New Residential Investment Corp.
Form 424B5
August 11, 2016
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The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has become effective under the Securities Act of 1933. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-213058

Subject to Completion August 10, 2016

Preliminary Prospectus Supplement
(To Prospectus dated August 10, 2016)

20,000,000 Shares

New Residential Investment Corp.
Common Stock

We are offering 20,000,000 shares of our common stock, $0.01 par value per share by this prospectus supplement and the accompanying prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol NRZ. On August 9, 2016, the last reported sale price of our common stock was $14.81 per share.

Investing in our common stock involves a high degree of risk. Before making a decision to invest in our common stock, you should read the discussion of material risks of investing in our common stock in Risk Factors on page S-10 of this prospectus supplement and in the Risk Factors sections of our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which have been filed with the Securities and Exchange Commission and are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriters have agreed to purchase our common stock from us at a price of $ per share, which will result in approximately $ million of proceeds to us, before expenses. The underwriters may offer our common stock in transactions on the New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. See Underwriting.

The underwriters may also purchase up to an additional 3,000,000 shares of our common stock from us at $ per share within 30 days from the date of this prospectus supplement. If the underwriters exercise the option to purchase additional shares of our common stock from us in full, the total proceeds to us, before expenses, will be $.

The underwriters are offering the shares of our common stock as set forth under Underwriting. Delivery of the shares of our common stock will be made on or about , 2016.

Joint Book-Running Managers

Citigroup	**Barclays**	**J.P. Morgan**	**UBS Investment Bank**

The date of this prospectus supplement is August , 2016.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated herein and therein by reference. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where the offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus or the date of the document incorporated by reference, as the case may be, regardless of the time of delivery of this prospectus supplement or of any sale of shares of our common stock.

All references to we, our, us, the Company and New Residential in this prospectus supplement and the accompa prospectus mean New Residential Investment Corp. and its consolidated subsidiaries, except where it is made clear that the term means only the parent company.

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INCORPORATION BY REFERENCE

The Securities and Exchange Commission (the SEC) allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus, information that we file with the SEC prior to the completion of this offering. This permits us to disclose important information to you by referring to these filed documents. Any information referenced in this way is considered to be a part of this prospectus supplement and the accompanying prospectus and any such information filed by us with the SEC subsequent to the date of this prospectus supplement (but prior to the completion of this offering) will automatically be deemed to update and supersede this information. We incorporate by reference the following documents which we have already filed with the SEC, except that any information which is furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including financial statements or exhibits relating thereto furnished pursuant to Item 9.01) and not filed shall not be deemed incorporated by reference herein:

- Annual Report on Form 10-K for the year ended December 31, 2015;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016;
- Current Reports on Form 8-K filed on April 7, 2015 (solely with respect to Exhibit 99.2), June 9, 2015 (solely with respect to Exhibit 99.1), January 19, 2016, March 24, 2016, April 1, 2016, April 6, 2016, May 13, 2016, May 27, 2016, June 3, 2016, July 7, 2016 and July 18, 2016;
- The portions of our Definitive Proxy Statement on Schedule 14A for our 2016 Annual Meeting of Stockholders, filed on April 13, 2016, which are incorporated by reference in our above-mentioned Annual Report on Form 10-K; and
- the description of our Common Stock set forth in our Registration Statement on Form 10, as amended, filed on April 29, 2013, including any amendment or report filed for the purpose of updating such description.

Whenever after the date of this prospectus supplement (but prior to the completion of this offering) we file reports or documents under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, those reports and documents will be deemed to be a part of this prospectus supplement and the accompanying prospectus from the time they are filed (other than documents or information deemed to have been furnished and not filed in accordance with SEC rules). Any statement made in this prospectus supplement or the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

We will provide without charge, upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part. Requests should be directed to New Residential Investment Corp., 1345 Avenue of the Americas, 45th Floor, New York, New York 10105, Attention: Investor Relations (telephone number (212) 479-3150 and email address ir@newresi.com). Our SEC filings are also available free of charge at our website (www.newresi.com). The information on or accessible through our website is not incorporated by reference into this prospectus supplement.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, a estimate, overestimate, underestimate, believe, could, project, predict, continue or other similar words o Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, liquidity or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. As set forth more fully under the heading Risk Factors contained in Part I, Item IA in our Annual Report on Form 10-K for the year ended December 31, 2015 and under the heading Risk Factors contained in Part II, Item 1A. in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, which are incorporated by reference herein, factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- reductions in cash flows received from our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our investment in servicer advances;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar Mortgage LLC (Nationstar), Ocwen Financial Corporation (Ocwen), OneMain Holdings, Inc. and other third-parties;
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;
- the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our excess mortgage servicing rights (Excess MSRs), servicer advances, residential mortgage backed securities (residential MBS or RMBS) and loan portfolios;
- the risks that default and recovery rates on our Excess MSRs, servicer advances, real estate securities, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;
- changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our Excess MSRs;
- the risk that projected recapture rates on the loan pools underlying our Excess MSRs are not achieved;
- the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;
- the relative spreads between the yield on the assets in which we invest and the cost of financing;
- changes in economic conditions generally and the real estate and bond markets specifically;
- adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all; changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;

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- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;
- the availability and terms of capital for future investments;
- competition within the finance and real estate industries;
- the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to stabilize the economy, the federal conservatorship of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) and legislation that permits modification of the terms of residential mortgage loans;
- our ability to maintain our qualification as a real estate investment trust (REIT) for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;
- our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the 1940 Act) and the fact that maintaining such exclusion imposes limits on our operations;
- the risks related to Home Loan Servicing Solutions, Ltd. (HLSS) liabilities that we have assumed;
- the impact of current or future legal proceedings and regulatory investigations and inquiries;
- the impact of any material transactions with FIG LLC (our Manager) or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- events, conditions or actions that might occur at Ocwen; and
- various risks relating to the proposed acquisition of approximately $33 billion unpaid principal balance (UPB) of conventional mortgage servicing rights (MSRs) from Walter (as defined herein) and approximately $35 billion UPB of MSRs representing substantially all of the assets of WCO (as defined herein) and certain related assets of Walter, based on an agreement in principle, each as further described under Prospectus Supplement Summary—Walter Transactions (collectively, the Walter Acquisitions), including risks in respect of the satisfaction of closing conditions to such transactions, unanticipated difficulties financing the purchase prices for such transactions, unanticipated expenditures relating to such transactions, uncertainties as to the timing of such transactions, litigation relating to such transactions, and the inability to obtain, or delays in achieving, the expected benefits of such transactions.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

We encourage you to read this prospectus supplement and the accompanying prospectus, as well as the information that is incorporated by reference in this prospectus supplement and the accompanying prospectus, in their entireties. In evaluating forward-looking statements, you should consider the discussion regarding risks and uncertainties under Risk Factors in this prospectus supplement and in our reports filed with the SEC. We caution that you should not place undue reliance on any of our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and our consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

NEW RESIDENTIAL INVESTMENT CORP.

General

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. We were formed as a wholly owned subsidiary of Newcastle Investment Corp. (Newcastle) in September 2011 and were spun-off from Newcastle on May 15, 2013, which we refer to as the distribution date. Our stock is traded on the New York Stock Exchange (NYSE) under the symbol NRZ. We are externally managed and advised by our Manager, an affiliate of Fortress Investment Group LLC (Fortress) pursuant to a management agreement.

Our goal is to drive strong risk-adjusted returns primarily through our investments, and our investment guidelines are purposefully broad to enable us to make investments in a wide array of assets in diverse markets, including non-real estate related assets such as consumer loans. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation. We aim to generate attractive risk-adjusted returns for our stockholders, which at times incorporates the use of leverage. As of June 30, 2016, we conducted our business through the following segments: (i) investments in Excess MSRs, (ii) investments in servicer advances (including the basic fee component of the MSRs), (iii) investments in real estate securities, (iv) investments in real estate loans, (v) investments in consumer loans and (vi) corporate.

