



Mr. CooperGroup®

**INVESTOR PRESENTATION -
BARCLAYS GLOBAL FINANCIAL SERVICES CONFERENCE**

September 14, 2021

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) and the SEC's website (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 strategic growth and capital targets, originations margins and refinancing opportunities. 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, including the severity and duration of the COVID-19 pandemic; the pandemic's impact on the U.S. and the global economies; federal, state, and local government responses to the pandemic; borrower forbearance rates and availability of financing. 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.

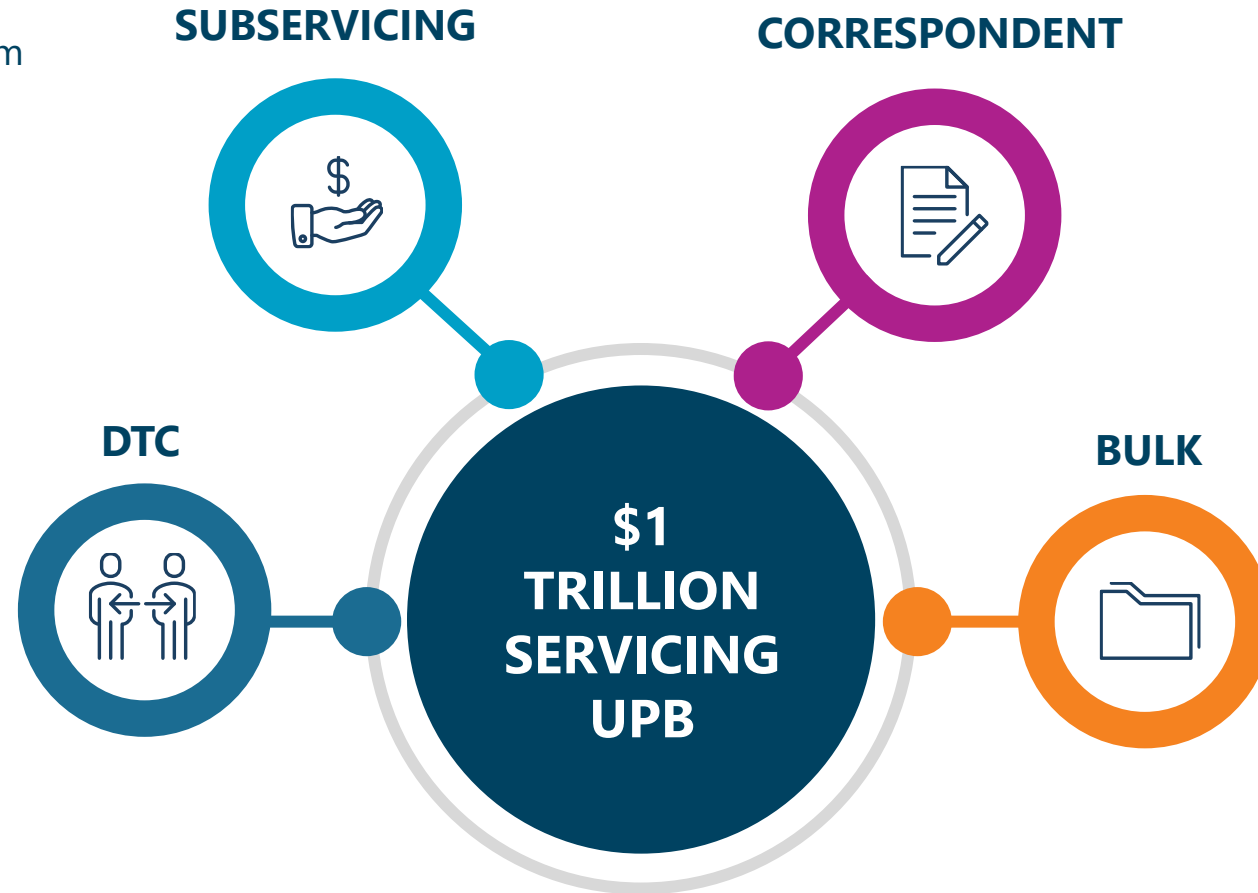
SECOND QUARTER HIGHLIGHTS

- Reported net income of \$439 million and \$4.85 per diluted share
 - Tangible book value per share⁽¹⁾ increased to \$37.24
 - Generated pretax operating income from continuing operations⁽¹⁾ of \$227 million, equivalent to ROTCE⁽¹⁾ of 23.1%
 - Originations generated pretax operating income⁽¹⁾ of \$213 million on funded volume of \$22.2 billion
 - Servicing margin⁽¹⁾ was 7.7 bps with \$181 million in EBO revenues
 - Servicing portfolio grew 4.1% q/q to \$654 billion
 - Completed sale of Title365 for \$500 million
 - Unrestricted cash was \$1.2 billion as of July 1, 2021
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- Subsequent to quarter-end, announced \$500 million stock repurchase authorization and agreement to sell Reverse servicing portfolio

ESTABLISHING STRATEGIC TARGET OF \$1 TRILLION UPB

CORE COMPETENCIES

- Low cost, scalable platform
- Recapture
- Compliance
- Culture
- Technology
- Talent
- Loss Mitigation



MEGA-SERVICER ADVANTAGES

- Concentrated market
- Economies of scale
- High entry barriers
- Strong cashflow
- Customer retention/DTC originations
- Positioned for long-term housing market growth

SUMMARY 2Q'21 FINANCIAL RESULTS

\$ mm's, except per share data	2Q'21	1Q'21	2Q'20
Servicing	\$80	\$37	(\$15)
Originations	213	362	434
Xome	(4)	13	13
Corporate debt interest expense	(30)	(30)	(47)
Corporate expense/other	(32)	(22)	(31)
Pretax operating income from continuing operations⁽¹⁾	\$227	\$360	\$354
Other mark-to-market ⁽²⁾	(135)	373	(232)
Title365 sale	485	(3)	-
Discontinued operations	16	3	(4)
Adjustments	(7)	(1)	(1)
Intangible amortization	(3)	(4)	(7)
Pretax income	\$583	\$728	\$110
Income tax (expense) benefit	(144)	(167)	(37)
Net income	\$439	\$561	\$73
Weighted average diluted sharecount	89.6	93.9	93.0
Diluted EPS ⁽⁴⁾	\$4.85	\$5.92	\$0.77

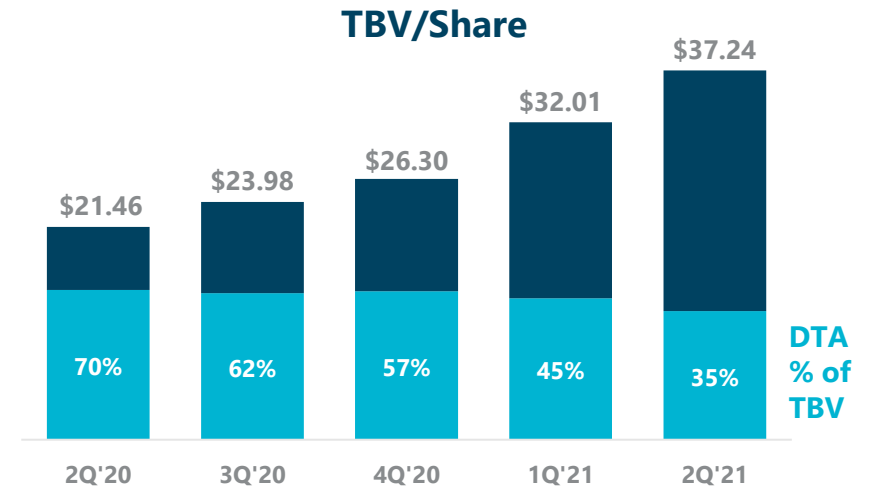
TBV Rollforward ⁽¹⁾	\$ mm's	Per share
1Q'21	\$2,757	\$32.01
2Q'21 net income ⁽⁴⁾	439	4.85
Intangible amortization	3	0.03
Other	9	0.10
2Q'21	\$3,208	\$37.24

⁽¹⁾ Please see appendix for reconciliations of non-GAAP items

⁽²⁾ Other mark-to-market does not include fair value amortization. Fair value amortization represents the additional amortization required under the fair value amortization method over the cost amortization method

	\$ mm's	ROTCE ⁽¹⁾
GAAP net income	\$439	58.9%
Fully-taxed operating income ⁽¹⁾⁽³⁾	\$172	23.1%
Discretionary steady state cash flow	\$245	n/a

- Adjustments include severance of \$6 million in originations and \$1 million in servicing related to corporate actions

