



Mr. CooperGroup®

1Q'24 EARNINGS REVIEW

April 24, 2024

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 U.S. federal securities laws, including statements regarding strategic 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. 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.

FIRST QUARTER HIGHLIGHTS

Financial

- Reported \$181 million net income and \$199 million pretax operating income⁽¹⁾
- Generated ROTCE of 17.3% and operating ROTCE⁽¹⁾ of 14.5%
- TBV⁽¹⁾ increased to \$65.48 per share, up 15% y/y
- TNW/assets⁽¹⁾ was 29.0%, with record liquidity of \$3.3 billion

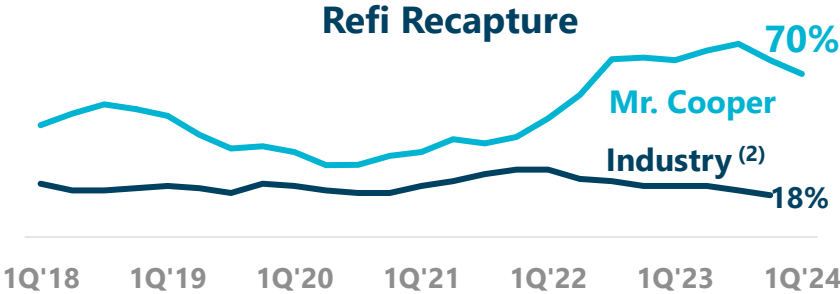
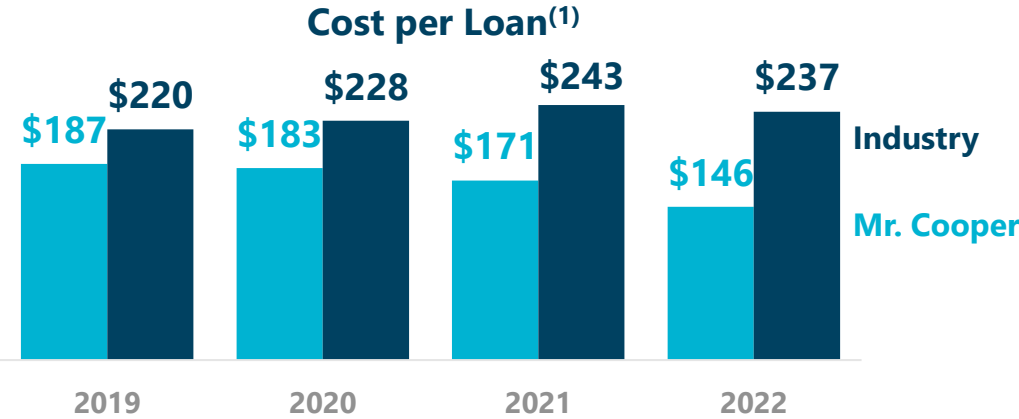
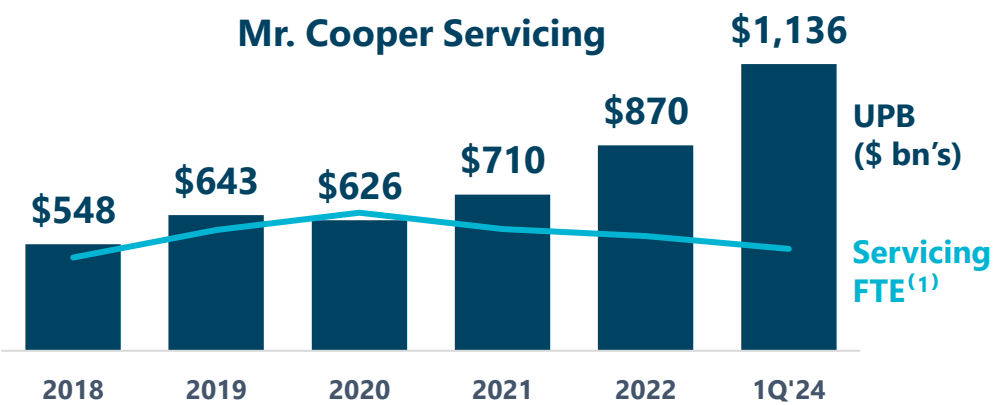
Operational

- Servicing generated \$273 million pretax operating income⁽¹⁾
- Servicing portfolio grew to \$1.1 trillion, up 33% y/y
- Originations generated \$32 million pretax operating income⁽¹⁾ on funded volume of \$2.9 billion

Other

- Repurchased 0.5 million shares for \$39 million
- Issued \$1 billion senior notes priced to yield 7.25%

COMPETITIVE ADVANTAGES CREATE GROWTH OPPORTUNITIES



TECHNOLOGY POWERS COMPETITIVE ADVANTAGES

ARTIFICIAL INTELLIGENCE



CLOUD



DIGITIZATION



FOUNDATION



Pyro provides decisive advantage in acquiring MSR portfolios



Ingests >100,000 nonstandard documents for typical bulk MSR acquisition



Scans each page with state-of-the-art OCR



Recognizes loan/customer attributes, including unstructured content like signatures and stamps



Extracts, classifies, and populates data into our servicing system



Massive pick-up in speed and accuracy
Adds to competitive advantage in bidding

Frictionless customer experience
Supports smooth onboarding

Efficiency gains
Far fewer FTE devoted to data entry, indexing, and reconciliations

Trains models for Gen AI
Applications now being rolled out across the company benefit from multi-year data and training



MILLIONS OF PAGES PROCESSED

151
2020

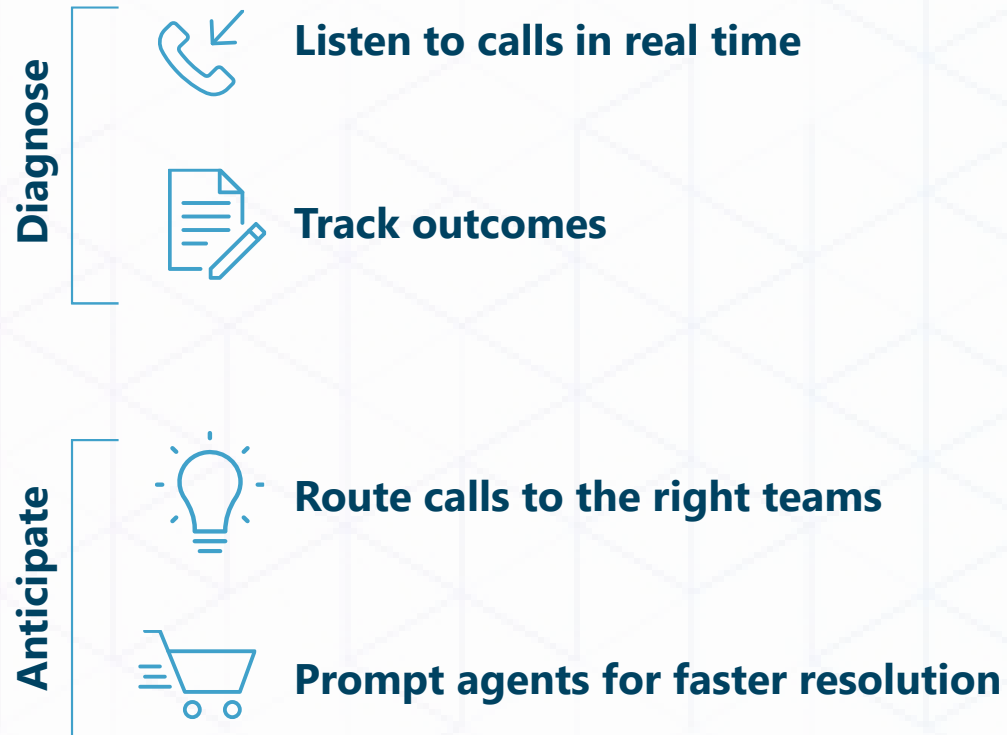
406
2021

425
2022

612
2023



Supervised Learning Techniques will Radically Transform How We Manage Call Center Operations



