Principal Agreement (a “Successor Rate”).

- (b) If the Successor Rate is Daily Simple SOFR, all payments of the Price Differential will be payable on a monthly basis.
- (c) (i) If prior to any Payment Date Buyer determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in Section 4.12(a)(i) or (ii) have occurred with respect to the Successor Rate then in effect, then in each case, Buyer and Nationstar Parties may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate in accordance with this Section 4.12 for the calculation of the Price Differential payable on such relevant Payment Date with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated mortgage loan financing facilities for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar U.S. dollar denominated mortgage loan financing facilities for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by Buyer from time to time in its sole good faith discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments shall constitute a “Successor Rate”. Any such proposed rate and adjustment shall become effective at 5:00 p.m. (New York City time) on the fifth Business Day after Buyer shall have posted such proposed rate and adjustment to Nationstar Parties.
- (d) Buyer will promptly (in one or more notices) notify Nationstar Parties of the implementation of any Successor Rate.
- (e) Any Successor Rate shall be applied consistent with market practice; provided that to the extent such market practice is not administratively feasible for Buyer, such Successor Rate shall be applied in a manner as otherwise determined by Buyer in its sole discretion.
- (f) In connection with the implementation of a Successor Rate, Buyer will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Principal Agreement, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(b) Definitions. Exhibit A to the Agreement is hereby amended by:

- (i) deleting the definitions of “Applicable Pricing Rate”, “Scheduled Unavailability Date”, “SOFR”, “Successor Rate” and “Term SOFR” in their entireties and replacing them with the following, respectively:

Applicable Pricing Rate: With respect to any date of determination, the greater of (i) the Term SOFR or any Successor Rate and (ii) 0%. It is understood that the Applicable Pricing Rate shall be adjusted on a daily basis.

Scheduled Unavailability Date: As defined in Section 4.12(a) of this Agreement.

SOFR: The secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

Successor Rate: As defined in Section 4.12(a) of this Agreement.

Term SOFR: As of any determination date for the computation of the Price Differential or other amounts, the rate per annum equal to the Term SOFR Screen Rate with a term equivalent of one month, determined as of 8:00 a.m.

(New York City time) on such determination date (rounded to three (3) decimal places); provided that if the Term SOFR Screen Rate is not available as of 8:00 a.m. (New York City time) on such determination date, then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment.

- (ii) adding the following definitions in their proper alphabetical order:

CME: CME Group Benchmark Administration Limited.

Conforming Changes: With respect to the use, administration of or any conventions associated with SOFR, Term SOFR or any proposed Successor Rate, as applicable, any conforming changes to the definitions of “SOFR”, “Term SOFR” and “Applicable Pricing Rate”, timing and frequency of determining rates and making payments of the Price Differential and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and “U.S. Government Securities Business Day”, timing of Transaction requests and length of lookback periods) as may be appropriate, in the discretion of Buyer, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by Buyer in a manner substantially consistent with market practice (or, if Buyer decides that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate(s) exists, in such other manner of administration as Buyer determines in good faith is necessary in connection with the administration of this Agreement and the other Principal Agreements).

Daily Simple SOFR: With respect to any applicable determination date means the secured overnight financing rate published on such date by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source), *plus* the applicable SOFR Adjustment.

SIFMA: As defined in Section 7.2(p) of this Agreement.

SOFR Adjustment: As defined in the Transactions Terms Letter.

Term SOFR Replacement Date: As defined in Section 4.12(a) of this Agreement.

Term SOFR Screen Rate: The forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to Buyer) and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by Buyer from time to time).

U.S. Government Securities Business Day: Any Business Day, except any Business Day on which any of the SIFMA, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

- (iii) deleting the definitions of “**One-Month LIBOR**”, “**SOFR-Based Rate**” and “**Successor Rate Conforming Changes**” and any and all references thereto in their entirety.

SECTION 2. **Fees and Expenses**. Seller agrees to pay to Buyer all fees and out of pocket expenses incurred by Buyer in connection with this Amendment, including all reasonable fees and out of pocket costs and expenses of the legal counsel Buyer incurred in connection with this Amendment, in accordance with Section 12.2 of the Agreement.

SECTION 3. **Defined Terms**. Any terms capitalized but not otherwise defined herein should have the respective meanings set forth in the Agreement.

SECTION 4. **Limited Effect**. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment need not be made in the Agreement or

any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 5. Representations. In order to induce Buyer to execute and deliver this Amendment, Seller and Guarantor hereby represent to Buyer that as of the date hereof, (i) Seller and Guarantor are in full compliance with all of the terms and conditions of the Principal Agreements and remain bound by the terms thereof, and (ii) no Potential Default or Event of Default has occurred and is continuing under the Principal Agreements.

SECTION 6. Governing Law. This Amendment shall be construed and enforced in accordance with the laws of the State of New York without regard to any conflicts of law provisions (except for Sections 5-1401 and 5-1402 of the New York General Obligations Law, which shall govern) and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the laws of the State of New York, except to the extent preempted by federal law.

SECTION 7. Counterparts. This Amendment and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Amendment (each a "Communication") may be in the form of an Electronic Record and may be executed using Electronic Signatures (including, without limitation, facsimile and .pdf) and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record. This Amendment may be executed simultaneously in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but each counterpart shall be deemed to be an original and all such counterparts shall constitute one and the same agreement. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by Buyer of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. Electronic Signatures and facsimile signatures shall be deemed valid and binding to the same extent as the original. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Buyer, Seller and Guarantor have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first written above.

BANK OF AMERICA, N.A.,
as Buyer

By: /s/ Adam Robitshek
Name: Adam Robitshek
Title: Director

NATIONSTAR PARTICIPATION SUB 1BM LLC,
as Seller

By: /s/ Pedro Alvarez
Name: Pedro Alvarez
Title: Treasurer

NATIONSTAR MORTGAGE LLC,
as Guarantor

By: /s/ Pedro Alvarez
Name: Pedro Alvarez
Title: Treasurer

**Certification Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section
302 of the Sarbanes-Oxley Act of 2002**

I, Jay Bray, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, of Mr. Cooper Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2022

/s/ Jay Bray

Jay Bray

Chief Executive Officer

**Certification Pursuant to Rules 13a-14(a) and 15d-14(a) as Adopted Pursuant to Section
302 of the Sarbanes-Oxley Act of 2002**

I, Jaime Gow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022, of Mr. Cooper Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a - 15(e) and 15d - 15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a - 15(f) and 15d - 15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2022

/s/ Jaime Gow

Jaime Gow

Executive Vice President & Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Mr. Cooper Group Inc. (the “Company”) on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jay Bray, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2022

/s/ Jay Bray

Jay Bray

Chief Executive Officer

**Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the
Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Mr. Cooper Group Inc. (the "Company") on Form 10-Q for the quarterly period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jaime Gow, Executive Vice President & Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2022

/s/ Jaime Gow

Jaime Gow

Executive Vice President & Chief Financial Officer