



Mr. CooperGroup®

# 4Q'22 EARNINGS REVIEW

*February 10, 2022*

## IMPORTANT INFORMATION

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

**Forward Looking Statements.** This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding projected UPB opportunities and 2023 Key Themes. All statements other than statements of historical or current fact included in this presentation that address activities, events, conditions or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business and these statements are not guarantees of future performance.

Forward-looking statements may include the words "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "strategy," "future," "opportunity," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in documents Mr. Cooper has filed or will file from time to time with the SEC. These risk factors will be important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are expressed in good faith, and Mr. Cooper believes there is a reasonable basis for them. However, the events, results or trends identified in these forward-looking statements may not occur or be achieved. Forward-looking statements speak only as of the date they are made, and Mr. Cooper is not under any obligation, and expressly disclaims any obligation, to update, alter or otherwise revise any forward-looking statement, except as required by law. Readers should carefully review the statements set forth in the reports that Mr. Cooper has filed or will file from time to time with the SEC.

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

# FOURTH QUARTER HIGHLIGHTS



## FINANCIAL

Reported \$1 million net income including other mark-to-market of (\$58) million

Generated ROTCE of 0.1% and operating ROTCE of 6.3%<sup>(1)</sup>

TBV<sup>(1)</sup> was \$56.72 per share, up 1% q/q and 29% y/y

Ended the quarter with TNW/assets<sup>(1)</sup> at 31.1% and available liquidity of \$1.9 billion



## OPERATIONAL

Servicing UPB grew to \$870 billion, up 2% q/q and 23% y/y

Servicing generated pretax operating income<sup>(1)</sup> of \$159 million

Originations generated pretax operating loss<sup>(1)</sup> of \$2 million on funded volume of \$3.2 billion



## OTHER

Repurchased 1.3 million shares of common stock for \$54 million

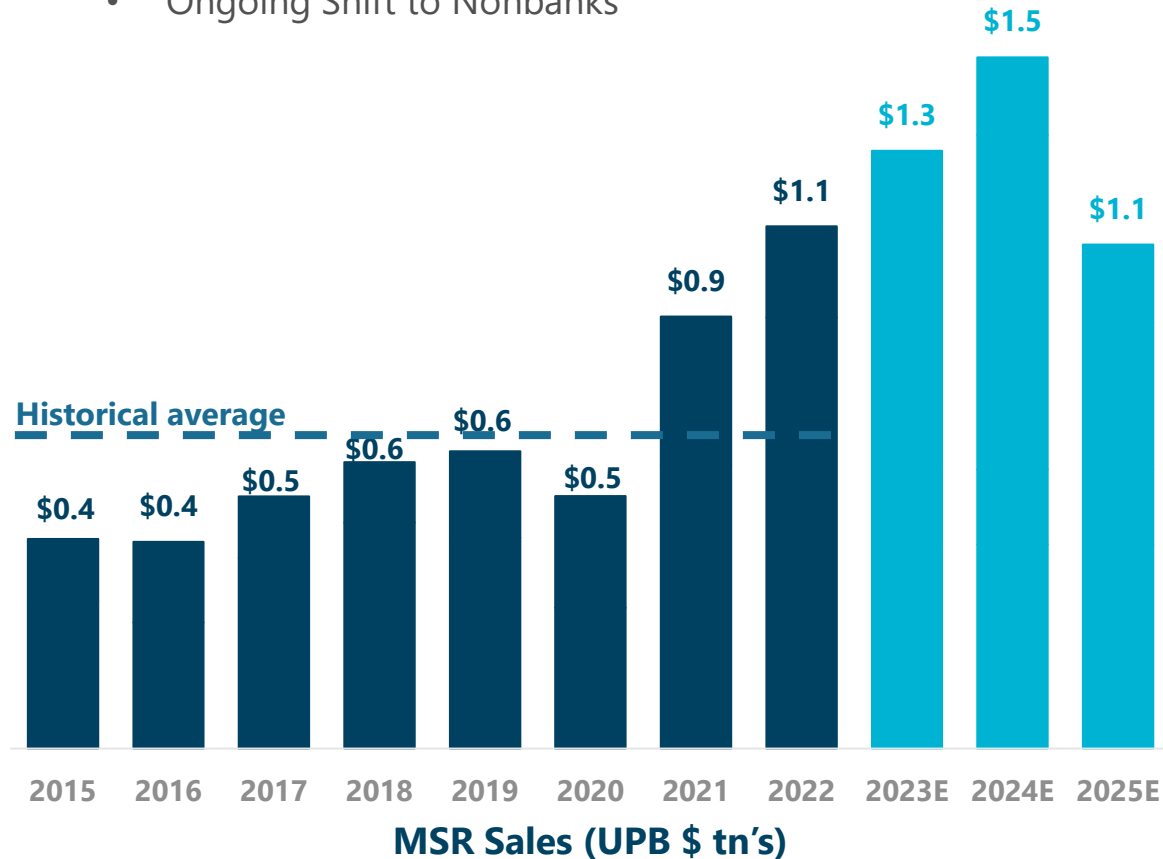
Signed definitive agreement to acquire Roosevelt Management Company, LLC, Rushmore Loan Management Services, LLC, and affiliates as the platform for MSR fund asset management strategy

# EXPECTING CYCLE-WIDE OPPORTUNITIES FOR MSR ACQUISITIONS

## Projecting \$3.9 trillion UPB Opportunity (2023-2025)

Massive Supply + Limited Buyers = Highly Attractive Yields

- Origination Backlog / Margin Pressure
- Strategic Divestitures
- Ongoing Shift to Nonbanks



## 2023 KEY THEMES



### **Servicing Portfolio Growth**

- MSR acquisition opportunities and positioned for subservicing growth
- MSR asset management strategy to provide subservicing and investment management revenues



### **Strong Visibility into Servicing Earnings**

- Driven by low CPRs and rising deposit yields
- Continued focus on positive operating leverage



### **Managing Originations While Investing for the Next Cycle**

- Following capacity realignment in 2022, projecting positive EBT
- Continued investment in automation and purchase strategy



### **Xome Monetization**

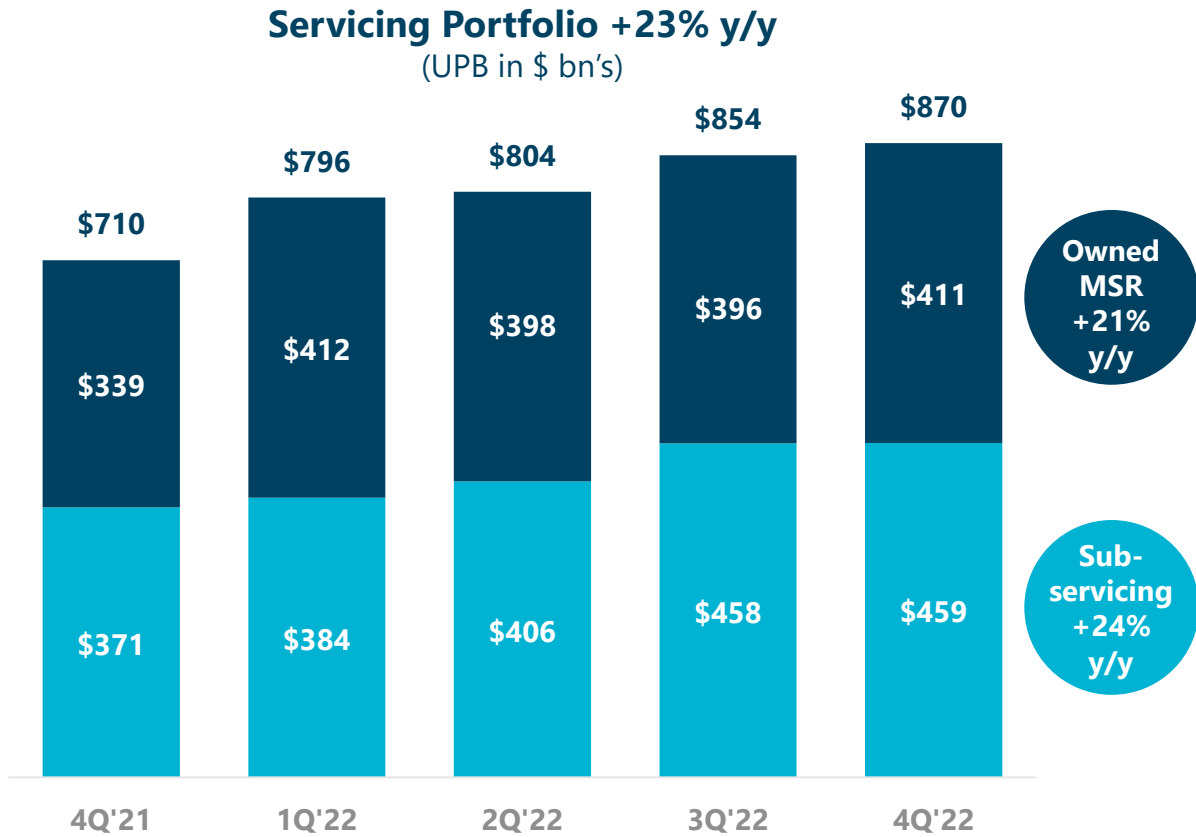
- Platform positioned for expected 2H'23 rebound in foreclosure activity



