



Q3 2013 Earnings Presentation

Three Months Ended September 30, 2013

November 7, 2013

Forward Looking Statements



Any statements in this release that are not historical or current facts are forward-looking statements. Forward-looking statements include, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. Forward-looking statements convey Nationstar's current expectations or forecasts of future events. When used in this release, the words "anticipate," "appears," "believe," "foresee," "intend," "should," "expect," "estimate," "target," "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. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Nationstar's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors" section of Nationstar's Form 10-K for the year ended December 31, 2012, and other filings Nationstar makes with the SEC, which are available at the SEC's website at <http://www.sec.gov>. We caution you not to place undue reliance on these forward-looking statements that speak only as of the date they were made. Unless required by law, Nationstar undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date of this release.

Focused on High Return, Fee-Based Opportunities

Financial Performance

- GAAP EPS of \$0.91 on net income of \$82 million
- Pro forma EPS of \$1.08⁽¹⁾

Core Servicing Business

Servicing provides long-term, recurring revenue stream

- ✓ Higher multiple business
- ✓ Upside potential with profitability initiatives and acquisitions

Continue to Develop Solutionstar

Building out integrated digital marketplace

- ✓ Technology opportunity to provide full spectrum of real estate services
- ✓ High multiple business with rapidly growing revenue stream

Strategic Initiatives

Delivering lower cost, higher margin operating model

- ✓ Focusing on core value-add origination channels

Evaluating capital vehicles to generate additional cash flows⁽²⁾

- ✓ Maximize balance sheet efficiency and net profitability

1) Pro forma EPS excludes BofA ramp and other one-time expenses totaling \$25 million

2) The capital structures under consideration are subject to legal, regulatory approvals, market conditions, and other factors, and there are no assurances of implementation

Q3'13 Servicing Highlights



Performance & Acquisitions

- Predictable, growing cash flows over long-term
- 6 bps pretax operating profitability⁽¹⁾
- BofA: Completed boarding of \$62B PLS; remaining in Q4

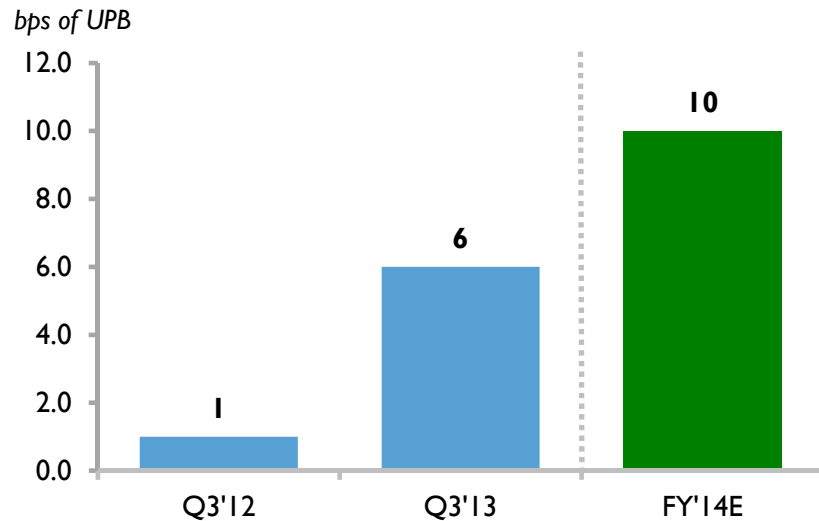
Deals & Pipelines

- Executed new agreements to acquire \$25B⁽²⁾; expected to close in next 90 days
- Bulk at \$400B+; Flow at \$55B