Efficiency

Service

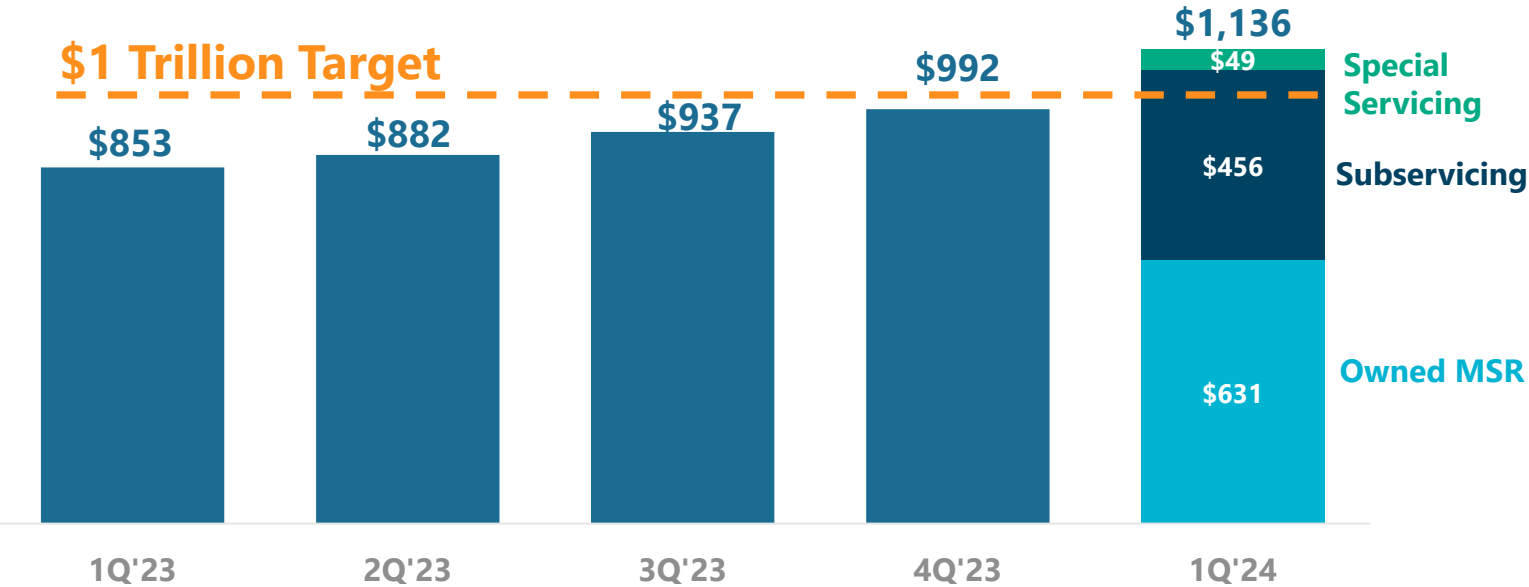
Reliability

Rolling Out Generative AI Across the Company

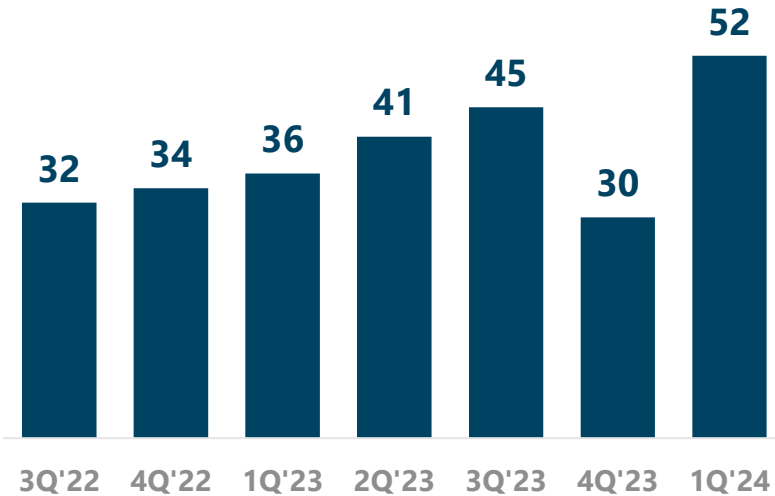


SURPASSED STRATEGIC TARGET WITH STRONG MOMENTUM

Servicing Portfolio Grew 33% Y/Y (UPB in \$ bn's)



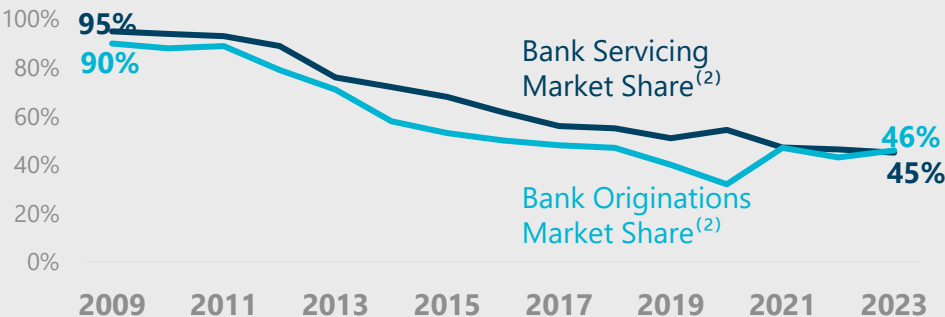
MSR Pipeline at Record Levels
(number of deals reviewed)