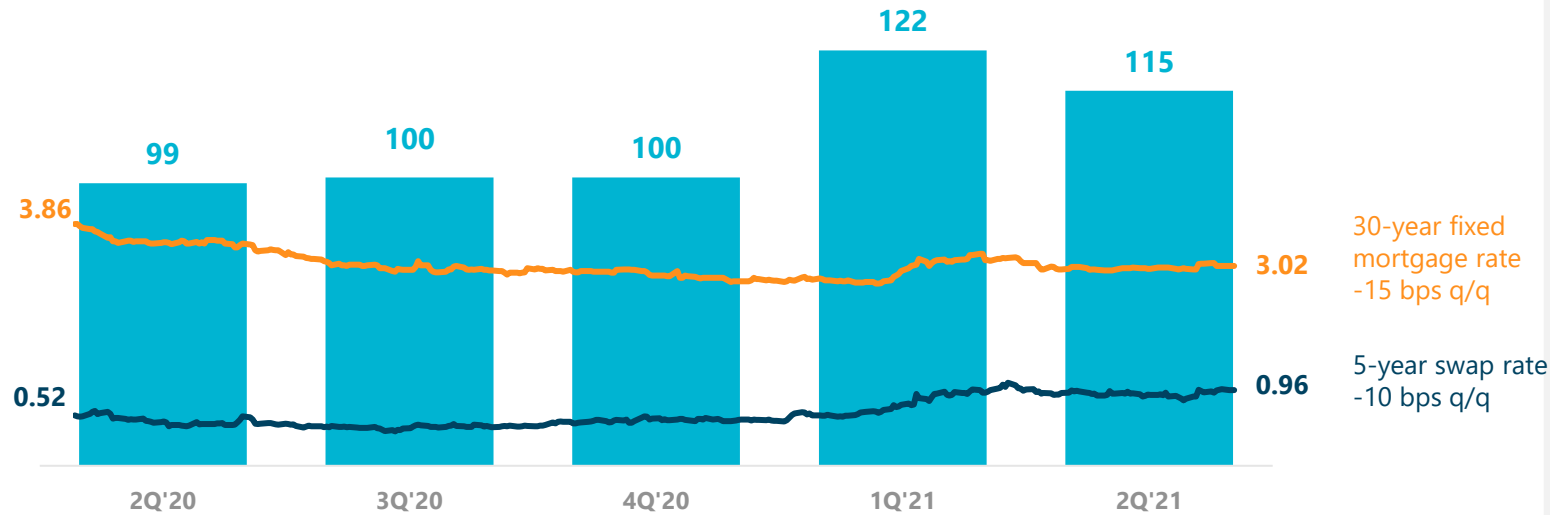


⁽³⁾ Assumes GAAP tax-rate of 24.2% and does not give credit to cash flow benefits of the DTA

⁽⁴⁾ Per share data calculated based on net income (loss) attributable to common shareholders

MSR VALUE DECREASES TO 115 BPS

MSR Value (bps)



- The Company reported a negative mark-to-market of \$180 million as mortgage rates and swap rates decreased during the quarter

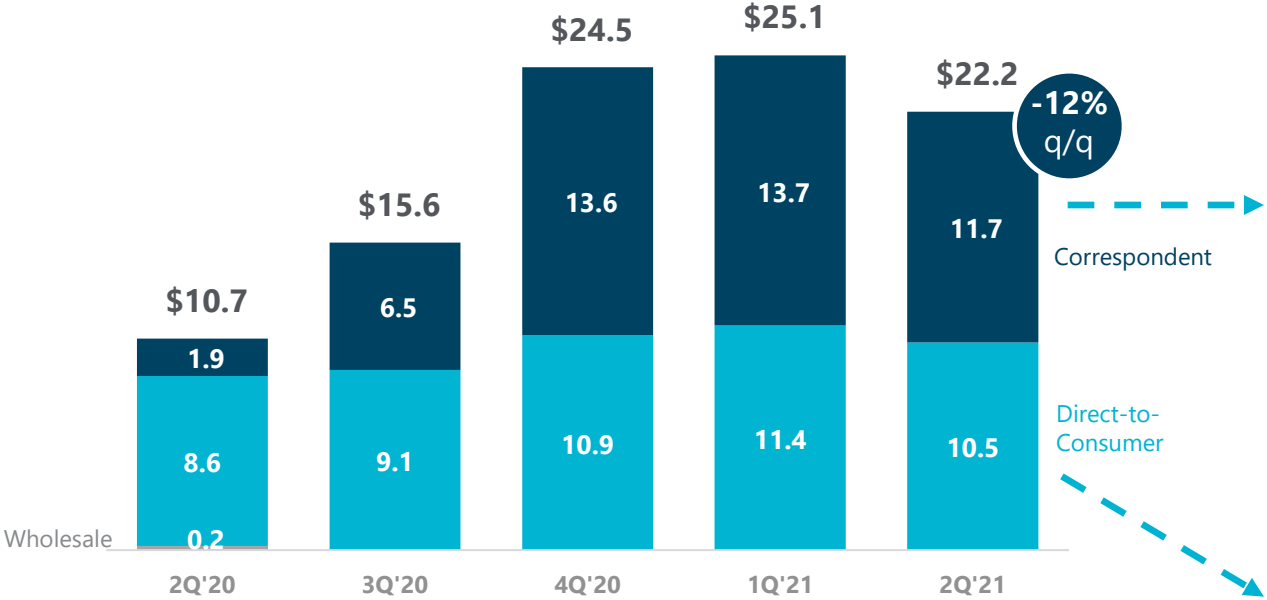
Rate/term Refinance Opportunity

Mortgage Rate	Minimum \$200 Savings		Minimum \$100 Savings	
	Customers in Thousands	Eligible Portfolio %	Customers in Thousands	Eligible Portfolio %
+50 bps	573.8	30%	1,021.1	53%
+25 bps	641.5	33%	1,119.6	58%
Current rate	717.2	37%	1,216.0	63%
-25 bps	798.7	41%	1,317.5	68%
-50 bps	885.0	46%	1,427.7	74%

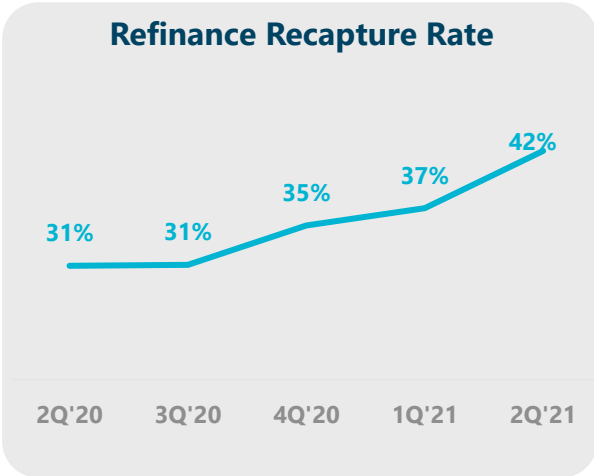
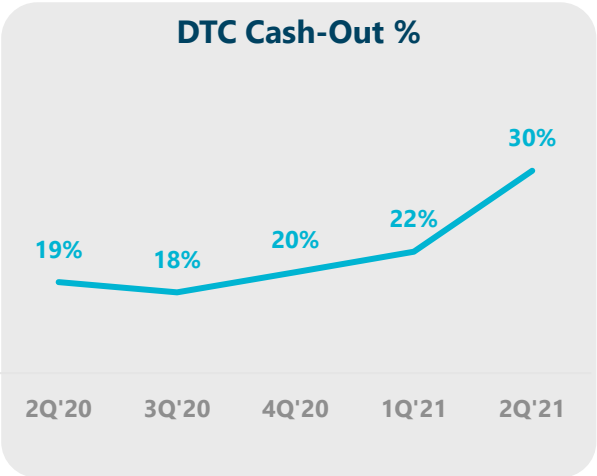
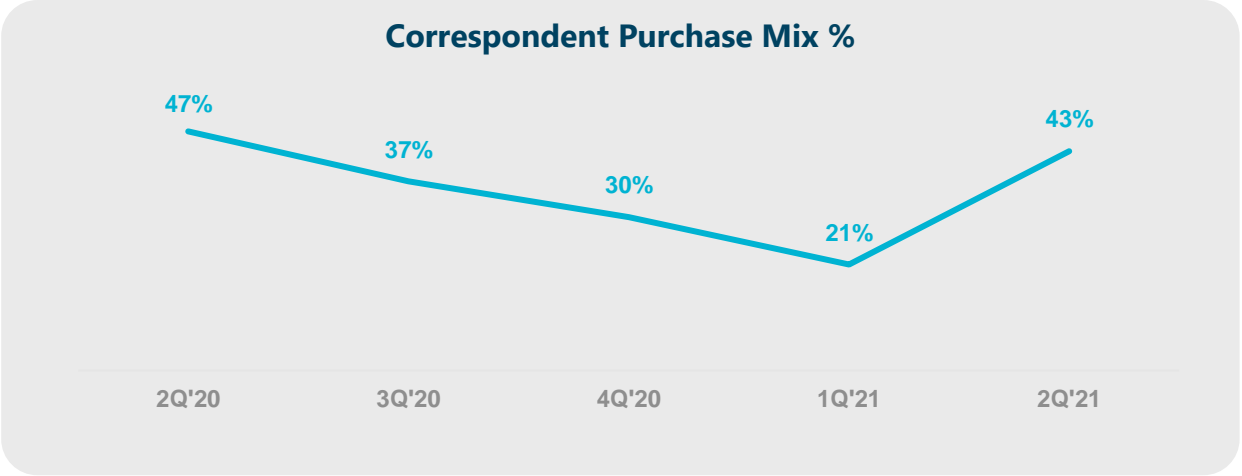
- The population of customers who could save \$200 per month is up 2% quarter-over-quarter
- Excluding customers with a minimum savings of \$200 per month, there are an additional 633,000 customers who could benefit from a cash-out refinance