We intend to continue to invest opportunistically across the residential real estate market. We expect our asset allocation and target assets to change over time depending on the types of investments our Manager identifies and the investment decisions our Manager makes in light of prevailing market conditions.

Our Manager

We are managed by our Manager, an affiliate of Fortress. We are able to draw upon the long-standing expertise and resources of Fortress, a global investment management firm with $70.2 billion of alternative and traditional assets under management as of June 30, 2016.

Pursuant to the terms of our Management Agreement with our Manager, our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. For its services, our Manager is entitled to an annual management fee and is eligible to receive incentive compensation, depending upon our performance.

Our Manager may determine, in its discretion, to make a particular investment through an investment vehicle other than us. Investment allocation decisions will reflect a variety of factors, such as a particular vehicle s availability of capital (including financing), investment objectives and concentration limits, legal, regulatory, tax and other similar considerations, the source of the investment opportunity and other factors that the Manager, in its discretion, deems

appropriate. Our Manager does not have an obligation to offer us the opportunity to participate in any particular investment, even if it meets our investment objectives.

Walter Transactions

Description of the Transactions

Purchase Agreement

On August 8, 2016, New Residential Mortgage LLC (NRM), a Delaware limited liability company and a wholly-owned subsidiary of the Company, entered into a flow and bulk agreement for the purchase and sale of mortgage servicing rights (the Purchase Agreement) with Ditech Financial LLC (Ditech). Pursuant to the

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Purchase Agreement, NRM agreed to (i) purchase the mortgage servicing rights (MSRs) and related servicing advances with respect to approximately 272,000 existing residential mortgage loans in Fannie Mae pools with a total unpaid principal balance of approximately $33 billion (the Existing MSRs) for an aggregate purchase price of approximately $215 million in cash, subject to certain adjustments set forth in the Purchase Agreement, and (ii) provide ongoing daily pricing to Ditech for the purchase of MSRs from Ditech relating to new mortgage loans originated or purchased by Ditech on a flow basis and pooled into Fannie Mae, Freddie Mac or Ginnie Mae (collectively, the Agencies) securities (the Flow MSRs). The initial term of the Purchase Agreement is three years, with annual, one-year renewals thereafter, subject to certain termination rights; provided, that, NRM may decline to provide pricing for Flow MSRs on any day and may terminate the Purchase Agreement with respect to Flow MSRs on 30 days notice. The purchase of the Existing MSRs and any Flow MSRs are subject to, among other customary conditions, the approval of the applicable Agencies. Ditech will initially service the mortgage loans related to the Existing MSRs and the Flow MSRs pursuant to the Subservicing Agreement referred to below.

Guaranty

On August 8, 2016, in connection with the entry of the Purchase Agreement, Walter Investment Management Corp. (Walter), a Maryland corporation and the parent of Ditech, provided NRM with a payment and performance guaranty (the Guaranty) of Ditech s obligations, including repurchase and indemnification obligations, under the Purchase Agreement.

Subservicing Agreement

On August 8, 2016, in connection with the entry of the Purchase Agreement, NRM and Ditech entered into a subservicing agreement (the Subservicing Agreement), pursuant to which Ditech agreed to act as subservicer for NRM and perform all of the actual servicing activities (subservicing) required under the servicing agreements relating to the Existing MSRs, any Flow MSRs purchased by NRM under the Purchase Agreement and certain other MSRs that may be acquired in the future by NRM. Under the Subservicing Agreement and related documents, Ditech will perform all daily servicing obligations on behalf of NRM, including collecting payments from borrowers and offering refinancing options to borrowers for purposes of minimizing portfolio runoff. Ditech agreed to perform subservicing on behalf of NRM at fixed prices set forth in the Subservicing Agreement for an initial term of one year, with annual, one-year renewals thereafter, subject to certain termination rights set forth in the Subservicing Agreement. With respect to NRM, the initial term of the Subservicing Agreement will expire on the first anniversary of the effective date and shall automatically terminate unless renewed on a month-by-month basis, subject to certain termination rights set forth in the Subservicing Agreement.

WCO Transaction

NRM, Walter and Walter Capital Opportunity, LP have agreed in principle for the purchase and sale of substantially all of the assets of Walter Capital Opportunity, LP and its subsidiaries (WCO), along with certain related assets owned by Walter, which, collectively, represent approximately $35 billion UPB of MSRs for a purchase price of approximately $264 million.

The transaction, which is subject to negotiation and execution of definitive documentation, is expected to contain similar general terms, including term, representations and warranties, covenants and indemnification, and be subject to similar conditions precedent, such as regulatory and GSE approvals, as the Purchase Agreement described above, as well as additional terms and conditions customary for a transaction of this type. There can be no assurance that definitive documentation will be entered into on the terms described herein, or at all.

Upon acquisition of the assets in the WCO transaction, Ditech will subservice the related mortgage loans for NRM under the Subservicing Agreement described above.

Our Corporate Information

We were formed as NIC MSR LLC, a Delaware limited liability company, in September 2011 and were a wholly owned subsidiary of Newcastle. We converted to a Delaware corporation and changed our name to New Residential Investment Corp. in December 2012. On May 15, 2013, we separated from Newcastle through the distribution of our shares of common stock to the stockholders of Newcastle and became a stand-alone publicly

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traded company. Our principal executive offices are located at 1345 Avenue of the Americas, New York, New York 10105. Our telephone number is 212-479-3150. Our web address is www.newresi.com. The information on or otherwise accessible through our web site does not constitute a part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference into this prospectus supplement, accompanying prospectus or any other report or document we file with or furnish to the SEC.

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THE OFFERING

Common stock offered
20,000,000 shares (or 23,000,000 shares if the underwriters exercise their option to purchase additional shares of our common stock in full)
Common stock to be outstanding after the offering
250,493,006 shares (or 253,493,006 shares if the underwriters exercise their option to purchase additional shares of our common stock in full)
NYSE symbol
NRZ
Risk factors
Investing in our common stock involves certain risks, which are described under Risk Factors beginning on page S-10 of this prospectus supplement and in our reports filed with the SEC.
Use of proceeds
We estimate that the net proceeds from our sale of common stock in this offering will be approximately $ million (or $ million if the underwriters exercise their option to purchase additional shares of our common stock in full) after deducting our expenses of this offering. We intend to use the net proceeds from our sale of common stock in this offering to fund a portion of the Walter Acquisitions and for general corporate purposes. In the event that all or any portion of the Walter Acquisitions are not completed, the Company intends to use the net proceeds from this offering for general corporate purposes, including, but not limited to, making additional investments.
The number of shares of our common stock that will be outstanding after this offering is based on 230,493,006 shares of our common stock outstanding as of August 9, 2016 and excludes:

(i) options relating to an aggregate of 9,219,872 shares of our common stock held by an affiliate of our Manager,
(ii) options relating to an aggregate of 3,156,235 shares of our common stock assigned to employees of affiliates of our Manager,
(iii) options relating to an aggregate of 6,000 shares of our common stock held by our directors, and
(iv) options relating to 2,000,000 shares of our common stock (or 2,300,000 shares if the underwriters exercise their option to purchase additional shares of our common stock in full) at an exercise price per share equal to the public offering price, representing 10% of the number of shares being offered hereby, that have been approved by the Compensation Committee of our Board of Directors to be granted pursuant to and in accordance with the terms of our Nonqualified Stock Option and Incentive Award Plan to an affiliate of our Manager in connection with this offering, and subject to adjustment if the underwriters exercise their option to purchase additional shares of our common stock. The options are fully vested as of the date of grant, become exercisable as to 1/30 of the shares to which it is subject on the first day of each of the 30 calendar months following the first month after the date of the grant and expire on the tenth anniversary of the date of grant.

