



FOURTH QUARTER AND FULL YEAR 2016 RESULTS

INVESTOR SUPPLEMENT

FEBRUARY 22, 2017

IMPORTANT INFORMATION

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

FORWARD LOOKING STATEMENTS

Any statements in this presentation that are not historical or current facts are forward looking statements. These forward looking statements include, but are not limited to, statements regarding: estimates of servicing profitability, boardings and pipeline, Xome's projected REOs, 2017 expense strategy and expected savings and 2017 initiatives. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Certain of these risks and uncertainties are described in the "Business" and "Risk Factors" sections of our Form 10-K and other documents filed with the SEC, which are available at the SEC's website (www.sec.gov). Nationstar undertakes no obligation to publicly update or revise any forward looking statements or any other information contained herein, and the statements made in this presentation are current as of the date of this presentation only.

NON-GAAP MEASURES

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

FINANCIAL HIGHLIGHTS



QUARTERLY HIGHLIGHTS

- Posted adjusted quarterly EPS⁽¹⁾ of \$0.36 (GAAP \$2.01)
- Servicing posted 5bps, 25% improvement over third quarter
- Originations recorded quarterly adjusted earnings⁽¹⁾ of \$43 million (GAAP \$31 million)
- Xome® recorded quarterly adjusted earnings⁽¹⁾ of \$18 million (GAAP \$16 million)

ANNUAL HIGHLIGHTS

- Posted adjusted annual EPS⁽¹⁾ of \$1.78 (GAAP \$0.19); 50% improvement over 2015
- Servicing posted 5.6bps, 87% improvement over 2015
- Originations recorded adjusted earnings⁽¹⁾ of \$223 million (GAAP \$209 million); 6% improvement over 2015
- Xome® recorded adjusted earnings⁽¹⁾ of \$77 million (GAAP \$69 million)

HIGHLIGHTS

\$ MM, UNLESS NOTED	Q3'16	Q4'16	% QoQ
CONSOLIDATED GAAP PTI	\$71	\$317	346%
MARK-TO-MARKET	\$8	(\$290)	n/a
NON-RECURRING	\$2	\$29	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$81	\$56	(31%)
GAAP EPS	\$0.46	\$2.01	337%
ADJUSTED EPS ⁽¹⁾	\$0.52	\$0.36	(31%)

KEY METRICS

\$ MM, UNLESS NOTED	Q3'16	Q4'16	% QoQ
ADJ SERVICING PROFITABILITY	4.0	5.0	25%
AVERAGE UPB	\$390	\$464	19%
CPR, NET OF RECAPTURE	15%	15%	-
60+ DAY DELINQUENCY RATE	5%	5%	-
ORIGINATIONS VOLUME	\$5,533	\$5,338	(4%)
XOME 3 RD PARTY REVENUE %	44%	44%	-

SERVICING



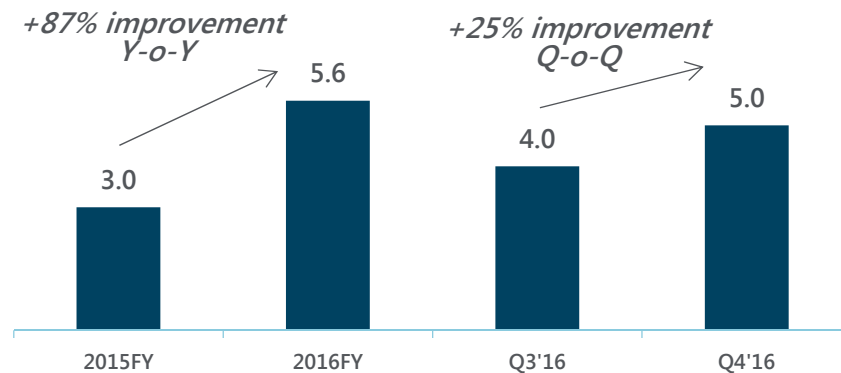
HIGHLIGHTS

\$ MM, UNLESS NOTED	Q3'16	Q4'16	% QoQ
OPERATIONAL	310	317	2%
AMORTIZATION	(92)	(79)	14%
MARK TO MARKET	(8)	290	n/a
TOTAL REVENUES	210	528	151%
EXPENSES	(154)	(156)	(1%)
OTHER	(25)	(24)	4%
GAAP PRETAX INCOME	\$31	\$348	n/a
MARK TO MARKET	8	(290)	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$39	\$58	49%
ADJUSTED PROFITABILITY	4.0	5.0	25%
AVERAGE UPB	\$390	\$464	19%

