UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2018

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from: _____ to _____

Commission File No. 1-13219

OCWEN FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Florida	**65-0039856**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1661 Worthington Road, Suite 100 **West Palm Beach, Florida**	**33409**
(Address of principal executive office)	(Zip Code)

(561) 682-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated filer	o	Accelerated filer	x
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes o No x

Number of shares of common stock outstanding as of October 31, 2018: 133,912,425 shares

OCWEN FINANCIAL CORPORATION
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FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this report, including, without limitation, statements regarding our financial position, business strategy and other plans and objectives for our future operations, are forward-looking statements.

These statements include declarations regarding our management's beliefs and current expectations. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could", "intend," "consider," "expect," "plan," "anticipate," "believe," "estimate," "predict" or "continue" or the negative of such terms or other comparable terminology. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change, which has magnified such uncertainties. Readers should bear these factors in mind when considering forward-looking statements and should not place undue reliance on such statements. Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those suggested by such statements. In the past, actual results have differed from those suggested by forward-looking statements and this may happen again. Important factors that could cause actual results to differ include, but are not limited to, the risks discussed or referenced under Item 1A, Risk Factors and the following:

- uncertainty related to claims, litigation, cease and desist orders and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification, origination and other practices, including uncertainty related to past, present or future investigations, litigation, cease and desist orders and settlements with state regulators, the Consumer Financial Protection Bureau (CFPB), state attorneys general, the Securities and Exchange Commission (SEC), the Department of Justice or the Department of Housing and Urban Development (HUD) and actions brought under the False Claims Act by private parties on behalf of the United States of America regarding incentive and other payments made by governmental entities;
- adverse effects on our business because of regulatory investigations, litigation, cease and desist orders or settlements;
- reactions to the announcement of such investigations, litigation, cease and desist orders or settlements by key counterparties or others, including lenders, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac, and together with Fannie Mae, the GSEs) and the Government National Mortgage Association (Ginnie Mae);
- our ability to reach settlements with regulatory agencies and state attorneys general on reasonable terms and to comply with the terms of our settlements;
- increased regulatory scrutiny, and media attention;
- any adverse developments in existing legal proceedings or the initiation of new legal proceedings;
- our ability to effectively manage our regulatory and contractual compliance obligations;
- our ability to comply with our servicing agreements, including our ability to comply with our agreements with, and the requirements of, Fannie Mae, Freddie Mac and Ginnie Mae and maintain our seller/servicer and other statuses with them;
- the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover advances, repay borrowings and comply with our debt agreements, including the financial and other covenants contained in them;
- our ability to invest excess liquidity at adequate risk-adjusted returns;
- limits on our ability to repurchase our own stock as a result of regulatory settlements and other conditions;
- our servicer and credit ratings as well as other actions from various rating agencies, including the impact of prior or future downgrades of our servicer and credit ratings;
- failure of our information technology and other security measures or breach of our privacy protections, including any failure to protect customers' data;
- volatility in our stock price;
- the characteristics of our servicing portfolio, including prepayment speeds along with delinquency and advance rates;
- our ability to contain and reduce our operating costs;
- our ability to successfully modify delinquent loans, manage foreclosures and sell foreclosed properties;
- uncertainty related to legislation, regulations, regulatory agency actions, regulatory examinations, government programs and policies, industry initiatives and evolving best servicing practices;
- the dependence of our business on New Residential Investment Corp. (NRZ), our largest client and the source for a substantial portion of our advance funding for non-agency mortgage servicing rights;
- our ability to timely transfer mortgage servicing rights under our agreements with NRZ and our ability to maintain our long-term relationship with NRZ;
- our ability to successfully integrate PHH Corporation (PHH) and its business, and to realize the strategic objectives and other benefits of the acquisition at the time anticipated or at all, including our ability to integrate, maintain and enhance PHH's servicing, subservicing and other business relationships, including its relationship with NRZ;

- our ability to transition to the PHH servicing technology platform within the time and cost parameters anticipated and without significant disruptions to our customers and operations;
- the loss of the services of our senior managers and our ability to execute effective chief executive and chief financial officer leadership transitions;
- uncertainty related to general economic and market conditions, delinquency rates, home prices and disposition timelines on foreclosed properties;
- uncertainty related to the actions of loan owners and guarantors, including mortgage-backed securities investors, GSEs, Ginnie Mae and trustees regarding loan put-backs, penalties and legal actions;
- uncertainty related to the GSEs substantially curtailing or ceasing to purchase our conforming loan originations or the Federal Housing Administration (FHA) of the HUD or Department of Veterans Affairs (VA) ceasing to provide insurance;
- uncertainty related to the processes for judicial and non-judicial foreclosure proceedings, including potential additional costs or delays or moratoria in the future or claims pertaining to past practices;
- our ability to adequately manage and maintain real estate owned (REO) properties and vacant properties collateralizing loans that we service;
- uncertainty related to our ability to continue to collect certain expedited payment or convenience fees and potential liability for charging such fees;
- uncertainty related to our reserves, valuations, provisions and anticipated realization of assets;
- uncertainty related to the ability of third-party obligors and financing sources to fund servicing advances on a timely basis on loans serviced by us;
- uncertainty related to the ability of our technology vendors to adequately maintain and support our systems, including our servicing systems, loan originations and financial reporting systems;
- our ability to realize anticipated future gains from future draws on existing loans in our reverse mortgage portfolio;
- our ability to effectively manage our exposure to interest rate changes and foreign exchange fluctuations;
- uncertainty related to our ability to adapt and grow our business, including our new business initiatives;
- our ability to meet capital requirements established by, or agreed with, regulators or counterparties;
- our ability to protect and maintain our technology systems and our ability to adapt such systems for future operating environments; and
- uncertainty related to the political or economic stability of foreign countries in which we have operations.

Further information on the risks specific to our business is detailed within this report and our other reports and filings with the SEC including our Annual Report on Form 10-K for the year ended December 31, 2017 and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K since such date. Forward-looking statements speak only as of the date they were made and we disclaim any obligation to update or revise forward-looking statements whether because of new information, future events or otherwise.

PART I – FINANCIAL INFORMATION
ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	September 30, 2018	December 31, 2017
Assets		
Cash	$ 254,843	$ 259,655
Mortgage servicing rights ($999,282 and $671,962 carried at fair value)	999,282	1,008,844
Advances, net	166,024	211,793
Match funded assets (related to variable interest entities (VIEs))	935,080	1,177,357
Loans held for sale ($145,417 and $214,262 carried at fair value)	217,436	238,358
Loans held for investment, at fair value (amounts related to VIEs of $28,373 and $0)	5,307,560	4,715,831
Receivables, net	155,937	199,529
Premises and equipment, net	25,873	37,006
Other assets ($7,826 and $8,900 carried at fair value)(amounts related to VIEs of $19,954 and $27,359)	399,002	554,791
Total assets	$ 8,461,037	$ 8,403,164
Liabilities and Equity		
Liabilities		
HMBS-related borrowings, at fair value	$ 5,184,227	$ 4,601,556
Match funded liabilities (related to VIEs)	714,246	998,618
Other financing liabilities ($646,842 and $508,291 carried at fair value)(amounts related to VIEs of $26,643 and $0)	719,319	593,518
Other secured borrowings, net	345,425	545,850
Senior notes, net	347,749	347,338
Other liabilities ($2,567 and $635 carried at fair value)	589,327	769,410
Total liabilities	7,900,293	7,856,290
Commitments and Contingencies (Notes 19 and 20)		
Equity		
Ocwen Financial Corporation (Ocwen) stockholders' equity		
Common stock, $.01 par value; 200,000,000 shares authorized; 133,912,425 and 131,484,058 shares issued and outstanding at September 30, 2018 and December 31, 2017, respectively	1,339	1,315
Additional paid-in capital	553,443	547,057
Retained earnings (accumulated deficit)	5,909	(2,083)
Accumulated other comprehensive loss, net of income taxes	(1,135)	(1,249)
Total Ocwen stockholders' equity	559,556	545,040
Non-controlling interest in subsidiaries	1,188	1,834
Total equity	560,744	546,874
Total liabilities and equity	$ 8,461,037	$ 8,403,164

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Revenue				
Servicing and subservicing fees	$ 213,730	$ 233,220	$ 658,095	$ 761,523
Gain on loans held for sale, net	16,942	25,777	61,135	76,976
Other	7,606	25,645	32,886	79,307
Total revenue	238,278	284,642	752,116	917,806
Expenses				
Compensation and benefits	63,307	90,538	211,220	272,750
Professional services	40,662	38,417	110,821	145,651
MSR valuation adjustments, net	41,448	33,426	91,695	115,446
Servicing and origination	31,758	52,246	91,452	128,061
Technology and communications	20,597	27,929	67,306	79,530
Occupancy and equipment	11,896	15,340	37,369	49,569
Other	7,858	15,583	19,814	39,335
Total expenses	217,526	273,479	629,677	830,342
Other income (expense)				
Interest income	3,963	4,099	10,018	12,101
Interest expense	(61,288)	(47,281)	(189,601)	(212,471)
Gain (loss) on sale of mortgage servicing rights, net	(733)	6,543	303	7,863
Other, net	(2,967)	(1,077)	(6,872)	6,384
Total other expense, net	(61,025)	(37,716)	(186,152)	(186,123)
Loss before income taxes	(40,273)	(26,553)	(63,713)	(98,659)
Income tax expense (benefit)	845	(20,418)	4,541	(15,465)
Net loss	(41,118)	(6,135)	(68,254)	(83,194)
Net income attributable to non-controlling interests	(29)	(117)	(176)	(289)
Net loss attributable to Ocwen stockholders	$ (41,147)	$ (6,252)	$ (68,430)	$ (83,483)
Loss per share attributable to Ocwen stockholders				
Basic	$ (0.31)	$ (0.05)	$ (0.51)	$ (0.66)
Diluted	$ (0.31)	$ (0.05)	$ (0.51)	$ (0.66)
Weighted average common shares outstanding				
Basic	133,912,425	128,744,152	133,632,905	125,797,777
Diluted	133,912,425	128,744,152	133,632,905	125,797,777

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Dollars in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Net loss	$ (41,118)	$ (6,135)	$ (68,254)	$ (83,194)
Other comprehensive income, net of income taxes:				
Reclassification adjustment for losses on cash flow hedges included in net income (1)	36	45	114	157
Total other comprehensive income, net of income taxes	36	45	114	157
Comprehensive loss	(41,082)	(6,090)	(68,140)	(83,037)
Comprehensive income attributable to non-controlling interests	(29)	(117)	(176)	(289)
Comprehensive loss attributable to Ocwen stockholders	$ (41,111)	$ (6,207)	$ (68,316)	$ (83,326)

(1) These losses are reclassified to Other, net in the unaudited consolidated statements of operations.