These options will be settled in an amount of cash equal to the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price, unless advance approval is made to settle the option in shares.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following table presents our summary historical financial information as of and for the years ended December 31, 2015, 2014 and 2013 and the historical financial information as of and for the six months ended June 30, 2016 and 2015.

The summary historical consolidated statements of income for the years ended December 31, 2015, 2014 and 2013 and the summary historical consolidated balance sheets as of December 31, 2015 and 2014 have been derived from our audited financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheet as of December 31, 2013 has been derived from our audited financial statements not included or incorporated by reference in this prospectus supplement.

The summary historical consolidated statements of income and summary historical consolidated balance sheets for the six months ended, or as of, as applicable, June 30, 2016 and June 30, 2015 are derived from our unaudited condensed and consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which is incorporated by reference into this prospectus supplement.

The unaudited pro forma combined consolidated financial information presented below was derived from the application of pro forma adjustments to our historical consolidated financial statements. The summary historical and pro forma financial information below should be read in conjunction with our consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, which have been filed with the SEC and are incorporated by reference into this prospectus supplement, as well as the Unaudited Pro Forma Combined Financial Information elsewhere in this prospectus supplement.

The unaudited pro forma information set forth below reflects our historical information with certain adjustments. The unaudited pro forma combined balance sheet as of June 30, 2016 gives effect to the Pro Forma Transactions (as defined below) as if the Pro Forma Transactions had occurred on June 30, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2015 and for the six months ended June 30, 2016 give effect to the Pro Forma Transactions as if they had occurred on January 1, 2015. The unaudited pro forma information present the impact of the following (collectively, the Pro Forma Transactions):

- Our acquisition of MSRs and servicer advances from Walter and WCO;
- Our anticipated issuance of shares of common stock of the Company (Common Stock Issuance) to finance primarily the Walter and WCO transactions as well as general corporate purposes and which for purposes of the unaudited pro forma combined financial information reflects the issuance of 18,568,535 shares at the closing price on August 9, 2016, which was $14.81, which assumes no exercise of the underwriters' option;
- Our intended financing of unencumbered MSRs and servicer advances totaling $300 million, the proceeds from which will be utilized as consideration for the Walter and WCO transactions;
- Acquisition of all of the assets and liabilities of Home Loan Servicing Solutions, Ltd. and its subsidiaries (HLSS) on April 6, 2015 (the HLSS Acquisition) and related financing activities;
- The Company's acquisition of a controlling financial interest in certain Consumer Loan Companies (the SpringCastle Transaction) on March 31, 2016; and

Following the Pro Forma Transactions described above, the management fee and incentive compensation fee payable to the Manager by the Company.

In the opinion of management, all adjustments necessary to reflect the effects of the transactions described in the notes to the unaudited pro forma combined balance sheet and unaudited pro forma combined statements of income have

been included and are based upon available information and assumptions that we believe are reasonable.

Further, the historical financial information presented herein has been adjusted to give pro forma effect to events that we believe are factually supportable and which are expected to have a continuing impact on our

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results. However, such adjustments are estimates and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. See Risk Factors and Cautionary Statements Regarding Forward-Looking Statements.

The unaudited pro forma financial information below is provided for information purposes only. The unaudited pro forma financial information does not purport to represent what our results of operations and/or financial condition would have been had such transactions been consummated on the dates indicated, nor do they represent our financial condition or results of operations for any future date.

(dollars in housands, xcept share and per share data)	Pro Forma for the Six Months Ended June 30,	June 30,	June 30,	Pro Forma for the Year Ended December 31,	Year Ended December 31,		
	2016	2016	2015	2015	2015	2014	2013
Statement of Income Data							
nterest ncome	$ 554,426	$ 467,513	$ 262,550	$ 1,098,328	$ 645,072	$ 346,857	$ 87,567
nterest xpense	207,832	181,913	115,850	413,588	274,013	140,708	15,024
Net Interest ncome	346,594	285,600	146,700	684,740	371,059	206,149	72,543
Net Servicing Fee Income	26,303	—	—	58,977	—	—	–
mpairment	43,686	29,643	7,469	92,320	24,384	11,282	5,454
Net interest and servicing ncome after mpairment	329,211	255,957	139,231	651,397	346,675	194,867	67,089
Other Income	(68,994)	12,199	49,945	(18,395)	42,029	375,088	241,008
Operating Expenses	81,844	61,296	57,222	205,621	117,823	104,899	42,474
ncome (Loss) Before Income Taxes	178,373	206,860	131,954	427,381	270,881	465,056	265,623
ncome tax xpense	(1,778)	(2,705)	10,879	(9,570)	(11,001)	22,957	–
Net Income (Loss)	$ 180,151	$ 209,565	$ 121,075	$ 436,951	$ 281,882	$ 442,099	$ 265,623
Noncontrolling nterests in ncome of Consolidated Subsidiaries	$ 47,857	$ 29,177	$ 9,981	$ 83,212	$ 13,246	$ 89,222	$ (326

Net Income (Loss) Attributable to Common Stockholders	$ 132,294	$ 180,388	$ 111,094	$ 353,739	$ 268,636	$ 352,877	$ 265,949
Net Income per Share of Common Stock, Basic	$ 0.53	$ 0.78	$ 0.65	$ 1.42	$ 1.34	$ 2.59	$ 2.10
Net Income per Share of Common Stock, Diluted	$ 0.53	$ 0.78	$ 0.63	$ 1.42	$ 1.32	$ 2.53	$ 2.07
Weighted Average Number of Shares of Common Stock Outstanding, Basic	249,043,331	230,474,796	171,336,768	249,043,331	200,739,809	136,472,865	126,539,024
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	249,257,768	230,689,233	175,206,662	249,257,768	202,907,605	139,565,709	128,684,128
Dividends Declared per Share of Common Stock	$ N/A	$ 0.92	$ 0.83	$ N/A	$ 1.75	$ 1.58	$ 0.99

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	Pro Forma as of June 30,	June 30,	June 30,		December 31,	
	2016	2016	2015	2015	2014	2013
Balance Sheet Data						
Investments in:						
Excess mortgage servicing rights, at fair value	$ 1,475,418	$ 1,475,418	$ 1,504,422	$ 1,581,517	$ 417,733	$ 324,151
Excess mortgage servicing rights, equity method investees, at fair value	199,145	199,145	216,112	217,221	330,876	352,766
Servicer advances, at fair value	6,513,274	6,513,274	8,182,400	7,426,794	3,270,839	2,665,551
Real estate securities, available-for-sale	4,554,657	4,554,657	1,907,961	2,501,881	2,463,163	1,973,189
Residential mortgage loans, held-for-investment	—	—	42,741	330,178	47,838	33,539
Residential mortgage loans, held-for-sale	824,002	824,002	523,018	776,681	1,126,439	—
Real estate owned	61,909	61,909	25,327	50,574	61,933	—
Consumer loans, equity method investees	—	—	—	—	—	215,062
Consumer loans, held for investment	1,830,436	1,830,436				
Cash and cash equivalents	261,845	233,845	432,007	249,936	212,985	271,994
Total assets	18,480,148	17,905,148	14,394,798	15,192,722	8,089,244	5,958,658
Total debt	13,220,724	12,920,734	10,287,678	11,292,622	6,057,853	4,109,329
Total liabilities	15,091,887	14,791,887	11,299,716	12,206,142	6,239,319	4,445,583
Total New Residential stockholders' equity	3,086,440	2,811,440	2,863,430	2,795,933	1,596,089	1,265,850
Noncontrolling interests in equity of consolidated subsidiaries	301,821	301,821	231,652	190,647	253,836	247,225
Total equity	3,388,261	3,113,261	3,095,082	2,986,580	1,849,925	1,513,075

Other Data										
Core earnings[A]	N/A	$	231,953	$	155,644	$	388,756	$	219,261	$	129,997
Supplemental Balance Sheet Data										
Common shares outstanding	N/A		230,493,006		230,438,639		230,471,202		141,434,905		126,598,987
Book value per share of common stock	N/A	$	12.20	$	12.43	$	12.13	$	11.28	$	10.00

(A) We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. Core earnings is a non-Generally Accepted Accounting Principles (GAAP) measure of our operating performance, excluding the fourth variable above and adjusts the earnings from the consumer loan investment to a level yield basis. Core earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.