Industry Origination Margins Have Plunged
(pretax margin, bps)⁽¹⁾

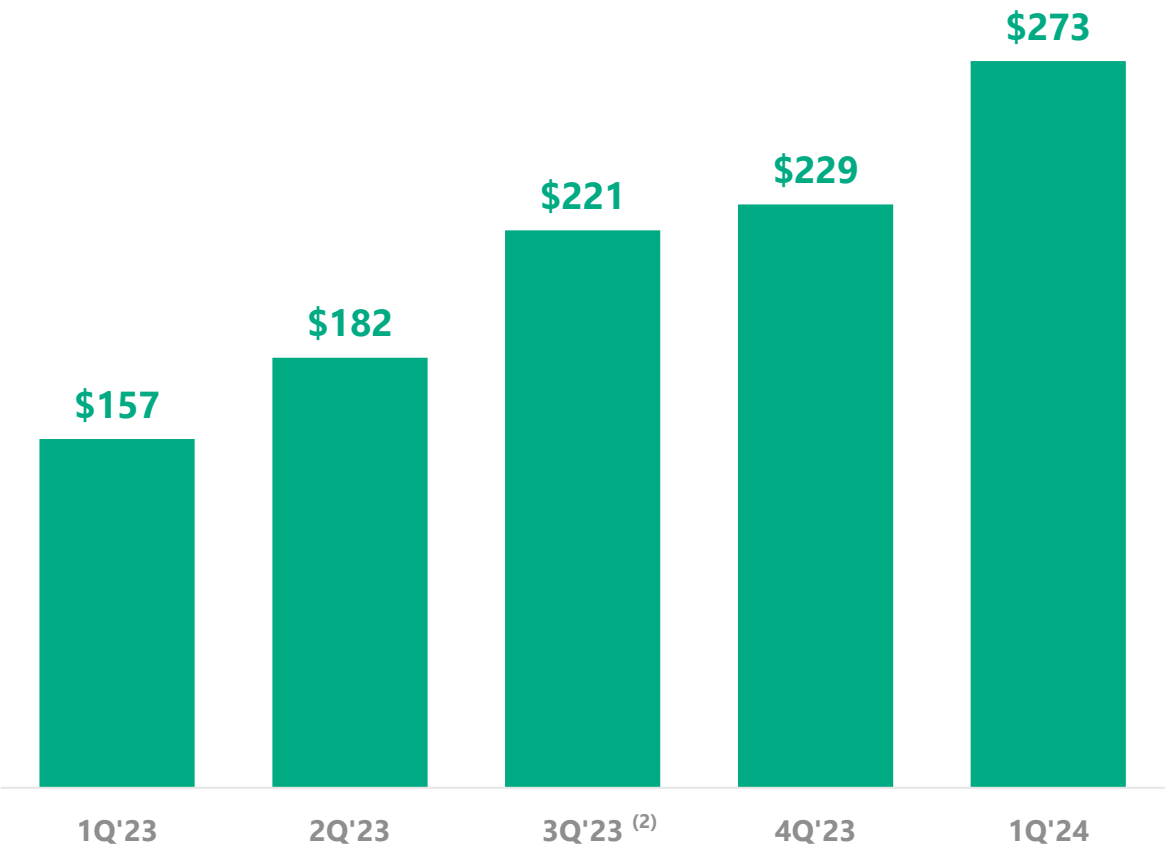


Bank Share of Mortgage Industry Has Been Declining for Years

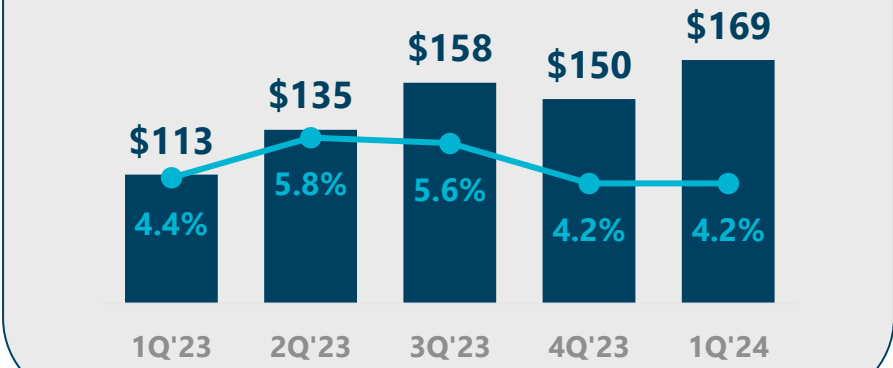


STRONG TRENDS CONTINUE FOR SERVICING INCOME

Pretax Operating Income⁽¹⁾ Benefitting from Portfolio Growth and Efficiency
(\$ mm's)



MSR CPR (%) and Amortization⁽¹⁾ (\$mm)

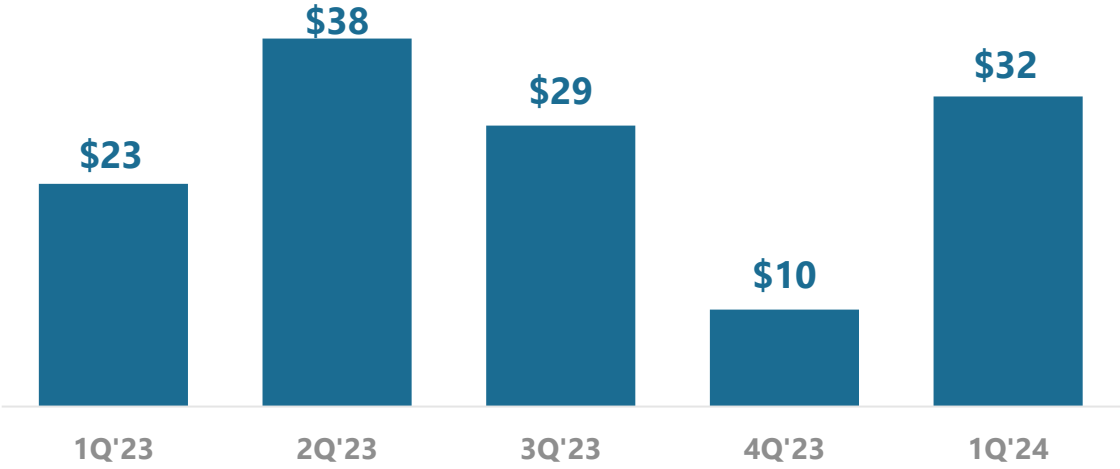


Positive Operating Leverage (\$ mm's)

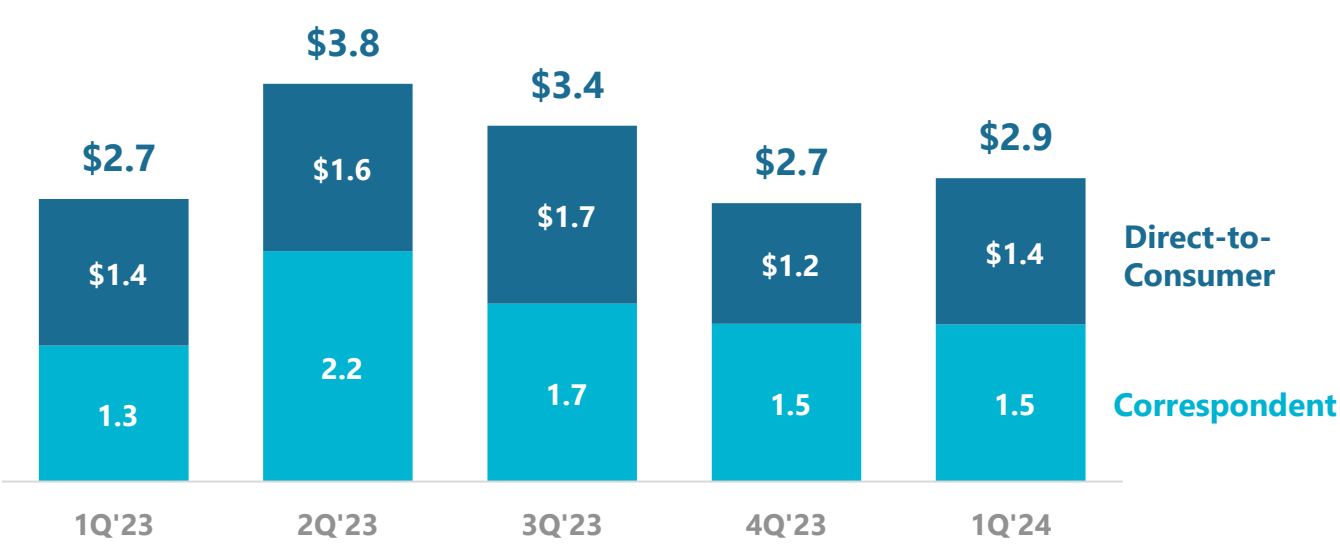


ORIGINATION REMAINS SOLIDLY PROFITABLE DESPITE CHALLENGING ENVIRONMENT

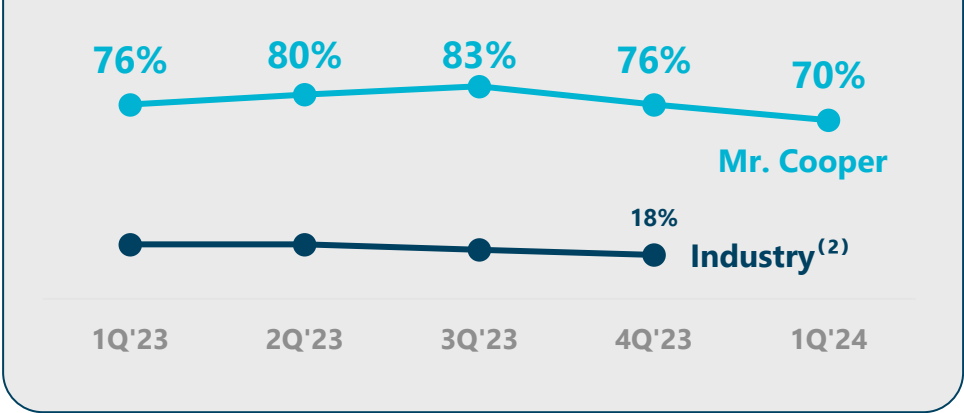
Origination Pretax Operating Income⁽¹⁾ Rebounded
(\$ mm's)



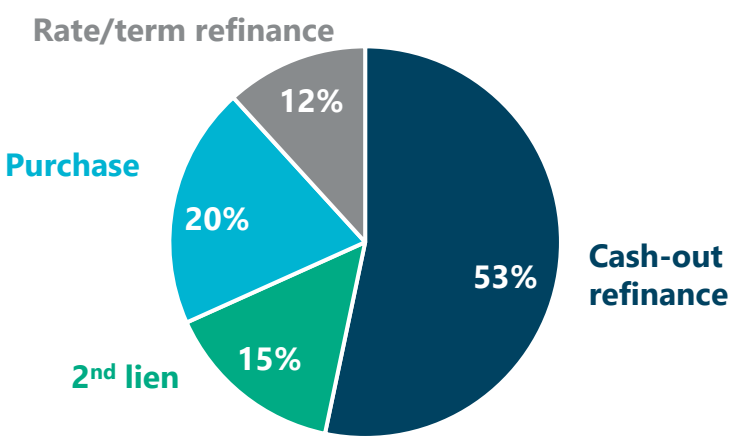
Stable Funded Volume
(\$ bn's)



Industry-leading DTC Refi Recapture reflects strong technology, operations, people