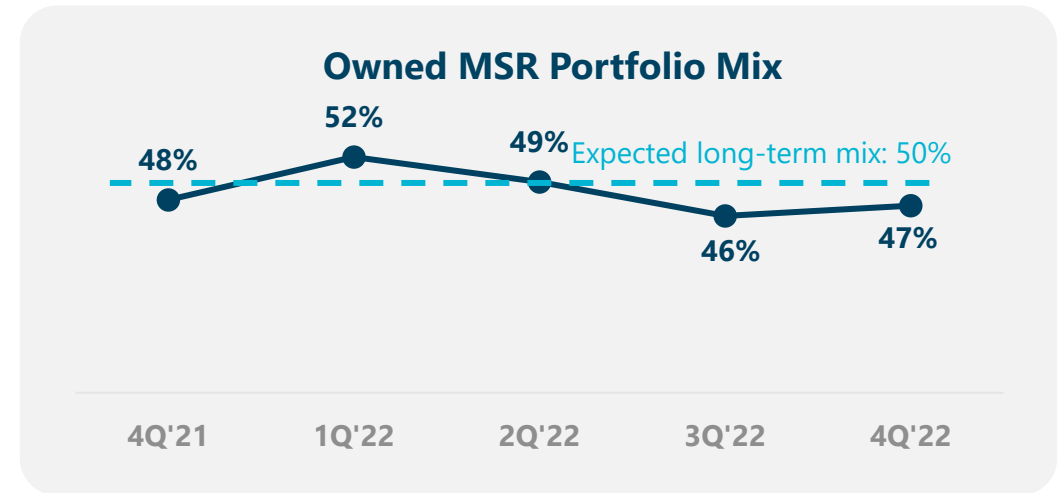
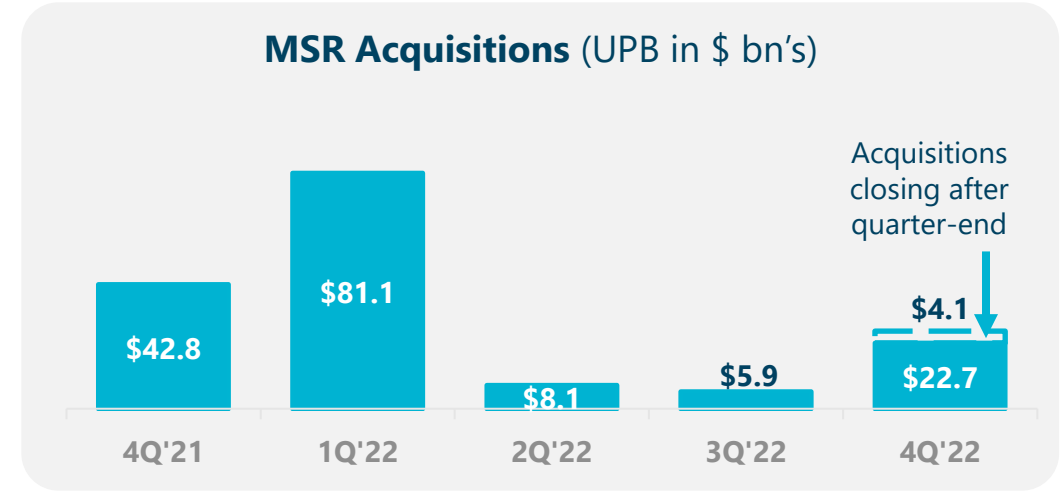
### **Disciplined Approach to Capital and Liquidity**