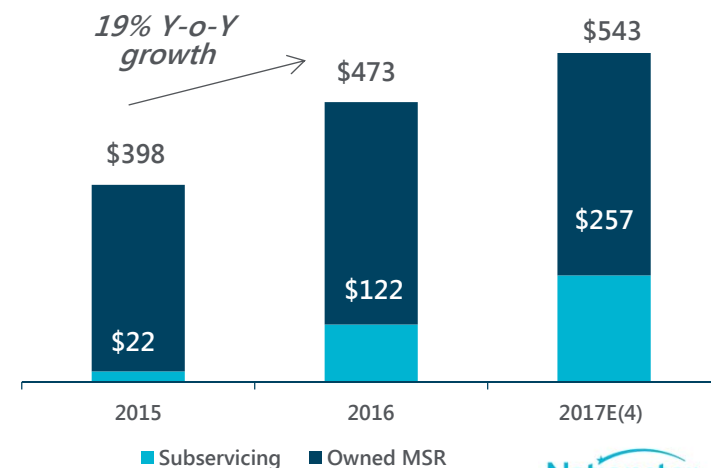
BOARDING OVERVIEW

	UPB BOARDED (\$B)		NEW CUSTOMERS (000s)	
	2016	2017E ⁽³⁾⁽⁴⁾	2016	2017E ⁽³⁾⁽⁴⁾
SUBSERVICING	\$95	\$111	430	836
MSR OWNED ⁽²⁾	20	(1)	215	(3)
REVERSE	13	-	72	-
ORIGINATIONS	20	15	97	74
FLOW FROM PARTNERS	13	19	50	81
TOTAL BOARDED	\$161	\$144	864	987

SERVICING ADJUSTED PTI (BPS)



ENDING UPB (\$B)