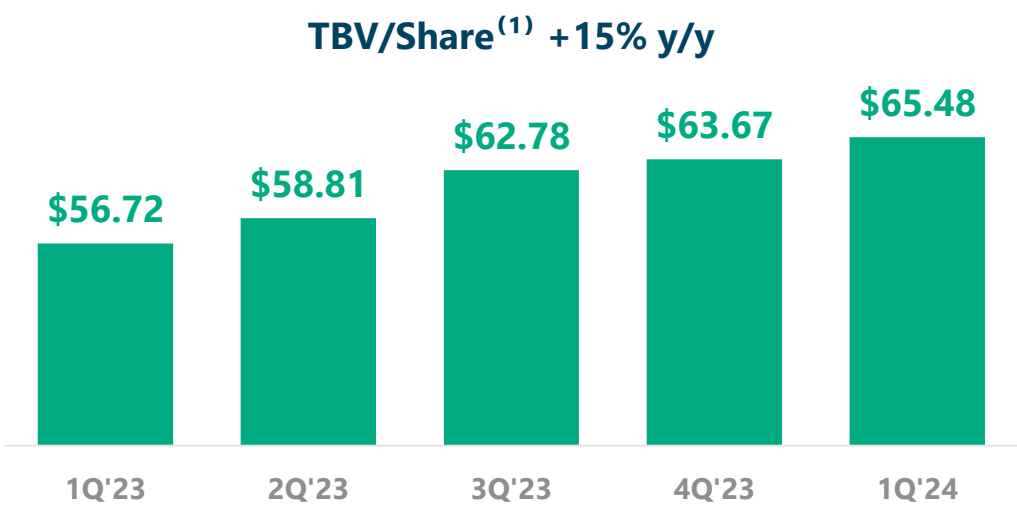
1Q'24 DTC Funding Volume Mix



SUMMARY 1Q'24 FINANCIAL RESULTS

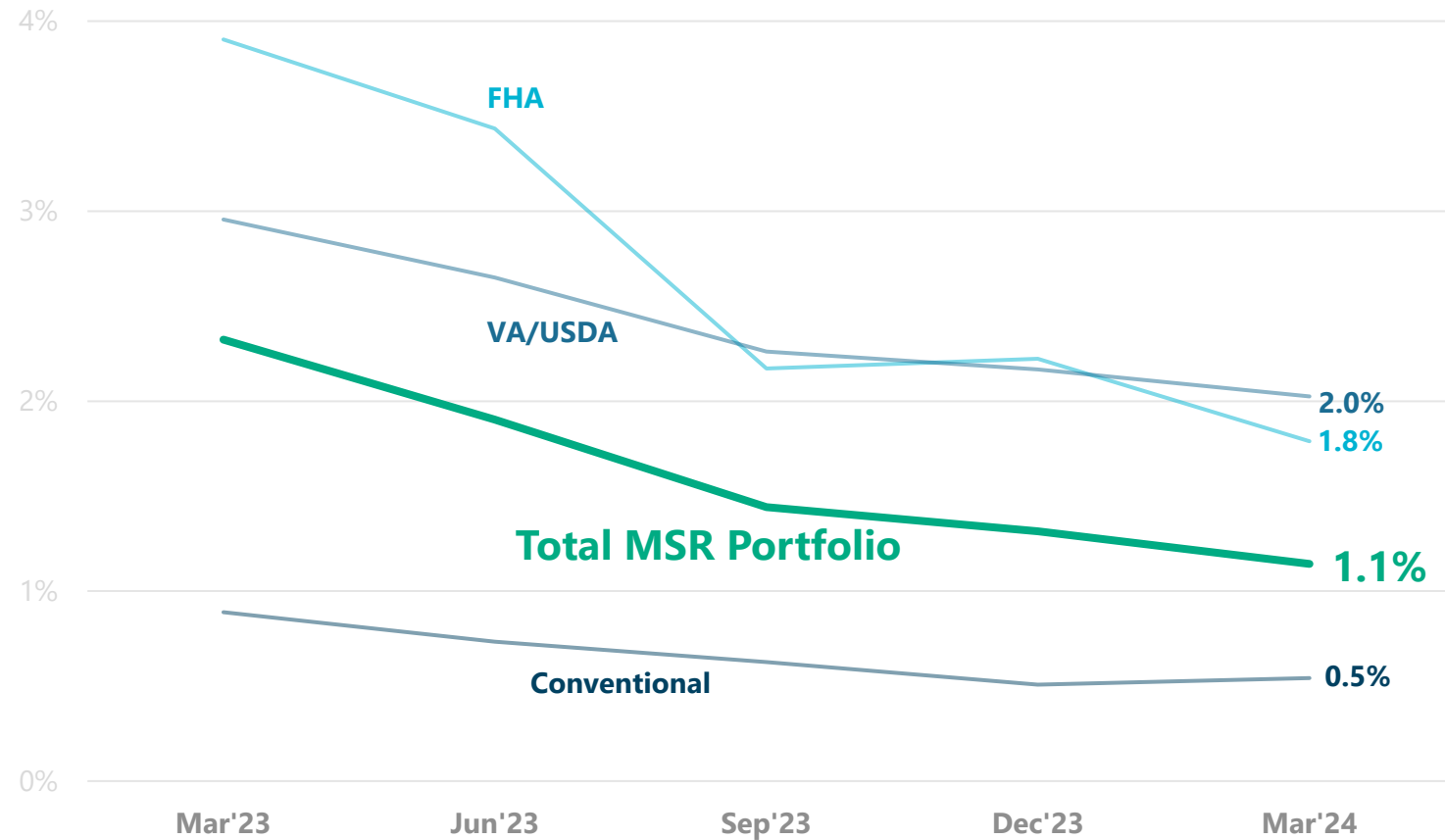
\$ mm's, except per share data	1Q'24	4Q'23	1Q'23
Servicing	\$273	\$229	\$157
Originations	32	10	23
Corporate debt interest expense	(61)	(48)	(39)
Corporate expense/other	(45)	(40)	(31)
Pretax operating income⁽¹⁾	\$199	\$151	\$110
Other mark-to-market ⁽¹⁾	42	(41)	(63)
Adjustments	(7)	(39)	(11)
Intangible amortization	(2)	(2)	(1)
Pretax income	\$232	\$69	\$35
Income tax (expense) benefit	(51)	(23)	2
Net income	\$181	\$46	\$37
Weighted average diluted sharecount	66.3	66.7	70.5
Diluted EPS ⁽²⁾	\$2.73	\$0.69	\$0.52
ROTCE ⁽¹⁾	17.3%	4.5%	3.8%
Operating ROTCE^{(1) (3)}	14.5%	11.1%	8.6%

- Adjustments included \$2 mm deal costs and \$4 mm loss associated with equity investments
- Other MTM of \$42 mm included \$164 mm MSR MTM, net of excess spread⁽⁴⁾, and \$122 mm hedge loss, equivalent to **74% hedge ratio**
- MSR ended the quarter valued at 155% of UPB or 5.3x the base servicing fee
- Cash flows enhanced through continued monetization of our \$426 mm Deferred Tax Assets as of March 31, 2024



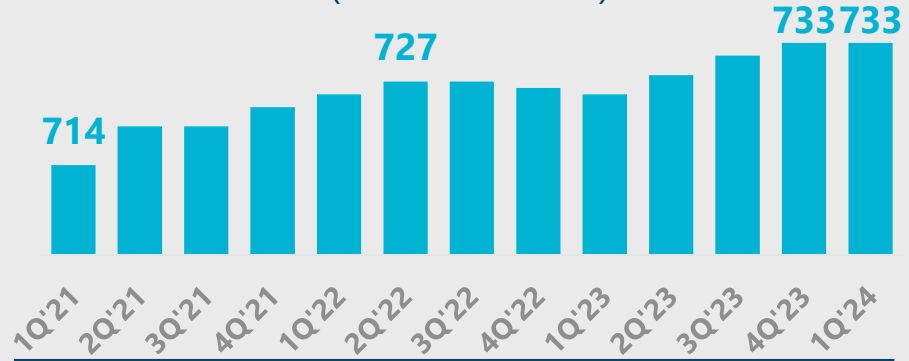
WELL POSITIONED TO PERFORM IN ADVERSE ENVIRONMENTS

High Quality MSR Portfolio with Record Low Delinquencies⁽¹⁾



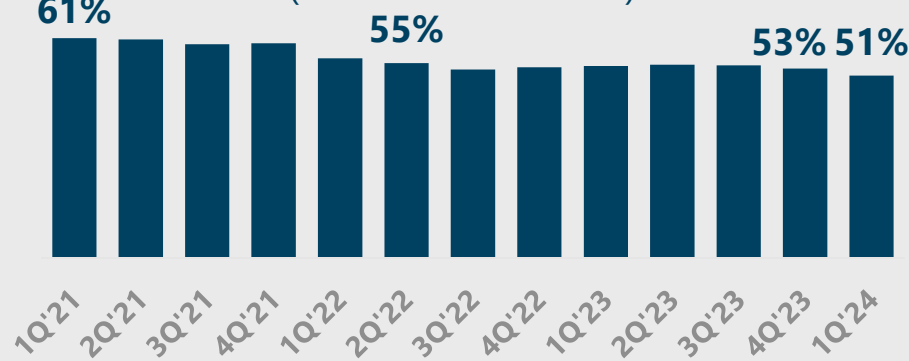
Strong Quality Trends

(W.A. MSR FICO)