- Ample resources for asset growth consistent with stakeholder expectations

# SERVICING PORTFOLIO EXPANDS WITH MSR AND SUBSERVICING GROWTH

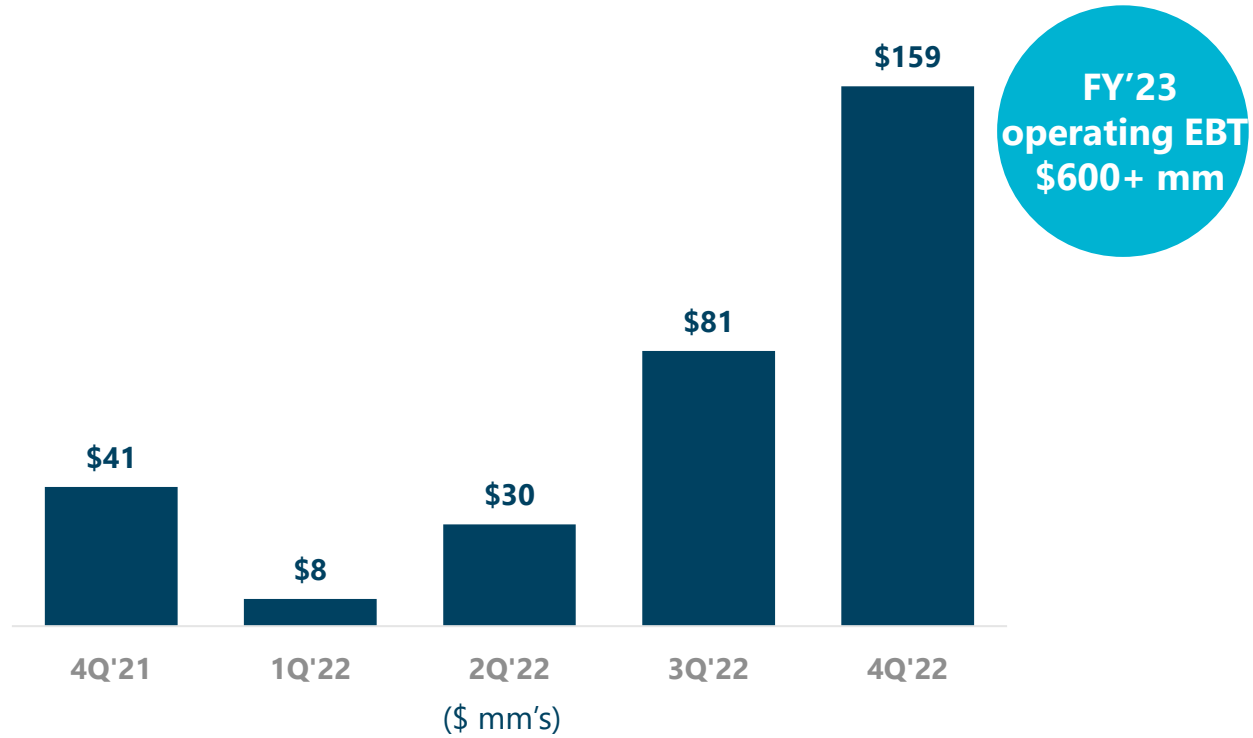


- Subservicing benefitted from 2 new clients

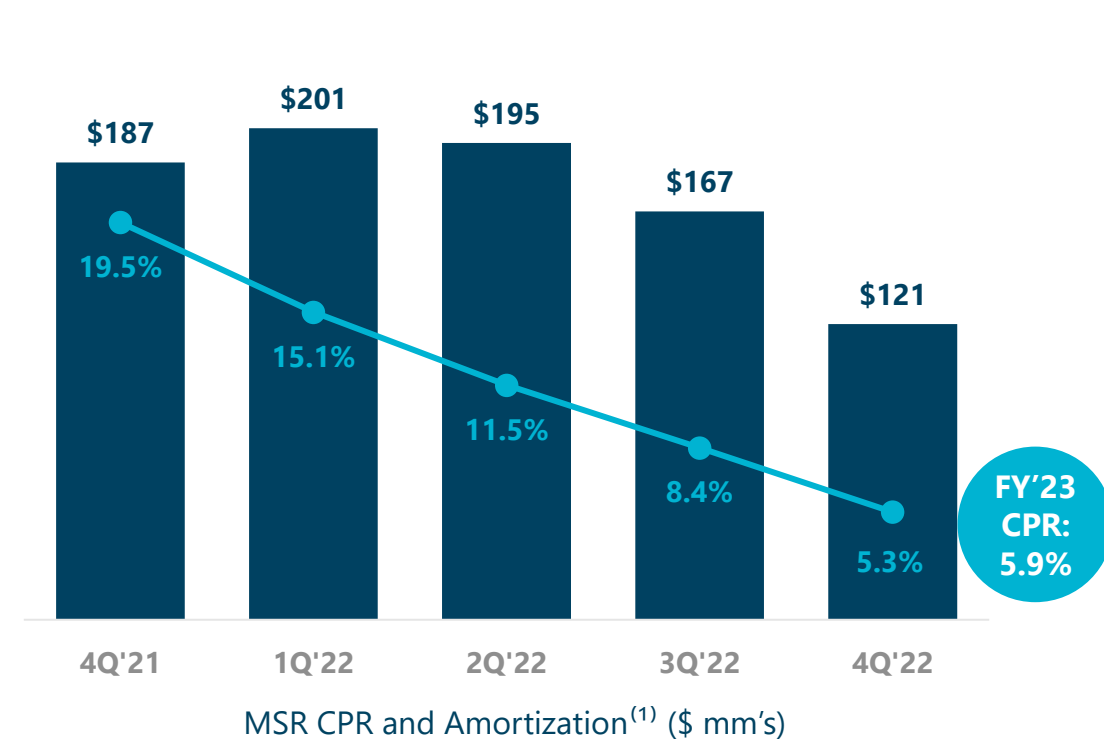


# SIGNIFICANT RAMP IN SERVICING INCOME ON HIGHER INTEREST RATES

Servicing Pretax Operating Income<sup>(1)</sup> Nearly Doubles Q/Q

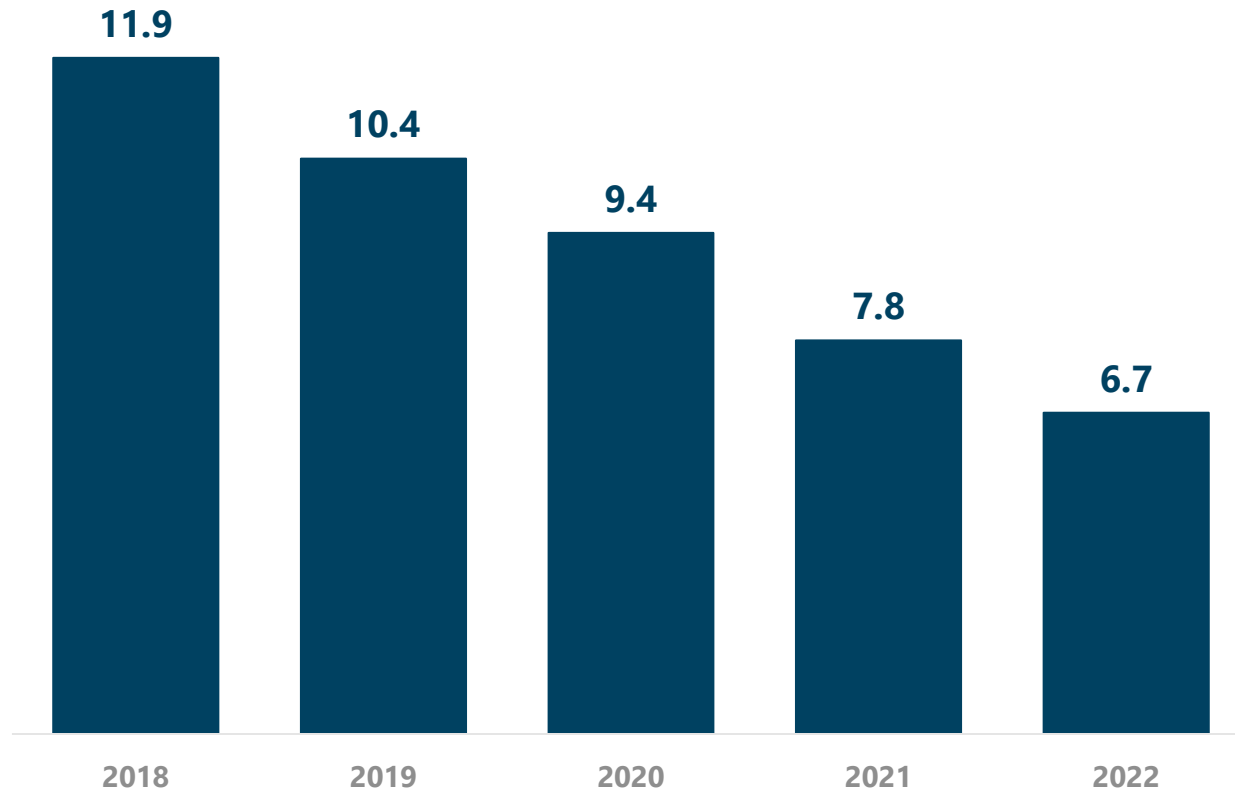


Amortization Benefitting from Record Low CPR



# TRACK RECORD OF CONSISTENT EFFICIENCY GAINS

Operating Expenses<sup>(1)</sup> Down 44% from 2018  
(bps of UPB)



- 4Q'22 operating expenses grew 13% y/y, while the portfolio increased by 23%, demonstrating positive operating leverage

## Efficiency Drivers



IVR



Payments



Escrow



Digital engagement



Onboarding

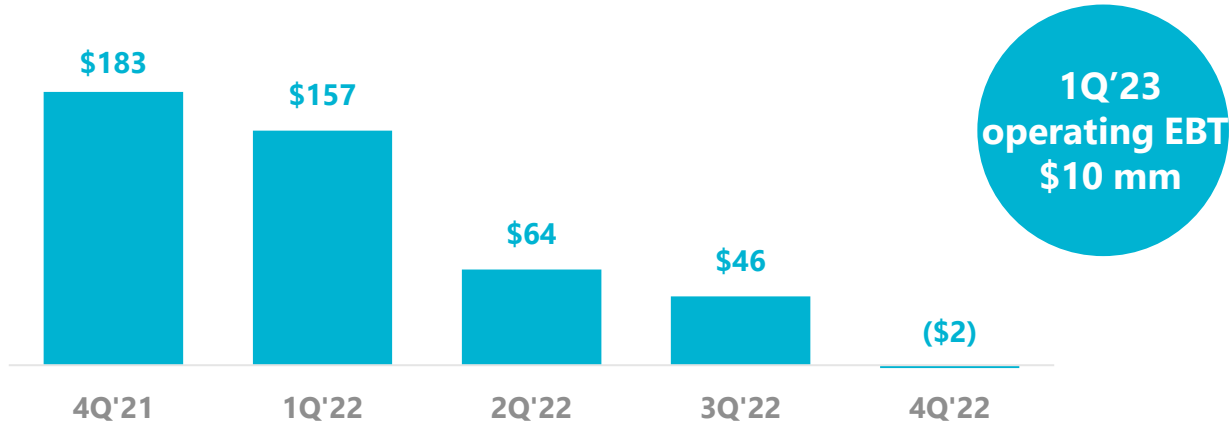


Process improvement

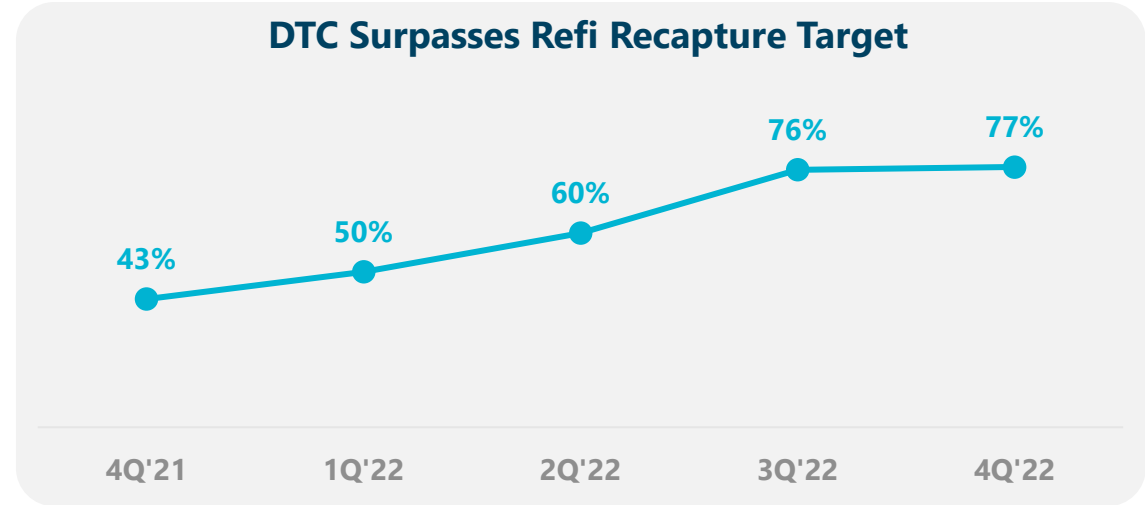


# ORIGINATIONS ADJUSTING TO CURRENT MARKET

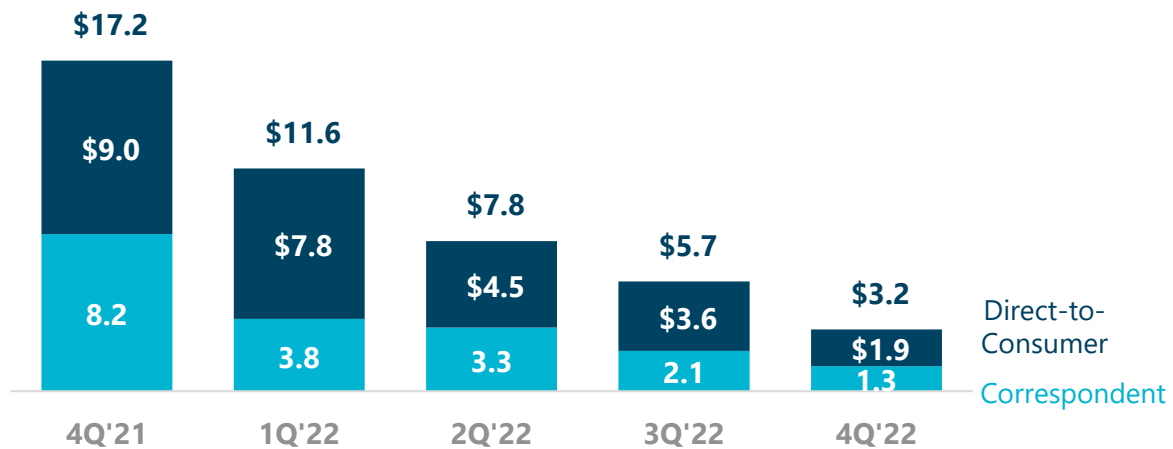
Originations Pretax Operating Earnings<sup>(1)</sup> (\$ mm's)