ORIGINATIONS BENEFIT FROM HIGHER PURCHASE, REFI RECAPTURE, AND CASH-OUT MIX

Funded Volume By Channel (\$ bn's)

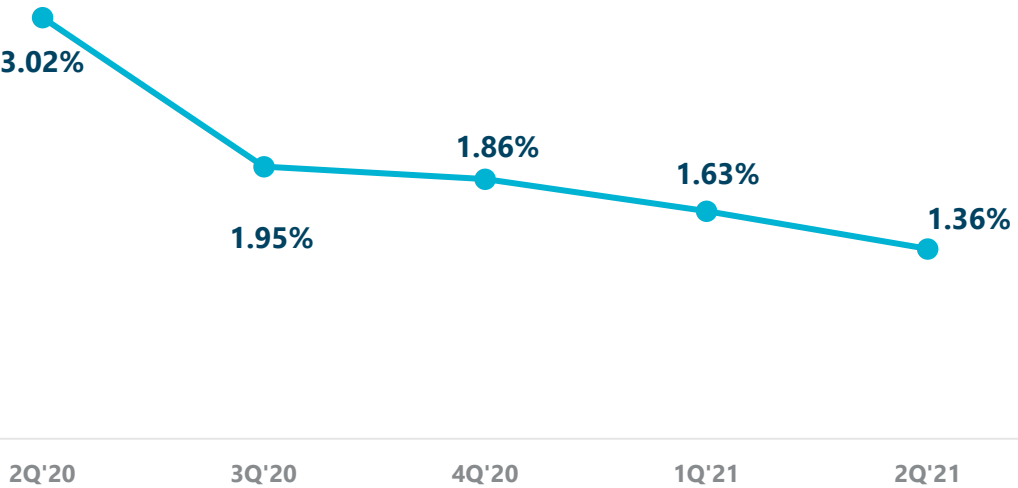


• Originations produced \$213 million of pretax income on funded volume of \$22.2 billion, down 12% quarter-over-quarter



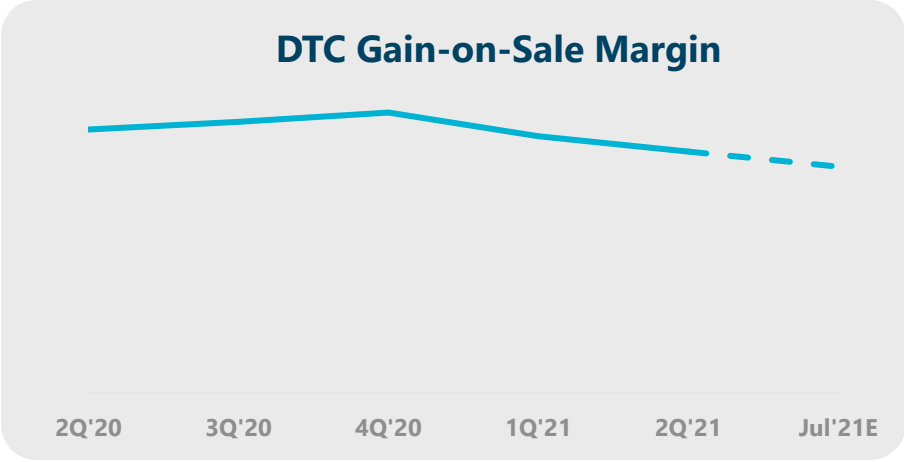
ORIGINATIONS MARGIN BENEFITS FROM RELATIVELY STABLE DTC CONTRIBUTION

Pretax Originations Margin⁽¹⁾

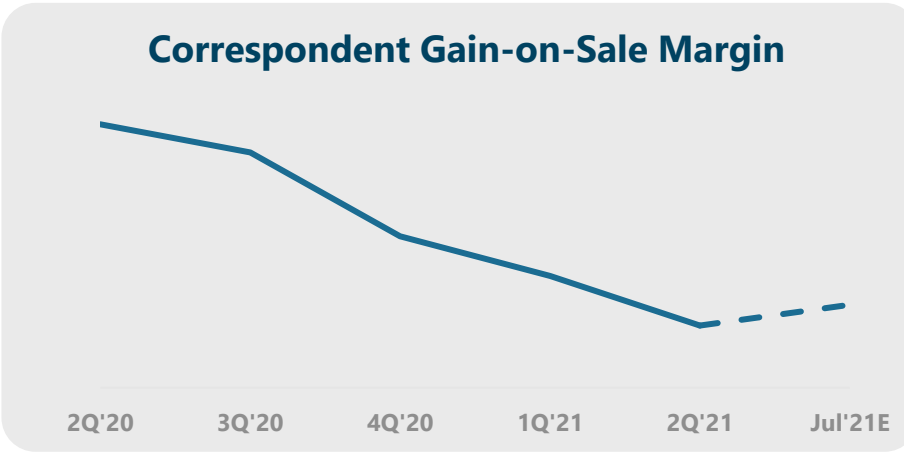


- Pretax margin compressed from 1.63% to 1.36% driven largely by pressure in the correspondent channel