■ Subservicing ■ Owned MSR

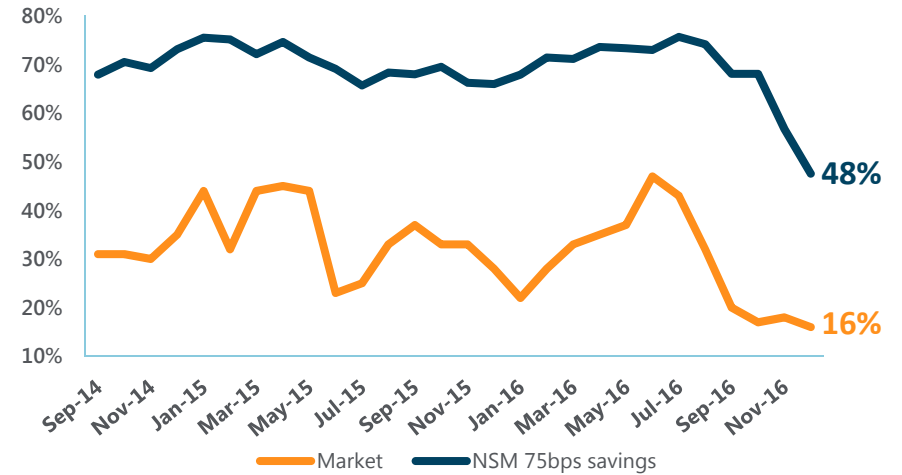
ORIGINATIONS



HIGHLIGHTS

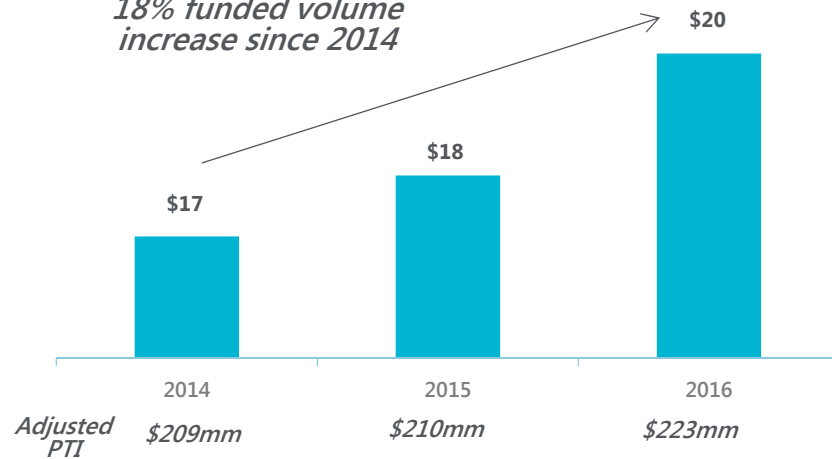
\$ MM, UNLESS NOTED	Q3'16	Q4'16	% QoQ
GAAP PRETAX INCOME	\$83	\$31	(63%)
NON-RECURRING ⁽⁵⁾	\$2	\$12	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$85	\$43	(49%)
ADJUSTED PRETAX MARGIN ⁽¹⁾	38%	27%	(29%)
PULL THROUGH ADJUSTED TOTAL	\$5,881	\$4,870	(17%)
FUNDED VOLUME	\$5,533	\$5,338	(4%)
PURCHASE MIX ⁽⁶⁾	24%	19%	(21%)
CONSUMER DIRECT MIX ⁽⁶⁾	69%	72%	4%
RECAPTURE	27%	28%	4%

REFINANCE ELIGIBILITY⁽⁷⁾

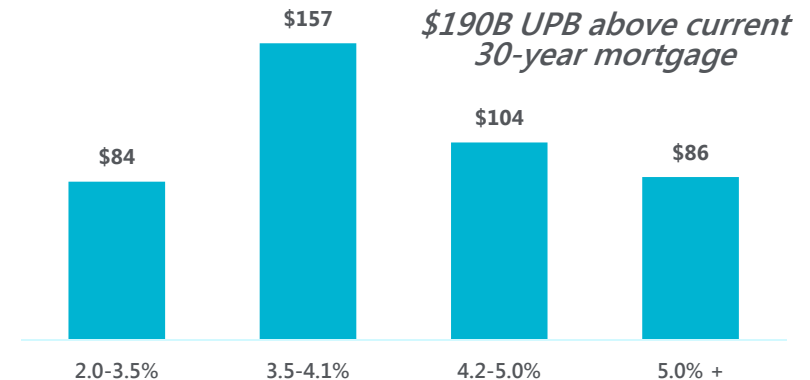


FUNDED VOLUME (\$B)

18% funded volume increase since 2014



WEIGHTED AVERAGE COUPON OF SERVICING PORTFOLIO (\$B)



\$190B UPB above current 30-year mortgage

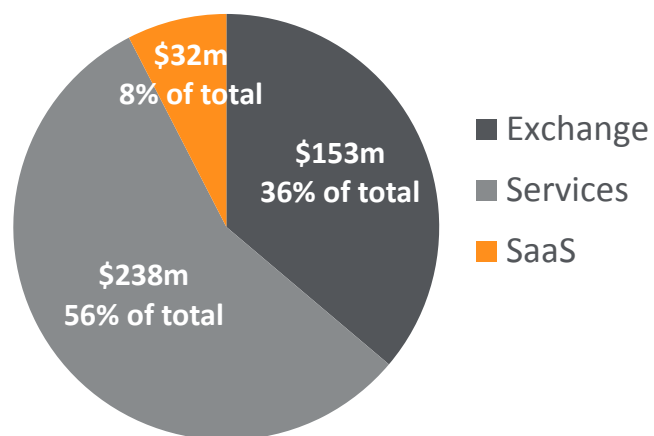
HIGHLIGHTS

\$MM, UNLESS NOTED	Q3'16	Q4'16	% QoQ
GAAP PRETAX INCOME	\$20	\$16	(20%)
NON-RECURRING ⁽⁸⁾	-	\$2	-
ADJUSTED PRETAX INCOME ⁽¹⁾	\$20	\$18	(10%)
PROPERTY LISTINGS SOLD	4,061	3,687	(9%)
REO LISTINGS AT PERIOD END	5,284	4,669	(12%)
3 RD PARTY REVENUE %	44%	44%	(0%)