While incentive compensation paid to our Manager may be a material operating expense, we exclude it from core earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from core earnings, and (ii) it is impractical to determine the portion of the expense related to core earnings and non-core earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to core earnings, we note that, as an example, in a given period, we may have core earnings in excess of the incentive compensation threshold but incur losses (which are excluded from core earnings)

that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to core earnings, even though core earnings exceeded the incentive compensation threshold, or (b) assign a pro forma amount of incentive compensation expense to core earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-core earnings.

With regard to non-capitalized deal inception costs, management does not view these costs as part of our core operations. Non-capitalized deal inception costs are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments. These costs are recorded as General and administrative expenses in our Consolidated Statements of Income.

In the fourth quarter of 2014, we modified our definition of core earnings to include accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. This modification had no impact on core earnings in 2014 or any prior period.

Management believes that the adjustments to compute core earnings specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes core earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on core earnings as an indicator of the results of such decisions. Core earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP net income which is inclusive of all of our activities.

The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from core earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike core earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.

Core earnings does not represent and should not be considered as a substitute for, or superior to, net income or as a substitute for, or superior to, cash flows from operating activities, each as determined in accordance with U.S. GAAP, and our calculation of this measure may not be comparable to similarly entitled measures reported by other companies. For a further description of the difference between cash flow provided by operations and net income, see —Management s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources in our Annual Report on Form 10-K that is incorporated by reference in this prospectus supplement. Our calculation of core earnings may be different from the calculation used by other companies and, therefore,

comparability may be limited. Set forth below is a reconciliation of core earnings to the most directly comparable GAAP financial measure (dollars in thousands):

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	June 30,	June 30,	Year Ended December 31,		
	2016	2015	2015	2014	2013
Net income (loss) attributable to common stockholders	$ 180,388	$ 111,094	$ 268,636	$ 352,877	$ 265,949
Impairment	29,643	7,469	24,384	11,282	5,454
Other Income adjustments	(1,826)	(49,145)	(32,826)	(375,088)	(241,008)
Other Income attributable to non-controlling interests	(5,187)	(7,823)	(22,102)	44,961	—
Non-capitalized transaction-related expenses	5,413	14,890	31,002	10,281	5,698
Incentive compensation to affiliate	6,125	6,084	16,017	54,334	16,847
Deferred taxes	(4,134)	11,341	(6,633)	16,421	—
Interest income on residential mortgage loans, held for-sale	6,473	17,083	22,484	—	—
Limit on RMBS discount accretion related to called deals	(6,243)	—	(9,129)	—	—
Adjust consumer loans to level yield	15,162	34,216	71,070	70,394	53,696
Core earnings of equity method investees:					
Excess mortgage servicing rights	6,139	10,435	25,853	33,799	23,361
Core Earnings	$ 231,953	$ 155,644	$ 388,756	$ 219,261	$ 129,997

RISK FACTORS

Investing in our common stock involves risks. Please see the risk factors set forth below as well as those risks described in our most recent Annual Report on Form 10-K for the year ended December 31, 2015 and in our most recent Quarterly Report on Form 10-Q for the period ended June 30, 2016, filed with the SEC, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Any of these risks, as well as other risks and uncertainties, could materially harm our business, financial condition, results of operations and liquidity and our ability to make distributions to our shareholders. In that case, the value or trading price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to the Walter Transactions

The purchase of approximately $33 billion UPB of conventional MSRs by the Company from Walter may not close.

The Company and Walter have announced an agreement for the purchase and sale of approximately $33 billion UPB of MSRs for a purchase price of approximately $215 million. The transaction contains terms, representations and warranties, covenants and indemnification provisions, and is subject to conditions precedent, such as regulatory and GSE approvals, as described in Summary—Walter Transactions . Accordingly, we cannot provide any assurance that all of these conditions will be satisfied. If any of the conditions are not satisfied, the transaction may not close.

The Company has no legal obligation to and may not purchase the $35 billion UPB of MSRs of WCO.

The Company has agreed in principle to purchase substantially all of the assets of WCO along with certain related assets owned by Walter, which, collectively, represent approximately $35 billion UPB of MSRs for a purchase price of approximately $264 million. This agreement in principle is not legally binding and neither Walter nor the Company has a legal obligation to complete this purchase. The transaction, which is subject to negotiation and execution of definitive documentation, is expected to contain the same general terms, including terms, representations and warranties, covenants and indemnification provisions, and be subject to the same conditions precedent, such as regulatory and GSE approvals, as the Purchase Agreement described under Summary—Walter Transactions . There can be no assurance that definitive documentation will be entered into on the terms described herein, or at all.

The Company has no legal obligation to and may not purchase the MSRs of newly-originated or newly-acquired residential mortgage loans under the forward flow agreement.

The Company, through its wholly-owned subsidiary, NRM, has entered into a forward flow arrangement with Walter to acquire MSRs of newly-originated or newly-acquired residential mortgage loans. However, this agreement is subject to the parties mutual agreement on pricing. Should the parties fail to agree on pricing, the Company has no legal obligation to and may not acquire any MSRs under the forward flow agreement. In addition, the completion of the purchase is subject to various conditions and we cannot provide assurance that all of these conditions will be satisfied. If the conditions are not satisfied, the transaction may not close.

Our business and the value of our assets could be materially and adversely affected if Walter is unable to adequately perform its duties as a result of, among other things:

- its failure to comply with applicable laws and regulation;
- its failure to maintain sufficient liquidity or access to sources of liquidity;
- its failure to perform its loss mitigation obligations;

- its failure to perform adequately in its external audits;
- a failure in or poor performance of its operational systems or infrastructure;
- regulatory or legal scrutiny regarding any aspect of a its operations, including, but not limited to, servicing practices and foreclosure processes lengthening foreclosure timelines;
- its failure to subservice the mortgage loans related to any MSRs acquired by us in accordance with applicable laws, requirements or our subservicing agreement with Walter; or
- any other reason.

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We rely heavily on mortgage servicers to achieve our investment objectives and have no direct ability to influence their performance.

The value of the assets we may acquire pursuant to the Walter Transactions will be dependent on the satisfactory performance of Walter s servicing obligations under our subservicing agreement with Walter. Our duties and obligations with respect to the MSRs and advances that we may acquire from Walter are defined through contractual agreements with the related GSEs, generally referred to as Servicing Guides (the Servicing Guidelines). Our investment in MSRs is subject to all of the terms and conditions of the applicable Servicing Guidelines. Under the Servicing Guidelines, a servicer may be terminated by the applicable GSE for any reason, with or without cause, for all or any portion of the loans being serviced for such GSE. We will be the legal owner of the MSRs acquired from Walter and, as our subservicer, Walter will perform all daily servicing obligations. If Walter does not perform in accordance with the Servicing Guides or our subservicing agreement, or otherwise ceases to be viewed by the GSEs as a credible servicer, we may be terminated by a GSE and may lose all, or a portion of, our investments serviced by Walter.

In order to realize any value on our MSRs under such circumstances, among other things, a new servicer must be willing to pay for the right to service the applicable mortgage loans while assuming responsibility for the liabilities associated with origination and prior servicing of such mortgage loans. In addition, any payment received from a successor servicer will be applied first to pay the GSE for all of its claims and costs associated with the servicing of the mortgage loans.