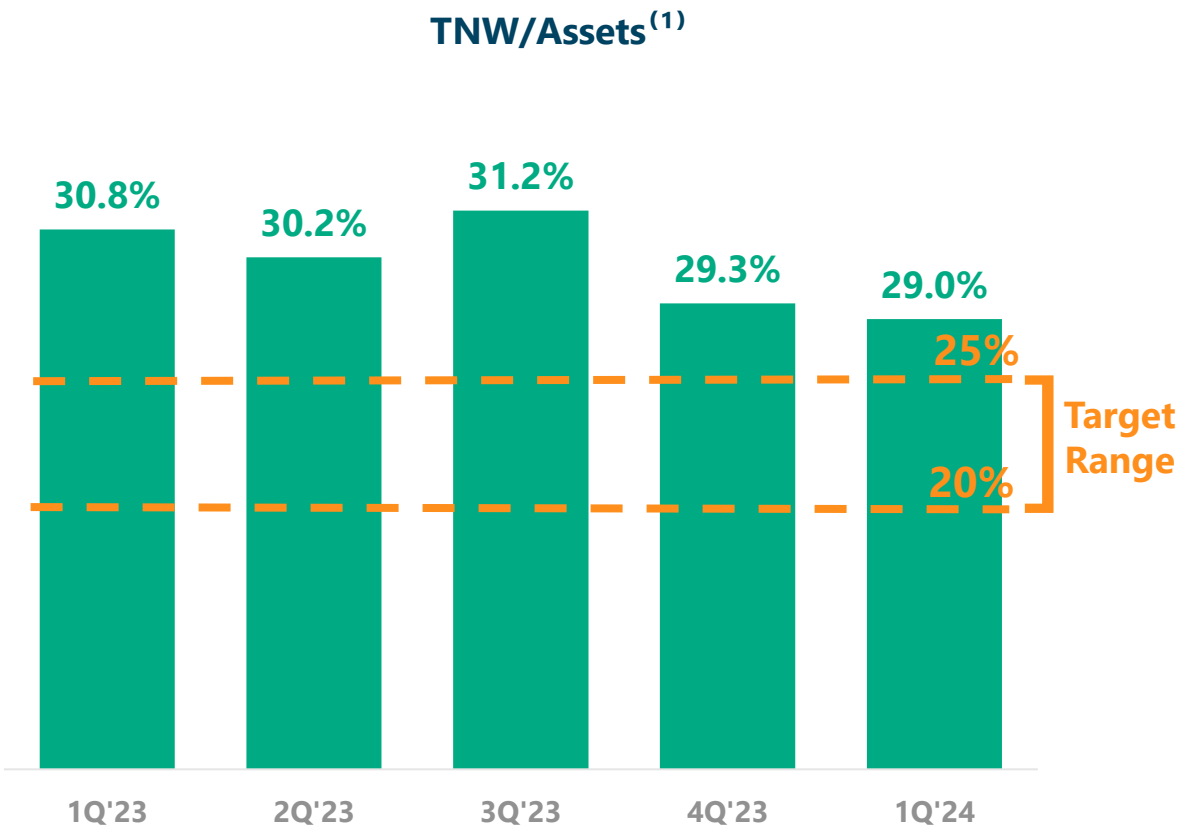
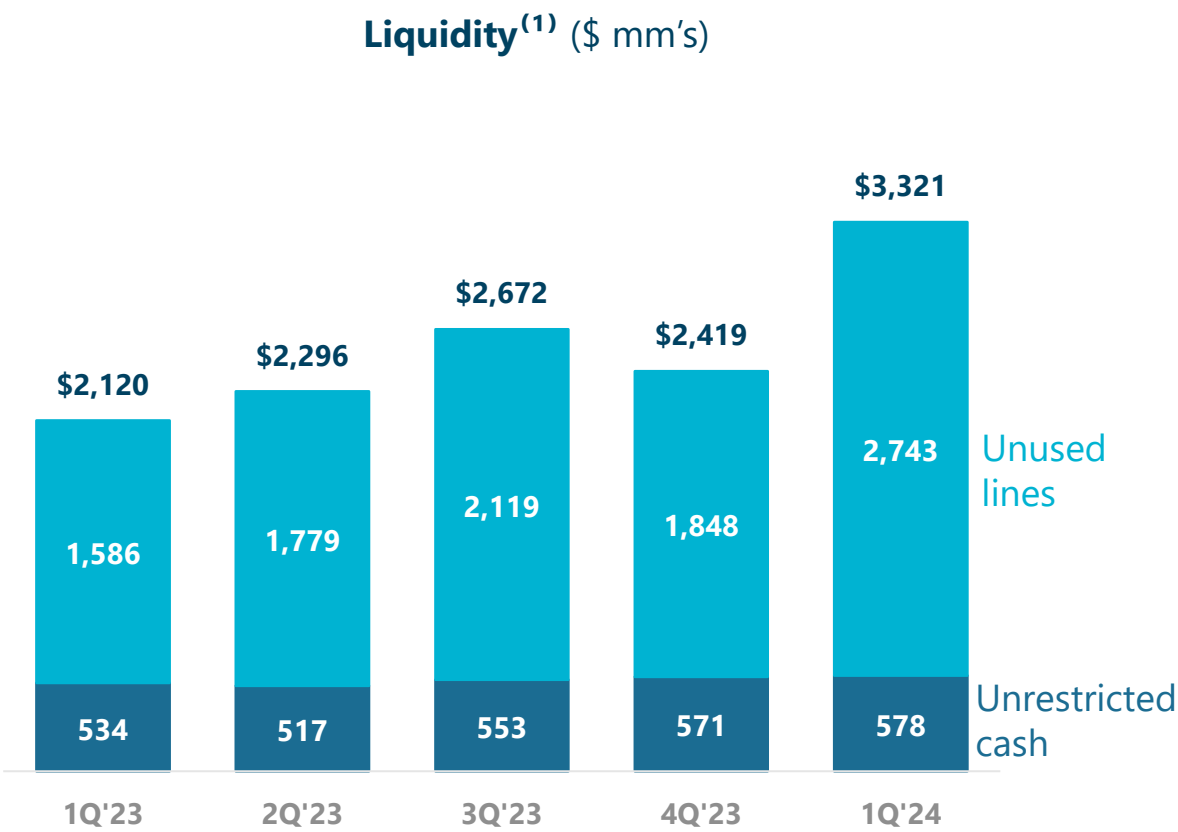
Strong Quality Trends

(W.A. MSR MTM LTV)



Our special servicing business and digital real estate auction marketplace positions us to generate counter-cyclical revenues during adverse credit cycles

RECORD LIQUIDITY FOLLOWING HIGH YIELD OFFERING AND FACILITY UPSIZE



- Borrowing capacity increased \$200 mm in the quarter and by additional \$250 mm subsequent to quarter end