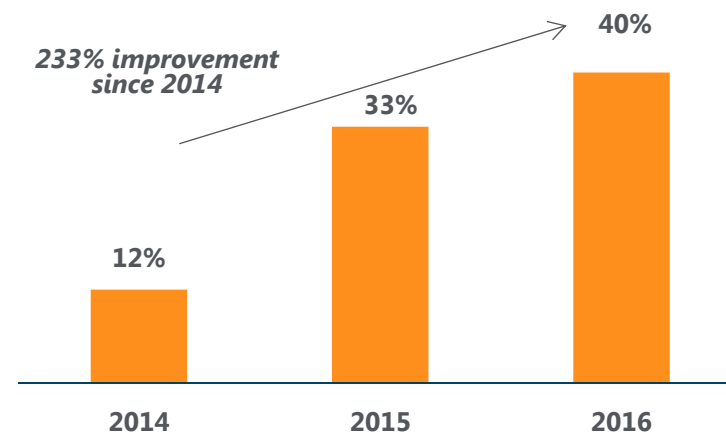
OVERVIEW

- \$18 million adjusted pretax income⁽¹⁾, in line with expectations due to segment seasonality
- Over 30,000 future REOs projected to come from current portfolio
- Entered into referral partnership to provide access to Xome's auction platform

2016 REVENUE MIX (\$M)



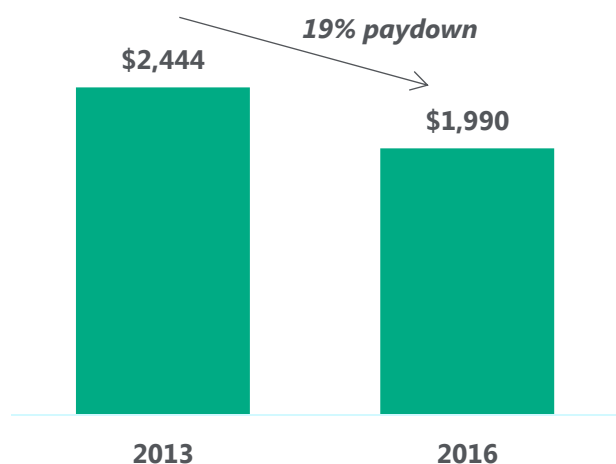
3RD PARTY REVENUE %



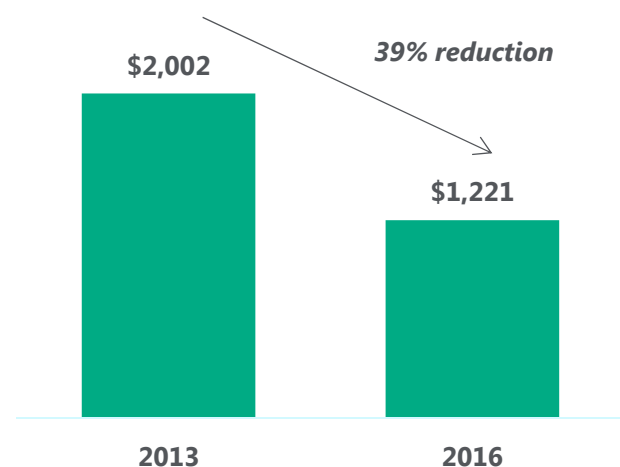
CAPITAL POSITION & STOCKHOLDER VALUE



UNSECURED SENIOR NOTES(\$M)



NET DEBT⁽⁹⁾(\$M)



CAPITAL POSITION

- \$100 million share repurchase authorization for 2017
- \$40 million year-over-year debt paydown
 - Repurchased 19% of senior notes since 2013
- Continue to monitor debt position
 - 2018 callable at Par in August 2017
 - 2019 call price reduction in May 2017

CUSHION ON FNMA REQUIREMENTS⁽¹⁰⁾

\$ MM, UNLESS NOTED	Q4'16	FNMA MINIMUM	CUSHION
TANGIBLE NET WORTH	\$1,693	\$1,000	\$693
TANGIBLE NET WORTH / ASSETS	9%	6%	3%
LIQUIDITY	\$489	\$186	\$303