DTC Gain-on-Sale Margin

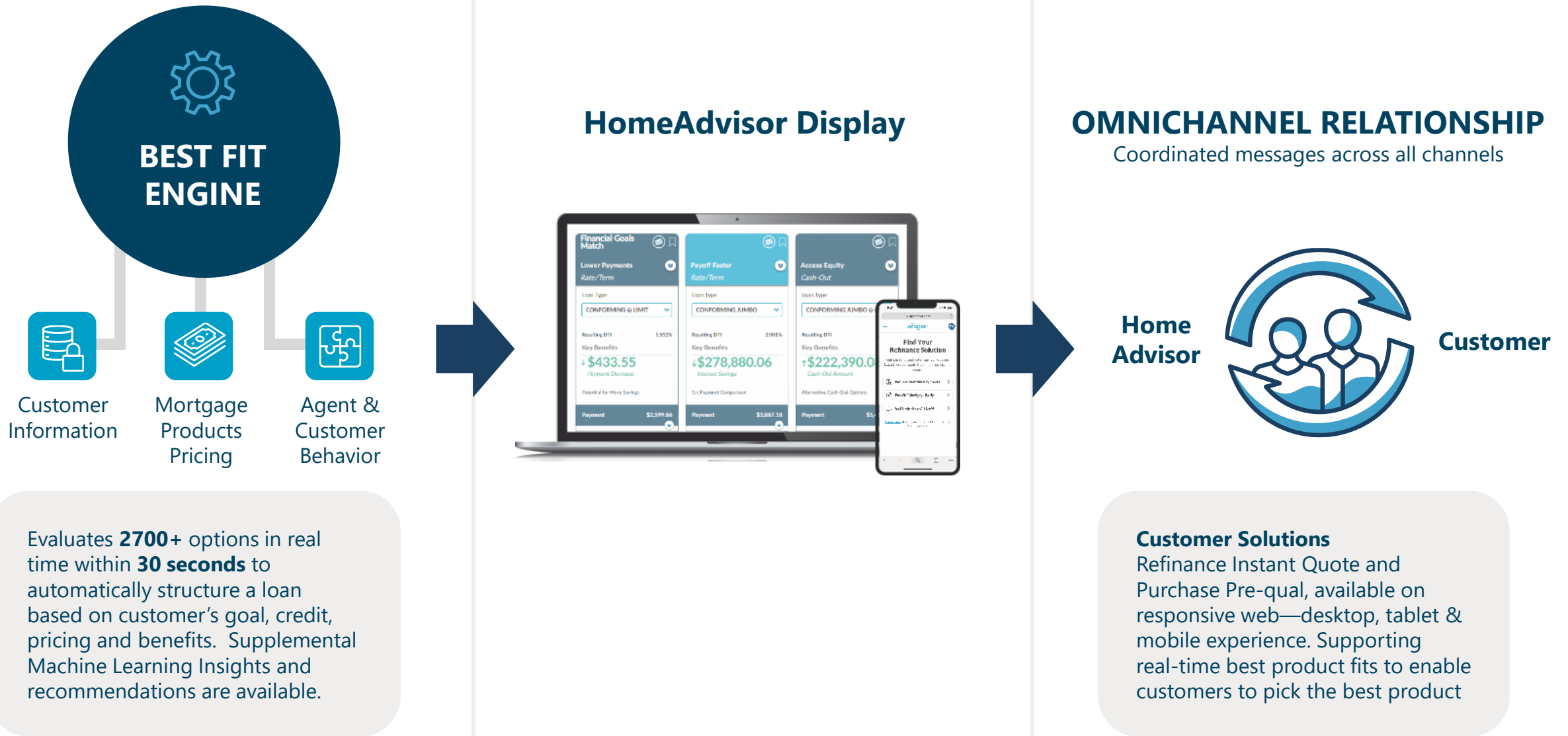


Correspondent Gain-on-Sale Margin



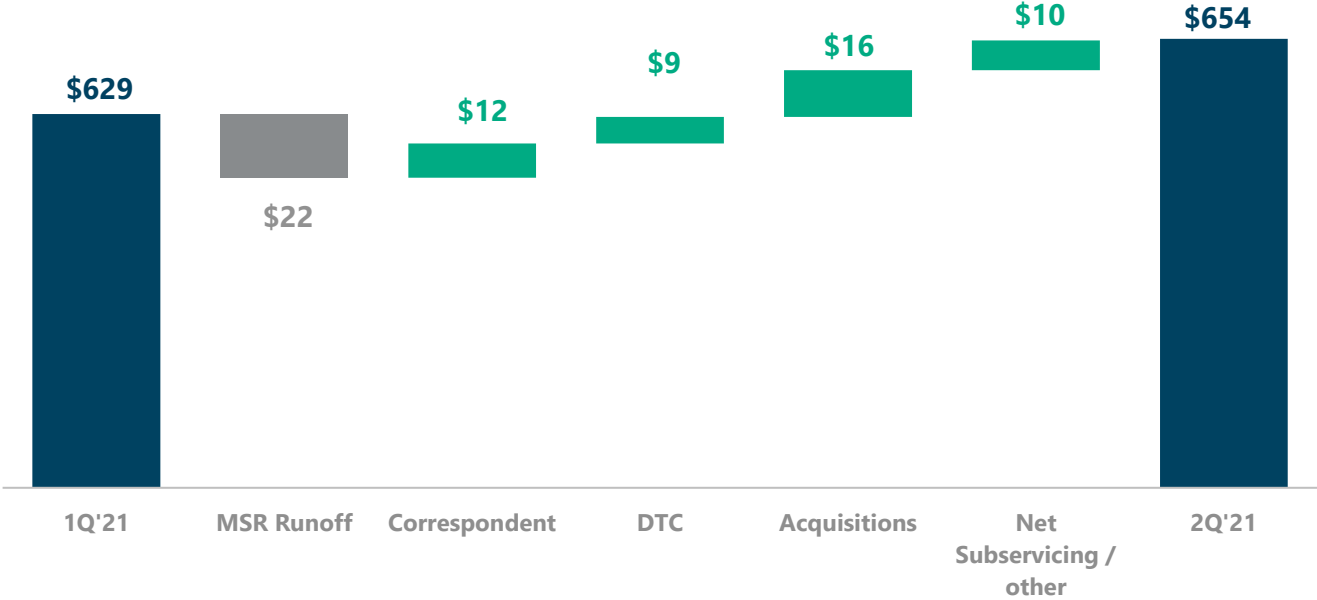
⁽¹⁾ Pretax originations margin for 2Q'20 is normalized, which excludes \$34 mm revenue recovery related to 1Q'20 revenue reversal associated with pipeline risk. 2Q'21 excludes \$6 mm severance charge.

CUSTOMER SOLUTIONS POWERED BY BEST FIT ENGINE



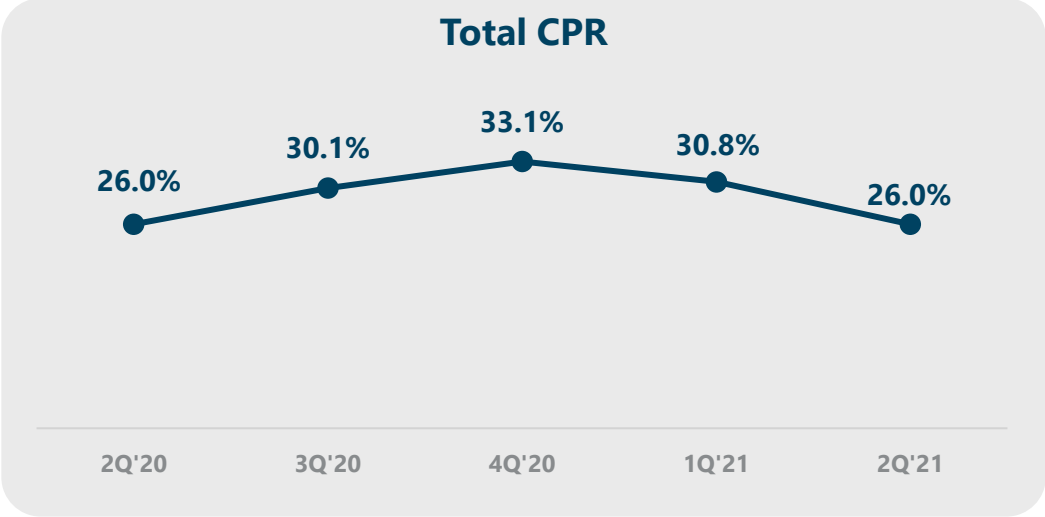
SERVICING PORTFOLIO GROWS 4% Q/Q

Unpaid Principal Balance (\$ bn's)
Excludes Reverse Portfolio

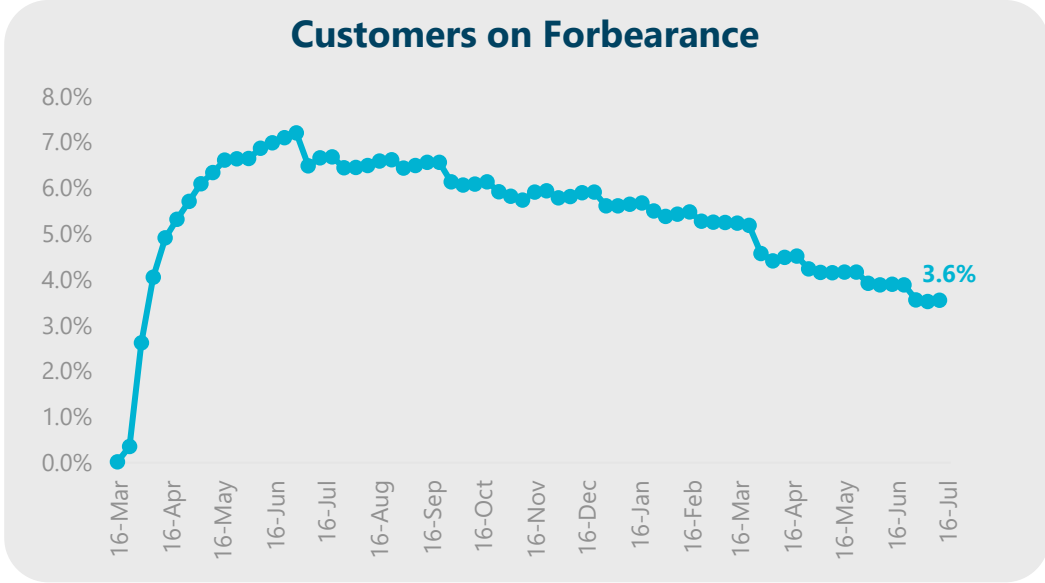


- Portfolio grew 4% quarter-over-quarter, or 16% on an annualized basis, due to strong correspondent and DTC originations, acquisitions, and subservicing wins
- As of July 18th, 3.6% of customers were on forbearance, down from peak of 7.2%