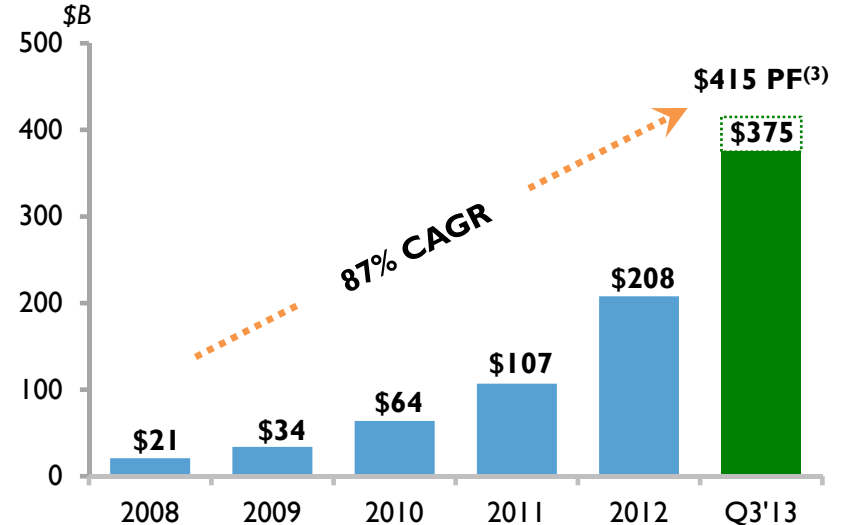
Prepayments

- Originations and flow servicing replaced 75% of run-off in the quarter
- 19% annualized CPR

Pre-Tax Income Growth⁽¹⁾



Unpaid Principal Balance

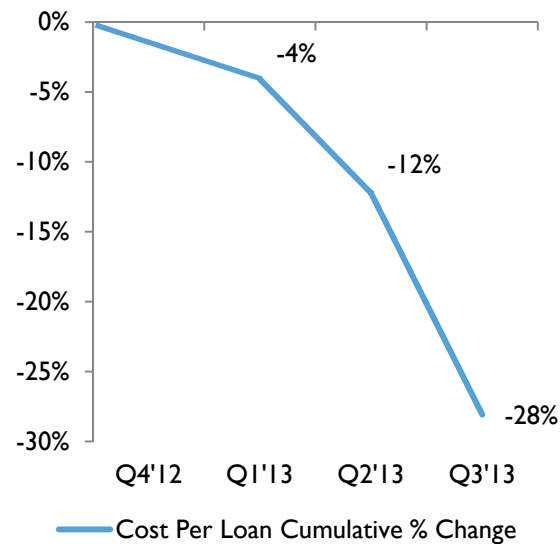


1) Q3'13 pretax operating profitability is calculated as pretax income less the net change of mark-to-market adjustments of \$96MM plus ramp and other one-time expenses of \$17MM. The servicing segment generated 15 bps of pretax income in Q3. FY'14E based upon current management guidance of pretax income bps
 2) Executed agreements with two financial institutions to acquire servicing portfolios totaling \$25 billion, of which \$15 billion was previously subserviced by Nationstar
 3) Pro-forma for BofA PLS and other servicing under contract expected to close in Q4'13

Servicing: Profitability Initiatives

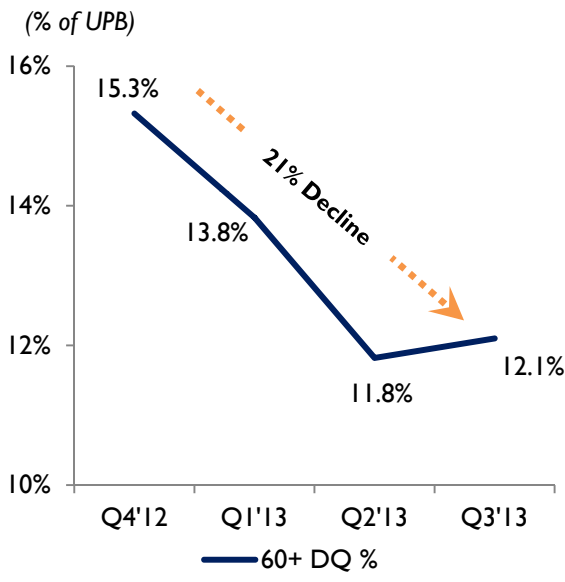
Ahead of plan on profitability targets of 5 bps in '13 & 10 bps in '14