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(Dollars in thousands)

	Ocwen Stockholders						
	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss), Net of Taxes	Non-controlling Interest in Subsidiaries	Total
	Shares	Amount					
Balance at December 31, 2017	131,484,058	$ 1,315	$ 547,057	$ (2,083)	$ (1,249)	$ 1,834	$ 546,874
Net income (loss)	—	—	—	(68,430)	—	176	(68,254)
Issuance of common stock	1,875,000	19	5,700	—	—	—	5,719
Cumulative effect of fair value election - Mortgage servicing rights	—	—	—	82,043	—	—	82,043
Cumulative effect of adoption of FASB Accounting Standards Update No. 2016-16	—	—	—	(5,621)	—	—	(5,621)
Capital distribution to non-controlling interest	—	—	—	—	—	(822)	(822)
Equity-based compensation and other	553,367	5	686	—	—	—	691
Other comprehensive income, net of income taxes	—	—	—	—	114	—	114
Balance at September 30, 2018	133,912,425	$ 1,339	$ 553,443	$ 5,909	$ (1,135)	$ 1,188	$ 560,744
Balance at December 31, 2016	123,988,160	$ 1,240	$ 527,001	$ 126,167	$ (1,450)	$ 2,325	$ 655,283
Net income (loss)	—	—	—	(83,483)	—	289	(83,194)
Cumulative effect of adoption of FASB Accounting Standards Update No. 2016-09	—	—	284	(284)	—	—	—
Issuance of common stock	6,075,510	61	13,852	—	—	—	13,913
Equity-based compensation and other	795,388	8	3,255	—	—	—	3,263
Other comprehensive income, net of income taxes	—	—	—	—	157	—	157
Balance at September 30, 2017	130,859,058	$ 1,309	$ 544,392	$ 42,400	$ (1,293)	$ 2,614	$ 589,422

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Nine Months Ended September 30,	
	2018	**2017**
Cash flows from operating activities		
Net loss	$ (68,254)	$ (83,194)
Adjustments to reconcile net loss to net cash provided by operating activities:		
MSR valuation adjustments, net	91,695	115,446
Gain on sale of mortgage servicing rights, net	(303)	(7,863)
Provision for bad debts	40,269	57,274
Depreciation	18,199	20,430
Loss on write-off of fixed assets	—	6,834
Amortization of debt issuance costs	2,261	1,979
Equity-based compensation expense	1,244	4,489
Gain on valuation of financing liability	(11,323)	(27,024)
Net gain on valuation of mortgage loans held for investment and HMBS-related borrowings	(8,057)	(18,637)
Gain on loans held for sale, net	(24,265)	(39,542)
Origination and purchase of loans held for sale	(1,234,830)	(3,074,725)
Proceeds from sale and collections of loans held for sale	1,154,526	3,067,522
Changes in assets and liabilities:		
Decrease in advances and match funded assets	243,831	285,066
Decrease in receivables and other assets, net	126,829	160,169
Decrease in other liabilities	(46,767)	(66,321)
Other, net	6,478	3,466
Net cash provided by operating activities	291,533	405,369
Cash flows from investing activities		
Origination of loans held for investment	(711,035)	(961,642)
Principal payments received on loans held for investment	296,800	311,560
Purchase of mortgage servicing rights	(2,729)	(1,658)
Proceeds from sale of mortgage servicing rights	6,138	2,263
Proceeds from sale of advances	7,882	6,119
Issuance of automotive dealer financing notes	(19,642)	(129,471)
Collections of automotive dealer financing notes	52,598	119,389
Additions to premises and equipment	(7,326)	(7,365)
Other, net	5,446	1,480
Net cash used in investing activities	(371,868)	(659,325)
Cash flows from financing activities		
Repayment of match funded liabilities, net	(284,372)	(252,981)
Proceeds from mortgage loan warehouse facilities and other secured borrowings	2,211,606	5,810,591
Repayments of mortgage loan warehouse facilities and other secured borrowings	(2,585,286)	(6,016,169)
Proceeds from sale of mortgage servicing rights accounted for as a financing	279,586	54,601
Proceeds from sale of reverse mortgages (HECM loans) accounted for as a financing (HMBS-related borrowings)	728,745	981,730
Repayment of HMBS-related borrowings	(290,338)	(287,908)
Issuance of common stock	—	13,913
Capital distribution to non-controlling interest	(822)	—
Other, net	(991)	(2,321)
Net cash provided by financing activities	58,128	301,456
Net increase (decrease) in cash and restricted cash	(22,207)	47,500
Cash and restricted cash at beginning of year	302,560	302,398
Cash and restricted cash at end of period	$ 280,353	$ 349,898
Supplemental non-cash investing and financing activities		
Initial consolidation of mortgage-backed securitization trusts (VIEs):		

Loans held for investment	$	28,373	$	—
Other financing liabilities		26,643		—
Issuance of common stock in connection with litigation settlement	$	5,719	$	—

The following table provides a reconciliation of cash and restricted cash reported within the unaudited consolidated balance sheets that sums to the total of the same such amounts reported in the unaudited consolidated statements of cash flows:

		September 30, 2018		**September 30, 2017**
Cash	$	254,843	$	299,888
Restricted cash and equivalents included in Other assets:				
Debt service accounts		22,454		38,753
Other restricted cash		3,056		11,257
Total cash and restricted cash reported in the statements of cash flows	$	280,353	$	349,898

The accompanying notes are an integral part of these unaudited consolidated financial statements

Note 1 – Organization, Business Environment and Basis of Presentation

Organization

Ocwen Financial Corporation (NYSE: OCN) (Ocwen, we, us and our) is a financial services holding company which, through its subsidiaries, originates and services loans. We are headquartered in West Palm Beach, Florida with offices located throughout the United States (U.S.) and in the United States Virgin Islands (USVI) and with operations located in India and the Philippines. Ocwen is a Florida corporation organized in February 1988.

Ocwen owns all of the common stock of its primary operating subsidiary, Ocwen Mortgage Servicing, Inc. (OMS), and directly or indirectly owns all of the outstanding stock of its other primary operating subsidiaries: Ocwen Loan Servicing, LLC (OLS), Ocwen Financial Solutions Private Limited (OFSPL), Homeward Residential, Inc. (Homeward) and Liberty Home Equity Solutions, Inc. (Liberty).

We perform servicing activities on behalf of other servicers (subservicing), the largest being New Residential Investment Corp. (NRZ), and investors (primary and master servicing), including the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the GSEs), the Government National Mortgage Association (Ginnie Mae) and private-label securitizations (non-Agency). As a subservicer or primary servicer, we may be required to make advances for certain property tax and insurance premium payments, default and property maintenance payments and principal and interest payments on behalf of delinquent borrowers to mortgage loan investors before recovering them from borrowers. Most, but not all, of our subservicing agreements provide for us to be reimbursed for any such advances by the owner of the servicing rights. Advances made by us as primary servicer are recovered from the borrower or the mortgage loan investor. As master servicer, we collect mortgage payments from primary servicers and distribute the funds to investors in the mortgage-backed securities. To the extent the primary servicer does not advance the scheduled principal and interest, as master servicer we are responsible for advancing the shortfall, subject to certain limitations.

We originate, sell and securitize conventional (conforming to the underwriting standards of Fannie Mae or Freddie Mac; collectively referred to as Agency loans) and government-insured (Federal Housing Administration (FHA) or Department of Veterans Affairs (VA)) forward mortgages. The GSEs or Ginnie Mae guarantee these mortgage securitizations. We originate Home Equity Conversion Mortgages (HECM, or reverse mortgages) that are insured by the FHA and are an approved issuer of Home Equity Conversion Mortgage-Backed Securities (HMBS) that are guaranteed by Ginnie Mae.

We had a total of approximately 6,400 employees at September 30, 2018 of which approximately 4,300 were located in India and approximately 500 were based in the Philippines. Our operations in India and the Philippines primarily provide internal support services, principally to our loan servicing business and our corporate functions. Of our foreign-based employees, more than 80% were engaged in supporting our loan servicing operations as of September 30, 2018.

Business Environment

We are facing certain challenges and uncertainties that could have significant adverse effects on our business, financial condition, liquidity and results of operations. The ability of management to appropriately address these challenges and uncertainties in a timely manner is critical to our ability to operate our business successfully.

Losses in prior years have significantly eroded stockholders' equity and weakened our financial condition. In order to drive stronger financial performance, we are focusing our operations on mortgage servicing, on forward lending, primarily servicing portfolio recapture, and on our reverse mortgage business. We have significantly strengthened our cash position during 2018 through the receipt of a lump-sum fee payment of $279.6 million from NRZ in January 2018 in connection with our rights to mortgage servicing rights agreements. See Note 8 — Rights to MSRs for further information.