DTC Surpasses Refi Recapture Target



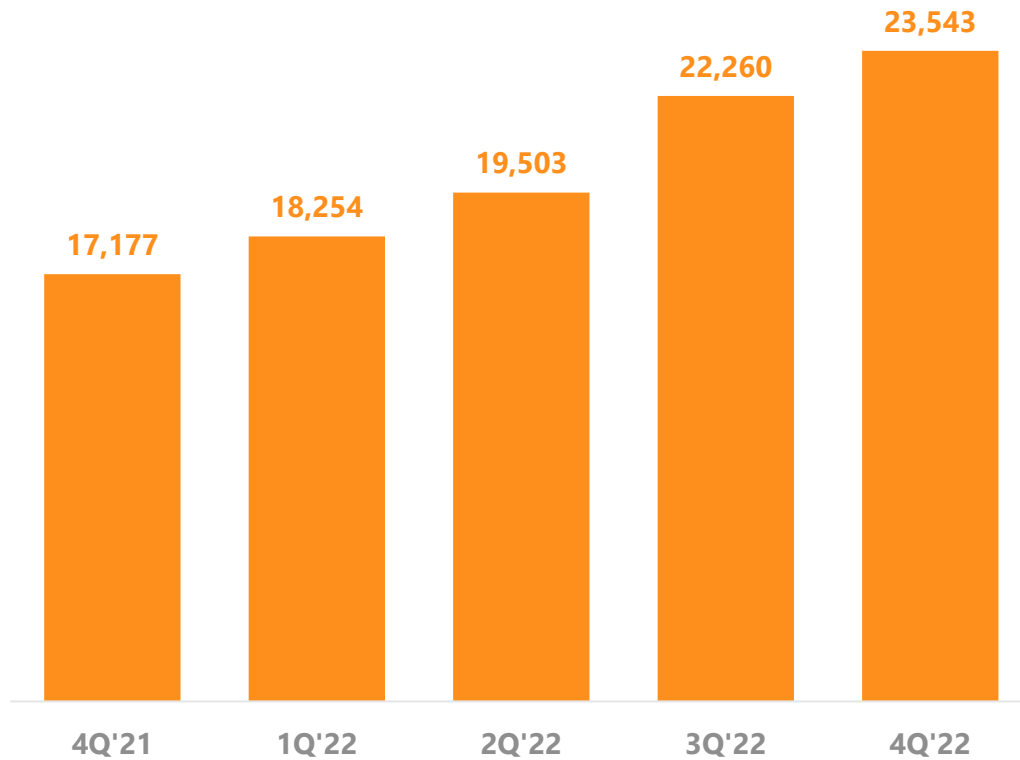
Funded Volume (\$ bn's)



- Achieved target of 70% of refinance volumes processed through Project Flash

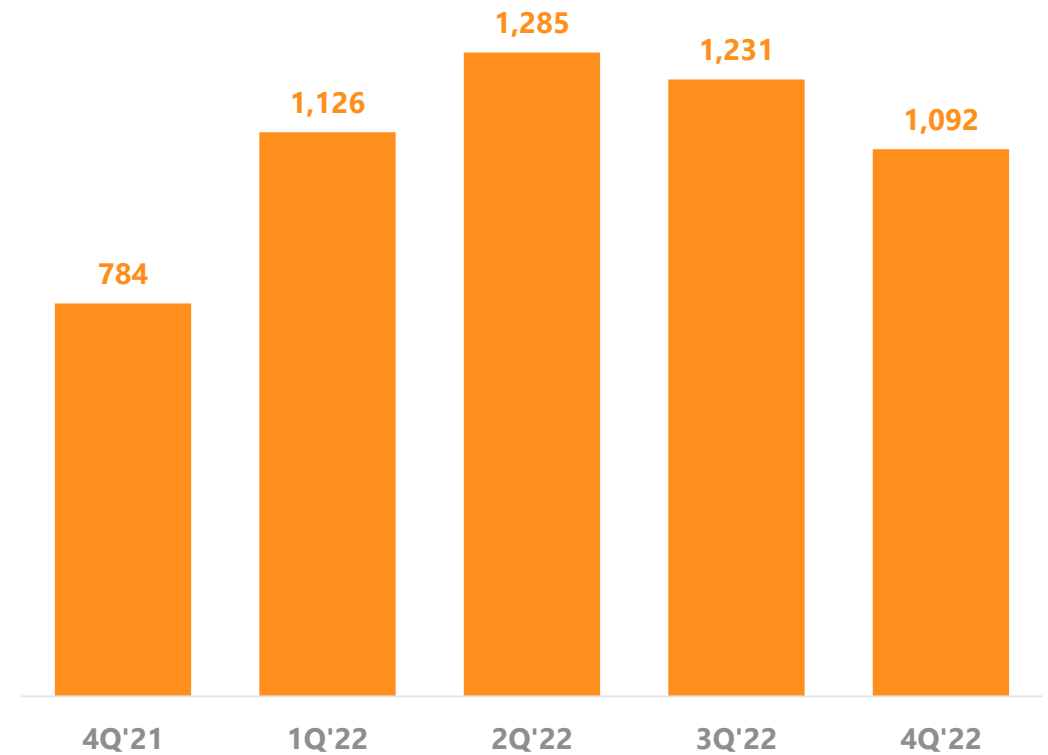
# INVENTORIES CONTINUE TO RISE AT XOME

## Ending Inventory



- Inventory benefitting from market share gains and stronger net inflows from clients