Decrease Cost Per Loan



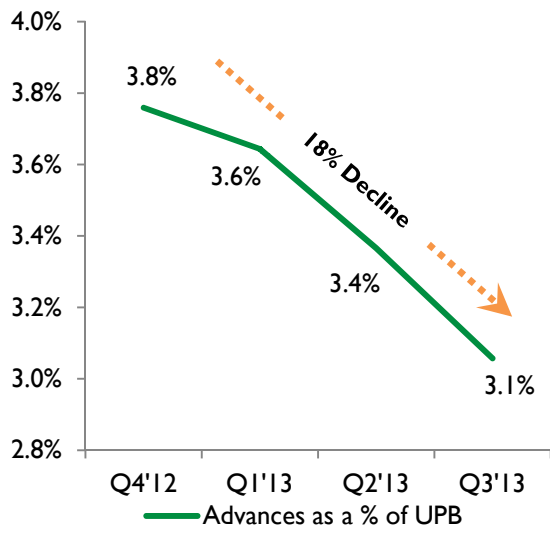
- 28% improvement since Q4'12
 - ✓ 30% target for '13

Reduce Delinquencies



- 60+ day DQ rate has improved 300 bps Y-o-Y
- Targeted reduction of 60+ DQ to 10%

Lower Advances⁽¹⁾



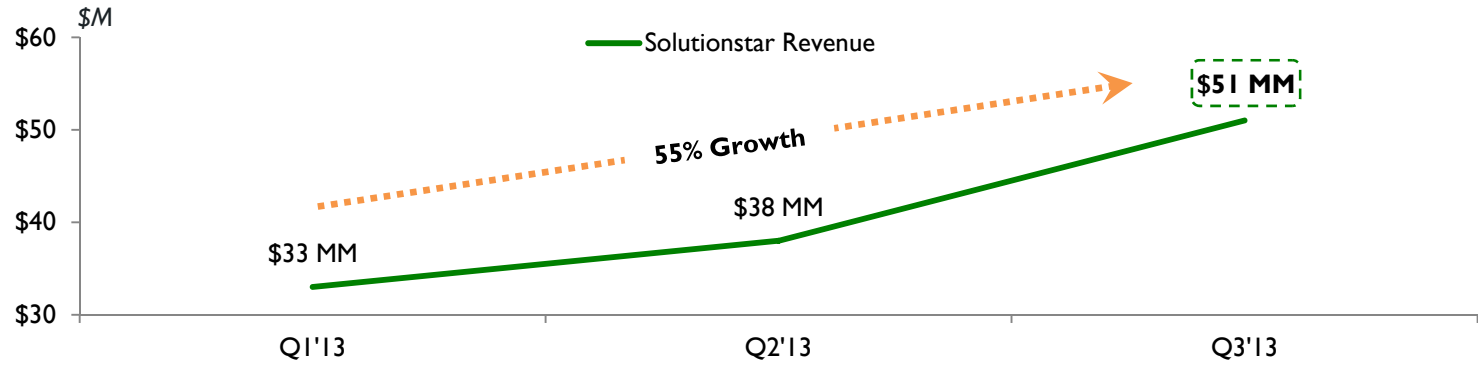
- Recovered more than \$900MM⁽¹⁾ of advances on Aurora portfolio since boarding

1) Aurora PLS portfolio. \$900+ million of Aurora PLS advances recovered on a static pool basis. In total, advances have grown since 1/1/13 due to the acquisition of the BofA portfolios and related advances

Solutionstar: High Margin, Fee-Based Business



Financial Performance



Growth Opportunities

- Create a one-stop shop that provides full spectrum of real estate services
- Integrated real estate marketplace provided via technology platform
- Strategic acquisitions