We have significant counterparty concentration risk in Walter.

If the Walter Transactions are consummated, a material portion of our MSR portfolio will be subserviced by Walter. If Walter s servicing performance deteriorates, or in the event that Walter files for bankruptcy or if Walter is unwilling or unable to continue to subservice MSRs for us, our expected returns on these investments would be severely impacted. We closely monitor Walter s mortgage servicing performance and overall operating performance, financial condition and liquidity, as well as its compliance with applicable regulations and GSE servicing guidelines. We have various information, access and inspection rights in our agreements with Walter that enable us to monitor their financial and operating performance and credit quality, which we periodically evaluate and discuss with Walter s management. However, we have no direct ability to influence Walter s performance, and our diligence cannot prevent, and may not even help us anticipate, a severe deterioration of Walter s servicing performance on our MSR portfolio.

The level of indebtedness at Walter could adversely affect its financial ability, limit its ability to service our loans effectively and expose us to operating and financial risk.

Walter has material debt obligations today and may incur additional indebtedness in the future, each of which could have materially adverse consequences to Walter, including increasing its vulnerability to economic downturns or its ability to sustain adverse changes in general economic, industry, competitive conditions, government regulations and rating agency actions. Additionally, Walter may not be able to generate sufficient cash from operations to service its indebtedness and may not be able to extend or refinance its indebtedness. The inability of Walter to service its indebtedness either through cash flows from operations or refinancing of its debt could impair its ability to service our loans effectively or could result in the incurrence of capital expenditure which could impair the value of our MSRs and advances. As a result, we may elect to, or could be required by the GSEs to, transfer servicing of our MSRs serviced by Walter to another subservicer, which may result in significant cost and may negatively impact the value of our MSRs.

Our ability to finance assets serviced by Walter may depend on Walter s cooperation with our lenders and compliance with certain covenants.

If we choose to finance some or all of the MSRs or servicer advances that may be serviced by Walter, we will be subject to substantial operational risks associated with Walter in connection with any such financing. In our current financing facilities for Excess MSRs and servicer advances, the failure of the related servicer to satisfy various covenants and tests can result in an amortization event and/or an event of default. Our lenders may require us to include similar provisions in any financing we obtain relating to the MSRs and servicer advances serviced by Walter. If we decide to finance such assets, we will not have direct ability to control Walter s compliance with any such covenants and tests and the failure of Walter to satisfy any such covenants or tests could result in a partial or total loss on our investment. Some lenders may be unwilling to finance any assets subserviced by Walter or any of its subsidiaries under any circumstances.

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Furthermore, our ability to obtain financing for the servicer advances related to mortgage loans serviced by Walter may be dependent on Walter s agreement to be a party to such financing agreements. If Walter does not agree to be a party to such financing agreements for any reason, we may not be able to obtain financing on favorable terms or at all.

A bankruptcy of Walter could materially and adversely affect us.

A sale of MSRs and servicer advances from Walter could be re-characterized as a pledge of such assets in a bankruptcy proceeding. We believe that Walter s transfer to us of MSRs and servicer advances pursuant to the Walter Transactions, will constitute a sale of such assets, in which case such assets would not be part of Walter s bankruptcy estate. A bankruptcy trustee, or any other party in interest in a bankruptcy proceeding, however, might assert that MSRs and servicer advances transferred to us were not sold to us but were instead pledged to us as security for Walter s obligation to repay amounts paid by us to Walter pursuant to the related purchase agreement. If such assertion were successful, all or part of the MSRs and servicer advances transferred to us pursuant to the related purchase agreement would constitute property of Walter s bankruptcy estate, and our rights against Walter would be those of a secured creditor with a lien on such assets. Under such circumstances, cash proceeds generated from our collateral would constitute cash collateral under the provisions of the U.S. bankruptcy laws. Under U.S. bankruptcy laws, the servicer could not use our cash collateral without either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under the U.S. bankruptcy laws.

If such a recharacterization occurs, the validity or priority of our security interest in the MSRs and servicer advances acquired from Walter could be challenged in a bankruptcy proceeding of Walter. If the purchases pursuant to the related purchase agreement are recharacterized as secured financings as set forth above, we nevertheless created and perfected security interests with respect to the MSRs that we may have purchased from Walter by including a pledge of collateral in the related purchase agreement and filing financing statements in appropriate jurisdictions. Nonetheless, our security interests may be challenged and ruled unenforceable, ineffective or subordinated by a bankruptcy court. If this were to occur, then Walter s obligations to us with respect to purchased MSRs and servicer advances would be deemed unsecured obligations, payable from unencumbered assets to be shared among all of Walter s unsecured creditors. In addition, even if the security interests are found to be valid and enforceable, if a bankruptcy court determines that the value of the collateral is less than Walter s underlying obligations to us, the difference between such value and the total amount of such obligations will be deemed an unsecured deficiency claim and the same result will occur with respect to such unsecured claim. In addition, even if the security interest is found to be valid and enforceable, Walter would have the right to use the proceeds of our collateral subject to either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under U.S. bankruptcy laws. Walter also would have the ability to confirm a chapter 11 plan over our objections if the plan complied with the cramdown requirements under U.S. bankruptcy laws.

Even if we are successful in arguing that we own the MSRs and servicer advances purchased under the purchase agreement with Walter, we may need to seek relief in the bankruptcy court to obtain turnover and payment of amounts relating to such assets, and there may be difficulty in recovering payments in respect of such assets that may have been commingled with other funds of Walter.

The Subservicing Agreement with Walter could be rejected in a bankruptcy proceeding.

If Walter were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code or similar state insolvency laws, Walter (as debtor-in-possession in the bankruptcy proceeding) or the bankruptcy trustee could reject its subservicing agreement with us and terminate Walter s obligation to service the MSRs or servicer advances in which we have an investment. Any claim we have for damages arising from the rejection of a subservicing agreement would be treated as a general unsecured claim for purposes of distributions from Walter s bankruptcy estate.

Any purchase agreement pursuant to which we purchase MSRs or servicer advances from Walter could be rejected in a bankruptcy proceeding of Walter.

Walter (as debtor-in-possession in the bankruptcy proceeding) or a bankruptcy trustee appointed in Walter s bankruptcy proceeding could seek to reject our subservicing agreement with Walter and thereby terminate Walter s obligation to service the MSRs and servicer advances transferred pursuant to our subservicing

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agreement. If the bankruptcy court approved the rejection, we would have a claim against Walter for any damages from the rejection and the resulting transfer of servicing of our MSRs to another subservicer may result in significant cost and may negatively impact the value of our MSRs.

Walter could discontinue servicing or may be unwilling to continue servicing for us.

Upon a discontinuance or bankruptcy of Walter, because we do not and in the future may not have the employees, servicing platforms, or technical resources necessary to service mortgage loans, we would need to engage an alternate subservicer which may not be readily available on acceptable terms or at all.

Walter has been and is subject to certain federal and state regulatory matters and certain other litigation.

Walter and its subsidiaries have been and continue to be subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations and threatened legal actions and proceedings. In connection with formal and informal inquiries, Walter receives numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of Walter s activities, including whether certain of Walter s residential loan servicing and originations practices, bankruptcy practices and other aspects of its business comply with applicable laws and regulatory requirements. Walter cannot provide any assurance as to the outcome of any of the aforementioned actions, proceedings or inquiries, or that such outcomes will not have a material adverse effect on Walter s reputation, business, prospects, results of operations, liquidity or financial condition.