Total CPR

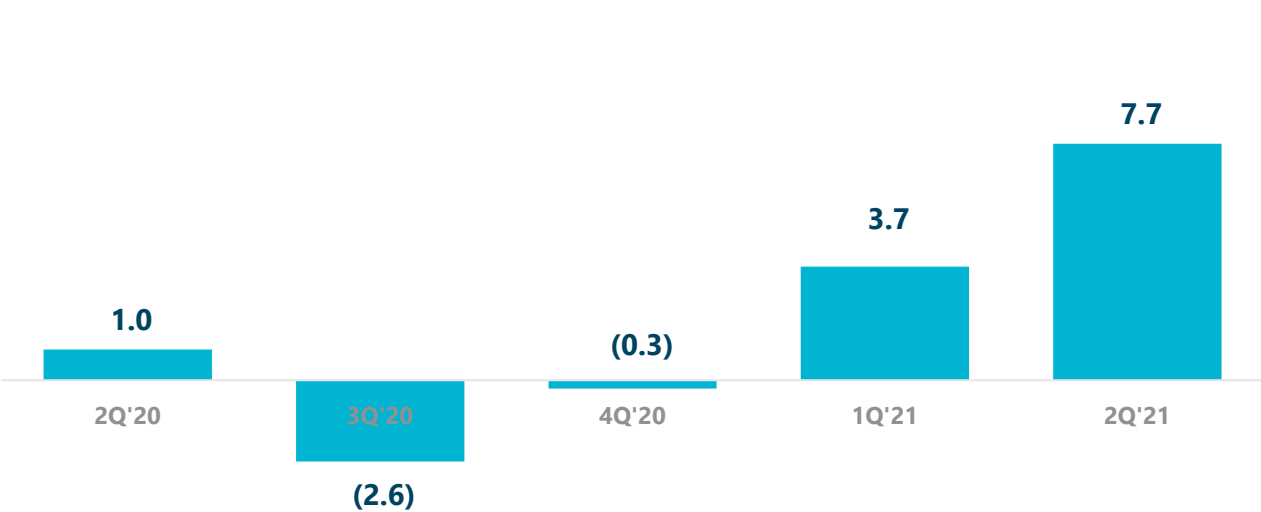


Customers on Forbearance

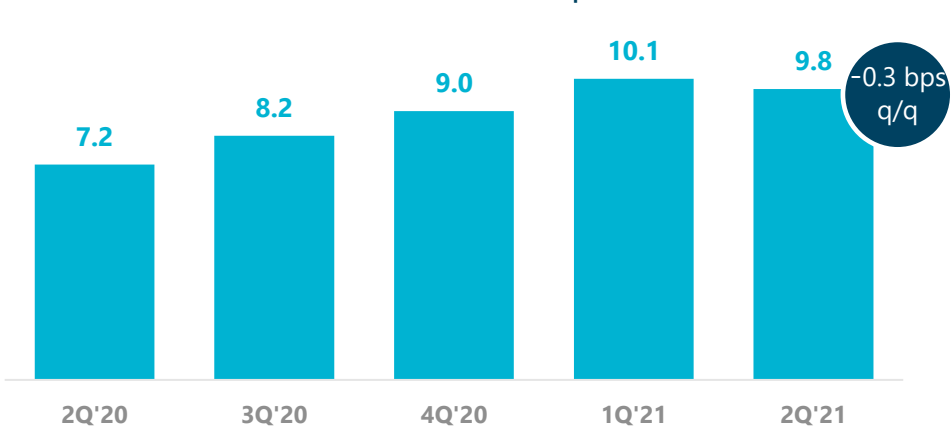


SERVICING MARGIN BENEFITS FROM EBO'S

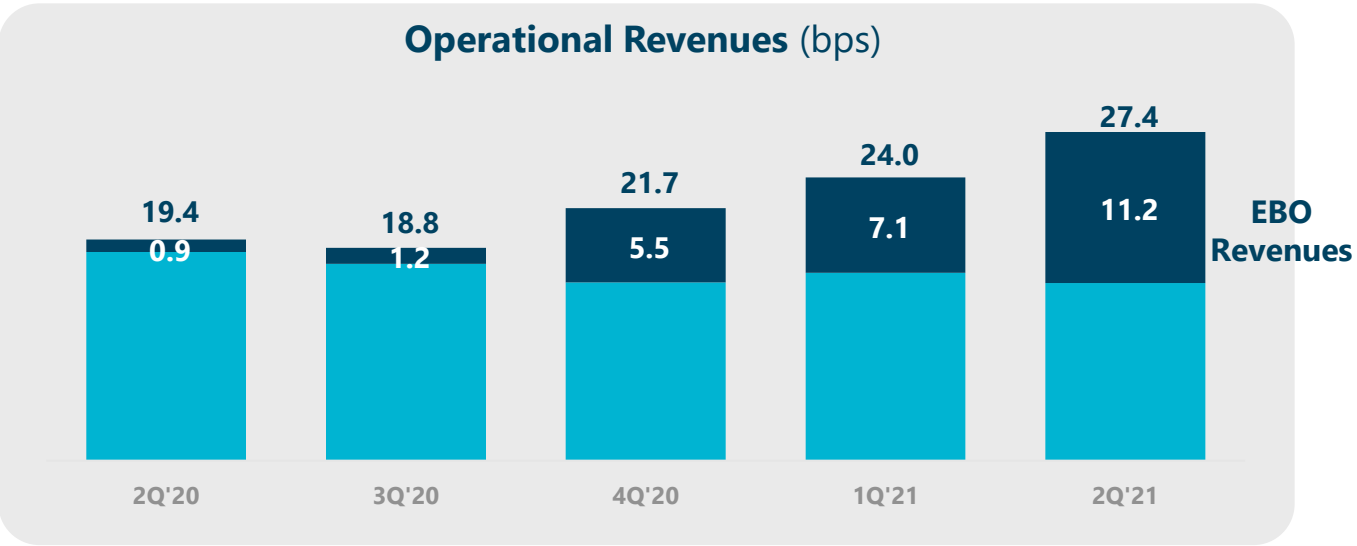
Operating Margin (bps)⁽¹⁾



Amortization (bps)



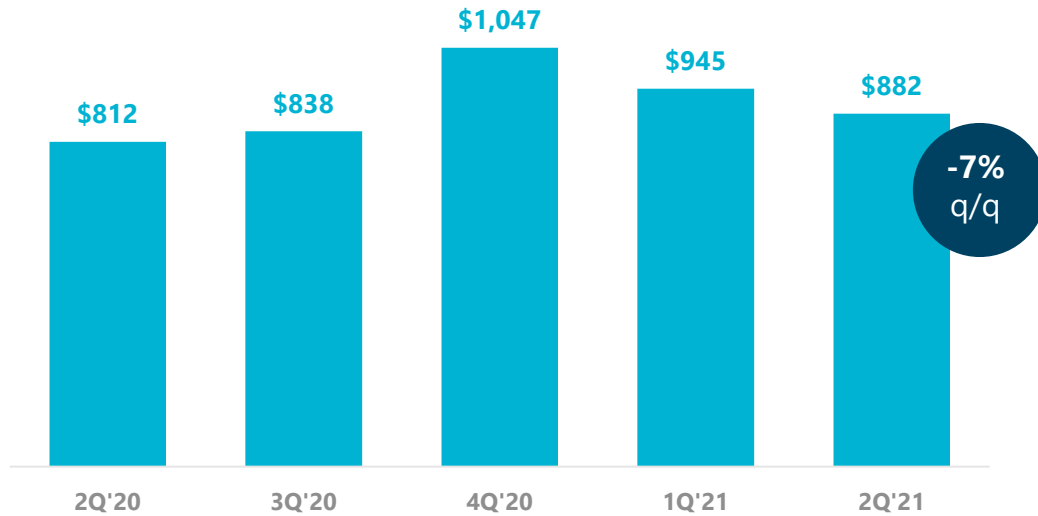
Operational Revenues (bps)