Appendix

BALANCE SHEET

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Cash and cash equivalents	\$534	\$517	\$553	\$571	\$578
Restricted cash	133	170	151	169	157
Mortgage servicing rights at fair value	6,566	7,149	8,504	9,090	9,796
Advances and other receivables, net of reserves	933	802	758	996	914
Mortgage loans held for sale at fair value	937	1,187	893	927	1,070
Property and equipment, net	64	61	59	53	55
Deferred tax asset, net	707	657	499	472	426
Other assets	2,783	2,601	2,010	1,918	1,779
Total assets	\$12,657	\$13,144	\$13,427	\$14,196	\$14,775
Unsecured senior notes, net	\$2,675	\$2,676	\$3,147	\$3,151	\$4,137
Advance, warehouse and MSR facilities, net	2,934	3,512	3,545	4,302	4,087
Payables and other liabilities	2,550	2,395	1,964	1,995	1,691
MSR related liabilities - nonrecourse at fair value	512	482	467	466	455
Total liabilities	8,671	9,065	9,123	9,914	10,370
Total stockholders' equity	3,986	4,079	4,304	4,282	4,405
Total liabilities and stockholders' equity	\$12,657	\$13,144	\$13,427	\$14,196	\$14,775

SEGMENT OPERATING INCOME AND NON-GAAP RECONCILIATION

\$ mm's	Servicing	Originations	Corporate / Other	Consolidated
Service related, net, excluding MTM	\$397	\$16	\$22	\$435
Net gain on mortgage loans held for sale	10	76	-	86
Operating revenue excluding MTM	407	92	22	521
Salaries, wages, and benefits	85	34	40	159
General and administrative	100	28	30	158
Total expenses	185	62	70	317
Interest income	146	12	-	158
Interest expense	(98)	(10)	(62)	(170)
Other expense, net	-	-	(3)	(3)
Total other income (expenses), net	48	2	(65)	(15)
Pretax income (loss) before MTM	270	32	(113)	189
Fair value of excess spread accretion	1	-	-	1
Other MTM	42	-	-	42
MTM	43	-	-	43
Pretax income (loss) from operations	313	32	(113)	232
Other MTM	(42)	-	-	(42)
Adjustments	-	-	7	7
Intangible amortization	2	-	-	2
Pretax operating income (loss) from operations	\$273	\$32	(\$106)	\$199

ROTCE RECONCILIATION

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Pretax income	\$35	\$198	\$352	\$69	\$232
Income tax benefit (expense)	2	(56)	(77)	(23)	(51)
Net income	\$37	\$142	\$275	\$46	\$181
ROCE⁽¹⁾	3.7%	14.1%	26.2%	4.3%	16.7%
ROTCE	3.8%	14.6%	27.3%	4.5%	17.3%
Pretax income	\$35	\$198	\$352	\$69	\$232
Other mark-to-market	63	(61)	(61)	41	(42)
Adjustments	11	11	(44)	39	7
Intangible amortization	1	2	2	2	2
Pretax operating income	\$110	\$150	\$249	\$151	\$199
Income tax expense ⁽²⁾	(27)	(36)	(60)	(37)	(48)
Operating income	\$83	\$114	\$189	\$114	\$151
Operating ROTCE	8.6%	11.7%	18.7%	11.1%	14.5%
Average book value	\$4,022	\$4,033	\$4,192	\$4,293	\$4,344
Average tangible book value	\$3,895	\$3,896	\$4,032	\$4,123	\$4,176

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.

TANGIBLE BOOK VALUE (TBV) AND TNW/ASSETS

\$ mm's except for per share data	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Stockholders' equity	\$3,986	\$4,079	\$4,304	\$4,282	\$4,405
Goodwill	(120)	(120)	(141)	(141)	(141)
Intangible assets	(6)	(28)	(30)	(28)	(26)
Tangible book value (TBV)	\$3,860	\$3,931	\$4,133	\$4,113	\$4,238
Ending outstanding sharecount (mm's)	68.1	66.8	65.8	64.6	64.7
TBV/share	\$56.72	\$58.81	\$62.78	\$63.67	\$65.48
Assets	\$12,657	\$13,144	\$13,427	\$14,196	\$14,775
Loans subject to repurchase from GNMA	\$1,889	\$1,650	\$1,027	\$966	\$856
Tangible assets ⁽¹⁾	\$12,531	\$12,996	\$13,256	\$14,027	\$14,608
Deferred tax assets, net	\$707	\$657	\$499	\$472	\$426
TNW/Assets ⁽²⁾	30.8%	30.2%	31.2%	29.3%	29.0%
TNW/Assets ⁽²⁾ excluding DTA and loans subject to repurchase from GNMA	31.7%	30.6%	31.0%	28.9%	28.6%
Operating lease liabilities	\$106	\$91	\$99	\$91	\$88
MSR line draws	1,440	1,809	2,195	2,814	2,495
Unsecured senior notes principal	2,700	2,700	3,200	3,200	4,200
Debt	\$4,246	\$4,600	\$5,494	\$6,105	\$6,783
MSR line draws/Debt	34%	39%	40%	46%	37%

SERVICING NON-GAAP RECONCILIATION

\$ mm's	1Q'23		2Q'23		3Q'23		4Q'23		1Q'24	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Pretax income from operations	\$94	4.4	\$243	11.5	\$361	16.1	\$184	7.6	\$313	11.7
Mark-to-market (MTM)	61	2.9	(63)	(3.0)	(63)	(2.8)	40	1.7	(43)	(1.6)
Fair value of excess spread accretion	2	0.1	2	0.1	2	0.1	1	0.0	1	0.0
Accounting items	-	-	-	-	-	-	2	0.1	-	-
Intangible amortization	-	-	-	-	1	0.0	2	0.1	2	0.1
Pretax income excluding MTM and other notable items	\$157	7.4	\$182	8.6	\$301	13.4	\$229	9.5	\$273	10.2
Average UPB (\$bn)	\$861		\$848		\$897		\$963		\$1,068	

Amortization Reconciliation

MSR amortization	(\$125)	(5.8)	(\$148)	(7.0)	(\$171)	(7.6)	(\$160)	(6.7)	(\$179)	(6.7)
Excess spread accretion	10	0.5	11	0.5	11	0.5	9	0.4	9	0.3
Total amortization	(115)	(5.3)	(137)	(6.5)	(160)	(7.1)	(151)	(6.3)	(170)	(6.5)
Fair value of excess spread accretion	2	0.1	2	0.1	2	0.1	1	0.0	1	0.0
Total amortization including fair value of excess spread accretion	(\$113)	(5.2)	(\$135)	(6.4)	(\$158)	(7.0)	(\$150)	(6.3)	(\$169)	(6.4)

SERVICING PROFITABILITY

\$ mm's	1Q'23		2Q'23		3Q'23		4Q'23		1Q'24	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Operational Revenue										
Base servicing fees	\$327	15.2	\$345	16.3	\$382	17.0	\$412	17.1	\$449	16.8
Modification fees	3	0.1	5	0.2	6	0.3	5	0.2	7	0.3
Late payment fees	16	0.7	16	0.8	17	0.7	14	0.6	20	0.7
Other ancillary revenues	10	0.5	15	0.7	82	3.7	16	0.7	20	0.7
Total MSR operational revenue	356	16.5	381	18.0	487	21.7	447	18.6	496	18.5
Base subservicing fee and other subservicing revenue	69	3.3	79	3.7	92	4.1	77	3.2	98	3.7
Total servicing fee revenue	425	19.8	460	21.7	579	25.8	524	21.8	594	22.2
MSR financing liability costs	(8)	(0.4)	(7)	(0.3)	(7)	(0.3)	(8)	(0.3)	(8)	(0.3)
Excess spread payments and portfolio runoff	(10)	(0.5)	(11)	(0.5)	(11)	(0.5)	(9)	(0.4)	(9)	(0.3)
Total operational revenue	407	18.9	442	20.9	561	25.0	507	21.1	577	21.6
Amortization										
MSR amortization	(125)	(5.8)	(148)	(7.0)	(171)	(7.6)	(160)	(6.7)	(179)	(6.7)
Excess spread accretion	10	0.5	11	0.5	11	0.5	9	0.4	9	0.3
Total amortization	(115)	(5.3)	(137)	(6.5)	(160)	(7.1)	(151)	(6.3)	(170)	(6.4)
Mark-to-Market Adjustments										
MSR fair value MTM	(105)	(4.9)	139	6.6	270	12.0	(183)	(7.6)	189	7.1
MTM adjustment ⁽¹⁾	50	2.3	(88)	(4.2)	(203)	(9.0)	163	6.7	(140)	(5.3)
Excess spread / financing MTM	(6)	(0.3)	12	0.6	(4)	(0.2)	(20)	(0.8)	(6)	(0.2)
Total MTM adjustments	(61)	(2.9)	63	3.0	63	2.9	(40)	(1.7)	43	1.6
Total revenues	\$231	10.7	\$368	17.4	\$464	20.7	\$316	13.1	450	16.8
Average UPB (\$bn)	\$861		\$848		\$897		\$963		\$1,068	

SERVICING PROFITABILITY [CONT.]