On October 4, 2018, we acquired PHH Corporation (PHH). We believe this acquisition will enable the following key strategic and financial benefits:

- Accelerate our transition to the Black Knight Financial Services, Inc. (Black Knight) LoanSphere MSP® servicing platform (Black Knight MSP);
- Reduce fixed costs, on a combined basis, through reductions in corporate overhead and other costs;
- Improve economies of scale; and,
- Provide a foundation to enable the combined servicing platform to resume new business and growth activities to offset portfolio runoff.

The approval of the New York Department of Financial Services (NY DFS) for the acquisition imposed certain post-closing requirements on Ocwen, including certain reporting obligations and certain record retention and other requirements relating to the planned transfer of New York loans onto the Black Knight MSP servicing platform as well as certain requirements with respect to the management of PHH Mortgage Corporation, a licensed subsidiary of PHH. In addition, the NY DFS modified its restriction on Ocwen's ability to acquire MSRs to allow certain acquisitions of MSRs that are boarded onto the Black Knight MSP servicing platform subject to annual portfolio growth limitations until such time as the NY DFS determines that all loans have been successfully migrated to the Black Knight MSP servicing platform and that Ocwen has developed a satisfactory infrastructure to board sizeable portfolios of MSRs. See Note 18 – Regulatory Requirements and Note 21 – Subsequent Events for additional information regarding the acquisition of PHH.

Now that we have consummated our acquisition of PHH, if we can execute on five key initiatives, we believe we will drive stronger financial performance. First, we must successfully execute on the integration of PHH's business with ours, including a smooth transition onto the Black Knight MSP servicing platform. Second, we must re-engineer our cost structure to go beyond eliminating redundant costs through the integration process. Third, we must fulfill our regulatory commitments and resolve our remaining legal and regulatory matters on satisfactory terms. Fourth, we must replenish our servicing portfolio through expanding our lending business and permissible MSR acquisitions that are prudent and well-executed with appropriate financial return targets. Finally, we must ensure that we continue to manage our balance sheet to provide a solid platform for executing on our growth and other initiatives.

Our business, operating results and financial condition have been significantly impacted in recent periods by regulatory actions against us and by significant litigation matters. Should the number or scope of regulatory or legal actions against us increase or expand or should we be unable to reach reasonable resolutions in existing regulatory and legal matters, our business, reputation, financial condition, liquidity and results of operations could be materially and adversely affected, even if we are successful in our ongoing efforts to drive stronger financial performance. See Note 18 – Regulatory Requirements and Note 20 – Contingencies for further information.

Regarding the current maturities of our borrowings, as of September 30, 2018 we have approximately $520.4 million of debt outstanding under facilities coming due in the next 12 months. Portions of our match funded facilities and all of our mortgage loan warehouse facilities have 364-day terms consistent with market practice. We have historically renewed these facilities on or before their expiration in the ordinary course of financing our business. We expect to renew, replace or extend all such borrowings to the extent necessary to finance our business on or prior to their respective maturities consistent with our historical experience.

Our debt agreements contain various qualitative and quantitative events of default provisions that include, among other things, noncompliance with covenants, breach of representations, or the occurrence of a material adverse change. If a lender were to allege an event of default and we are unable to avoid, remedy or secure a waiver of such alleged default, we could be subject to adverse actions by our lenders that could have a material adverse impact on us. In addition, OLS, Homeward and Liberty are parties to seller/servicer agreements and/or subject to guidelines and regulations (collectively, seller/servicer obligations) with one or more of the GSEs, the Department of Housing and Urban Development (HUD), FHA, VA and Ginnie Mae. To the extent these requirements are not met or waived, the applicable agency may, at its option, utilize a variety of remedies including requirements to provide certain information or take actions at the direction of the applicable agency, requirements to deposit funds as security for our obligations, sanctions, suspension or even termination of approved seller/servicer status, which would prohibit future originations or securitizations of forward or reverse mortgage loans or servicing for the applicable agency. Any of these actions could have a material adverse impact on us. See Note 11 – Borrowings, Note 18 – Regulatory Requirements and Note 20 – Contingencies for further information.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in conformity with the instructions of the Securities and Exchange Commission (SEC) to Form 10-Q and SEC Regulation S-X, Article 10, Rule 10-01 for interim financial statements. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete financial statements. In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation. The results of operations and other data for the three and nine months ended September 30, 2018 are not necessarily indicative of the results that may be expected for any other interim period or for the year ending December 31, 2018. The unaudited consolidated financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2017.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions include, but are not limited to, those that relate to fair value measurements, income taxes, the provision for potential losses that may arise from litigation proceedings, and our going concern evaluation. In developing estimates and assumptions, management uses all available information; however, actual results could materially differ from those estimates and assumptions.

Reclassifications

Within the expenses section of the unaudited statement of operations for the three and nine months ended September 30, 2017, we reclassified impairment charges and fair value gains and losses on mortgage servicing rights (MSRs), both previously included in the Servicing and origination line item, and Amortization of MSRs to a new line item titled MSR valuation adjustments, net.

As a result of our adoption on January 1, 2018 of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) - Restricted Cash*, debt service accounts and other restricted cash which are included in Other assets on the consolidated balance sheets have been classified as Cash and restricted cash in our consolidated statements of cash flows. Our revision of the unaudited consolidated statement of cash flows for the nine months ended September 30, 2017 to conform to the new standard resulted in an increase in net cash provided by operating activities of $4.2 million (Decrease in receivables and other assets, net line item is higher as revised).

Certain amounts in the unaudited consolidated statement of cash flows for the nine months ended September 30, 2017 have been reclassified to conform to the current year presentation as follows:

- Within the operating activities section, we reclassified Amortization of MSRs, Loss on valuation of MSRs, at fair value, and Impairment of MSRs to a new line item (MSR valuation adjustments, net). In addition, we reclassified Realized and unrealized gains on derivative financial instruments to Other, net.
- Within the financing activities section, we reclassified Payment of debt issuance costs to Other, net.

These reclassifications had no impact on our consolidated cash flows from operating, investing or financing activities.

Recently Adopted Accounting Standards

Revenue from Contracts with Customers (Accounting Standards Update (ASU) 2014-09)

This ASU clarifies the principles for recognizing revenue and creates a common revenue standard. Under this ASU, an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity will recognize revenue through a five-step process. The guidance in this standard does not apply to financial instruments and other contractual rights or obligations within the scope of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 860, *Transfers and Servicing*, among other ASC topics. As a result, our adoption of this standard on a modified retrospective basis on January 1, 2018 did not have a material impact on our consolidated financial statements.

Financial Instruments: Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01)

This ASU provides users with more useful information regarding the recognition, measurement, presentation, and disclosure of financial instruments and also improves the accounting model to better meet the requirements of today’s complex economic environment. Most changes in this ASU require the same information, but some changes revise the geography of that information on the financial statements. Our adoption of this standard on January 1, 2018 did not have a material impact on our consolidated financial statements.

Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments (ASU 2016-15)

This ASU clarifies how certain cash receipts and cash payments are presented and classified in the statement of cash flows under FASB ASC Topic 230, *Statement of Cash Flows* (ASC 230). Our adoption of this standard on January 1, 2018 did not have a material impact on our consolidated financial statements.

Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory (ASU 2016-16)

This ASU requires an entity to recognize the income tax consequences of intra-entity transfers of assets other than inventory when the transfer occurs. Previously, recognition of current and deferred income taxes for an intra-entity transfer was prohibited until the asset had been sold to an outside party. We adopted this standard on a modified retrospective basis on January 1, 2018 by recording a cumulative-effect reduction of $5.6 million to retained earnings.

Statement of Cash Flows: Restricted Cash (ASU 2016-18)

This ASU clarifies how changes in restricted cash are classified and presented in the statement of cash flows under ASC 230. This standard requires that a statement of cash flows explain the change during the period in the total of cash, cash

equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Our adoption of this standard on January 1, 2018 did not have a material impact on our consolidated financial statements. The amendments in this update have been applied using a retrospective transition method to each period presented. We have revised the unaudited consolidated statement of cash flows for the nine months ended September 30, 2017 to conform to the new standard.

Business Combinations: Clarifying the Definition of a Business (ASU 2017-01)

This ASU clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. Our adoption of this standard on January 1, 2018 did not have a material impact on our consolidated financial statements.

Compensation: Stock Compensation (ASU 2017-09)

This ASU reduces both diversity in practice as well as cost and complexity when applying the modification accounting guidance in FASB ASC Topic 718, *Compensation -- Stock Compensation*, to a change to the terms or conditions of a share-based payment award. Our adoption of this standard on January 1, 2018 did not have a material impact on our consolidated financial statements.

Financial Instruments: Technical Corrections and Improvements to Financial Instruments - Overall (Subtopic 825-10) (ASU 2018-03)

This ASU provides clarification of areas in ASU 2016-01 by improving the measurement and reporting of certain financial assets and liabilities. Our adoption of this standard on July 1, 2018 did not have a material impact on our consolidated financial statements.

Income Taxes: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (ASU 2018-05)

This ASU adds various SEC paragraphs pursuant to the issuance of SEC Staff Accounting Bulletin No. 118 (SAB 118), which provides guidance for companies that are not able to complete their accounting for the income tax effects of the Tax Cuts and Jobs Act (Tax Act) in the period of enactment. We adopted the now codified guidance in SAB 118 as of December 31, 2017 and continue to rely on the guidance in these interim financial statements.