Real Estate Made Simple: Service Offerings that Cover End-to-End Lifecycle



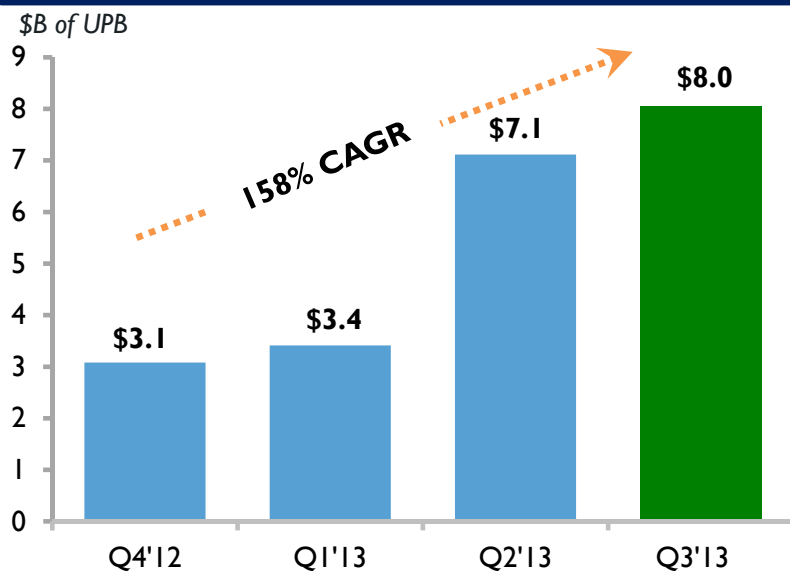
Current Offering
 End-to-End Future Coverage

Originations: Profitable Creation of Servicing Assets

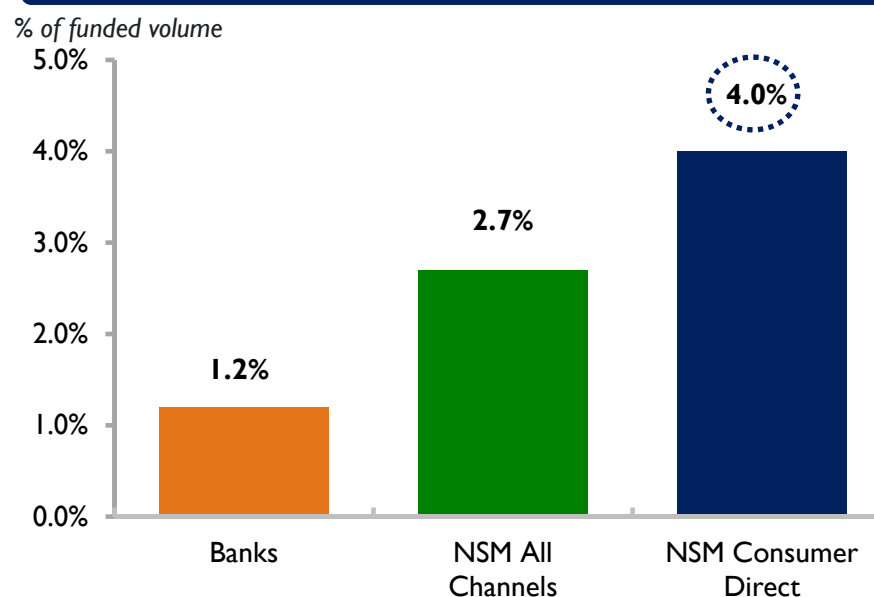


- Market conditions and interest rate volatility lead to reduced G-o-S margins
- Sizing capacity to match expected volumes; expense reductions announced with Q4'13 as a transition period
- Focus on higher margin consumer-direct channel
- Year-to-date recapture rate of 45%

Origination Volume



Q3'13 NSM G-o-S Margin Compared to Banks⁽¹⁾



1) Bank comparable set includes Wells Fargo, JP Morgan, Bank of America, US Bank, Citi, BB&T, SunTrust, PNC Financial and First Republic Bank. Obtained from public filings.

Positioned to Organically Grow Servicing Portfolio⁽¹⁾



(\$ in billions)

Servicing Portfolio Balance	\$415
Less: Prepayments of 8-10% CPR	(\$30 to \$40)

Portfolio Additions:

<i>Consumer-Direct</i>	\$20	
	+	\$50
<i>Flow & Correspondent</i>	\$30	

New Portfolio Balance	\$425 to \$435
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Further Growth: Bulk Acquisition	\$400+
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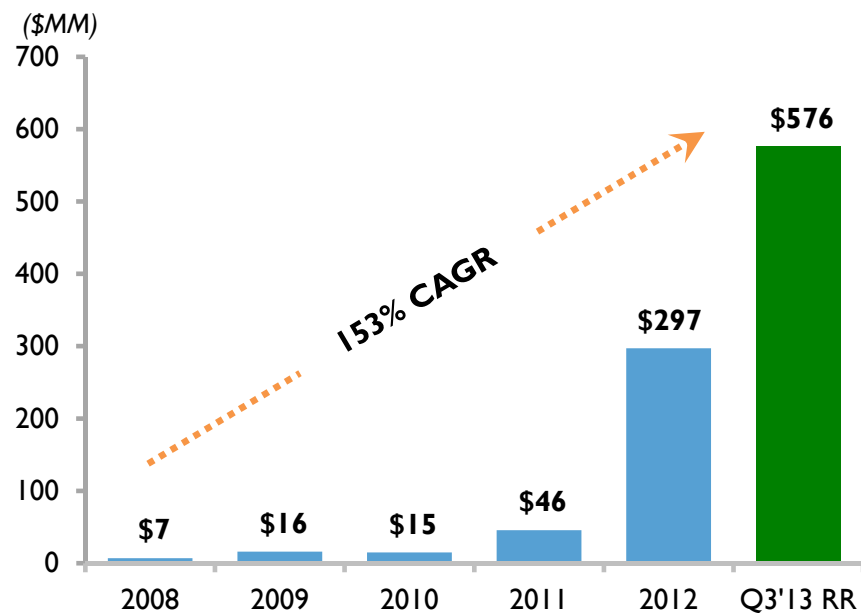
1) Illustrative example. The identified opportunities referenced above are not currently serviced by the Company and there can be no assurance that these potential servicing transactions will ultimately be consummated, or will remain the same size. Notwithstanding the above, it is possible that these potential servicing transactions, if consummated, could result in a partial or total loss of any invested capital

Q3'13 Financial Highlights

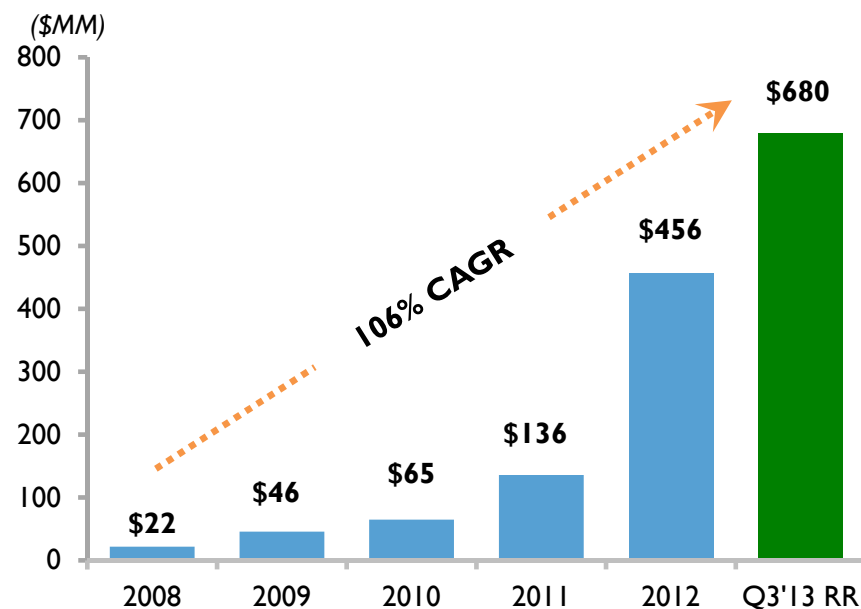


- Revenue increased 122% Y-o-Y to \$632MM
- Pre-tax income of \$144MM⁽¹⁾ at a 23% margin
- Pro-forma pre-tax income⁽²⁾ of \$169MM
- AEBITDA of \$170MM⁽¹⁾ at a 27% margin

Pre-Tax Income Growth⁽¹⁾



AEBITDA Growth⁽¹⁾



1) For operating segments. Please see Appendix for information on AEBITDA and reconciliations beginning on page 14

2) \$25 million ramp expenses includes BofA ramp expenses and other one-time transaction related expenses. Please see pro forma pretax income reconciliation on page 13

Updated Guidance



Servicing-driven earnings with predictable and recurring revenue stream

- Adjusting guidance to reflect origination market conditions
- Servicing is a greater % of earnings in new guidance vs. prior guidance