## Property Sales

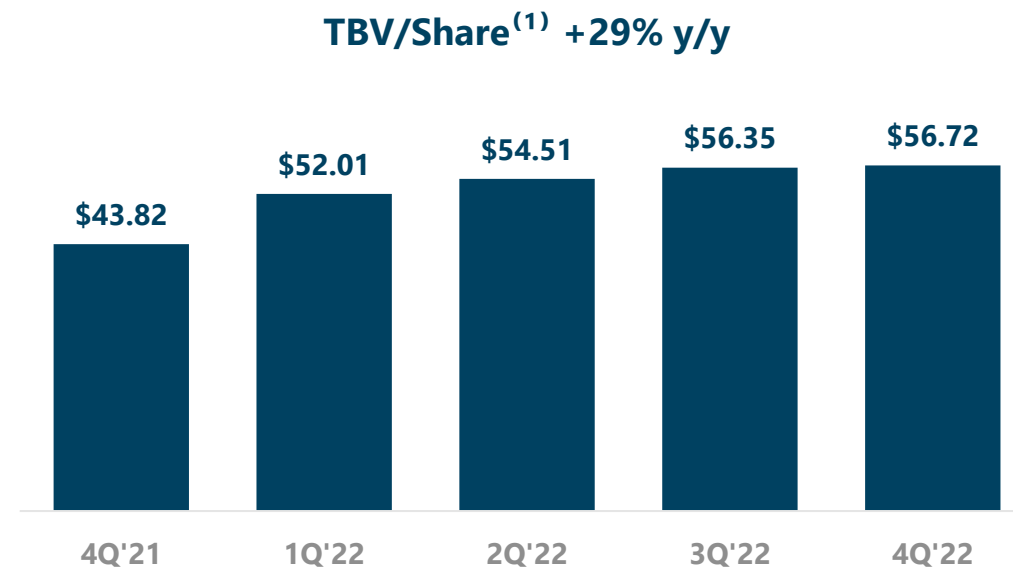


- Based on higher pull-through rates, we expect stronger sales in 2H'23

## SUMMARY 4Q'22 FINANCIAL RESULTS

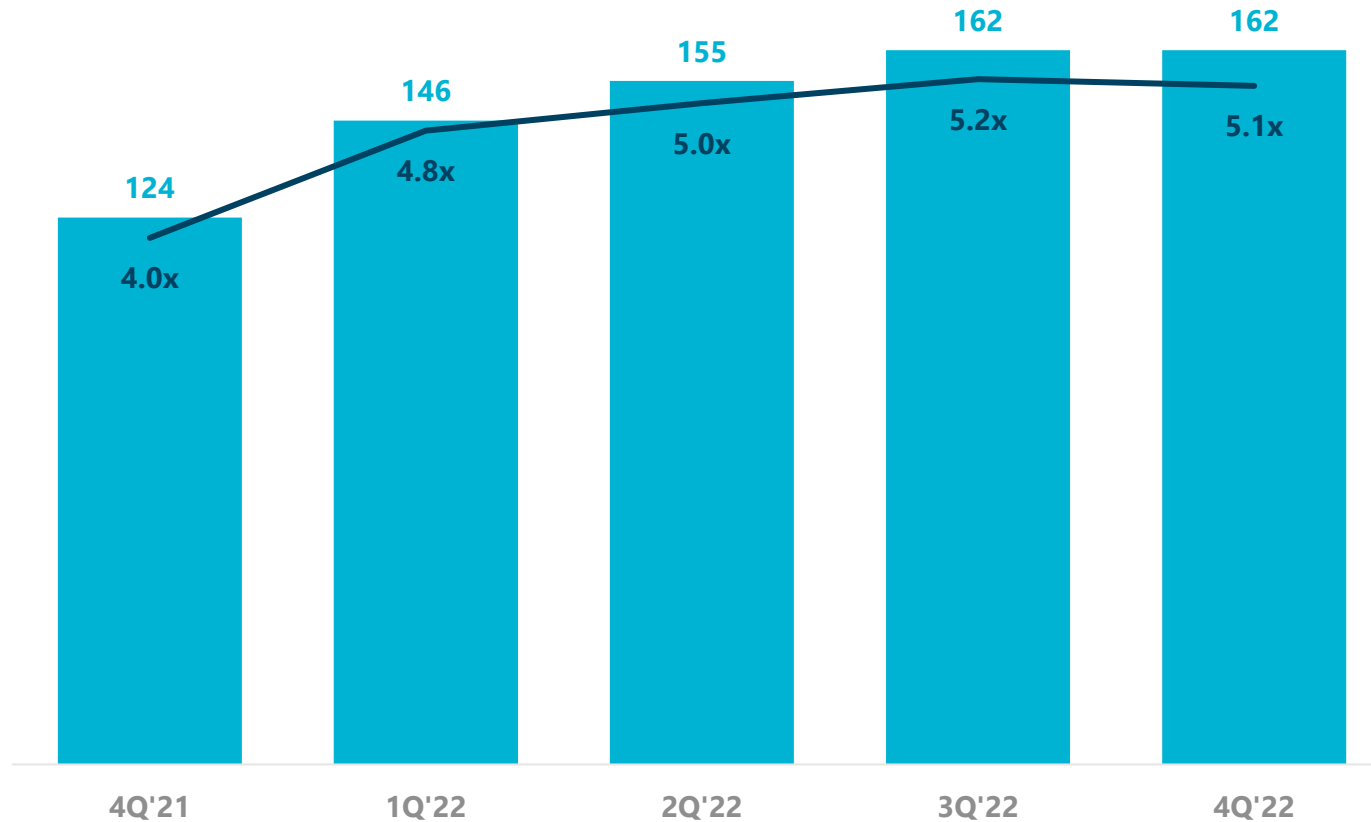
\$ mm's, except per share data	4Q'22	3Q'22
Servicing	\$159	\$81
Originations	(2)	46
Corporate debt interest expense	(39)	(39)
Corporate expense/other	(36)	(32)
<b>Pretax operating income<sup>(1)</sup></b>	<b>\$82</b>	<b>\$56</b>
Other mark-to-market	(58)	122
Adjustments	(33)	(23)
Intangible amortization	(1)	(2)
Pretax (loss) income	(\$10)	\$153
Income tax (benefit) expense	11	(40)
<b>Net income</b>	<b>\$1</b>	<b>\$113</b>
Weighted average diluted sharecount	71.6	72.9
Diluted EPS <sup>(2)</sup>	\$0.01	\$1.55
ROTCE <sup>(1)</sup>	0.1%	11.5%
<b>Operating ROTCE<sup>(1)(3)</sup></b>	<b>6.3%</b>	<b>4.3%</b>

- Adjustments consisted of \$23 million charge due to severance and property consolidation and \$10 million loss associated with equity investments



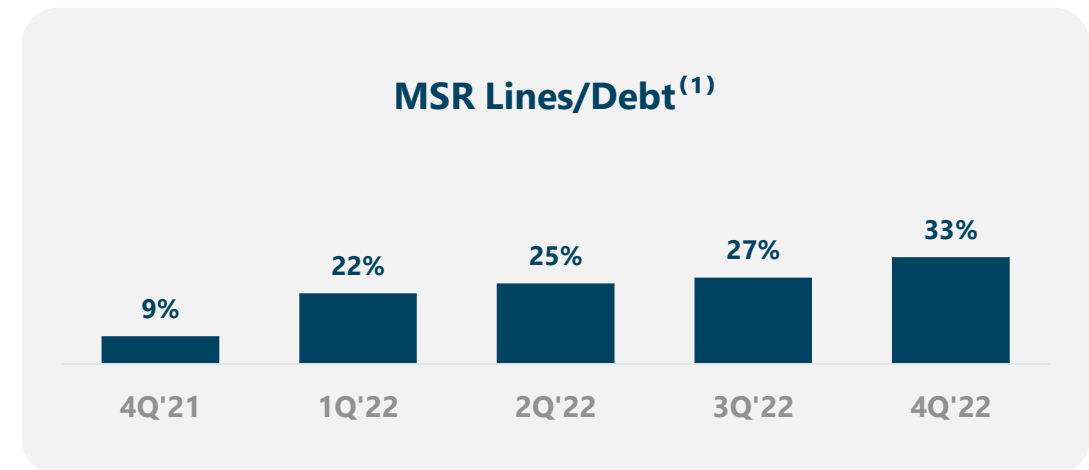
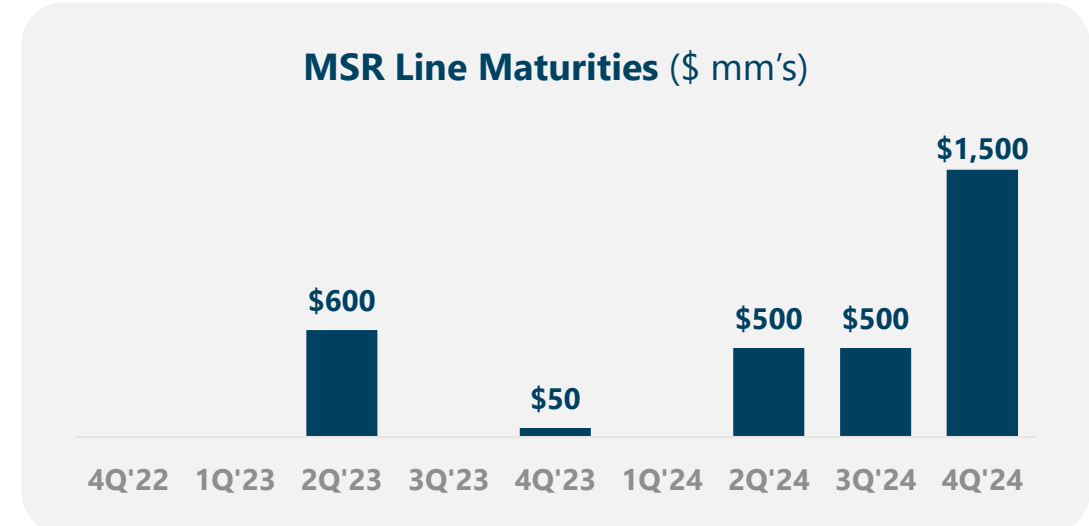
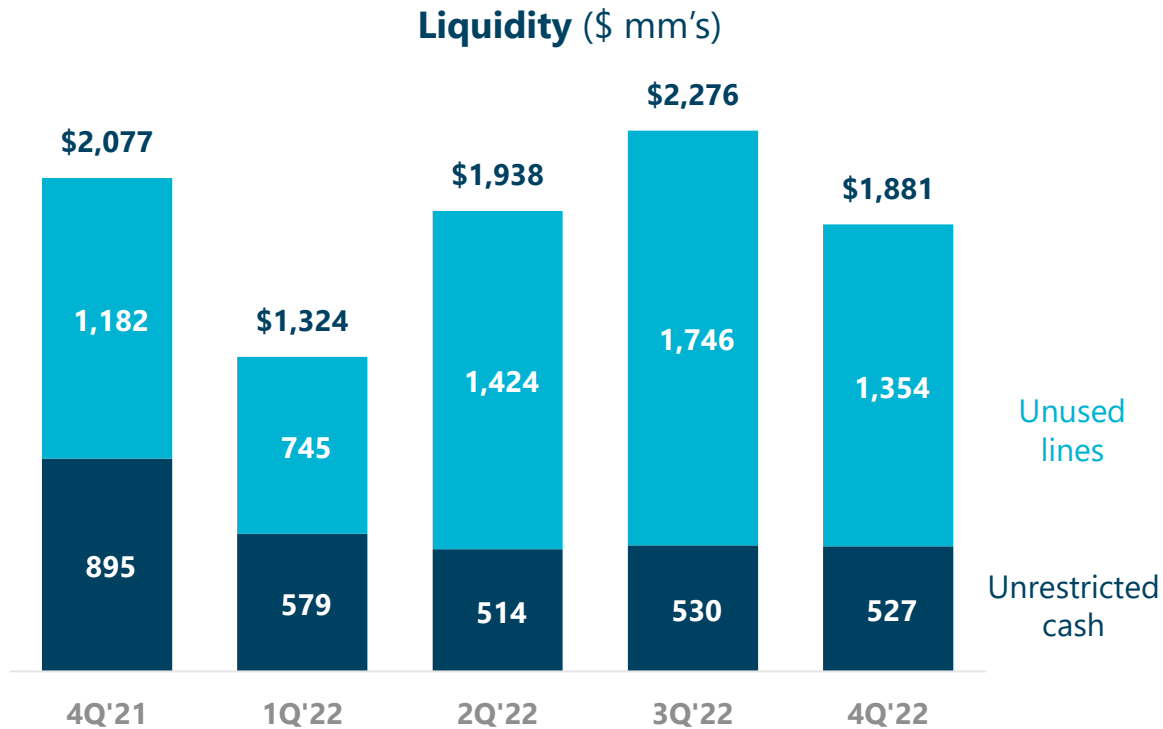
# MSR VALUE STABLE AT 162 BPS, WHILE MULTIPLE DECLINES FROM 5.2X TO 5.1X

MSR Value (bps) and Fee Multiple<sup>(1)</sup>



- The Company reported a negative other mark-to-market of \$58 million due to lower mortgage rates
- 30-year fixed mortgage rate decreased 29 bps q/q, from 6.70% to 6.41%
- 2-year swap rates increased 16 bps q/q, from 4.55% to 4.71%