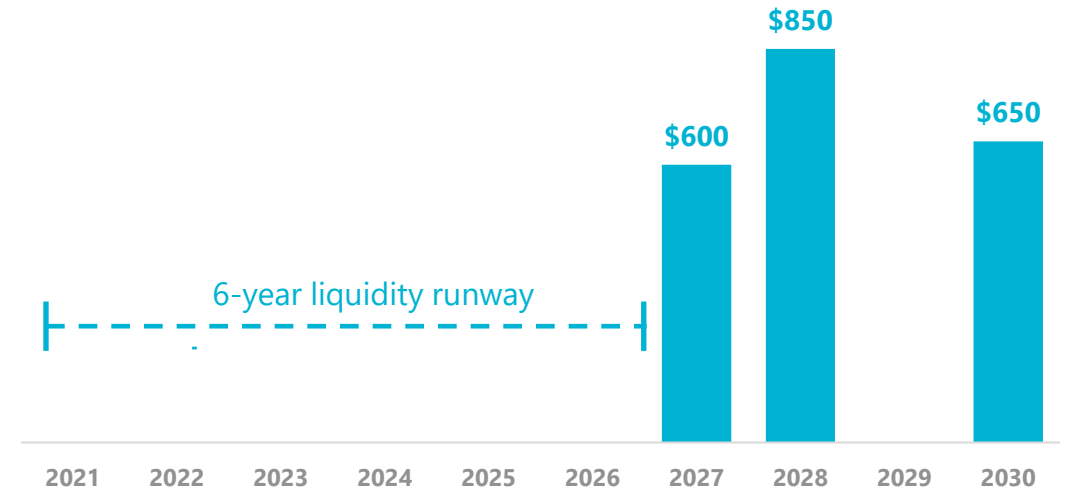
- The benefits of our balanced business model will become evident when CPRs revert to normalized levels. A decline in amortization rates to 2Q'20 levels of 7.2 bps (a reduction of 2.6 bps) would generate incremental earnings of approximately \$200 million
- A decline in amortization rates to the level in 2018, when CPR averaged 10%, would generate incremental earnings of approximately \$450 million

LIQUIDITY REMAINS STRONG

Servicing Advances (\$ mm's)⁽¹⁾



Senior Note Maturities (\$ mm's)



Advances by Investor as of June 30, 2021

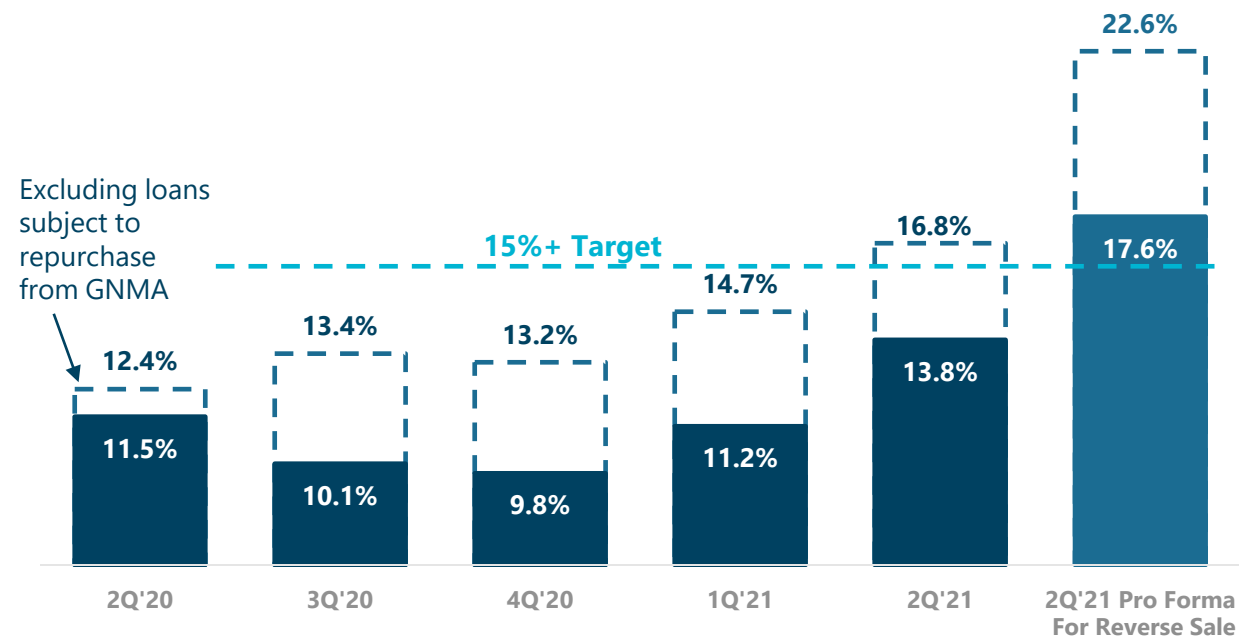
\$ mm's	P&I	T&I ⁽²⁾	Total
GNMA	\$2	\$289	\$291
GSE	3	119	122
PLS	131	203	334
Other ⁽³⁾	13	122	135
Total advances	\$149	\$733	\$882

Financing Capacity

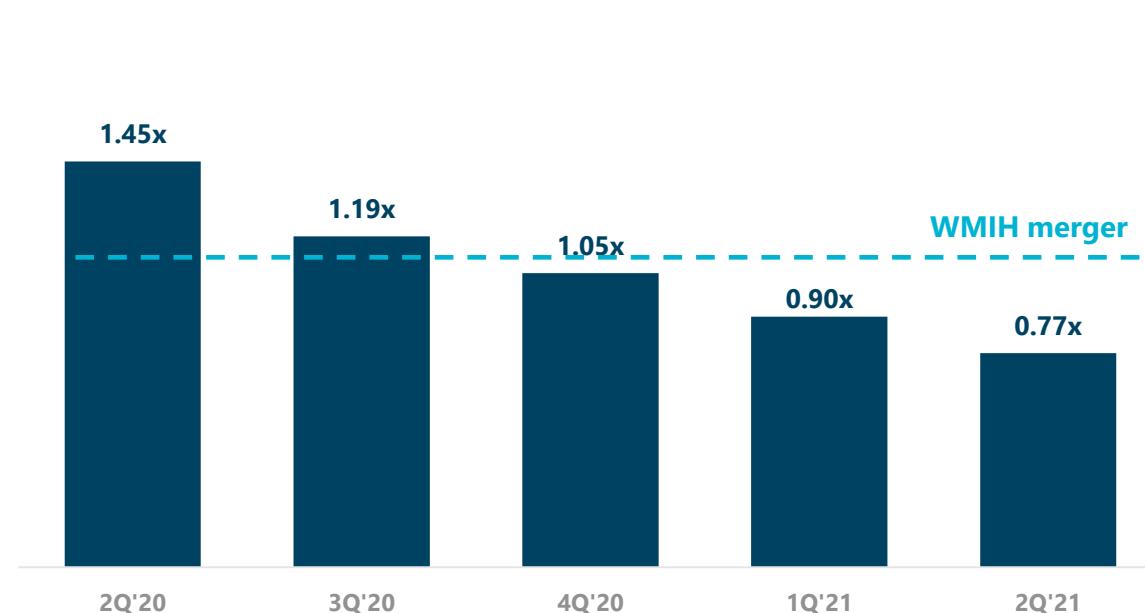
\$ mm's	Maturity	Capacity	Outstanding	Utilization
PLS	Oct'21	\$425	\$167	39%
GSE	Jan'22	875	143	16%
GNMA ⁽⁴⁾	Aug'22	640	201	31%
Other	Jan'22	100	66	66%
Advance facilities		\$2,040	\$577	28%
MSR	Aug'21-Nov'22	660	270	41%
Originations ⁽⁵⁾	Aug'21-Jun'23	12,230	6,995	57%
Total warehouse facilities		\$12,890	\$7,265	56%

ACHIEVED 15% CAPITAL TARGET PRO FORMA FOR REVERSE SALE

Tangible Net Worth/Assets⁽¹⁾



Debt/Tangible Net Worth⁽¹⁾



- Loans subject to repurchase from GNMA decreased from \$5.8 billion to \$4.1 billion quarter-over-quarter
- 2Q'21 pro forma excludes \$4.9 billion in assets from discontinued operations related to sale of the Reverse portfolio