	Prior Guidance	New Guidance
2014 Servicing Contribution %	45%	70%

	2013E	2014E
AEBITDA per share ⁽¹⁾⁽²⁾	\$7.25 - \$8.30	\$13.50 - \$15.00
Earnings per share ⁽¹⁾⁽²⁾	\$2.65 - \$3.10	\$4.50 - \$6.00

1) Assumes 90.4 million shares outstanding
 2) Please refer to Appendix for information regarding 2013E and 2014E AEBITDA and EPS

Investable Cash Flow Provides Capital Management Optionality



- Significant investable cash flow to be generated in 2014

Investable Cash Flow ⁽¹⁾	
(\$ in millions)	2014E ⁽⁴⁾
Adjusted EBITDA⁽²⁾	\$ 1,275
Less: Operating & Asset Adjustments ⁽³⁾	485
Investment in Retained Servicing	190
Net Investable Cash	\$600+

Investable Cash potential uses...

- ✓ New investments exceeding return hurdles
- ✓ Retire high coupon debt
- ✓ Return capital to shareholders

1) Please refer to Appendix for information regarding Investable Cash Flow

2) AEBITDA from operating segments. Please see Appendix for information on AEBITDA and reconciliations beginning on page 14

3) Includes interest expense from unsecured senior notes, income taxes paid and New Residential principal payments

4) Illustrative example based on midpoint of 2014 AEBITDA guidance. Illustrative example assumptions: Interest expense on \$2.4B senior notes; 38% tax rate; retained MSR value of 95 bps, and recovery of ~\$2.0B of advances in 2014

Committed to Delivering Long-Term Shareholder Value



I **Core Servicing: *predictable, stable cash flows...***

- ✓ Continued execution on profitability initiatives
- ✓ Pipeline opportunities remain robust
- ✓ Historically, rate rises led to expansion of servicer P/E; lagged in current environment

II **Solutionstar: *high margin, fee-for-service business...***

- ✓ Execute on amplified property sale opportunities through recent portfolio acquisitions
- ✓ Expand service offerings to create one-stop shop providing full spectrum of real estate services

III **Originations: *profitable creation of long-term servicing assets...***

- ✓ Intensified focus on core consumer-direct channel
- ✓ Expense reductions through delivery of lower-cost operating model

IV **Exploration of new capital vehicles...**

- ✓ Generation of additional cash flows

Appendix



Pro Forma Per Share Reconciliations



(\$ in millions)	Q3'13	Q2'13	Q3'12
Net Income	\$81.9	\$123.5	\$55.1
Income Tax	50.2	75.7	24.7
Pretax Income	132.1	199.1	79.8
Ramp and one-time expenses	25.1	19.4	3.9
Pro forma Pretax Income	\$157.1	\$218.5	\$83.7
Income Tax	(59.7)	(83.0)	(25.9)
Pro Forma Income	\$97.4	\$135.5	\$57.8
Pro-forma Per Share:	\$1.08	\$1.50	\$0.64

AEBITDA and Pro Forma Pre-Tax Income Reconciliation



For Quarter Ended September 30, 2013

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$141.1	\$28.6	\$169.7	(\$11.3)	158.3
Interest expense on corporate notes	(33.5)	(12.6)	(46.1)	-	(46.1)
MSR valuation adjustment	14.3	-	14.3	-	14.3
Excess spread adjustment	14.4	-	14.4	-	14.4
Amortization of mort. serv. obligations	0.1	-	0.1	-	0.1
Depreciation & amortization	(4.1)	(2.2)	(6.3)	(0.7)	(7.0)
Stock-based compensation	(1.5)	(0.9)	(2.4)	(0.0)	(2.4)
Fair value adjustment for derivatives	0.1	-	0.1	0.3	0.4
Hedge ineffectiveness	0.1	-	0.1	-	0.1
Pre-Tax Income	\$130.9	\$12.9	\$143.8	(\$11.7)	\$132.1
Income Tax					(50.2)
Net Income					\$81.9
Earnings per share ⁽¹⁾					\$0.91
AEBITDA per share ⁽¹⁾	\$1.56	\$0.32	\$1.88	(\$0.13)	\$1.75
Pre-Tax Income per share ⁽¹⁾	\$1.45	\$0.14	\$1.59	(\$0.13)	\$1.46
Average shares outstanding	90.4	90.4	90.4	90.4	90.4
Pre-Tax Income	\$130.9	\$12.9	\$143.8	(\$11.7)	\$132.1
Ramp expenses	17.1	7.9	25.1	-	25.1
Pro Forma Pre-Tax Income	\$148.0	\$20.8	\$168.8	(\$11.7)	\$157.1

