

## Dear Fellow Stockholders,

Despite difficult market conditions, Nationstar performed well and experienced margin expansion in each segment during 2014. In our servicing segment, we virtually maintained the size of our servicing portfolio year-over-year despite the industry-wide slowdown in transfers.

Solutionstar experienced significant growth and continued to build out its product offerings as it transitions into a leading technology services provider to the residential real estate industry. Our originations segment produced strong results and generated \$17 billion of quality long-term servicing assets. I'm very proud of the progress our team made in 2014 and we are well positioned as we start 2015.

Few industries are as important to our economy – or to individual Americans – as ours. Home ownership is the embodiment of the American dream, yet for many the home purchase experience feels more like a nightmare. The industry is highly fragmented and characterized by excessive paperwork, slow processes and poor customer service. The industry is ripe for transformation and we view this as a tremendous opportunity – not just to create a better mortgage company, but also to reimagine the home ownership experience.

As one of the largest non-bank residential mortgage services companies in the United States, we believe that Nationstar is uniquely situated to lead change in the industry and we're positioning the company to become the brand of choice for the next generation of homeowners. We are building an integrated platform that empowers homeowners by reducing transaction costs, providing timely data and insights and automating time-consuming manual processes.

## **Our Commitment to Homeowners: Providing an Enhanced Homeowner Experience for Long-Term Customer Relationships**

Despite ongoing change and regulatory scrutiny in our industry, I'm proud that Nationstar's 5,500 employees have remained focused on what matters most: taking care of our customers, helping the communities in which we operate, operating in a transparent fashion with regulators and prudently growing our company. We play a central role preserving homeownership for Americans and we take this responsibility very seriously.

During 2014 we helped 79,800 customers preserve homeownership through modifications, workouts, and other solutions. We also helped 89,000 homeowners with refinance and purchase mortgages, including 41,000 homeowners whose mortgages were refinanced through federal government assistance programs.

We continue to look for ways to improve the customer experience, reduce customer complaints and increase transparency in our lending and servicing processes. By improving the homeownership experience for customers, expanding the range of services we offer, and reducing the cost of transactions, we believe that Nationstar can capture an increasing share of the eight million annual U.S. real estate transactions. As we move into 2015, we will continue to invest in customer experience with the goal of creating the "go to" brand for consumers who want to buy, sell or refinance a home.

## **Servicing: Customer-Centric Model Designed to Preserve Homeownership**

We ended the year at \$381 billion of unpaid principal balance, nearly unchanged year-over-year, a significant accomplishment given the slowdown in the transfer market for most of the year. We continue to provide customers with solutions and resolve delinquencies which lowered our overall portfolio delinquency rate to 9.9%, down nearly 20% from the prior year. In 2014, we were a top-rated GSE servicer in our peer group, a testament to our focus on our customers and operations, and we strive to remain a top performing servicer in the industry.

As we look forward, we remain focused on optimizing our servicing platform and identifying additional ways to recognize efficiencies and increase profitability. We continue to see a multi-year opportunity of portfolio acquisitions from both banks and non-banks. We believe we are one of the best positioned servicers to acquire additional portfolios based on our proven track record of providing solutions to customers, lowering portfolio delinquencies and reducing credit losses. We will continue to opportunistically evaluate servicing portfolio acquisitions and we've already seen an uptick in activity so far in 2015.

# Solutionstar: Transformation Into Real Estate Technology Company

Solutionstar has experienced significant growth and has helped Nationstar produce a higher quality of diversified earnings. Solutionstar is focused on the provision of enhanced technology and data solutions to all participants of the residential real estate industry. Solutionstar experienced tremendous growth in 2014 with property dispositions increasing nearly 70% and real estate service orders increasing by 142%.

The acquisitions of Real Estate Digital and Title365 continue the expansion of our technology-enabled product offerings, broaden our third-party customers and add real estate technology industry experts to strengthen our management team. We launched the next generation of HomeSearch.com<sup>SM</sup>, which included enhanced features, and it is rapidly emerging as one of the most robust and reliable sites for publicly available information regarding a property, enabling consumers to conduct both distressed and non-distressed property transactions.

In late 2014 we hired Kal Raman to be the Chief Executive Officer of Solutionstar. Kal brings more than two decades of experience in technology and retail businesses and I'm confident that Kal will be able to continue our vision of delivering comprehensive, end-to-end online services that improve the transparency and simplify the way transactions are conducted..."real estate made easy".

## **Originations: Profitable Generation of Long-Term Servicing Assets**

Our overarching strategy for our originations segment is to profitably generate attractive long-term servicing assets that will help to sustain and grow our servicing portfolio. In 2014, we originated approximately \$17 billion and our financial results were a vast improvement over 2013 reflective of the focused execution, operational discipline and optimization of existing pipeline capacity by our originations team.

Our origination platform benefits from access to our servicing portfolio and we remain focused on increasing retention rates and offering new products. We believe our Customer-for-Life and Customer Select™ initiatives will be instrumental tools in retaining our customers and providing our servicing portfolio with a steady long-term stream of servicing assets.

## 2015 and Beyond

Despite the enormous size and economic importance of the mortgage and real estate services industry, it lags other industries in customer experience and adoption of technology.

We believe that homeowners deserve more, so we have embarked on a journey to create the most customer-focused company in the industry and the “go to” brand for consumers who want to buy, sell, or refinance their home. Over time we believe that this will translate into increased market share, greater customer satisfaction and adoption, and ultimately increased shareholder value.

Our recently announced Customer Select™ program represents a complete fundamental change in the way we engage with our customers, with a fresh look and feel, useful data and insights, more personalized service, and a stronger value proposition. With Customer Select™, we provide complementary real estate and home loan services, reducing the cost of buying, selling or refinancing of a home by potentially thousands of dollars.

Customer Select™ marks the beginning of an exciting series of announcements we’ll make in 2015. Achieving our vision will be a multi-year journey and will require bold thinking, lots of hard work, and significant investments in technology, customer experience, and brand awareness. I firmly believe the payoff will be tremendous.

I’m proud to work alongside thousands of Nationstar employees who share this vision and have a passion for helping millions turn their American Dream into reality.

On behalf of Nationstar, the management team and our employees, thank you for your continued support.



Jay Bray  
Chief Executive Officer  
April 10, 2015