Accounting Standards Issued but Not Yet Adopted

Leases (ASU 2016-02)

This ASU will require a lessee to recognize assets and liabilities for leases with lease terms of more than 12 months, regardless of whether the lease is classified as a finance or operating lease. Additional disclosures of the amount, timing and uncertainty of cash flows arising from leases will be required. In July 2018, the FASB amended this guidance by issuing ASU 2018-10, Codification Improvements to Topic 842, Leases and ASU 2018-11, Leases (Topic 842): Targeted Improvements which provides clarification and further guidance on areas identified as potential implementation issues, as well as providing for an additional optional transition method to allow initial application of the new leasing guidance at the adoption date and recognition of a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption.

These standards will be effective for us on January 1, 2019, with early application permitted. At adoption, we expect to apply the new transition method provided for in ASU 2018-11. While we are continuing to evaluate the effects that this guidance will have on our financial statements, we have determined it will result in the recognition of certain operating leases as right-of-use assets and lease liabilities in the consolidated balance sheet, but we do not anticipate that the impact will be material.

Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments (ASU 2016-13)

This ASU will require timelier recording of credit losses on loans and other financial instruments. This standard aligns the accounting with the economics of lending by requiring banks and other lending institutions to immediately record the full amount of credit losses that are expected in their loan portfolios. The new guidance requires an organization to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard requires enhanced disclosures related to the significant estimates and judgments used in estimating credit losses, as well as the credit quality and underwriting standards of an organization’s portfolio. Additionally, the new guidance amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. This standard will be effective for us on January 1, 2020, with early application permitted. We are currently evaluating the effect of adopting this standard.

Receivables: Nonrefundable Fees and Other Costs (ASU 2017-08)

This ASU amends the amortization period for certain purchased callable debt securities held at a premium. This standard shortens the amortization period for the premium to the earliest call date, rather than generally amortizing the premium as an

adjustment of yield over the contractual life of the instrument. This standard will be effective for us on January 1, 2019. We do not anticipate that our adoption of this standard will have a material impact on our consolidated financial statements.

Income Statement - Reporting Comprehensive Income: Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income (ASU 2018-02)

This ASU provides entities with an option to reclassify stranded tax effects within accumulated other comprehensive income to retained earnings in each period in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act (or portion thereof) is recorded. This standard will be effective for us on January 1, 2019. We do not anticipate that our adoption of this standard will have a material impact on our consolidated financial statements.

Codification Improvements (ASU 2018-09)

This ASU amends multiple codification Topics. The transition and effective date guidance is based on the facts and circumstances of each amendment. While some of the amendments in this ASU do not require transition guidance and were effective upon issuance of this ASU, many of the amendments in this ASU have transition guidance with an effective date of January 1, 2019. We do not anticipate that our adoption of this standard will have a material impact on our consolidated financial statements.

Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (ASU 2018-13)

This ASU modifies the disclosure requirements on fair value measurements in FASB ASC Topic 820, Fair Value Measurement. The main provisions in this update include removal of the following disclosure requirements from this ASC: 1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, 2) the policy for timing of transfers between levels and 3) the valuation processes for Level 3 fair value measurements. This standard adds disclosure requirements to report the changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period, and for certain unobservable inputs an entity may disclose other quantitative information in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements.

This standard will be effective for us on January 1, 2020, with early application permitted on any removed or modified disclosures and to be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption, and to allow a delayed adoption of the additional disclosures until the effective date. We are currently evaluating the effect of adopting this standard.

Intangibles - Goodwill and Other - Internal-Use Software: Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (ASU 2018-15)

This ASU aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments in this ASU. The amendments in this ASU require an entity (customer) in a hosting arrangement that is a service contract to follow the guidance to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The amendments in this ASU require the entity (customer) to expense the capitalized implementation costs of a hosting arrangement that is a service contract over the term of the hosting arrangement. The amendments in this ASU also require the entity to present the expense related to the capitalized implementation costs in the same line item in the statement of operations as the fees associated with the hosting element (service) of the arrangement and classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments made for fees associated with the hosting element.

This standard will be effective for us on January 1, 2020, with early adoption permitted, including adoption in any interim period. The amendments in this ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We are currently evaluating the effect of adopting this standard.

SEC Simplifies and Updates Disclosure Requirements (US 2018-21)

In August 2018, the SEC adopted the final rule under SEC Release No. 33-10532, *Disclosure Update and Simplification*, to eliminate, modify, or integrate into other SEC requirements certain disclosure rules. The amendments eliminate the following:

- Redundant and duplicative requirements, which require substantially similar disclosures as GAAP, IFRS, or other SEC disclosure requirements;

- Overlapping requirements, which are related to, but not the same as GAAP, IFRS, or other SEC disclosure requirements - including the elimination of the ratio of earnings to fixed charges;
- Outdated requirements, which have become obsolete as a result of the passage of time or changes in the regulatory, business, or technological environment; and
- Superseded requirements, which are inconsistent with recent legislation, more recently updated SEC disclosure requirements, or more recently updated GAAP.

In addition, the amendments expanded the disclosure requirements on the analysis of stockholders' equity for interim financial statements. Under the amendments, an analysis of changes in each caption of stockholders' equity presented in the balance sheet must be provided in a note or separate statement. The analysis should present a reconciliation of the beginning balance to the ending balance of each period for which a statement of comprehensive income is required to be filed. This final rule will become effective on November 5, 2018. We are currently evaluating the impact on our consolidated financial statements.

Note 2 – Securitizations and Variable Interest Entities

We securitize, sell and service forward and reverse residential mortgage loans and regularly transfer financial assets in connection with asset-backed financing arrangements. We have aggregated these securitizations and asset-backed financing arrangements into three groups: (1) securitizations of residential mortgage loans, (2) financings of advances and (3) financings of automotive dealer financing notes.

We have determined that the special purpose entities (SPEs) created in connection with our match funded advance financing facilities are variable interest entities (VIEs) for which we are the primary beneficiary.

From time to time, we may acquire beneficial interests issued in connection with mortgage-backed securitizations where we may also be the master and or primary servicer. These beneficial interests consist of subordinate and residual interests acquired from third-parties in market transactions. We consolidate the VIE when we conclude we are the primary beneficiary.

Securitizations of Residential Mortgage Loans

We securitize forward and reverse residential mortgage loans involving the GSEs and loans insured by the FHA or VA through Ginnie Mae. To the extent we retain the right to service these loans, we receive servicing fees based upon the securitized loan balances and certain ancillary fees, all of which are reported in Servicing and subservicing fees in the unaudited consolidated statements of operations.

Transfers of Forward Loans

We sell or securitize forward loans that we originate or purchased from third parties, generally in the form of mortgage-backed securities guaranteed by the GSEs or Ginnie Mae. Securitization typically occurs within 30 days of loan closing or purchase. We act only as a fiduciary and do not have a variable interest in the securitization trusts. As a result, we account for these transactions as sales upon transfer.

The following table presents a summary of cash flows received from and paid to securitization trusts related to transfers accounted for as sales that were outstanding:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Proceeds received from securitizations	$ 282,507	$ 687,502	$ 998,204	$ 2,711,651
Servicing fees collected	9,808	10,300	30,233	30,250
Purchases of previously transferred assets, net of claims reimbursed	(1,507)	(1,234)	(4,336)	(3,958)
	$ 290,808	$ 696,568	$ 1,024,101	$ 2,737,943

In connection with these transfers, we retained MSRs of $1.4 million and $5.9 million, and $3.6 million and $18.6 million, during the three and nine months ended September 30, 2018 and 2017, respectively, which are reported in Gain on loans held for sale, net in the unaudited consolidated statements of operations. See Note 4 – Loans Held for Sale for additional information regarding gains or losses on the transfer of loans held for sale.

Certain obligations arise from the agreements associated with our transfers of loans. Under these agreements, we may be obligated to repurchase the loans, or otherwise indemnify or reimburse the investor or insurer for losses incurred due to material breach of contractual representations and warranties.

The following table presents the carrying amounts of our assets that relate to our continuing involvement with forward loans that we have transferred with servicing rights retained as well as our maximum exposure to loss including the unpaid principal balance (UPB) of the transferred loans:

	September 30, 2018	December 31, 2017
Carrying value of assets		
MSRs, at fair value	$ 111,586	$ 227
MSRs, at amortized cost	—	97,832
Advances and match funded advances	61,500	57,636
UPB of loans transferred	11,118,533	12,077,635
Maximum exposure to loss	$ 11,291,619	$ 12,233,330

At September 30, 2018 and December 31, 2017, 7.4% and 8.9%, respectively, of the transferred residential loans that we service were 60 days or more past due.

Transfers of Reverse Mortgages

We pool HECM loans into HMBS that we sell into the secondary market with servicing rights retained or we sell the loans to third parties with servicing rights released. We have determined that loan transfers in the HMBS program do not meet the definition of a participating interest because of the servicing requirements in the product that require the issuer/servicer to absorb some level of interest rate risk, cash flow timing risk and incidental credit risk. As a result, the transfers of the HECM loans do not qualify for sale accounting, and therefore, we account for these transfers as financings. Under this accounting treatment, the HECM loans are classified as Loans held for investment, at fair value, on our unaudited consolidated balance sheets. Holders of participating interests in the HMBS have no recourse against the assets of Ocwen, except with respect to standard representations and warranties and our contractual obligation to service the HECM loans and the HMBS.

At September 30, 2018 and December 31, 2017, Loans held for investment included $78.1 million and $83.8 million, respectively, of originated loans which had not yet been pledged as collateral. See Note 3 – Fair Value and Note 11 – Borrowings for additional information on HMBS-related borrowings and Loans held for investment.

Financings of Advances

Match funded advances result from our transfers of residential loan servicing advances to SPEs in exchange for cash. We consolidate these SPEs because we have determined that Ocwen is the primary beneficiary of the SPE. These SPEs issue debt supported by collections on the transferred advances, and we refer to this debt as Match funded liabilities.