Below are descriptions of certain regulatory and litigation matters that Walter has disclosed publicly:

- In April 2015, Walter announced that its wholly owned mortgage subservicing subsidiary, Ditech, entered into a stipulated order with the Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) to resolve allegations resulting from an investigation by the FTC and CFPB that started in 2010 and continued into 2015 (Stipulated Order). According to Walter’s disclosure, the key elements to the Stipulated Order included injunctive relief, including establishing a data integrity program and a home preservation program, as well as payments of (i) $18 million for alleged misrepresentations relating to payment methods that entail convenience fees; (ii) $30 million for alleged misrepresentations related primarily to the time it would take to review short sale requests and for alleged delays in processing loan modifications in servicing transfers; and (iii) a $15 million civil money penalty. Ditech remains subject to various ongoing obligations under the terms of the Stipulated Order, including requirements relating to data integrity testing, loan transfer practices, consumer disclosure practices, record-keeping, and compliance reporting and monitoring.
- Walter has received various subpoenas for testimony and documents, motions for examinations pursuant to Federal Rule of Bankruptcy Procedure 2004, and other information requests from certain Offices of the United States Trustees, acting through trial counsel in various federal judicial districts, seeking information regarding an array of Walter’s policies, procedures and practices in servicing loans to borrowers who are in bankruptcy and Walter’s compliance with bankruptcy laws and rules. The information has been provided in response to these subpoenas and requests and Walter’s management have met with representatives of certain Offices of the United States Trustees to discuss various issues that have arisen in the course of these inquiries, including compliance with bankruptcy laws and rules. The outcome of the aforementioned proceedings and investigations cannot be predicted, which could result in requests for damages, fines, sanctions, or other remediation. Walter could face further legal proceedings in connection with these matters, and may seek to enter into one or more agreements to resolve these matters. Any such agreement may require Walter to pay fines or other amounts for alleged breaches of law and to change or otherwise remediate Walter’s business practices.
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From time to time, Walter has received and may in the future receive subpoenas and other information requests from federal and state governmental and regulatory agencies that are examining or investigating Walter. Walter and certain of its current or former officers have received subpoenas from the SEC requesting documents, testimony and/or other information in connection with an investigation concerning trading in Walter's securities. Walter and the aforementioned officers are cooperating with the investigation. Walter cannot provide any assurance as to the outcome of the aforementioned investigations or that such outcomes will not have a material adverse effect on Walter's reputation, business, prospects, results of operations, liquidity or financial condition.

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- Since mid-2014, Walter has received subpoenas for documents and other information requests from the offices of various state attorneys general who have, as a group and individually, been investigating Walter's mortgage servicing practices. According to Walter's public filings, Walter has provided information in response to these subpoenas and requests and has had discussions with representatives of the states involved in the investigations to explain Walter's practices. Walter may seek to reach an agreement to resolve these matters with one or more states. Any such agreement may include, among other things, enhanced servicing standards, monitoring and testing obligations, injunctive relief and payments for remediation, consumer relief, penalties and other amounts. Walter cannot predict whether litigation or other legal proceedings will be commenced by one or more states in relation to these investigations.
- Walter is involved in litigation, including putative class actions, and other legal proceedings concerning, among other things, lender-placed insurance, private mortgage insurance, bankruptcy practices, employment practices, the Consumer Financial Protection Act, the Fair Debt Collection Practices Act, the Telephone Consumer Protection Act, the Fair Credit Reporting Act, the Truth in Lending Act, the Real Estate Settlement Procedures Act, the Electronic Funds Transfer Act, the Equal Credit Opportunity Act, and other federal and state laws and statutes.
- On August 28, 2015, Walter's wholly owned subsidiary, Reverse Mortgage Solutions, Inc. (RMS), received a Civil Investigative Demand (CID) from the CFPB to produce certain documents and answer questions relating to RMS's marketing and provision of reverse mortgage products and services. According to Walter's public filings, RMS has been cooperating with the CFPB by responding to the CID, and the CFPB investigation staff have advised RMS that they are considering seeking authority from the Director of the CFPB to institute an enforcement action against RMS in relation to potential violations by RMS of consumer financial protection laws and regulations. Walter has reported that RMS has provided a response to the CFPB denying these allegations.
- Walter has also disclosed that RMS has received (i) a subpoena from the Office of Inspector General of the U.S. Department of Housing and Urban Development requiring RMS to produce documents and other materials relating to, among other things, the origination, underwriting and appraisal of reverse mortgages for the time period since January 1, 2005, and (ii) a letter from the New York Department of Financial Services requesting information on RMS's reverse mortgage servicing business in New York.
- On June 17, 2016, the Walter's board of directors received a letter from a stockholder demanding that the board of directors assert legal claims against certain current and former directors and officers of Walter. The stockholder alleged that these directors and officers breached their fiduciary duties by failing to oversee Walter's operations and internal controls regarding its loan servicing, loan origination, reverse mortgage and financial reporting practices. According to Walter's public filings, Walter's board of directors has appointed an evaluation committee to consider the demand letter and the matters raised therein.

The outcome of all of Walter s regulatory matters and other legal proceedings is uncertain, and it is possible that adverse results in such proceedings (which could include restitution, penalties, punitive damages and injunctive relief affecting Walter s business practices) and the terms of any settlements of such proceedings could have a material adverse effect on Walter s reputation, business, prospects, results of operations, liquidity or financial condition. In addition, governmental and regulatory agency examinations, inquiries and investigations may result in the commencement of lawsuits or other proceedings against Walter or its personnel. Although Walter has historically been able to resolve the preponderance of its ordinary course litigations on terms it considered favorable and without a material effect, this pattern may not continue and, in any event, individual cases could have unexpected materially adverse outcomes, requiring payments or other expenses in excess of amounts already accrued. Walter cannot predict whether or how any legal proceeding will affect Walter s business relationship with actual or potential customers, Walter s creditors, rating agencies and others. In addition, cooperating in, defending and resolving these legal proceedings consume significant amounts of management time and attention and could cause Walter to incur substantial legal, consulting and other expenses and to change Walter s business practices, even in cases where there is no determination that Walter s conduct failed to meet applicable legal or regulatory requirements.

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Risks Related to our Common Stock

There can be no assurance that the market price for our stock will not fluctuate widely in the future.

Our common stock began trading (on a when issued basis) on the NYSE on May 2, 2013. There can be no assurance that an active trading market for our common stock will develop or be sustained in the future, and the market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to qualify as a REIT, maintain our exemption under the 1940 Act or satisfy the NYSE listing requirements;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our common stock.

Sales or issuances of substantial amounts of shares of our common stock, or the perception that such sales or issuances might occur, could adversely affect the market price of our common stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common stock. We have an effective registration statement on file to sell common stock or convertible securities in public offerings.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business or changes in applicable accounting rules. We have made investments through joint ventures, such as our investment in consumer loans, and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial

markets due to a

loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing. We have adopted a Nonqualified Stock Option and Incentive Award Plan, as amended (the Plan), which provides for the grant of equity-based awards, including restricted stock, options, stock appreciation rights (SARs), performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisor of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We reserved 15 million shares of our common stock for issuance under the Plan. As of June 30, 2016, rights relating to 9,981,039 shares of our common stock were outstanding under the Plan. The term of the Plan expires in 2023. On the first day of each fiscal year beginning during the term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of the number of shares of our common stock newly issued by us during the immediately preceding fiscal year. In connection with any offering of our common stock, we will issue to our Manager options relating to shares of our common stock, representing 10% of the number of shares being offered. Our board of directors may also determine to issue options to the Manager that are not subject to the Plan, provided that the number of shares relating to any options granted to the Manager in connection with an offering of our common stock would not exceed 10% of the shares sold in such offering and would be subject to NYSE rules.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common stock.

We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

We intend to make quarterly distributions of our REIT taxable income to holders of our common stock out of assets legally available therefor. We have not established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors described in this report. Any distributions will be authorized by our board of directors and declared by us based upon a number of factors, including

our actual and anticipated results of operations, liquidity and financial condition, restrictions under Delaware law or applicable financing covenants, our REIT taxable income, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, our operating expenses and other factors our directors deem relevant. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future.