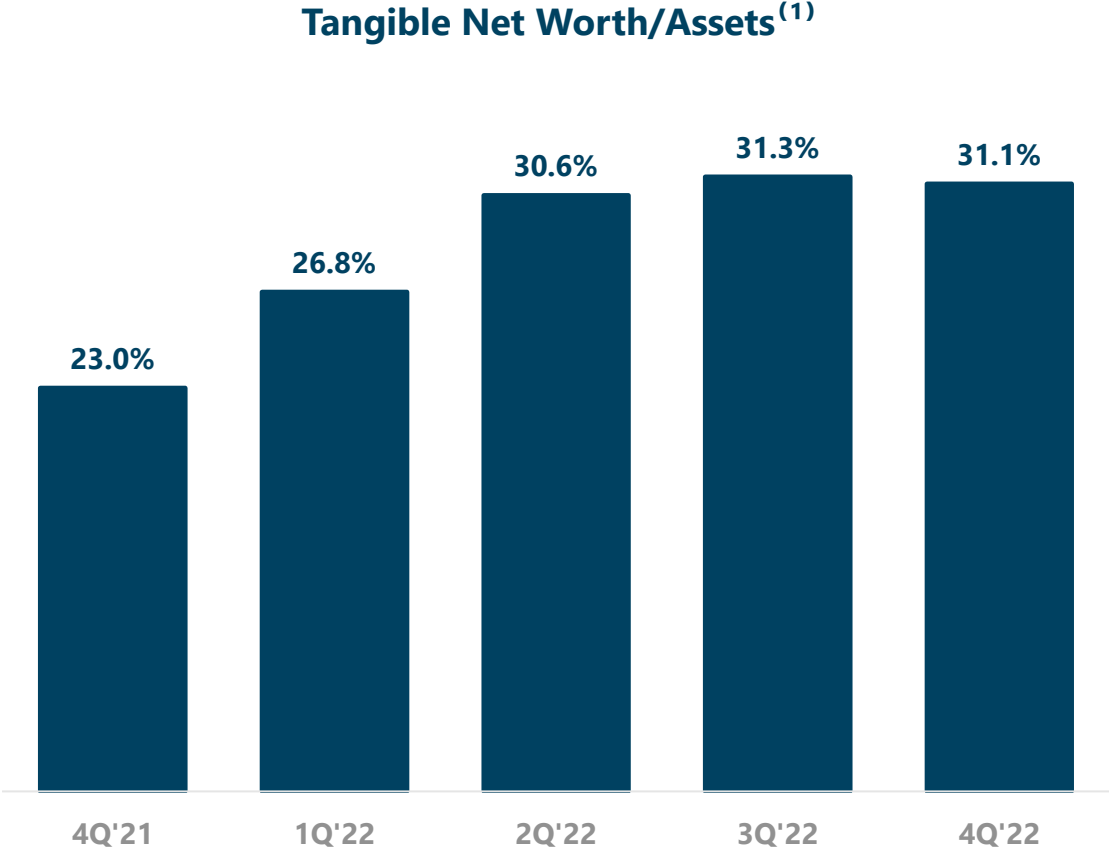
# STRONG LEVELS OF LIQUIDITY



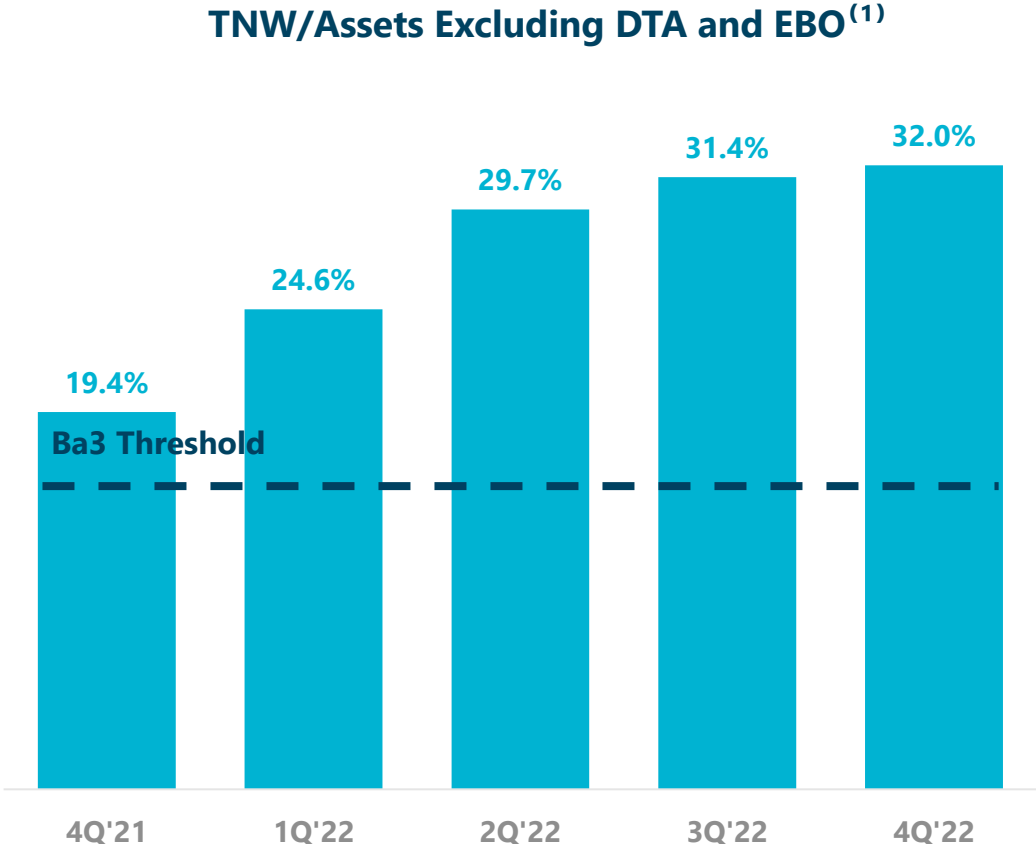
- Liquidity includes unrestricted cash and collateralized, but undrawn, availability on MSR, advance and warehouse lines
- Borrowing capacity increased \$200 million<sup>(2)</sup>

# ROBUST CAPITAL ABOVE 30%

### Tangible Net Worth/Assets<sup>(1)</sup>



### TNW/Assets Excluding DTA and EBO<sup>(1)</sup>



# *Appendix*

## BALANCE SHEET

\$ mm's	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Cash and cash equivalents	\$895	\$579	\$514	\$530	\$527
Restricted cash	146	130	115	148	175
Mortgage servicing rights at fair value	4,223	6,006	6,151	6,408	6,654
Advances and other receivables, net of reserves	1,228	1,044	892	831	1,019
Mortgage loans held for sale at fair value	4,381	3,593	2,072	1,581	893
Property and equipment, net	98	75	72	69	65
Deferred tax asset	991	794	750	711	703
Other assets	2,242	2,269	2,329	2,537	2,740
<b>Total assets</b>	<b>\$14,204</b>	<b>\$14,490</b>	<b>\$12,895</b>	<b>\$12,815</b>	<b>\$12,776</b>
Unsecured senior notes, net	\$2,670	\$2,670	\$2,672	\$2,673	\$2,673
Advance facilities and warehouse facilities, net	4,997	4,795	3,407	3,070	2,885
Payables and other liabilities	2,392	2,203	2,223	2,428	2,633
MSR related liabilities - nonrecourse at fair value	778	845	556	539	528
<b>Total liabilities</b>	<b>10,837</b>	<b>10,513</b>	<b>8,858</b>	<b>8,710</b>	<b>8,719</b>
<b>Total stockholders' equity</b>	<b>3,367</b>	<b>3,977</b>	<b>4,037</b>	<b>4,105</b>	<b>4,057</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$14,204</b>	<b>\$14,490</b>	<b>\$12,895</b>	<b>\$12,815</b>	<b>\$12,776</b>



## SEGMENT OPERATING INCOME AND NON-GAAP RECONCILIATION

\$ mm's	Servicing	Originations	Corporate / Other	Consolidated
Service related excluding MTM	\$279	\$12	\$20	\$311
Net gain on mortgage loans held for sale	(8)	56	-	48
Operating revenue excluding MTM	271	68	20	359
Salaries, wages, and benefits	83	54	38	175
General and administrative	64	27	26	117
Total expenses	147	81	64	292
Interest income / other	83	9	-	92
Interest expense	(53)	(10)	(40)	(103)
Other expense, net	-	-	(10)	(10)
Total other income (expenses), net	30	(1)	(50)	(21)
Pretax income (loss) before MTM	154	(14)	(94)	46
Fair value of excess spread accretion	2	-	-	2
Other MTM	(58)	-	-	(58)
MTM	(56)	-	-	(56)
<b>Pretax income (loss) from continuing operations</b>	<b>98</b>	<b>(14)</b>	<b>(94)</b>	<b>(10)</b>
Other MTM	58	-	-	58
Adjustments	3	12	18	33
Intangible amortization	-	-	1	1
<b>Pretax operating income (loss) from continuing operations</b>	<b>\$159</b>	<b>(\$2)</b>	<b>(\$75)</b>	<b>\$82</b>