1) Calculated using a fully-diluted average share count of 90.4 million shares

AEBITDA and Pro Forma Pre-Tax Income Reconciliation



For Quarter Ended June 30, 2013

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$109.4	\$134.3	\$243.7	(\$7.1)	236.6
Interest expense on corporate notes	(28.9)	(10.1)	(39.1)	-	(39.1)
MSR valuation adjustment	32.9	-	32.9	-	32.9
Excess spread adjustment	(23.8)	-	(23.8)	-	(23.8)
Amortization of mort. serv. obligations	0.3	-	0.3	-	0.3
Depreciation & amortization	(3.4)	(1.8)	(5.2)	(0.6)	(5.8)
Stock-based compensation	(1.7)	(1.1)	(2.8)	(0.0)	(2.8)
Fair value adjustment for derivatives	0.6	-	0.6	0.2	0.9
Pre-Tax Income	\$85.3	\$121.3	\$206.6	(\$7.5)	\$199.1
Income Tax					(75.7)
Net Income					\$123.5
Earnings per share ⁽¹⁾					\$1.37
AEBITDA per share ⁽¹⁾	\$1.21	\$1.49	\$2.70	(\$0.08)	\$2.62
Pre-Tax Income per share ⁽¹⁾	\$0.94	\$1.34	\$2.29	(\$0.08)	\$2.20
Average shares outstanding	90.4	90.4	90.4	90.4	90.4
Pre-Tax Income	\$85.3	\$121.3	\$206.6	(\$7.5)	\$199.1
Ramp expenses	14.4	5.0	19.4	-	19.4
Pro Forma Pre-Tax Income	\$99.7	\$126.3	\$225.9	(\$7.5)	\$218.5

1) Calculated using a fully-diluted average share count of 90.4 million shares

AEBITDA Reconciliation



For Quarter Ended September 30, 2012

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$42.1	\$80.9	\$123.0	(\$1.3)	\$121.7
Interest expense on corporate notes	(15.7)	(1.9)	(17.7)	-	(17.7)
MSR valuation adjustment	(22.4)	-	(22.4)	-	(22.4)
Excess spread adjustment	2.2	-	2.2	-	2.2
Amortization of mort. serv. obligations	2.7	-	2.7	-	2.7
Depreciation & amortization	(2.0)	(0.8)	(2.8)	(0.2)	(3.0)
Stock-based compensation	(1.6)	(1.1)	(2.6)	0.0	(2.6)
Fair value adjustment for derivatives	0.2	-	0.2	(1.3)	(1.1)
Pre-Tax Income	\$5.5	\$77.1	\$82.7	(\$2.9)	\$79.8
Income Tax					(24.7)
Net Income					\$55.1
Earnings per share ⁽¹⁾					\$0.61
AEBITDA per share ⁽¹⁾	\$0.47	\$0.90	\$1.37	(\$0.02)	\$1.36
Pre-Tax Income per share ⁽¹⁾	\$0.06	\$0.86	\$0.92	(\$0.03)	\$0.89

1) Calculated using a fully-diluted average share count of 89.8 million shares

AEBITDA Reconciliation (continued)