Appendix

SEGMENT OPERATING INCOME AND NON-GAAP RECONCILIATION

\$ mm's	Servicing	Originations	Xome	Corporate / Other	Consolidated
Servicing related excluding MTM	\$88	\$45	\$39	\$ -	\$172
Net gain on mortgage loans held for sale	197	385	-	-	582
Operating revenue excluding MTM	285	430	39	-	754
Salaries, wages, and benefits	70	164	17	27	278
General and administrative	51	62	28	6	147
Total expenses	121	226	45	33	425
Interest income / other	25	26	486	-	537
Interest expense	(65)	(23)	-	(1)	(89)
Corporate debt interest expense	-	-	-	(30)	(30)
Total other (expenses) income, net	(40)	3	486	(31)	418
Pretax income (loss) before MTM	124	207	480	(64)	747
Fair value amortization ⁽¹⁾	(45)	-	-	-	(45)
Other MTM	(135)	-	-	-	(135)
MTM	(180)	-	-	-	(180)
Pretax (loss) income from continuing operations	(56)	207	480	(64)	567
Other MTM	135	-	-	-	135
Net gain from Title365 sale	-	-	(485)	-	(485)
Adjustments	1	6	-	-	7
Intangible amortization	-	-	1	2	3
Pretax operating income (loss) from continuing operations	\$80	\$213	(\$4)	(\$62)	\$227

TANGIBLE BOOK VALUE (TBV), TNW/ASSETS, AND DEBT/TNW RECONCILIATION

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Stockholders' equity	\$2,145	\$2,341	\$2,504	\$2,904	\$3,350
Goodwill	(120)	(120)	(120)	(120)	(120)
Intangible assets	(50)	(42)	(31)	(27)	(22)
Tangible book value (TBV)	\$1,975	\$2,179	\$2,353	\$2,757	\$3,208
Ending outstanding sharecount (mm's)	92.0	90.9	89.5	86.1	86.1
TBV/share	\$21.46	\$23.98	\$26.30	\$32.01	\$37.24
Assets	\$17,300	\$21,755	\$24,165	\$24,713	\$23,308
Loans subject to repurchase from GNMA	\$1,171	\$5,395	\$6,159	\$5,816	\$4,057
Assets held for sale	\$5,804	\$5,549	\$5,347	\$5,186	\$4,935
Tangible assets ⁽¹⁾	\$17,130	\$21,593	\$24,014	\$24,566	\$23,166
TNW/Assets ⁽²⁾	11.5%	10.1%	9.8%	11.2%	13.8%
TNW/Assets ⁽²⁾ excluding loans subject to repurchase from GNMA	12.4%	13.5%	13.2%	14.7%	16.8%
TNW/Assets ⁽²⁾ excluding assets from discontinued operations					17.6%
TNW/Assets ⁽²⁾ excluding loans subject to repurchase from GNMA and assets from discontinued operations					22.6%
Operating lease liabilities	\$121	\$114	\$108	\$104	\$93
MSR line draws	445	266	270	270	270
Unsecured senior note principal	2,300	2,200	2,100	2,100	2,100
Debt	\$2,866	\$2,580	\$2,478	\$2,474	\$2,463
Debt/TNW	1.45x	1.18x	1.05x	0.90x	0.77x

ROTCE RECONCILIATION

\$ mm's	2Q'21
Pretax income	\$583
Income tax expense	(144)
Net income	\$439
ROCE⁽¹⁾	56.2%
ROTCE	58.9%
Pretax income	\$583
Mark-to-market	180
Fair value amortization	(45)
Net gain from Title365 sale	(485)
Pretax income from discontinued operations	(16)
Accounting items	7
Intangible amortization	3
Pretax operating income	\$227
Income tax expense ⁽²⁾	(55)
Fully-taxed operating income	\$172
ROTCE	23.1%
Average book value	\$3,127
Average tangible book value	\$2,983

ROTCE is a non-GAAP financial measure that is computed by dividing annualized earnings by average tangible common equity (tangible book value). 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 is a useful financial measure because it measures the performance of a business consistently and enables investors and others to assess the Company's use of equity. We are unable to provide a reconciliation of the forward-looking non-GAAP financial measure to its most directly comparable GAAP financial measure because we are unable to provide, without unreasonable effort, a meaningful or accurate calculation or estimate of amounts that would be necessary for the reconciliation due to the complexity and inherent difficulty in forecasting and quantifying future amounts or when they may occur. Such unavailable information could be significant to future results.

SERVICING NON-GAAP RECONCILIATION

\$ mm's	2Q'20		3Q'20		4Q'20		1Q'21		2Q'21	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Pretax (loss) income from continuing operations	(\$247)	(16.7)	(\$67)	(4.7)	(\$12)	(0.8)	\$410	26.6	(\$56)	(3.5)
Mark-to-market (MTM)	261	17.7	29	2.0	6	0.4	(354)	(22.9)	180	11.1
Accounting item	-	-	1	0.1	2	0.1	-	-	1	0.1
Pretax income (loss) excluding MTM and other notable items	\$14	1.0	(\$37)	(2.6)	(\$4)	(0.3)	\$56	3.7	\$125	7.7
Average UPB (\$bn)	\$591		\$571		\$589		\$617		\$647	

SERVICING PROFITABILITY

\$ mm's	2Q'20		3Q'20		4Q'20		1Q'21		2Q'21	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Operational Revenue										
Base servicing fees	\$239	16.2	\$231	16.2	\$222	15.1	\$223	14.5	\$221	13.7
Modification fees	2	0.1	3	0.2	2	0.1	7	0.5	7	0.4
Incentive fees	5	0.3	-	-	-	-	1	-	-	-
Late payment fees	16	1.1	15	1.1	15	1.0	14	0.9	14	0.9
Other ancillary revenues	44	3.0	52	3.6	113	7.7	140	9.1	208	12.8
Total forward MSR operational revenue	306	20.7	301	21.1	352	23.9	385	25.0	450	27.8
Base subservicing fee and other subservicing revenue	69	4.7	71	5.0	71	4.8	68	4.4	69	4.3
Total servicing fee revenue	375	25.4	372	26.1	423	28.7	453	29.4	519	32.1
MSR financing liability costs	(9)	(0.6)	(8)	(0.6)	(8)	(0.5)	(7)	(0.5)	(6)	(0.4)
Excess spread payments - principal	(79)	(5.4)	(96)	(6.7)	(95)	(6.5)	(76)	(4.9)	(70)	(4.3)
Total operational revenue	287	19.4	268	18.8	320	21.7	370	24.0	443	27.4
Amortization										
Forward MSR amortization	(186)	(12.6)	(212)	(14.9)	(228)	(15.5)	(232)	(15.0)	(228)	(14.1)
Excess spread accretion	79	5.4	96	6.7	95	6.5	76	4.9	70	4.3
Total amortization	(107)	(7.2)	(116)	(8.2)	(133)	(9.0)	(156)	(10.1)	(158)	(9.8)
Mark-to-Market Adjustments										
MSR Fair Value MTM	(316)	(21.4)	(65)	(4.5)	(107)	(7.3)	510	33.1	(240)	(14.8)
Other MTM	(5)	(0.3)	2	0.1	25	1.7	(125)	(8.2)	31	1.9
Excess spread / financing MTM	60	4.0	34	2.4	76	5.2	(31)	(2.0)	29	1.8
Total MTM adjustments	(261)	(17.7)	(29)	(2.0)	(6)	(0.4)	354	22.9	(180)	(11.1)
Total revenues	(\$81)	(5.5)	123	8.6	\$181	12.3	\$568	36.8	\$105	6.5
Average UPB (\$bn)	\$591		\$571		\$589		\$617		\$647	

SERVICING PROFITABILITY [CONT.]