\$ mm's	1Q'23		2Q'23		3Q'23		4Q'23		1Q'24	
	\$	Bps	\$	Bps	\$	Bps	\$	Bps	\$	Bps
Salaries, wages and benefits	\$82	3.8	\$83	3.9	\$87	3.8	\$88	3.7	\$85	3.2
Servicing support fees	16	0.7	21	1.0	29	1.3	25	1.0	28	1.0
Corporate and other general and administrative expenses	42	2.0	44	2.1	52	2.3	56	2.3	62	2.3
Foreclosure and other liquidation related expenses	11	0.5	8	0.4	-	-	8	0.3	7	0.3
Depreciation and amortization	2	0.1	3	0.1	4	0.2	3	0.1	3	0.1
Total general and administrative expenses	71	3.3	76	3.6	85	3.8	92	3.7	100	3.7
Total expenses	\$153	7.1	\$159	7.5	\$172	7.6	\$180	7.4	\$185	6.9
Interest income	\$79	3.7	\$107	5.1	\$157	6.9	\$148	6.1	\$146	5.5
Advance interest expense	(14)	(0.6)	(14)	(0.7)	(13)	(0.6)	(14)	(0.6)	(16)	(0.6)
Other interest expense	(49)	(2.3)	(59)	(2.8)	(75)	(3.3)	(86)	(3.6)	(82)	(3.1)
Interest expense	(63)	(2.9)	(73)	(3.5)	(88)	(3.9)	(100)	(4.2)	(98)	(3.7)
Total other (expenses) income, net	\$16	0.8	\$34	1.6	\$69	3.0	\$48	1.9	\$48	1.8
Pretax income from continuing operations	\$94	4.4	\$243	11.5	\$361	16.1	\$184	7.6	\$313	11.7
Average UPB (\$bn)	\$861		\$848		\$897		\$963		\$1,068	

SERVICING PORTFOLIO

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
<u>Unpaid Principal Balance (UPB) Rollforward</u>					
Originations	\$2,731	\$3,796	\$3,419	\$2,678	\$2,835
Acquisitions	8,316	53,878	98,563	69,154	54,203
Dispositions	(1,256)	(350)	(22,184)	(1,450)	(3,144)
Runoff	(8,735)	(10,286)	(10,950)	(10,764)	(11,103)
Total MSRs⁽¹⁾	\$412,438	\$459,476	\$528,324	\$587,942	\$630,733
Subservicing	440,111	422,522	408,930	403,778	505,456
Total Servicing	\$852,549	\$881,998	\$937,254	\$991,720	\$1,136,189
<u>Valuation Data</u>					
MSR carrying value	159 bps	156 bps	161 bps	155 bps	155 bps
<u>Runoff Rates</u>					
CPR	4.4%	5.8%	5.6%	4.2%	4.2%
Principal payments	4.0%	4.0%	3.8%	3.8%	3.9%
MSR runoff rate	8.4%	9.8%	9.4%	8.0%	8.1%
Total Servicing CPR	4.1%	5.5%	5.3%	4.0%	4.7%
<u>Portfolio Composition</u>					
GSE	30%	35%	40%	44%	42%
GNMA	15%	14%	13%	12%	11%
PLS	3%	3%	3%	3%	2%
Total MSRs	48%	52%	56%	59%	55%
Subservicing	52%	48%	44%	41%	45%
Total	100%	100%	100%	100%	100%

ORIGINATIONS NON-GAAP RECONCILIATION

\$ mm's	1Q'23		2Q'23		3Q'23		4Q'23		1Q'24	
	\$	Margin	\$	Margin	\$	Margin	\$	Margin	\$	Margin
Pretax income	\$23	0.55%	\$38	1.00%	\$29	0.93%	\$9	0.40%	\$32	0.97%
Accounting items	-	0.00%	-	0.00%	-	0.00%	1	0.04%	-	0.00%
Pretax income excluding accounting items	\$23	0.55%	\$38	1.00%	\$29	0.93%	\$10	0.44%	\$32	0.97%
Pull through adjusted lock volume (\$bn)	\$3.0		\$3.8		\$3.3		\$2.6		\$3.0	
Funded volume (\$bn)	\$2.7		\$3.8		\$3.4		\$2.7		\$2.9	

ORIGINATIONS PROFITABILITY

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Service related, net - Originations	\$11	\$16	\$18	\$16	\$16
Net gain on mortgage loans held for sale					
Net gain on loans originated and sold	18	6	(8)	-	16
Capitalized servicing rights	51	75	78	51	60
Total net gain on mortgage loans held for sale	69	81	70	51	76
Total revenues	\$80	\$97	\$88	\$67	\$92