Furthermore, while we are required to make distributions in order to maintain our REIT status, we may elect not to maintain our REIT status, in which case we would no longer be required to make such distributions. Moreover, even if we do elect to maintain our REIT status, we may elect to comply with the applicable requirements by, after completing various procedural steps, distributing, under certain circumstances, a portion of the required amount in the form of shares of our common stock in lieu of cash. If we elect not to maintain our REIT status or to satisfy any required distributions in shares of common stock in lieu of cash, such action could negatively and materially affect our business, results of operations, liquidity and financial condition as well as the market price of our common stock. No assurance can be given that we will make any distributions on shares of our common stock in the future.

We may in the future choose to make distributions in our own stock, in which case you could be required to pay income taxes in excess of any cash distributions you receive.

We may in the future distribute taxable distributions that are payable in cash and shares of our common stock at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such distributions in excess of the cash distributions received. If a U.S. stockholder sells the stock that it receives as a distribution in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distributions, including in respect of all or a portion of such distribution that are payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on distributions, it may put downward pressure on the market price of our common stock.

It is unclear whether and to what extent we will be able to pay taxable distributions in cash and stock in later years. Moreover, various aspects of such a taxable cash/stock distribution are uncertain and have not yet been addressed by the IRS. No assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our common stock could decrease as potential investors may require a higher distribution yield on our common stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future variable rate debt and future fixed rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay distributions.

Provisions in our certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our certificate of incorporation, bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile

takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors for cause only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;

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- provisions regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition, in our certificate of incorporation, stating that no holder of shares of our common stock will have cumulative voting rights in the election of directors, which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election; and
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

ERISA may restrict investments by plans in our common stock.

A plan fiduciary considering an investment in our common stock should consider, among other things, whether such an investment is consistent with the fiduciary obligations under the Employee Retirement Income Security Act of 1974, as amended (ERISA), including whether such investment might constitute or give rise to a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar federal, state or local law and, if so, whether an exemption from such prohibited transaction rules is available.

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USE OF PROCEEDS

We estimate that the net proceeds from our sale of common stock in this offering will be approximately $ million (or $ million if the underwriters exercise their option to purchase additional shares of our common stock in full), after deducting our expenses of this offering. We intend to use a portion of the net proceeds from our sale of common stock in this offering to fund the Walter Acquisitions and for general corporate purposes. In the event that all or any portion of the Walter Transactions are not completed, the Company intends to use the net proceeds from this offering for general corporate purposes, including, but not limited to, making additional investments.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined balance sheet as of June 30, 2016 and the unaudited pro forma combined statement of income for the six months ended June 30, 2016 are based on (i) the unaudited consolidated financial statements of New Residential Investment Corp. (New Residential or the Company), as of and for the six months ended June 30, 2016, (ii) the unaudited combined financial statements of SpringCastle America, LLC, SpringCastle Credit, LLC, SpringCastle Finance, LLC and SpringCastle Acquisition, LLC (collectively SpringCastle) for the three months ended March 31, 2016, (iii) the Purchase Agreement between New Residential and Walter, and (iv) the term sheet, the material terms of which have been agreed upon in principle, between New Residential and WCO.

The following unaudited pro forma combined statement of income for the year ended December 31, 2015 is based on (i) the audited consolidated financial statements of the Company for the year ended December 31, 2015, (ii) the unaudited consolidated financial statements of Home Loan Servicing Solutions, Ltd., (HLSS) as of and for the three months ended March 31, 2015, (iii) the audited combined financial statements of SpringCastle as of and for the year ended December 31, 2015, (iv) the Purchase Agreement between New Residential and Walter, and (v) the term sheet, the material terms of which have been agreed upon in principle, between New Residential and WCO.

The unaudited pro forma combined balance sheet as of June 30, 2016 gives effect to the Pro Forma Transactions (as defined below) as if the Pro Forma Transactions had occurred on June 30, 2016. The unaudited pro forma combined statements of income for the year ended December 31, 2015 and for the six months ended June 30, 2016 give effect to the Pro Forma Transactions as if they had occurred on January 1, 2015.

The historical financial information has been adjusted in the unaudited pro forma combined financial information to give effect to pro forma events that are (i) directly attributable to the Pro Forma Transactions, (ii) factually supportable and, (iii) with respect to the unaudited pro forma combined statements of income, are expected to have a continuing impact on the combined results. However, such adjustments are estimates based on certain assumptions and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from our unaudited pro forma combined financial information. In addition, the transactions with Walter and WCO, as described in the Pro Forma Transactions below, are subject to conditions, including entry into definitive documentation with respect to the WCO transaction.

The unaudited pro forma combined financial information and accompanying notes present the impact of the following (collectively the Pro Forma Transactions):

- Our acquisition of MSRs and servicer advances from Walter and WCO;
- Our anticipated issuance of shares of common stock of the Company (Common Stock Issuance) to finance primarily the Walter and WCO transactions as well as general corporate purposes and which for purposes of this unaudited pro forma combined financial information reflects the issuance of 18,568,535 shares at the closing price on August 9, 2016, which was $14.81, which assumes no exercise of the underwriter's option;
- Our intended financing of unencumbered MSRs and servicer advances totaling $300 million, the proceeds from which will be utilized as consideration for the Walter and WCO transactions;
- Acquisition of all of the assets and liabilities Home Loan Servicing Solutions, Ltd. and its subsidiaries (HLSS) on April 6, 2015 (the HLSS Acquisition) and related financing activities;
- The Company's acquisition of a controlling financial interest in certain Consumer Loan Companies (the SpringCastle Transaction) on March 31, 2016; and

Following the Pro Forma Transactions described above, the management fee and incentive compensation fee payable to the Manager by the Company.

The effects of the HLSS Acquisition and related financing as well as Springcastle Transaction are already reflected in the Company s historical consolidated balance sheet as of June 30, 2016; accordingly, no pro forma balance sheet adjustments for those transactions are presented herein. The impact of HLSS Acquisition and related financing activities are reflected in the Company s unaudited and audited consolidated statement income for the six months ended June 30 2016 and for the period from April 6, 2015 through December 31, 2015;

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accordingly, pro forma adjustments in the unaudited pro forma combined statement of income for the year ended December 31, 2015 are only for the period from January 1, 2015 through April 5, 2015. In addition, the impact of the SpringCastle Transaction is reflected in the Company s historical unaudited consolidated statements of income for the three months ended June 30, 2016; accordingly, resulting pro forma adjustments in the unaudited pro forma combined statements of income are for the three months ended March 31, 2016 and for the year ended December 31, 2015.

In the opinion of management, all adjustments necessary to reflect the effects of the transactions described in the notes to the unaudited pro forma combined balance sheet and unaudited pro forma combined statements of income have been included and are based upon available information and assumptions that we believe are reasonable.

The unaudited pro forma combined financial information is provided for informational and illustrative purposes only and should be read in conjunction with the Notes thereto and with Management s Discussion and Analysis of Financial Condition and Results of Operations, and our audited consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2015, as well as our unaudited consolidated financial statements filed on our Form 10-Q for the six months ended June 30, 2016, the unaudited consolidated financial statements of HLSS filed on Form 10-Q for the three months ended March 31, 2015, and the combined financial statements of SpringCastle. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from our unaudited pro forma combined financial information. The unaudited pro forma combined financial information does not contain any significant commitments and contingencies, nor does it reflect any synergies from the Pro Forma Transactions, and does not purport to reflect our results of operations or financial condition had the Pro Forma Transactions occurred at an earlier date. The unaudited pro forma combined financial information also should not be considered representative of our future financial condition or results of operations.