We make transfers to these SPEs in accordance with the terms of our advance financing facility agreements. Debt service accounts require us to remit collections on pledged advances to the trustee within two days of receipt. Collected funds that are not applied to reduce the related match funded debt until the payment dates specified in the indenture are classified as debt service accounts within Other assets in our consolidated balance sheets. The balances also include amounts that have been set aside from the proceeds of our match funded advance facilities to provide for possible shortfalls in the funds available to pay certain expenses and interest, as well as amounts set aside as required by our warehouse facilities as security for our obligations under the related agreements. The funds are held in interest earning accounts and those amounts related to match funded facilities are held in the name of the SPE created in connection with the facility.

We classify the transferred advances on our unaudited consolidated balance sheets as a component of Match funded assets and the related liabilities as Match funded liabilities. The SPEs use collections of the pledged advances to repay principal and interest and to pay the expenses of the SPE. Holders of the debt issued by these entities have recourse only to the assets of the SPE for satisfaction of the debt. The assets and liabilities of the advance financing SPEs are comprised solely of Match funded advances, Debt service accounts, Match funded liabilities and amounts due to affiliates. Amounts due to affiliates are eliminated in consolidation in our unaudited consolidated balance sheets.

Mortgage-Backed Securitizations

We have concluded we are the primary beneficiary of certain residential mortgage-backed securitizations as a result of beneficial interests consisting of residual securities, which expose us to the expected losses and residual returns of the trust, and our role as master servicer, where we have the ability to direct the activities that most significantly impact the performance of the trust.

The table below presents the carrying value and classification of the assets and liabilities of two consolidated mortgage-backed securitization trusts included in our unaudited consolidated balance sheet at September 30, 2018 as a result of residual securities issued by the trust that we acquired during the third quarter of 2018.

Loans held for investment, at fair value - Restricted for securitization investors	$	28,373
Financing liability - Owed to securitization investors, at fair value		26,643

Upon consolidation of the securitization trusts, we elected to apply the measurement alternative to ASC Topic 820, *Fair Value Measurement* for collateralized financing entities. The measurement alternative requires a reporting entity to use the more observable of the fair value of the financial assets or the financial liabilities to measure both the financial assets and the financial liabilities of the entity. We determined that the fair value of the loans held by the trusts is more observable than the fair value of the debt certificates issued by the trusts. Through the application of the measurement alternative, the fair value of the financial liabilities of the trusts are measured as the difference between the fair value of the financial assets and the fair value of our investment in the residual securities of the trusts.

Holders of the debt issued by these entities have recourse only to the assets of the SPE for satisfaction of the debt and have no recourse against the assets of Ocwen. Similarly, the general creditors of Ocwen have no claim on the assets of the trusts. Our exposure to loss as a result of our continuing involvement is limited to the carrying values of our investments in the residual securities of the trusts, our MSRs and related advances. At September 30, 2018, MSRs of $0.2 million and our $1.7 million investment in the residual securities of the trusts were eliminated in consolidation. Advances outstanding at September 30, 2018 were $1.2 million.

Financings of Automotive Dealer Financing Notes

Match funded automotive dealer financing notes resulted from our transfers of short-term, inventory-secured loans to car dealers to an SPE in exchange for cash. We consolidated this SPE because we determined that Ocwen is the primary beneficiary of the SPE. In January 2018, we decided to exit the independent used car dealer floor plan lending business conducted through Automotive Capital Services, Inc. (ACS). We made transfers to the SPE in accordance with the terms of the automotive capital asset receivables financing facility agreement, which we terminated in January 2018 in connection with our decision to exit the business. We classified the transferred loans on our consolidated balance sheets as a component of Match funded assets and the related liabilities as Match funded liabilities. Holders of the debt issued by the SPE had recourse only to the assets of the SPE for satisfaction of the debt.

Note 3 – Fair Value

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

We classify assets in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying amounts and the estimated fair values of our financial instruments and certain of our nonfinancial assets measured at fair value on a recurring or non-recurring basis or disclosed, but not carried, at fair value are as follows:

		September 30, 2018		December 31, 2017	
	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Loans held for sale					
Loans held for sale, at fair value (a)	2	$ 145,417	$ 145,417	$ 214,262	$ 214,262
Loans held for sale, at lower of cost or fair value (b)	3	72,019	72,019	24,096	24,096
Total Loans held for sale		217,436	217,436	238,358	238,358

	Level	September 30, 2018		December 31, 2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Loans held for investment, at fair value					
Loans held for investment - Reverse mortgages (a)	3	5,279,187	5,279,187	4,715,831	4,715,831
Loans held for investment - Restricted for securitization investors (a)	3	28,373	28,373	—	—
Total loans held for investment		5,307,560	5,307,560	4,715,831	4,715,831
Advances (including match funded) (c)	3	1,101,104	1,101,104	1,356,393	1,356,393
Automotive dealer financing notes (including match funded) (c)	3	—	—	32,757	32,590
Receivables, net (c)	3	155,937	155,937	199,529	199,529
Mortgage-backed securities, at fair value (a)	3	1,670	1,670	1,592	1,592
U.S. Treasury notes (a)	1	1,059	1,059	1,567	1,567
Financial liabilities:					
Match funded liabilities (c)	3	$ 714,246	$ 710,303	$ 998,618	$ 992,698
Financing liabilities:					
HMBS-related borrowings, at fair value (a)	3	5,184,227	5,184,227	4,601,556	4,601,556
Financing liability - MSRs pledged, at fair value (a)	3	620,199	620,199	508,291	508,291
Financing liability - Owed to securitization investors, at fair value (a)	3	26,643	26,643	—	—
Other (c)	3	72,477	57,984	85,227	65,202
Total Financing liabilities		$ 5,903,546	$ 5,889,053	$ 5,195,074	$ 5,175,049
Other secured borrowings:					
Senior secured term loan (c) (d)	2	230,295	236,866	290,068	299,741
Other (c)	3	115,130	115,130	255,782	255,782
Total Other secured borrowings		345,425	351,996	545,850	555,523
Senior notes:					
Senior unsecured notes (c) (d)	2	3,122	3,090	3,122	2,872
Senior secured notes (c) (d)	2	344,627	352,071	344,216	355,550
Total Senior notes		347,749	355,161	347,338	358,422
Derivative financial instrument assets (liabilities), at fair value (a)					
Interest rate lock commitments	2	2,816	2,816	3,283	3,283
Forward mortgage-backed securities	1	(1,873)	(1,873)	(545)	(545)
Interest rate caps	3	1,211	1,211	2,056	2,056
Mortgage servicing rights					
Mortgage servicing rights, at fair value (a)	3	$ 999,282	$ 999,282	$ 671,962	$ 671,962
Mortgage servicing rights, at amortized cost (c) (e)	3	—	—	336,882	418,745
Total Mortgage servicing rights		$ 999,282	$ 999,282	$ 1,008,844	$ 1,090,707

(a) Measured at fair value on a recurring basis.
(b) Measured at fair value on a non-recurring basis.
(c) Disclosed, but not carried, at fair value.
(d) The carrying values are net of unamortized debt issuance costs and discount. See Note 11 – Borrowings for additional information.
(e) Effective January 1, 2018, we elected fair value accounting for our MSRs previously accounted for using the amortization method, which included Agency MSRs and government-insured MSRs. The balance at December 31, 2017 includes the impaired government-

insured stratum of amortization method MSRs, which was measured at fair value on a non-recurring basis and reported net of the valuation allowance. At December 31, 2017, the carrying value of this stratum was $158.0 million before applying the valuation allowance of $24.8 million.

The following tables present a reconciliation of the changes in fair value of Level 3 assets and liabilities that we measure at fair value on a recurring basis:

	Loans Held for Investment - Reverse Mortgages	HMBS-Related Borrowings	Loans Held for Inv. - Restricted for Securitiza-tion Investors	Financing Liability - Owed to Securit - ization Investors	Mortgage-Backed Securities	Financing Liability - MSRs Pledged	Derivatives	MSRs
Three months ended September 30, 2018								
Beginning balance	$ 5,143,758	$ (5,040,983)	$ —	$ —	$ 1,732	$ (672,619)	$ 1,657	$ 1,043,995
Purchases, issuances, sales and settlements								
Purchases	—	—	—	—	—	—	—	2,924
Issuances	223,563	(229,169)	—	—	—	—	—	1,930
Consolidation of mortgage-backed securitization trusts	—	—	28,373	(26,643)	—	—	—	—
Sales	—	—	—	—	—	—	—	(8,119)
Settlements	(110,584)	108,790	—	—	—	49,620	—	—
Transfers (to) from:								
Loans held for sale, at fair value	(253)	—	—	—	—	—	—	—
Other assets	(170)	—	—	—	—	—	—	—
Receivables, net	(20)	—	—	—	—	—	—	—
	112,536	(120,379)	28,373	(26,643)	—	49,620	—	(3,265)
Total realized and unrealized gains (losses) included in earnings								
Change in fair value	22,893	(22,865)	—	—	(62)	2,681	(446)	(41,448)
Calls and other	—	—	—	—	—	119	—	—
	22,893	(22,865)	—	—	(62)	2,800	(446)	(41,448)
Transfers in and / or out of Level 3	—	—	—	—	—	—	—	—
Ending balance	$ 5,279,187	$ (5,184,227)	$ 28,373	$ (26,643)	$ 1,670	$ (620,199)	$ 1,211	$ 999,282