\$ mm's	2Q'20		3Q'20		4Q'20		1Q'21		2Q'21	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Salaries, wages and benefits	\$65	4.4	\$66	4.6	\$67	4.5	\$66	4.3	\$70	4.3
Servicing support fees	24	1.6	26	1.8	26	1.8	21	1.4	22	1.4
Corporate and other general and administrative expenses	30	2.0	31	2.2	27	1.8	30	1.9	30	1.9
Foreclosure and other liquidation related expenses	(21)	(1.4)	(6)	(0.4)	11	0.8	(12)	(0.8)	(8)	(0.5)
Depreciation and amortization	4	0.3	6	0.4	6	0.4	5	0.3	7	0.4
Total general and administrative expenses	37	2.5	57	4.0	70	4.8	44	2.8	51	3.2
Total expenses	\$102	6.9	\$123	8.6	\$137	9.3	\$110	7.1	\$121	7.5
Other interest income	3	0.2	1	0.1	17	1.2	23	1.5	25	1.5
Interest income	3	0.2	1	0.1	17	1.2	23	1.5	25	1.5
Advance interest expense	(8)	(0.5)	(7)	(0.5)	(6)	(0.4)	(6)	(0.4)	(4)	(0.2)
Other interest expense	(59)	(4.0)	(61)	(4.3)	(67)	(4.6)	(65)	(4.2)	(61)	(3.8)
Interest expense	(67)	(4.5)	(68)	(4.8)	(73)	(5.0)	(71)	(4.6)	(65)	(4.0)
Total other expense, net	(\$64)	(4.3)	(\$67)	(4.7)	(\$56)	(3.8)	(\$48)	(3.1)	(40)	(2.5)
Pretax (loss) income from continuing operations	(\$247)	(16.7)	(\$67)	(4.7)	(\$12)	(0.8)	\$410	26.6	(\$56)	(3.5)
Average UPB (\$bn)	\$591		\$571		\$589		\$617		\$647	

SERVICING PORTFOLIO

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Unpaid Principal Balance (UPB) Rollforward					
Originations	\$9,478	\$14,517	\$23,104	\$23,623	\$20,907
Acquisitions	162	562	11,275	7,548	16,516
Dispositions	(31)	(23)	(16)	(50)	(18)
Transfers to/from Subservicing	(1,796)	(3,222)	(4,802)	(2,901)	(4,102)
Runoff	(20,472)	(23,142)	(25,039)	(23,381)	(21,876)
Forward owned⁽¹⁾	\$277,975	\$266,667	\$271,189	\$276,028	\$287,455
Subservicing	296,792	300,855	336,513	352,481	366,862
Total Servicing	\$574,767	\$567,522	\$607,702	\$628,509	\$654,317
Valuation Data					
MSR original cost	86 bps	86 bps	86 bps	86 bps	86 bps
MSR carrying value	99 bps	100 bps	100 bps	122 bps	115 bps
Runoff Rates					
CPR	22.0%	25.9%	28.6%	26.1%	23.7%
Principal payments	3.7%	2.8%	4.1%	4.2%	4.7%
Forward owned runoff rate	25.7%	28.7%	32.7%	30.3%	28.4%
Total Servicing CPR	26.0%	30.1%	33.1%	30.8%	26.0%
Portfolio Composition					
GSE	22%	22%	22%	23%	25%
GNMA	18%	17%	15%	14%	13%
PLS	8%	8%	7%	7%	6%
Forward owned	48%	47%	44%	44%	44%
Subservicing	52%	53%	56%	56%	56%
Total	100%	100%	100%	100%	100%

ORIGINATIONS PROFITABILITY

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Service related, net - Originations	\$21	\$27	\$37	\$43	\$45
Net gain on mortgage loans held for sale					
Net gain on loans originated and sold	453	449	352	286	143
Capitalized servicing rights	123	162	270	274	246
Provision for repurchase reserves, net of release	(3)	(6)	(9)	(8)	(4)
Total net gain on mortgage loans held for sale	573	605	613	552	385
Total revenues	\$594	\$632	\$650	\$595	\$430

Supplemental Data

Pull through adjusted lock volume	\$12,394	\$19,794	\$23,706	\$23,267	\$18,358
Funded volume	\$10,729	\$15,598	\$24,526	\$25,133	\$22,227
Loans sold, servicing retained	\$9,250	\$12,123	\$20,203	\$21,314	\$19,344
GOS margin ⁽¹⁾	4.62%	3.06%	2.59%	2.37%	2.10%
Revenue margin ⁽¹⁾	4.79%	3.19%	2.74%	2.56%	2.34%
Value of capitalized servicing retained	133 bps	133 bps	134 bps	128 bps	128 bps

ORIGINATIONS PROFITABILITY [CONT.]

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Salaries, wages and benefits	\$120	\$140	\$163	\$167	\$164
Loan originations expenses	16	20	25	27	26
Corporate and other general and administrative expenses	16	16	14	20	17
Marketing and professional service fee	11	14	10	13	13
Depreciation and amortization	4	5	6	4	6
Total expenses	\$167	\$195	\$218	\$231	\$226
Funded volume	\$10,729	\$15,598	\$24,526	\$25,133	\$22,227
Expenses margin ⁽¹⁾	1.56%	1.25%	0.89%	0.92%	1.01%
Interest income	\$19	\$16	\$26	\$23	\$26
Interest expense	(13)	(15)	(23)	(25)	(23)
Total other income (expense), net	\$6	\$1	\$3	(\$2)	\$3
Funded volume	\$10,729	\$15,598	\$24,526	\$25,133	\$22,227
Other income (expense), net margin ⁽¹⁾	0.06%	0.01%	0.01%	-0.01%	0.01%
Pretax income from continuing operations	\$433	\$438	\$435	\$362	\$207
Pretax income margin ⁽²⁾	3.29%	1.95%	1.86%	1.63%	1.34%

XOME NON-GAAP RECONCILIATION

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Pretax income from continuing operations	\$12	\$15	\$10	\$9	\$480
Net gain from Title365 sale	-	-	-	-	(485)
Accounting item	-	-	6	3	-
Intangible amortization	1	3	2	1	1
Pretax income (loss) from continuing operations excluding notable items	\$13	\$18	\$18	\$13	(\$4)

XOME PROFITABILITY

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Exchange	\$9	\$6	\$7	\$5	\$5
Title	52	57	60	56	-
Solutions	45	45	46	35	34
Total revenues	\$106	\$108	\$113	\$96	\$39
Salaries, wages and benefits	\$33	\$32	\$34	\$29	\$17
Operational expenses	59	57	66	55	25
Depreciation and amortization	3	5	4	3	3
Total expenses	\$95	\$94	\$104	\$87	\$45
Total other income, net	\$1	\$1	\$1	\$ -	\$486
Pretax income from continuing operations	\$12	\$15	\$10	\$9	\$480
Margin	11.3%	13.9%	8.8%	9.4%	1230.8%
Exchange properties sold	1,191	860	863	710	659
Average Exchange properties under management	17,438	15,067	15,132	14,210	14,196
Title completed orders	245,252	223,497	205,718	188,356	-
Solutions completed orders	521,169	635,059	709,121	546,552	475,507
Percentage of revenue earned from third-party customers	53%	50%	47%	48%	36%

ADJUSTED EBITDA

\$ mm's	2Q'20	3Q'20	4Q'20	1Q'21	2Q'21
Consolidated GAAP pretax (loss) income	\$110	\$281	\$247	\$728	\$583
Mark-to-market	261	29	6	(354)	180
Adjustments ⁽¹⁾	1	54	95	4	(494)
MSR amortization, net	102	112	130	153	158
Capitalized servicing rights	(126)	(163)	(275)	(288)	(266)
Depreciation and amortization	18	19	18	16	16
Corporate debt interest expense	47	44	38	30	30
Other	5	6	6	6	8
Adjusted EBITDA	\$418	\$382	\$265	\$295	\$215

2Q'21 SOURCES AND USES CASH FLOW

	Servicing	Originations	Xome	Corporate / Other	Consolidated	Illustrative Steady State Discretionary Cashflow
\$mm's						
GAAP pretax income (loss) from continuing operations	(\$56)	\$207	\$480	(\$64)	\$567	
Depreciation and amortization	7	6	3	-	16	
Share-based compensation	1	-	1	6	8	
Amortization of deferred financing costs	2	1	-	1	4	
Settlement of excess spread financing	(40)	-	-	-	(40)	
MSR amortization	228	-	-	-	228	
Total MTM adjustments	180	-	-	-	180	
T365 gain, net of transaction costs	-	-	(485)	-	(485)	
Business segment cash flow from operations	\$322	\$214	(\$1)	(\$57)	\$478	\$478
State/local taxes ⁽¹⁾					-	(18)
Total working capital change ⁽²⁾					(93)	-
Total sources, net					\$385	\$460
Capex					(12)	(12)
Capitalized servicing rights - Originations/EBO					(266)	(266)
MSR purchases, MSR sales and excess spread financing					(136)	63
Net investment in MSR					(402)	(203) ⁽³⁾
Total uses, net					(414)	(215)
Change in cash					(\$29)	\$245
Change in unrestricted cash					\$42	

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

⁽²⁾ Includes mortgage loans originated, sold or repurchased, net gains on mortgage loans held for sale excluding capitalized servicing rights, activities from discontinued operations, 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

⁽³⁾ Required investment to sustain the net MSR is based on sum of (\$228) mm forward MSR amortization, \$70 mm excess spread accretion, and (\$45) mm fair value amortization