CONTINUAL FOCUS ON EXPENSES



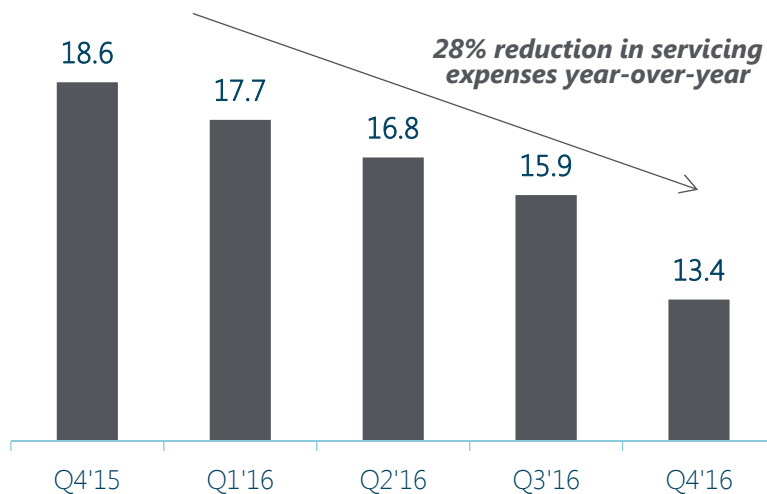
2016 PROGRESS

- Reduced expenses across the organization as we begin to scale platform
- Portfolio delinquency improvement
- Enhanced customer automation including self-service options

2017 STRATEGY

- Targeted three key areas:
 - Reduction of trademarks / trade names to simplify Nationstar brand
 - Consolidate IT resources and retire mature systems as new compliance systems board
 - Decentralized corporate functions into lines of business

SERVICING EXPENSE (bps)



EXPECTED EXPENSE SAVINGS BY SEGMENT⁽¹¹⁾

SEGMENT	RUN RATE SAVINGS (\$MM)				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017E
SERVICING	\$5.1	\$8.4	\$8.4	\$8.4	\$30.1
ORIGINATIONS	3.0	4.7	4.7	4.7	17.2
XOME	0.8	1.0	1.0	1.0	3.8
TOTAL	\$8.9	\$14.1	\$14.1	\$14.1	\$51.1

NATIONSTAR HIGHLIGHTS



2016 HIGHLIGHTS

Adjusted Pretax Income⁽¹⁾

\$285
million +47%
YoY

Annual Boarding Volume

\$161
billion +77%
YoY

Annual Originations

\$20
billion +13%
YoY

2017 INITIATIVES

Deliver Financial Results

- Deliver minimum 5 basis points servicing profitability on expanded portfolio
- Increase return on equity
- Generate greater operating cash flow

Focus on the Customer

- Successfully board almost 1 million customers, providing a “wow” experience
- Drive customer retention

Fortify the Balance Sheet

- Fortify balance sheet to facilitate growth

Appendix: Servicing Operational P&L *(in bps)*

	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16
OPERATING REVENUE	41.0	39.9	43.2	39.6	33.7
LABOR COSTS	6.1	6.8	7.0	6.4	5.6
DIRECT CORPORATE ALLOCATION	4.5	4.4	4.4	4.5	3.3
OTHER DIRECT EXPENSES	7.9	6.5	5.3	5.0	4.6
TOTAL EXPENSES	18.6	17.7	16.8	15.9	13.4
OTHER (INCOME) / EXPENSE	0.3	(0.2)	0.3	0.6	0.3
ADJ. OPERATING INCOME B/F AMORTIZATION	22.1	22.4	26.1	23.1	20.0
MSR AMORTIZATION	(11.9)	(11.5)	(14.2)	(14.1)	(11.2)
EXCESS SPREAD ACCRETION	4.6	4.9	5.9	4.7	4.4
TOTAL AMORTIZATION	(7.2)	(6.6)	(8.3)	(9.4)	(6.8)
ADJUSTED OPERATING INCOME	14.9	15.8	17.8	13.7	13.2
MSR FINANCING LIABILITY PAYMENTS	2.8	2.8	2.8	2.5	1.9
EXCESS SPREAD PAYMENTS – PRINCIPAL	4.8	4.8	5.1	5.2	4.5
EXCESS SPREAD PAYMENTS – INTEREST / OTHER	2.3	2.3	2.2	2.0	1.8
TOTAL FINANCING STRUCTURE PAYMENTS	9.8	9.9	10.0	9.7	8.2
ADJUSTED PRETAX INCOME	5.1	5.9	7.8	4.0	5.0
EXCESS SPREAD / FINANCING MTM	(5.9)	0.4	2.5	5.1	(5.1)
MSR MTM	12.6	(27.1)	(27.0)	(6.0)	30.1
TOTAL MTM ADJUSTMENTS	6.6	(26.7)	(24.5)	(0.9)	25.0
NON-RECURRING	---	(0.4)	---	---	---
GAAP PRETAX INCOME	11.7	(21.2)	(16.7)	3.2	30.0
AVERAGE UPB (\$B)	\$403.1	\$392.0	\$378.0	\$390.0	\$464.1