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New Residential Investment Corp.
Walter & WCO Acquisition
Pro Forma Balance Sheet

	Historical New Residential Investment Corp. June 30, 2016	New Residential Equity Raise	New Residential New Financing	Acquisition of Walter Assets	Acquisition of WCO Assets	Total Pro Forma Adjustments	New Residential Pro Forma
Assets							
Investments in:							
Excess mortgage servicing rights, at fair value	$ 1,475,418	—	—	—	—	$ —	$ 1,475,418
Excess mortgage servicing rights, equity method investees, at fair value	199,145	—	—	—	—	—	199,145
Servicer advances, at fair value	6,513,274	—	—	—	—	—	6,513,274
Real estate securities, available-for-sale	4,554,657	—	—	—	—	—	4,554,657
Residential mortgage loans, held-for-investment	—	—	—	—	—	—	—
Residential mortgage loans, held-for-sale	824,002	—	—	—	—	—	824,002
Real estate owned	61,909	—	—	—	—	—	61,909
Consumer loans, held-for-investment	1,830,436	—	—	—	—	—	1,830,436
				—	—	—	—
Cash and cash equivalents	233,845	275,000 A	300,000 B	(240,000) C	(307,000) C	28,000	261,845
Restricted cash	168,043	—	—	—	—	—	168,043
Mortgage servicing rights	—		—	216,000 C	265,000 C	481,000	481,000
Servicer advances	—		—	24,000 C	42,000 C	66,000	66,000
Trades receivable	1,549,795	—	—	—	—	—	1,549,795
Deferred Tax Asset	189,641	—	—	—	—	—	189,641
Other assets	304,983	—	—	—	—	—	304,983

	$ 17,905,148	275,000		300,000		—	—	$ 575,000	$ 18,480,148
Liabilities and Equity									
Liabilities									
Repurchase agreements	$ 4,625,403	—		—		—	—	$ —	$ 4,625,403
Notes payable	8,295,331	—		300,000	**B**	—	—	300,000	8,595,331
Trades payable	1,624,130	—		—		—	—	—	1,624,130
Due to affiliates	11,983	—		—		—	—	—	11,983
Dividends payable	106,027	—		—		—	—	—	106,027
Deferred tax liability	—	—		—		—	—	—	—
Accrued expenses and other liabilities	129,013	—		—		—	—	—	129,013
	14,791,887	—		300,000		—	—	300,000	15,091,887
Commitments and Contingencies									
Equity									
Common Stock, $0.01 par value, 2,000,000,000 shares authorized, 230,471,202 and 141,434,905 issued and outstanding at March 31, 2016 and December 31, 2015, respectively, Par	2,304	186	**A**	—		—	—	$ 186	$ 2,490
Additional paid-in capital	2,641,193	274,814	**A**	—		—	—	274,814	2,916,007
Retained earnings	117,144	—		—		—	—	—	117,144
Accumulated other comprehensive income, net of tax	50,799	—		—		—	—	—	50,799
Total New Residential stockholders' equity	2,811,440	275,000		—		—	—	275,000	3,086,440
Noncontrolling interests in equity of consolidated subsidiaries	301,821	—		—		—	—	—	301,821
Total Equity	3,113,261	275,000		—		—	—	275,000	3,388,261
Total Liabilities &	$ 17,905,148	275,000		300,000		—	—	575,000	18,480,148

Equity

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New Residential Investment Corp.
Walter & WCO Acquisition
Pro Forma Income Statement
Twelve Months ended 12/31/2015

	Historical New Residential Investment Corp.	Historical Home Loan Servicing Solutions, Ltd.	Pro Forma Adjustments	Historical SpringCastle	Pro Forma Adjustments	Walter Pro Forma Adjustments	WCO Pro Forma Adjustments	NRZ Management & Incentive Fee Adjustment	Pr C
	For the year ended December 31, 2015	For the three months ended March 31, 2015	For the three months ended March 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2015	For the year ended December 31, 2015	ye Dec
ome	$ 645,072	80,682	8,702 D	455,478	(91,606) I	—	—	—	$
ense	274,013	40,813	633 E	87,000	(1,790) J	5,622 O	7,297 O	—	
t Income	371,059	39,869	8,069	368,478	(89,816)	(5,622)	(7,297)	—	
ng Fee	—	—	—	—	—	25,037 P	33,940 P	—	
t									
temporary (OTTI) s	5,788	—	—	—	—	—	—	—	$
rovision	18,596	—	—	67,936	—	—	—	—	
	24,384	—	—	67,936	—	—	—	—	
and come ment	346,675	39,869	8,069	300,542	(89,816)	19,415	26,643	—	
me									
y revenue	—	50	(50) F	—	—	—	—	—	$
ue	—	1,440	(1,440) F	—	—	—	—	—	
air value nts in gage ghts	38,643	—	—	—	—	—	—	—	
air value nts in	31,160	—	—	—	—	—	—	—	

gage ghts, od									
air value nts in ances	(57,491)	—	—	—	—	—	—	—	
sumer ment	43,954	—	—	—	(43,954) **K**	—	—	—	
ent of oans	—	—	—	—	—				
lement of , net	(17,207)	—	(18,100) **G**	—	—	—	—	—	
ne	2,970	—	1,630 **F**	—	—	—	—	—	
	42,029	1,490	(17,960)	—	(43,954)	—	—	—	
Expenses									
on and	—	2,078	(2,078) **F**	—	—	—	—	—	$
y	—	76	(76) **F**	—	—	—	—	—	
loss on or sale	—	7,654	—	—	—	—	—	—	
ve	61,862	16,286	(17,281) **F**	—	7,531 **L**	—	—	—	
t fee to	33,475	—	—	—	—	—	—	10,820 **R**	
on to	16,017	—	—	—	—	—	—	12,935 **R**	
ing	6,469	—	(2,878) **F**	52,731	—	—	—	—	
se	—	—	—	7,531	(7,531) **L**	—	—	—	
	117,823	26,094	(22,313)	60,262	—	—	—	23,755	
ss) ome	270,881	15,265	12,422	240,280	(133,770)	19,415	26,643	(23,755)	
expense	(11,001)	5	—**H**	—	—**M**	1,343 **Q**	82 **Q**	—	
e (Loss)	$ 281,882	$ 15,260	$ 12,422	$ 240,280	$ (133,770)	$ 18,072	$ 26,561	$ (23,755)	
ling Income	$ 13,246	—	—	—	69,966 **N**	—	—	—	$

ed s										
e (Loss) le to										
rs	$ 268,636	$ 15,260	$ 12,422	$ 240,280	$ (203,736)	$ 18,072	$ 26,561	$ (23,755)		$
e Per ommon										
	$ 1.34								**S**	$
	$ 1.32								**S**	$
Average Shares n Stock g										
	200,739,809								**S**	$ 24
	202,907,605								**S**	$ 24

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New Residential Investment Corp.
Walter & WCO Acquisition
Pro Forma Income Statement
Six Months ended 6/30/2016

	Historical New Residential Investment Corp.	Historical SpringCastle	Pro Forma Adjustments		Walter Pro Forma Adjustments		WCO Pro Forma Adjustments		NRZ Management & Incentive Fee Adjustment	Pro Forma Combined
	For the six months ended June 30, 2016	For the three months ended March 31, 2016	For the three months ended March 31, 2016		For the six months ended June 30, 2016		For the six months ended June 30, 2016		For the six months ended June 30, 2016	For the six months ended June 30, 2016
Interest income	$ 467,513	100,131	(13,218)	I	—		—		—	$ 554,426
Interest expense	181,913	19,654	(195)	J	2,811	O	3,648	O	—	207,832
Net Interest Income	285,600	80,477	(13,023)		(2,811)		(3,648)		—	346,594
Net Servicing Fee Income	—	—	—		11,032	P	15,271	P	—	$ 26,303