	Loans Held for Investment - Reverse Mortgages	HMBS-Related Borrowings	Mortgage-Backed Securities	Financing Liability - MSRs Pledged	Derivatives	MSRs
Three months ended September 30, 2017						
Beginning balance	$ 4,223,776	$ (4,061,626)	$ 8,986	$ (441,007)	$ 1,937	$ 625,650
Purchases, issuances, sales and settlements						
Purchases	—	—	—	—	655	—
Issuances	263,169	(317,277)	—	(54,601)	—	(715)
Sales	—	—	—	—	—	(311)
Settlements	(118,991)	111,677	—	19,770	(403)	—
Transfers (to) from:						
Other assets	88	—	—	—	—	—
	144,266	(205,600)	—	(34,831)	252	(1,026)
Total realized and unrealized gains (losses) included in earnings						
Change in fair value	91,718	(91,051)	341	27,024	(350)	(26,477)
Calls and other	—	—	—	971	—	—
	91,718	(91,051)	341	27,995	(350)	(26,477)
Transfers in and / or out of Level 3	—	—	—	—	—	—
Ending balance	$ 4,459,760	$ (4,358,277)	$ 9,327	$ (447,843)	$ 1,839	$ 598,147

	Loans Held for Investment - Reverse Mortgages	HMBS-Related Borrowings	Loans Held for Inv. - Restricted for Securitization Investors	Financing Liability - Owed to Securitization Investors	Mortgage-backed Securities	Financing Liability - MSRs Pledged	Derivatives	MSRs
Nine months ended September 30, 2018								
Beginning balance	$ 4,715,831	$ (4,601,556)	$ —	$ —	$ 1,592	$ (508,291)	$ 2,056	$ 671,962
Purchases, issuances, sales and settlements								
Purchases	—	—	—	—	—	—	95	8,809
Issuances	711,035	(728,745)	—	—	—	(279,586)	—	(445)
Consolidation of mortgage-backed securitization trusts	—	—	28,373	(26,643)	—	—	—	—
Sales	—	—	—	—	—	—	—	(8,274)
Settlements	(296,800)	290,338	—	—	—	154,129	(371)	—
Transfers (to) from:								
MSRs carried at amortized cost, net of valuation allowance	—	—	—	—	—	—	—	418,925
Loans held for sale, at fair value	(694)	—	—	—	—	—	—	—
Other assets	(307)	—	—	—	—	—	—	—
Receivables, net	(92)	—	—	—	—	—	—	—
	413,142	(438,407)	28,373	(26,643)	—	(125,457)	(276)	419,015
Total realized and unrealized gains (losses) included in earnings								
Included in earnings:								
Change in fair value	150,214	(144,264)	—	—	78	11,323	(569)	(91,695)
Calls and other	—	—	—	—	—	2,226	—	—
	150,214	(144,264)	—	—	78	13,549	(569)	(91,695)
Transfers in and / or out of Level 3	—	—	—	—	—	—	—	—
Ending Balance	$ 5,279,187	$ (5,184,227)	$ 28,373	$ (26,643)	$ 1,670	$ (620,199)	$ 1,211	$ 999,282

	Loans Held for Investment - Reverse Mortgages	HMBS-Related Borrowings	Mortgage-backed Securities	Financing Liability - MSRs Pledged	Derivatives	MSRs
Nine months ended September 30, 2017						
Beginning balance	$ 3,565,716	$ (3,433,781)	$ 8,342	$ (477,707)	$ 1,836	$ 679,256
Purchases, issuances, sales and settlements						
Purchases	—	—	—	—	655	—
Issuances	961,642	(981,730)	—	(54,601)	—	(2,131)
Sales	—	—	—	—	—	(541)
Settlements	(311,560)	287,908	—	52,963	(445)	—
Transfers (to) from:						
Other assets	(1,335)	—	—	—	—	—
	648,747	(693,822)	—	(1,638)	210	(2,672)
Total realized and unrealized gains (losses) included in earnings						
Change in fair value	245,297	(230,674)	985	27,024	(207)	(78,437)
Calls and other	—	—	—	4,478	—	—
	245,297	(230,674)	985	31,502	(207)	(78,437)
Transfers in and / or out of Level 3	—	—	—	—	—	—
Ending balance	$ 4,459,760	$ (4,358,277)	$ 9,327	$ (447,843)	$ 1,839	$ 598,147

The methodologies that we use and key assumptions that we make to estimate the fair value of financial instruments and other assets and liabilities measured at fair value on a recurring or non-recurring basis and those disclosed, but not carried, at fair value are described below.

Loans Held for Sale

Residential forward and reverse mortgage loans that we intend to sell are carried at fair value as a result of a fair value election. Such loans are subject to changes in fair value due to fluctuations in interest rates from the closing date through the date of the sale of the loan into the secondary market. These loans are classified within Level 2 of the valuation hierarchy because the primary component of the price is obtained from observable values of mortgage forwards for loans of similar terms and characteristics. We have the ability to access this market, and it is the market into which conventional and government-insured mortgage loans are typically sold.

We repurchase certain loans from Ginnie Mae guaranteed securitizations in connection with loan modifications and loan resolution activity as part of our contractual obligations as the servicer of the loans. These loans are classified as loans held for sale at the lower of cost or fair value, in the case of modified loans, as we expect to redeliver (sell) the loans to new Ginnie Mae guaranteed securitizations. The fair value of these loans is estimated using published forward Ginnie Mae prices. Loans repurchased in connection with loan resolution activities are modified or otherwise remediated through loss mitigation activities or are reclassified to receivables. Because these loans are insured or guaranteed by the FHA or VA, the fair value of these loans represents the net recovery value taking into consideration the insured or guaranteed claim.

For all other loans held for sale, which we report at the lower of cost or fair value, market illiquidity has reduced the availability of observable pricing data. When we enter into an agreement to sell a loan or pool of loans to an investor at a set price, we value the loan or loans at the commitment price. We base the fair value of loans for which we have no agreement to sell on the expected future cash flows discounted at a rate commensurate with the risk of the estimated cash flows.

Loans Held for Investment

Loans Held for Investment - Reverse Mortgages

We measure these loans at fair value based on the expected future cash flows discounted over the expected life of the loans at a rate commensurate with the risk of the estimated cash flows. Significant assumptions include expected prepayment and delinquency rates and cumulative loss curves. The discount rate assumption for these assets is primarily based on an assessment

of current market yields on newly originated reverse mortgage loans, expected duration of the asset and current market interest rates.

Significant valuation assumptions	September 30, 2018	December 31, 2017
Life in years		
Range	2.8 to 7.6	4.4 to 8.1
Weighted average	5.8	6.4
Conditional repayment rate		
Range	6.3% to 41.3%	5.4% to 51.9%
Weighted average	14.7%	13.1%
Discount rate	3.7%	3.2%

Significant increases or decreases in any of these assumptions in isolation could result in a significantly lower or higher fair value, respectively. The effects of changes in the assumptions used to value the loans held for investment are largely offset by the effects of changes in the assumptions used to value the HMBS-related borrowings that are associated with these loans.

Loans Held for Investment – Restricted for securitization investors

We have elected to measure loans held by consolidated mortgage-backed securitization trusts at fair value. The loans are secured by first liens on single family residential properties. Fair value is based on proprietary cash flow modeling processes for a third-party broker/dealer and a third-party valuation expert. Significant assumptions used in the valuation include projected monthly payments, projected prepayments and defaults, property liquidation values and discount rates.

Mortgage Servicing Rights

The significant components of the estimated future cash inflows for MSRs include servicing fees, late fees, float earnings and other ancillary fees. Significant cash outflows include the cost of servicing, the cost of financing servicing advances and compensating interest payments.

Third-party valuation experts generally utilize: (a) transactions involving instruments with similar collateral and risk profiles, adjusted as necessary based on specific characteristics of the asset or liability being valued; and/or (b) industry-standard modeling, such as a discounted cash flow model, in arriving at their estimate of fair value. The prices provided by the valuation experts reflect their observations and assumptions related to market activity, including risk premiums and liquidity adjustments. The models and related assumptions used by the valuation experts are owned and managed by them and, in many cases, the significant inputs used in the valuation techniques are not reasonably available to us. However, we understand the processes and assumptions used to develop the prices based on our ongoing due diligence, which includes regular discussions with the valuation experts. We believe that the procedures executed by the valuation experts, supported by our verification and analytical procedures, provide reasonable assurance that the prices used in our unaudited consolidated financial statements comply with the accounting guidance for fair value measurements and disclosures and reflect the assumptions that a market participant would use.

We evaluate the reasonableness of our third-party experts' assumptions using historical experience adjusted for prevailing market conditions. Assumptions used in the valuation of MSRs include:

- Mortgage prepayment speeds
- Cost of servicing
- Discount rate
- Interest rate used for computing the cost of financing servicing advances
- Delinquency rates
- Interest rate used for computing float earnings
- Compensating interest expense
- Collection rate of other ancillary fees

Fair Value MSRs

MSRs carried at fair value are classified within Level 3 of the valuation hierarchy. The fair value is equal to the mid-point of the range of prices provided by third-party valuation experts, without adjustment, except in the event we have a potential or completed sale, including transactions where we have executed letters of intent, in which case the fair value of the MSRs is disclosed at the estimated sale price. Fair value reflects actual Ocwen sale prices for orderly transactions where available in lieu of independent third-party valuations. Our valuation process includes discussions of bid pricing with the third-party valuation experts and presumably are contemplated along with other market-based transactions in their model validation.

A change in the valuation inputs utilized by the valuation experts might result in a significantly higher or lower fair value measurement. Changes in market interest rates tend to impact the fair value for Agency MSRs via prepayment speeds by altering the borrower refinance incentive and the non-Agency MSRs via a market rate indexed cost of advance funding. Other key assumptions used in the valuation of these MSRs include delinquency rates and discount rates.