Appendix: Annual Highlights

ANNUAL HIGHLIGHTS

- Posted adjusted annual EPS⁽¹⁾ of \$1.78 (GAAP \$0.19); 50% improvement over 2015
- Servicing posted 5.6bps, 87% improvement over 2015
- Originations recorded adjusted earnings⁽¹⁾ of \$223 million (GAAP \$209 million); 6% improvement over 2015
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HIGHLIGHTS

\$ MM, UNLESS NOTED	2015	2016	% YoY
CONSOLIDATED GAAP PTI	\$54	\$29	(46%)
MARK-TO-MARKET	\$112	\$211	88%
NON-RECURRING	\$28	\$44	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$194	\$285	47%
GAAP EPS	\$0.37	\$0.19	(49%)
ADJUSTED EPS ⁽¹⁾	\$1.19	\$1.78	50%

KEY METRICS

\$ MM, UNLESS NOTED	2015	2016	% YoY
ADJ SERVICING PROFITABILITY	3.0	5.6	87%
AVERAGE UPB	\$396	\$406	3%
CPR, NET OF RECAPTURE	16%	17%	(6%)
60+ DAY DELINQUENCY RATE	7%	5%	29%
ORIGINATIONS VOLUME	\$17,971	\$20,316	13%
XOME 3 RD PARTY REVENUE %	33%	40%	21%

NOTES

1. The Company utilizes non-GAAP (or “adjusted”) financial measures as the measures provide additional information to assist investors in understanding and assessing the Company’s and our business segments’ ongoing performance and financial results, as well as assessing our prospects for future performance. The adjusted financial measures facilitate a meaningful analysis and allow more accurate comparisons of our ongoing business operations because they exclude items that may not be indicative of or are unrelated to the Company’s and our business segments’ core operating performance, and are better measures for assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses non-GAAP financial measures in making financial, operational and planning decisions and evaluating the Company’s and our business segment’s ongoing performance.

Adjusted earnings (loss) eliminates the effects of mark-to-market adjustments which primarily reflects unrealized gains or losses based on the changes in fair value measurements of MSRs and their related financial liabilities for which a fair value accounting election was made. These adjustments which can be highly volatile and material due to changes in credit markets, are not necessarily reflective of the gains and losses that will ultimately be realized by the Company. Adjusted earnings (loss) also eliminates, as applicable, restructuring costs, rebranding and integration costs, gain (losses) on sales of fixed assets, certain legal settlement costs that are not considered normal operational matters, and other adjustments based on facts and circumstances that would provide investors a supplemental means for evaluating the Company’s core operating performance.

2. 2017 includes non-performing loan sale.
3. The identified opportunities are not currently serviced or sub-serviced by the Company and there can be no assurance that these potential transactions will ultimately be consummated, or will remain the same size.
4. Transactions noted may still be subject to regulatory approvals and final closing conditions which could impact the ultimate amounts boarded as well as timing. In addition, actual boarded amounts may differ due principally to portfolio amortization between when a portfolio is awarded versus actual boarding.
5. Q3’16 adjustments include proceeds from exiting our originations builder channel while Q4’16 adjustments principally include the elimination of the Greenlight trade name.
6. Based on a percentage of pull through adjusted lock volume.
7. Source: Urban Institute December 2016. Based on a percentage of funded volume.
8. Q4’16 adjustments include non-recurring items principally related to severance and technology write-offs partially offset by investor recovery related to a previously disclosed title and close settlement.
9. Debt balance less cash and undrawn revolver and advance capacity.
10. Calculated in accordance with FNMA capital standards. Liquidity includes cash and cash equivalents.
11. Estimates of future profitability or economic value are forward looking and based on a number of factors outside our control. Results could differ materially.