## TANGIBLE BOOK VALUE (TBV) AND TNW/ASSETS

\$ mm's except for per share data	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
<b>Stockholders' equity</b>	<b>\$3,367</b>	<b>\$3,977</b>	<b>\$4,037</b>	<b>\$4,105</b>	<b>\$4,057</b>
Goodwill	(120)	(120)	(120)	(120)	(120)
Intangible assets	(14)	(13)	(11)	(9)	(8)
<b>Tangible book value (TBV)</b>	<b>\$3,233</b>	<b>\$3,844</b>	<b>\$3,906</b>	<b>\$3,976</b>	<b>\$3,929</b>
Ending outstanding sharecount (mm's)	73.8	73.9	71.7	70.6	69.3
TBV/share	\$43.82	\$52.01	\$54.51	\$56.35	\$56.72
Assets	\$14,204	\$14,490	\$12,895	\$12,815	\$12,776
Loans subject to repurchase from GNMA	\$1,496	\$1,175	\$1,400	\$1,575	\$1,865
Tangible assets <sup>(1)</sup>	\$14,070	\$14,357	\$12,764	\$12,686	\$12,648
Deferred tax assets	\$991	\$794	\$750	\$711	\$703
TNW/Assets <sup>(2)</sup>	23.0%	26.8%	30.6%	31.3%	31.1%
TNW/Assets <sup>(2)</sup> excluding DTA and loans subject to repurchase from GNMA	19.4%	24.6%	29.7%	31.4%	32.0%
Operating lease liabilities	\$122	\$115	\$119	\$107	\$111
MSR line draws	270	800	950	1,040	1,410
Unsecured senior notes principal	2,700	2,700	2,700	2,700	2,700
Debt	\$3,092	\$3,615	\$3,769	\$3,847	\$4,221
MSR line draws/Debt	9%	22%	25%	27%	33%

## ROTCE RECONCILIATION

\$ mm's	4Q'22
Pretax loss	(\$10)
Income tax benefit	11
Net income	\$1
<b>ROCE<sup>(1)</sup></b>	<b>0.1%</b>
<b>ROTCE</b>	<b>0.1%</b>
Pretax loss	(\$10)
Other mark-to-market	58
Adjustments	33
Intangible amortization	1
Pretax operating income	\$82
Income tax expense <sup>(2)</sup>	(20)
Fully-taxed operating income	\$62
<b>Operating ROTCE</b>	<b>6.3%</b>
<b>Average book value</b>	<b>\$4,081</b>
<b>Average tangible book value</b>	<b>\$3,953</b>

ROTCE is a non-GAAP financial measure that is computed by dividing annualized earnings by average tangible common equity (tangible book value). Operating ROTCE is a non-GAAP financial measure that is computed by dividing annualized fully-taxed operating earnings by average tangible common equity. Tangible common equity equals total stockholders' equity less goodwill and intangible assets. The methodology of determining tangible common equity may differ among companies. Management believes that ROTCE and operational ROTCE are useful financial measures because they measure the performance of a business consistently and enables investors and others to assess the Company's use of equity.

# SERVICING NON-GAAP RECONCILIATION

\$ mm's	4Q'21		1Q'22		2Q'22		3Q'22		4Q'22	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
<b>Pretax income from continuing operations</b>	<b>\$87</b>	<b>5.1</b>	<b>\$559</b>	<b>29.8</b>	<b>\$226</b>	<b>11.4</b>	<b>\$203</b>	<b>9.9</b>	<b>\$98</b>	<b>4.5</b>
Mark-to-market (MTM)	(45)	(2.6)	(553)	(29.5)	(200)	(10.1)	(124)	(6.0)	56	2.6
Fair value of excess spread accretion	(1)	(0.1)	1	0.1	4	0.2	2	0.1	2	0.1
Accounting items	-	-	1	0.1	-	-	-	-	3	0.1
<b>Pretax income excluding MTM and other notable items</b>	<b>\$41</b>	<b>2.4</b>	<b>\$8</b>	<b>0.5</b>	<b>\$30</b>	<b>1.5</b>	<b>\$81</b>	<b>4.0</b>	<b>\$159</b>	<b>7.3</b>
Average UPB (\$bn)	\$682		\$749		\$796		\$823		\$868	
<b>Amortization Reconciliation</b>										
MSR amortization	(\$236)	(13.8)	(\$235)	(12.5)	(\$226)	(11.4)	(\$183)	(8.9)	(\$135)	(6.2)
Excess spread accretion	50	2.9	33	1.8	27	1.4	14	0.7	12	0.5
Total amortization	(186)	(10.9)	(202)	(10.7)	(199)	(10.0)	(169)	(8.2)	(123)	(5.7)
Fair value of excess spread accretion	(1)	(0.1)	1	0.1	4	0.2	2	0.1	2	0.1
<b>Total amortization including fair value of excess spread accretion</b>	<b>(\$187)</b>	<b>(11.0)</b>	<b>(\$201)</b>	<b>(10.6)</b>	<b>(\$195)</b>	<b>(9.8)</b>	<b>(\$167)</b>	<b>(8.1)</b>	<b>(121)</b>	<b>(5.6)</b>

# SERVICING PROFITABILITY

\$ mm's	4Q'21		1Q'22		2Q'22		3Q'22		4Q'22	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
<b>Operational Revenue</b>										
Base servicing fees	\$242	14.2	\$272	14.5	\$324	16.3	\$311	15.1	\$320	14.8
Modification fees	7	0.4	5	0.3	4	0.2	2	0.1	2	0.1
Late payment fees	15	0.9	15	0.8	15	0.8	15	0.7	14	0.6
Other ancillary revenues	118	6.9	42	2.2	15	0.8	(4)	(0.2)	-	-
Total MSR operational revenue	382	22.4	334	17.8	358	18.1	324	15.7	336	15.5
Base subservicing fee and other subservicing revenue	63	3.7	69	3.7	68	3.4	71	3.5	75	3.4
Total servicing fee revenue	445	26.1	403	21.5	426	21.5	395	19.2	411	18.9
MSR financing liability costs	(5)	(0.3)	(5)	(0.3)	(5)	(0.3)	(4)	(0.2)	(5)	(0.2)
Excess spread payments and portfolio runoff	(50)	(2.9)	(33)	(1.8)	(27)	(1.4)	(14)	(0.7)	(12)	(0.5)
Total operational revenue	390	22.9	365	19.4	394	19.8	377	18.3	394	18.2
<b>Amortization</b>										
MSR amortization	(236)	(13.8)	(235)	(12.5)	(226)	(11.4)	(183)	(8.9)	(135)	(6.2)
Excess spread accretion	50	2.9	33	1.8	27	1.4	14	0.7	12	0.5
Total amortization	(186)	(10.9)	(202)	(10.7)	(199)	(10.0)	(169)	(8.2)	(123)	(5.7)
<b>Mark-to-Market Adjustments</b>										
MSR fair value MTM	26	1.5	798	42.6	326	16.4	239	11.6	(35)	(1.6)
MTM adjustment <sup>(1)</sup>	(7)	(0.4)	(146)	(7.8)	(94)	(4.7)	(112)	(5.5)	(13)	(0.6)
Excess spread / financing MTM	26	1.5	(99)	(5.3)	(32)	(1.6)	(3)	(0.1)	(8)	(0.4)
Total MTM adjustments	45	2.6	553	29.5	200	10.1	124	6.0	(56)	(2.6)
<b>Total revenues</b>	<b>\$249</b>	<b>14.6</b>	<b>\$716</b>	<b>38.2</b>	<b>\$395</b>	<b>19.9</b>	<b>\$332</b>	<b>16.1</b>	<b>\$215</b>	<b>9.9</b>
Average UPB (\$bn)	\$682		\$749		\$796		\$823		\$868	

# SERVICING PROFITABILITY [CONT.]

\$ mm's	4Q'21		1Q'22		2Q'22		3Q'22		4Q'22	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Salaries, wages and benefits	\$66	3.9	\$75	4.0	\$84	4.2	\$82	4.0	\$83	3.8
Servicing support fees	24	1.4	11	0.6	24	1.2	21	1.0	20	1.0
Corporate and other general and administrative expenses	28	1.7	25	1.3	32	1.6	29	1.4	39	1.8
Foreclosure and other liquidation related expenses	16	0.9	6	0.3	(2)	(0.1)	9	0.4	3	0.1
Depreciation and amortization	9	0.5	5	0.3	5	0.3	6	0.3	2	0.1
Total general and administrative expenses	77	4.5	47	2.5	59	3.0	65	3.1	64	3.0
<b>Total expenses</b>	<b>\$143</b>	<b>8.4</b>	<b>\$122</b>	<b>6.5</b>	<b>\$143</b>	<b>7.2</b>	<b>\$147</b>	<b>7.1</b>	<b>\$147</b>	<b>6.8</b>
Interest income	\$42	2.5	\$19	1.0	\$35	1.8	\$71	3.5	\$83	3.8
Advance interest expense	(6)	(0.4)	(6)	(0.3)	(8)	(0.4)	(8)	(0.4)	(9)	(0.4)
Other interest expense	(55)	(3.2)	(48)	(2.6)	(53)	(2.7)	(45)	(2.2)	(44)	(2.0)
Interest expense	(61)	(3.6)	(54)	(2.9)	(61)	(3.1)	(53)	(2.6)	(53)	(2.4)
<b>Total other (expenses) income, net</b>	<b>(\$19)</b>	<b>(1.1)</b>	<b>(\$35)</b>	<b>(1.9)</b>	<b>(\$26)</b>	<b>(1.3)</b>	<b>\$18</b>	<b>0.9</b>	<b>\$30</b>	<b>1.4</b>
<b>Pretax income from continuing operations</b>	<b>\$87</b>	<b>5.1</b>	<b>\$559</b>	<b>29.8</b>	<b>\$226</b>	<b>11.4</b>	<b>\$203</b>	<b>9.9</b>	<b>\$98</b>	<b>4.5</b>
Average UPB (\$bn)	\$682		\$749		\$796		\$823		\$868	