	September 30, 2018		December 31, 2017	
Significant valuation assumptions	**Agency (1)**	**Non-Agency**	**Agency**	**Non-Agency**
Weighted average prepayment speed	8.1%	15.7%	8.1%	16.6%
Weighted average delinquency rate	9.9%	27.6%	1.0%	28.5%
Advance financing cost	5-year swap	5-yr swap plus 2.75%	5-year swap	5-yr swap plus 2.75%
Interest rate for computing float earnings	5-year swap	5-yr swap minus 0.50%	5-year swap	5-yr swap minus 0.50%
Weighted average discount rate	9.0%	12.7%	9.0%	13.0%
Weighted average cost to service (in dollars)	$ 105	$ 301	$ 64	$ 305

(1) Valuation assumptions for Agency MSRs at September 30, 2018 include assumptions for MSRs we carried at amortized cost at December 31, 2017. Effective January 1, 2018, we elected fair value accounting for our remaining MSRs that we had previously carried at amortized cost.

Amortized Cost MSRs

Prior to our fair value election on January 1, 2018 for our remaining portfolio of MSRs carried at amortized cost, we estimated the fair value using a process that involved either actual sale prices obtained or the use of independent third-party valuation experts, supported by commercially available discounted cash flow models and analysis of current market data. To provide greater price transparency to investors, we disclosed actual Ocwen sale prices for orderly transactions where available in lieu of third-party valuations.

Significant valuation assumptions	**December 31, 2017**
Weighted average prepayment speed	8.8%
Weighted average delinquency rate	10.9%
Advance financing cost	5-year swap
Interest rate for computing float earnings	5-year swap
Weighted average discount rate	9.2%
Weighted average cost to service (in dollars)	$ 108

We performed an impairment analysis based on the difference between the carrying amount and fair value after grouping the underlying loans into the applicable strata, which we defined as conventional and government-insured.

Advances

We value advances at their net realizable value, which generally approximates fair value, because advances have no stated maturity, are generally realized within a relatively short period of time and do not bear interest.

Receivables

The carrying value of receivables generally approximates fair value because of the relatively short period of time between their origination and realization.

Mortgage-Backed Securities (MBS)

Our subordinate and residual securities are not actively traded, and therefore, we estimate the fair value of these securities using a process based upon the use of an independent third-party valuation expert. Where possible, we consider observable trading activity in the valuation of our securities. Key inputs include expected prepayment rates, delinquency and cumulative loss curves and discount rates commensurate with the risks. Where possible, we use observable inputs in the valuation of our securities. However, the subordinate and residual securities in which we have invested trade infrequently and therefore have few or no observable inputs and little price transparency. Additionally, during periods of market dislocation, the observability of inputs is further reduced.

U.S. Treasury Notes

We classify U.S. Treasury notes as trading securities and account for them at fair value on a recurring basis. We base the fair value on quoted prices in active markets to which we have access. Changes in the fair value of our investment in U.S. Treasury notes are recognized in Other, net in the unaudited consolidated statements of operations.

Match Funded Liabilities

For match funded liabilities that bear interest at a rate that is adjusted regularly based on a market index, the carrying value approximates fair value. For match funded liabilities that bear interest at a fixed rate, we determine fair value by discounting the future principal and interest repayments at a market rate commensurate with the risk of the estimated cash flows. We estimate principal repayments of match funded liabilities during the amortization period based on our historical advance collection rates and taking into consideration any plans to refinance the notes.

Financing Liabilities

HMBS-Related Borrowings

We have elected to measure these borrowings at fair value. These borrowings are not actively traded, and therefore, quoted market prices are not available. We determine fair value by discounting the projected recovery of principal, interest and advances over the estimated life of the borrowing at a market rate commensurate with the risk of the estimated cash flows. Significant assumptions include prepayments, discount rate and borrower mortality rates. The discount rate assumption for these liabilities is based on an assessment of current market yields for newly issued HMBS, expected duration and current market interest rates.

Significant valuation assumptions	September 30, 2018	December 31, 2017
Life in years		
Range	2.8 to 7.6	4.4 to 8.1
Weighted average	5.8	6.4
Conditional repayment rate		
Range	6.3% to 41.3%	5.4% to 51.9%
Weighted average	14.7%	13.1%
Discount rate	3.7%	3.1%

Significant increases or decreases in any of these assumptions in isolation would result in a significantly higher or lower fair value.

MSRs Pledged (Rights to MSRs)

We have elected to measure these borrowings at fair value. We recognize the proceeds received in connection with Rights to MSRs transactions as a secured borrowing that we account for at fair value. Fair value for the portion of the borrowing attributable to the MSRs underlying the Rights to MSRs is determined using the mid-point of the range of prices provided by third-party valuation experts. Fair value for the portion of the borrowing attributable to any lump sum payments received in connection with the transfer of MSRs underlying such Rights to MSRs to the extent such transfer is accounted for as a financing is determined by discounting the relevant future cash flows that were altered through such transfer using assumptions consistent with the mid-point of the range of prices provided by third-party valuation experts for the related MSR. Because we have elected fair value for our portfolio of non-Agency MSRs, fair value changes in the Financing Liability - MSRs Pledged are partially offset by changes in the fair value of the related MSRs. See Note 8 — Rights to MSRs for additional information.

Significant valuation assumptions	September 30, 2018	December 31, 2017
Weighted average prepayment speed	16.1%	17.0%
Weighted average delinquency rate	28.1%	28.9%
Advance financing cost	5-yr swap plus 2.75%	5-year swap plus 2.75%
Interest rate for computing float earnings	5-yr swap minus 0.50%	5-year swap minus 0.50%
Weighted average discount rate	13.7%	13.7%
Weighted average cost to service (in dollars)	$ 307	$ 311

Significant increases or decreases in these assumptions in isolation would result in a significantly higher or lower fair value.

Secured Notes

We issued Ocwen Asset Servicing Income Series (OASIS), Series 2014-1 Notes secured by Ocwen-owned MSRs relating to Freddie Mac mortgages. We accounted for this transaction as a financing. We determine the fair value based on bid prices provided by third parties involved in the issuance and placement of the notes.

Financing Liability – Owed to Securitization Investors

Consists of securitization debt certificates due to third parties that represent beneficial ownership interests in mortgage-backed securitization trusts that we include in our consolidated financial statements. We determine fair value using the measurement alternative to ASC Topic 820, *Fair Value Measurement* as disclosed in Note 2 – Securitizations and Variable Interest Entities. In accordance with the measurement alternative, the fair value of the consolidated securitization debt certificates is measured as the fair value of the loans held by the trust less the fair value of the beneficial interests held by us in the form of residual securities.

Other Secured Borrowings

The carrying value of secured borrowings that bear interest at a rate that is adjusted regularly based on a market index approximates fair value. For other secured borrowings that bear interest at a fixed rate, we determine fair value by discounting the future principal and interest repayments at a market rate commensurate with the risk of the estimated cash flows. For the Senior Secured Term Loan (SSTL), we based the fair value on quoted prices in a market with limited trading activity.

Senior Notes

We base the fair value on quoted prices in a market with limited trading activity.

Derivative Financial Instruments

Interest rate lock commitments (IRLCs) represent an agreement to purchase loans from a third-party originator or an agreement to extend credit to a mortgage applicant (locked pipeline), whereby the interest rate is set prior to funding. IRLCs are classified within Level 2 of the valuation hierarchy as the primary component of the price is obtained from observable values of mortgage forwards for loans of similar terms and characteristics. Fair value amounts of IRLCs are adjusted for expected “fallout” (locked pipeline loans not expected to close) using models that consider cumulative historical fallout rates and other factors.

We enter into forward MBS trades to provide an economic hedge against changes in the fair value of residential forward and reverse mortgage loans held for sale that we carry at fair value. Forward MBS trades are primarily used to fix the forward sales price that will be realized upon the sale of mortgage loans into the secondary market. Forward contracts are actively traded in the market and we obtain unadjusted market quotes for these derivatives; thus, they are classified within Level 1 of the valuation hierarchy.

In addition, we may use interest rate caps to minimize future interest rate exposure on variable rate debt issued on servicing advance financing facilities from increases in one-month or three-month Eurodollar rate (1ML or 3 ML, respectively) interest rates. The fair value for interest rate caps is based on counterparty market prices and adjusted for counterparty credit risk.

Note 4 – Loans Held for Sale

Loans Held for Sale - Fair Value	Nine Months Ended September 30, 2018	2017
Beginning balance	$ 214,262	$ 284,632
Originations and purchases	671,503	2,204,028
Proceeds from sales	(728,531)	(2,310,294)
Principal collections	(14,201)	(3,684)
Transfers from (to):		
Loans held for investment, at fair value	694	—
Loans held for sale - Lower of cost or fair value	(11,564)	—
Receivables, net	(1,165)	—
Real estate owned (Other assets)	(2,240)	—
Gain on sale of loans	25,525	22,131
Increase (decrease) in fair value of loans	(12,791)	1,836
Other	3,925	1,789
Ending balance (1)	$ 145,417	$ 200,438

(1) At September 30, 2018 and 2017, the balances include $(6.5) million and $6.7 million, respectively, of fair value adjustments.

At September 30, 2018, loans held for sale, at fair value with a UPB of $76.3 million were pledged as collateral to warehouse lines of credit in our Lending segment.