(\$ in thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	9M'13
Net Income (loss)	\$ (157,610)	\$ (80,877)	\$ (9,914)	\$ 20,887	\$ 205,287	\$ 267,961
Adjust for:						
Net loss from Legacy Portfolio and Other	164,738	97,263	24,806	24,892	20,483	26,839
Interest expense from unsecured senior notes	-	-	24,628	30,464	63,879	115,899
Depreciation and amortization	1,172	1,542	1,873	3,395	8,880	15,056
Change in fair value of MSR's	11,701	27,915	6,043	39,000	68,242	(37,474)
Amortization of mortgage servicing obligations	-	-	-	-	(5,120)	(642)
Fair value changes on excess spread financing	-	-	-	3,060	10,684	33,229
Share-based compensation	1,633	579	8,999	14,764	14,045	8,114
Exit costs	-	-	-	1,836	-	-
Fair value changes on interest rate swaps	-	-	9,801	(298)	(1,237)	(1,466)
Ineffective portion of cash flow hedge	-	-	(930)	(2,032)	-	(155)
Income tax expense	-	-	-	-	71,296	164,233
Adjusted EBITDA	\$ 21,634	\$ 46,422	\$ 65,306	\$ 135,968	\$ 456,339	\$ 591,594

Endnotes



2013 Estimate EPS 2013 Estimate EPS is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2013. Our actual EPS for 2013 on an annualized basis may differ from our 2013(E) EPS.

2014 Estimate EPS 2014 Estimate EPS is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2014. Our actual EPS for 2014 on an annualized basis may differ from our 2014(E) EPS.

Pro forma Earnings Per Share ("Pro forma EPS") This disclaimer applies to every usage of pro forma EPS in this presentation. Pro forma EPS is a metric that is used by management to exclude certain non-recurring items in an attempt to provide a better earnings per share comparison to prior periods. Pro forma Q3 '13 EPS excludes certain expenses related to the acquisition of the \$215 billion servicing portfolio from Bank of America and other transaction related expenses. These expenses include the advance hiring of servicing staff, recruiting expenses and travel and licensing expenses.

Pro forma Pretax Income ("Pro forma Pretax Income") This disclaimer applies to every usage of pro forma pretax income in this presentation. Pro forma pre-tax income is a metric that is used by management to exclude certain non-recurring items in an attempt to provide a better earnings per share comparison to prior periods. Pro forma Q3 '13 EPS excludes certain expenses related to the acquisition of the \$215 billion servicing portfolio from Bank of America and other transaction related expenses. These expenses include the advance hiring of servicing and originations staff, recruiting expenses and travel and licensing expenses.

Investable Cash Flow This disclaimer applies to every usage of "Investable Cash Flow" in this presentation. Invested Cash Flow is a key performance metric used by management in evaluating the performance of our business. Investable Cash Flow represents our AEBITDA less interest expense from unsecured senior notes, income taxes paid and mortgage servicing rights resulting from sale or securitization of mortgage loans.

Adjusted EBITDA ("AEBITDA") This disclaimer applies to every usage of "Adjusted EBITDA" or "AEBITDA" in this presentation. Adjusted EBITDA is a key performance metric used by management in evaluating the performance of our segments. Adjusted EBITDA represents our Operating Segments' income (loss), and excludes income and expenses that relate to the financing of our senior notes, depreciable (or amortizable) asset base of the business, income taxes (if any), exit costs from our restructuring and certain non-cash items. Adjusted EBITDA also excludes results from our legacy asset portfolio and certain securitization trusts that were consolidated upon adoption of the accounting guidance eliminating the concept of a qualifying special purpose entity ("QSPE").

2013 Estimate AEBITDA 2013 Estimate AEBITDA is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2013. Target for all non-GAAP figures excludes the same items as we excluded in our 2011/2012 non-GAAP reconciliation, as follows: income and expenses that relate to the financing of the senior notes, depreciable (or amortizable) asset base and several other relevant items. Our actual AEBITDA for 2013 on an annualized basis may differ from our 2013(E) AEBITDA.

2014 Estimate AEBITDA 2014 Estimate AEBITDA is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2014. Target for all non-GAAP figures excludes the same items as we excluded in our 2011/2012 non-GAAP reconciliation, as follows: income and expenses that relate to the financing of the senior notes, depreciable (or amortizable) asset base and several other relevant items. Our actual AEBITDA for 2014 on an annualized basis may differ from our 2014(E) AEBITDA.

NOTE: 2013 and 2014 Estimate Net Income and 2013 and 2014 Estimate AEBITDA are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties, many of which are beyond control of Nationstar and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that this target will be achieved and Nationstar undertakes no duty to update this target.