# SERVICING PORTFOLIO

\$ mm's	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
<b>Unpaid Principal Balance (UPB) Rollforward</b>					
Originations	\$16,248	\$10,610	\$7,794	\$5,727	\$3,250
Acquisitions	42,784	36,171	8,105	5,936	22,692
Dispositions	(1,144)	(19)	(666)	(346)	(54)
Transfers to/from Subservicing	(1,558)	43,215	(14,542)	(163)	240
Runoff	(20,213)	(17,345)	(15,144)	(13,135)	(10,152)
<b>Total MSR<sup>(1)</sup></b>	<b>\$339,208</b>	<b>\$411,840</b>	<b>\$397,387</b>	<b>\$395,406</b>	<b>\$411,382</b>
Subservicing	370,519	383,959	406,231	458,280	459,053
<b>Total Servicing</b>	<b>\$709,727</b>	<b>\$795,799</b>	<b>\$803,618</b>	<b>\$853,686</b>	<b>\$870,435</b>
<b>Valuation Data</b>					
MSR carrying value	124 bps	146 bps	155 bps	162 bps	162 bps
<b>Runoff Rates</b>					
CPR	19.5%	15.1%	11.5%	8.4%	5.3%
Principal payments	4.4%	4.2%	4.0%	4.0%	3.9%
MSR runoff rate	23.9%	19.3%	15.5%	12.4%	9.2%
<b>Total Servicing CPR</b>	<b>21.2%</b>	<b>14.8%</b>	<b>11.0%</b>	<b>8.3%</b>	<b>4.9%</b>
<b>Portfolio Composition</b>					
GSE	30%	32%	31%	29%	29%
GNMA	13%	16%	14%	13%	15%
PLS	5%	4%	4%	4%	3%
Total MSRs	48%	52%	49%	46%	47%
Subservicing	52%	48%	51%	54%	53%
Total	100%	100%	100%	100%	100%

## ORIGINATIONS NON-GAAP RECONCILIATION

\$ mm's	4Q'21		1Q'22		2Q'22		3Q'22		4Q'22	
	\$	Margin	\$	Margin	\$	Margin	\$	Margin	\$	Margin
<b>Pretax income (loss)</b>	<b>\$182</b>	<b>1.41%</b>	<b>\$155</b>	<b>1.68%</b>	<b>\$62</b>	<b>1.26%</b>	<b>\$46</b>	<b>1.04%</b>	<b>(\$14)</b>	<b>-0.15%</b>
Accounting items	1	0.01%	2	0.02%	2	0.03%	-	0.00%	12	0.38%
<b>Pretax income (loss) excluding accounting items</b>	<b>\$183</b>	<b>1.42%</b>	<b>\$157</b>	<b>1.70%</b>	<b>\$64</b>	<b>1.29%</b>	<b>\$46</b>	<b>1.04%</b>	<b>(\$2)</b>	<b>0.23%</b>
Pull through adjusted lock volume (\$bn)	\$14.7		\$10.3		\$6.5		\$5.3		\$2.8	
Funded volume (\$bn)	\$17.2		\$11.6		\$7.8		\$5.7		\$3.2	



## ORIGINATIONS PROFITABILITY

\$ mm's	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Service related, net - Originations	\$44	\$42	\$24	\$20	\$12
<b>Net gain on mortgage loans held for sale</b>					
Net gain on loans originated and sold	105	119	10	22	(12)
Capitalized servicing rights	211	163	148	114	68
Total net gain on mortgage loans held for sale	316	282	158	136	56
<b>Total revenues</b>	<b>\$360</b>	<b>\$324</b>	<b>\$182</b>	<b>\$156</b>	<b>\$68</b>

### Supplemental Data

Pull through adjusted lock volume	\$14,736	\$10,332	\$6,485	\$5,276	\$2,797
Funded volume	\$17,165	\$11,573	\$7,767	\$5,741	\$3,169
Loans sold, servicing retained	\$15,690	\$9,766	\$7,625	\$5,194	\$3,169
GOS margin <sup>(1)</sup>	2.14%	2.73%	2.44%	2.58%	2.00%
Revenue margin <sup>(1)</sup>	2.44%	3.14%	2.81%	2.96%	2.43%
Value of capitalized servicing retained	134 bps	167 bps	194 bps	221 bps	212 bps
Value of capitalized servicing at lock <sup>(2)</sup>			140 bps	156 bps	152 bps

## ORIGINATIONS PROFITABILITY [CONT.]

\$ mm's	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Salaries, wages and benefits	\$131	\$121	\$86	\$68	\$54
Loan originations expenses	22	20	15	15	9
Corporate and other general and administrative expenses	14	17	14	12	11
Marketing and professional service fee	13	12	5	11	5
Depreciation and amortization	6	4	5	5	2
<b>Total expenses</b>	<b>\$186</b>	<b>\$174</b>	<b>\$125</b>	<b>\$111</b>	<b>\$81</b>
Funded volume	\$17,165	\$11,573	\$7,767	\$5,741	\$3,169
Expenses margin <sup>(1)</sup>	1.08%	1.50%	1.61%	1.93%	2.56%
Interest income	\$26	\$17	\$15	\$12	\$9
Interest expense	(18)	(12)	(10)	(11)	(10)
<b>Total other income (expenses), net</b>	<b>\$8</b>	<b>\$5</b>	<b>\$5</b>	<b>\$1</b>	<b>(\$1)</b>
Funded volume	\$17,165	\$11,573	\$7,767	\$5,741	\$3,169
Other income, net margin <sup>(1)</sup>	0.05%	0.04%	0.06%	0.01%	-0.02%
<b>Pretax income (loss) from continuing operations</b>	<b>\$182</b>	<b>\$155</b>	<b>\$62</b>	<b>\$46</b>	<b>(\$14)</b>
Pretax income (loss) margin <sup>(2)</sup>	1.41%	1.68%	1.26%	1.04%	-0.15%

## ADJUSTED EBITDA

\$ mm's	4Q'21	1Q'22	2Q'22	3Q'22	4Q'22
Consolidated GAAP pretax income (loss)	\$211	\$866	\$205	\$153	(\$10)
Other mark-to-market	(46)	(552)	(196)	(122)	58
Adjustments <sup>(1)</sup>	(11)	(220)	7	23	33
MSR amortization, net <sup>(2)</sup>	187	201	195	167	121
Capitalized servicing rights	(287)	(200)	(152)	(120)	(71)
Depreciation and amortization	12	11	9	9	8
Corporate debt interest expense	36	39	39	39	39
Other	7	7	9	7	5
<b>Adjusted EBITDA</b>	<b>\$109</b>	<b>\$152</b>	<b>\$116</b>	<b>\$156</b>	<b>\$183</b>

## 4Q'22 SOURCES AND USES CASH FLOW

\$mm's	Servicing	Originations	Corporate / Other	Consolidated	Illustrative Steady State Discretionary Cashflow
GAAP pretax income (loss)	\$98	(\$14)	(\$94)	(\$10)	
Depreciation and amortization	2	2	4	8	
Share-based compensation	-	1	4	5	
Amortization of deferred financing costs	-	-	5	5	
Settlement of excess spread financing	(19)	-	-	(19)	
MSR amortization	135	-	-	135	
Other mark-to-market	58	-	-	58	
<b>Business segment cash flow from operations</b>	<b>\$274</b>	<b>(\$11)</b>	<b>(\$81)</b>	<b>\$182</b>	<b>\$182</b>
State/local taxes <sup>(1)</sup>				-	-
Total working capital change <sup>(2)</sup>				302	-
<b>Total sources, net</b>				<b>\$484</b>	<b>\$182</b>
Capex				(3)	(3)
Capitalized servicing rights - Originations/EBO				(71)	(71)
MSR purchases, MSR sales, and excess spread financing				(332)	(50)
Net investment in MSR				(403)	(121) <sup>(3)</sup>
Repurchase of common stock				(54)	-
<b>Total uses, net</b>				<b>(\$460)</b>	<b>(\$124)</b>
<b>Change in cash</b>				<b>\$24</b>	<b>\$58</b>
<b>Change in unrestricted cash</b>				<b>(\$3)</b>	

<sup>(1)</sup> Based on marginal tax rate of 3.2%, net of federal benefit. Actual tax payments/refunds included in total working capital changes.

<sup>(2)</sup> Includes mortgage loans originated, sold or repurchased, net gains on mortgage loans held for sale excluding capitalized servicing rights, repayment of nonrecourse debt – legacy assets, and changes in warehouse facilities, advance facilities, advances and other receivables, other assets, payables and other liabilities, taxes, and other activities

<sup>(3)</sup> Required investment to sustain the net MSR is based on sum of (\$135) mm MSR amortization, \$12 mm excess spread accretion, and \$2 mm in fair value of excess spread accretion