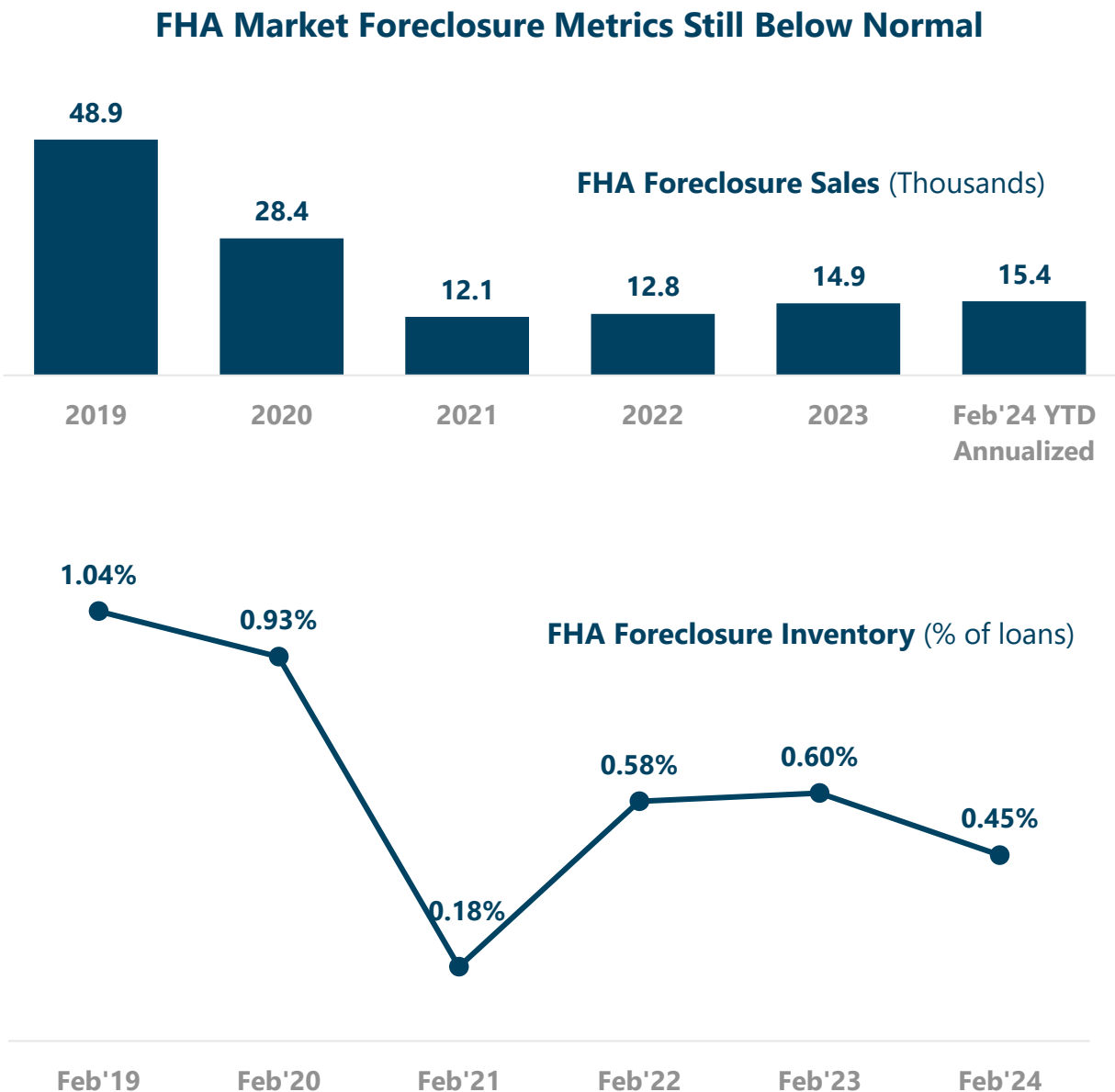
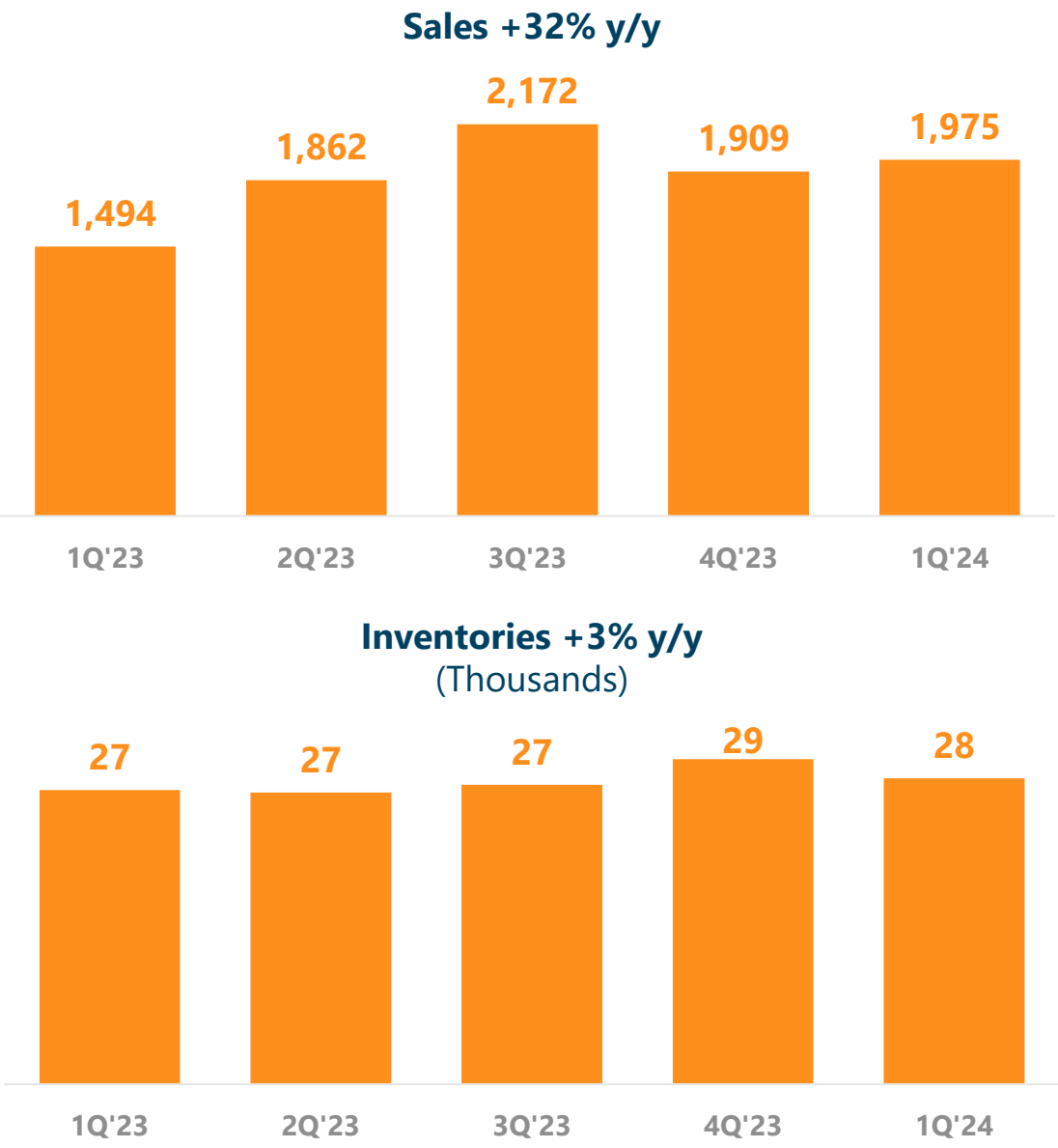
Supplemental Data

Pull through adjusted lock volume	\$3,045	\$3,819	\$3,308	\$2,592	\$3,013
Funded volume	\$2,739	\$3,822	\$3,412	\$2,661	\$2,878
Loans sold, servicing retained	\$2,372	\$3,320	\$3,472	\$2,484	\$2,572
GOS margin ⁽¹⁾	2.27%	2.12%	2.12%	1.97%	2.52%
Revenue margin ⁽¹⁾	2.63%	2.54%	2.66%	2.58%	3.05%
Value of capitalized servicing retained	214 bps	225 bps	225 bps	206 bps	232 bps
Value of capitalized servicing at lock ⁽²⁾	160 bps	166 bps	168 bps	172 bps	173 bps

ORIGINATIONS PROFITABILITY [CONT.]

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Salaries, wages and benefits	\$34	\$36	\$37	\$36	\$34
Loan originations expenses	7	9	7	7	10
Corporate and other general and administrative expenses	9	8	7	9	9
Marketing and professional service fee	4	4	5	5	8
Depreciation and amortization	2	2	2	2	1
Total expenses	\$56	\$59	\$58	\$59	\$62
Funded volume	\$2,739	\$3,822	\$3,412	\$2,661	\$2,878
Expenses margin ⁽¹⁾	2.04%	1.54%	1.70%	2.22%	2.15%
Interest income	\$6	\$10	\$10	\$10	\$12
Interest expense	(7)	(10)	(11)	(9)	(10)
Total other income (expenses), net	(\$1)	\$0	(\$1)	\$1	\$2
Funded volume	\$2,739	\$3,822	\$3,412	\$2,661	\$2,878
Other income, net margin ⁽¹⁾	-0.04%	0.00%	-0.03%	0.04%	0.07%
Pretax income from continuing operations	\$23	\$38	\$29	\$9	\$32
Pretax income margin ⁽²⁾	0.55%	1.00%	0.93%	0.40%	0.97%

STRONG XOME SALES AND INVENTORY GROWTH Y/Y, WELL POSITIONED FOR ADVERSE ENVIRONMENT



ADJUSTED EBITDA

\$ mm's	1Q'23	2Q'23	3Q'23	4Q'23	1Q'24
Consolidated GAAP pretax income	\$35	\$198	\$352	\$69	\$232
Other mark-to-market	63	(61)	(61)	41	(42)
Adjustments ⁽¹⁾	11	11	(44)	39	7
MSR amortization, net ⁽²⁾	113	135	158	150	169
Capitalized servicing rights	(54)	(78)	(85)	(54)	(64)
Depreciation and amortization	9	9	10	10	8
Corporate debt interest expense	39	39	45	48	61
Other	5	8	8	7	8
Adjusted EBITDA	\$221	\$261	\$383	\$310	\$379

1Q'24 SOURCES AND USES CASH FLOW

	Servicing	Originations	Corporate / Other	Consolidated	Illustrative Steady State Discretionary Cashflow
\$mm's					
GAAP pretax income (loss)	\$313	\$32	(\$113)	\$232	
Depreciation and amortization	3	1	4	8	
Share-based compensation	1	-	7	8	
Amortization of deferred financing costs	-	-	7	7	
Settlement of excess spread financing	(17)	-	-	(17)	
MSR amortization	179	-	-	179	
Other mark-to-market	(42)	-	-	(42)	
Business segment cash flow from operations	\$437	\$33	(\$95)	\$375	\$375
State/local taxes ⁽¹⁾				-	(7)
Total working capital change ⁽²⁾				(567)	-
Total sources, net				(\$192)	\$368
Capex				(8)	(8)
Capitalized servicing rights - Originations/EBO				(64)	(64)
MSR purchases, MSR sales, and excess spread financing				(702)	(105)
Net investment in MSR				(766)	(169) ⁽³⁾
Issuance of unsecured senior notes				1,000	-
Repurchase of common stock				(39)	-
Total uses, net				\$187	(177)
Change in cash				(\$5)	\$191
Change in unrestricted cash				\$7	

⁽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, 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 (\$179) mm MSR amortization, \$9 mm excess spread accretion, and \$1 mm in fair value of excess spread accretion