Loans Held for Sale - Lower of Cost or Fair Value	Nine Months Ended September 30, 2018	2017
Beginning balance	$ 24,096	$ 29,374
Purchases	563,327	870,697
Proceeds from sales	(400,693)	(746,999)
Principal collections	(11,101)	(6,545)
Transfers from (to):		
Receivables, net	(118,762)	(137,807)
Real estate owned (Other assets)	(1,681)	(711)
Loans held for sale - Fair value	11,564	—
Gain on sale of loans	2,180	8,332
(Increase) decrease in valuation allowance	(3,144)	1,566
Other	6,233	5,317
Ending balance (1)	$ 72,019	$ 23,224

(1) At September 30, 2018 and 2017, the balances include $53.0 million and $17.6 million, respectively, of loans that we repurchased from Ginnie Mae guaranteed securitizations pursuant to Ginnie Mae servicing guidelines. We may repurchase loans that have been modified, to facilitate loss reduction strategies, or as otherwise obligated as a Ginnie Mae servicer. Repurchased loans may be modified or otherwise remediated through loss mitigation activities, may be sold to a third party, or are reclassified to receivables.

Valuation Allowance - Loans Held for Sale at Lower of Cost or Fair Value	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Beginning balance	$ 7,535	$ 6,491	$ 7,318	$ 10,064
Provision	2,755	906	3,036	1,761
Transfer from Liability for indemnification obligations (Other liabilities)	554	1,529	1,551	2,416
Sales of loans	(382)	(426)	(1,464)	(6,071)
Other	—	(2)	21	328
Ending balance	$ 10,462	$ 8,498	$ 10,462	$ 8,498

Gain on Loans Held for Sale, Net	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Gain on sales of loans, net				
MSRs retained on transfers of forward loans	$ 1,427	$ 3,572	$ 5,880	$ 18,604
Fair value gains related to transfers of reverse mortgage loans, net	9,421	15,747	36,870	37,434
Gain on sale of repurchased Ginnie Mae loans	1,222	4,577	2,179	8,332
Other, net	4,459	6,730	24,028	19,635
	16,529	30,626	68,957	84,005
Change in fair value of IRLCs	26	(178)	137	(1,605)
Change in fair value of loans held for sale	365	(2,078)	(9,781)	3,735
Gain (loss) on economic hedge instruments	84	(2,420)	2,082	(8,604)
Other	(62)	(173)	(260)	(555)
	$ 16,942	$ 25,777	$ 61,135	$ 76,976

Note 5 – Advances

	September 30, 2018	December 31, 2017
Principal and interest	$ 16,385	$ 20,207
Taxes and insurance	105,633	144,454
Foreclosures, bankruptcy and other	59,759	63,597
	181,777	228,258
Allowance for losses	(15,753)	(16,465)
	$ 166,024	$ 211,793

Advances at September 30, 2018 and December 31, 2017 include $8.2 million and $18.1 million, respectively, of advances relating to sales of loans that did not qualify for sale accounting.

The following table summarizes the activity in net advances:

	Nine Months Ended September 30,	
	2018	2017
Beginning balance	$ 211,793	$ 257,882
Sales of advances	(4,777)	(399)
Collections of advances, charge-offs and other, net	(41,704)	(63,320)
Decrease in allowance for losses	712	3,790
Ending balance	$ 166,024	$ 197,953

Allowance for Losses	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Beginning balance	$ 16,485	$ 20,328	$ 16,465	$ 37,952
Provision	2,696	13,756	6,197	17,054
Net (charge-offs) recoveries and other	(3,428)	78	(6,909)	(20,844)
Ending balance	$ 15,753	$ 34,162	$ 15,753	$ 34,162

Note 6 – Match Funded Assets

	September 30, 2018	December 31, 2017
Advances		
Principal and interest	$ 424,520	$ 523,248
Taxes and insurance	352,376	439,857
Foreclosures, bankruptcy, real estate and other	158,184	181,495
	935,080	1,144,600
Automotive dealer financing notes (1)	—	35,392
Allowance for losses	—	(2,635)
	—	32,757
	$ 935,080	$ 1,177,357

(1) In January 2018, we terminated our automotive dealer loan financing facility. Automotive dealer financing notes not pledged to our automotive dealer loan financing facility are reported as Other assets.

The following table summarizes the activity in match funded assets:

	Nine Months Ended September 30,			
	2018		2017	
	Advances	Automotive Dealer Financing Notes	Advances	Automotive Dealer Financing Notes
Beginning balance	$ 1,144,600	$ 32,757	$ 1,451,964	$ —
Transfer (to) from Other assets	—	(36,896)	—	25,180
Sales	—	—	(691)	—
New advances (collections), net	(209,520)	1,504	(243,410)	10,856
Decrease in allowance for losses (1)	—	2,635	—	—
Ending balance	$ 935,080	$ —	$ 1,207,863	$ 36,036

(1) The remaining allowance was charged off in connection with the exit from the ACS business.

Note 7 – Mortgage Servicing

Mortgage Servicing Rights – Amortization Method	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Beginning balance	$ 336,882	$ 363,722
Fair value election - transfer of MSRs carried at fair value (1)	(361,670)	—
Additions recognized in connection with asset acquisitions	—	1,658
Additions recognized on the sale of mortgage loans	—	18,604
Sales and other transfers	—	(814)
	(24,788)	383,170
Amortization (1)	—	(38,560)
Decrease in impairment valuation allowance (1) (2)	24,788	1,551
Ending balance	$ —	$ 346,161
Estimated fair value at end of period	$ —	$ 424,208

(1) Effective January 1, 2018, we elected fair value accounting for our MSRs previously accounted for using the amortization method, which included Agency MSRs and government-insured MSRs. This irrevocable election applies to all subsequently acquired or originated servicing assets and liabilities that have characteristics consistent with each of these classes. We recorded a cumulative-effect adjustment of $82.0 million to retained earnings as of January 1, 2018 to reflect the excess of the fair value of the Agency MSRs over their carrying amount. We also recognized the tax effect of this adjustment through an increase in retained earnings of $6.8 million and a deferred tax asset for the same amount. However, we established a full valuation allowance on the resulting deferred tax asset through a reduction in retained earnings. The government-insured MSRs were impaired by $24.8 million at December 31, 2017; therefore, these MSRs were already effectively carried at fair value.

(2) Impairment of MSRs is recognized in MSR valuation adjustments, net in the unaudited consolidated statements of operations for the nine months ended September 30, 2017. Impairment valuation allowance balance of $24.8 million was reclassified to reduce the carrying value of the related MSRs on January 1, 2018 in connection with our fair value election. See Note 3 – Fair Value for additional information regarding impairment and the valuation allowance.

Mortgage Servicing Rights – Fair Value Measurement Method	Nine Months Ended September 30, 2018			Nine Months Ended September 30, 2017		
	Agency	Non-Agency	Total	Agency	Non-Agency	Total
Beginning balance	$ 11,960	$ 660,002	$ 671,962	$ 13,357	$ 665,899	$ 679,256
Fair value election - transfer of MSRs carried at amortized cost, net of valuation allowance	336,882	—	336,882	—	—	—
Cumulative effect of fair value election	82,043	—	82,043	—	—	—
Sales and other transfers	(5,950)	(175)	(6,125)	—	(2,672)	(2,672)
Additions	8,809	—	8,809	—	—	—
Servicing transfers and adjustments	—	(2,594)	(2,594)	—	—	—
Changes in fair value (1):						
Changes in valuation inputs or other assumptions	19,217	(424)	18,793	(131)	2,303	2,172
Realization of expected future cash flows and other changes	(43,545)	(66,943)	(110,488)	(1,385)	(79,224)	(80,609)
Ending balance	$ 409,416	$ 589,866	$ 999,282	$ 11,841	$ 586,306	$ 598,147

(1) Changes in fair value are recognized in MSR valuation adjustments, net in the unaudited consolidated statements of operations.

Because the mortgages underlying these MSRs permit the borrowers to prepay the loans, the value of the MSRs generally tends to diminish in periods of declining interest rates, an improving housing market or expanded product availability (as

prepayments increase) and increase in periods of rising interest rates, a deteriorating housing market or reduced product availability (as prepayments decrease). The following table summarizes the estimated change in the value of the MSRs that we carry at fair value as of September 30, 2018 given hypothetical shifts in lifetime prepayments and yield assumptions:

	Adverse change in fair value	
	10%	20%
Weighted average prepayment speeds	$ (92,659)	$ (178,462)
Discount rate (option-adjusted spread)	(28,326)	(54,351)

The sensitivity analysis measures the potential impact on fair values based on hypothetical changes, which in the case of our portfolio at September 30, 2018 are increased prepayment speeds and a decrease in the yield assumption.

Portfolio of Assets Serviced

The following table presents the composition of our residential primary servicing and subservicing portfolios as measured by UPB, including foreclosed real estate and small-balance commercial loans. The servicing portfolio represents loans for which we own the servicing rights while subservicing represents all other loans. The UPB of assets serviced for others are not included on our unaudited consolidated balance sheets.

UPB at September 30, 2018	
Servicing	$ 68,076,254
Subservicing	1,387,641
NRZ (1)	91,532,579
	$ 160,996,474
UPB at December 31, 2017	
Servicing	$ 75,469,327
Subservicing	2,063,669
NRZ (1)	101,819,557
	$ 179,352,553
UPB at September 30, 2017	
Servicing	$ 78,254,463
Subservicing (2)	3,656,197
NRZ (1)	105,557,658
	$ 187,468,318

(1) UPB of loans serviced for which the Rights to MSRs have been sold to NRZ, including those subserviced for which third-party consents have been received and the MSRs have been transferred to NRZ.

(2) Excludes $9.8 million of large-balance commercial foreclosed real estate. During 2017, we sold or transferred servicing on the remaining managed assets.

During the nine months ended September 30, 2018 and 2017, we sold MSRs with a UPB of $580.0 million and $210.2 million, respectively.

A significant portion of the servicing agreements for our non-Agency servicing portfolio contain provisions where we could be terminated as servicer without compensation upon the failure of the serviced loans to meet certain portfolio delinquency or cumulative loss thresholds. As a result of the economic downturn beginning in 2007 - 2008, the portfolio delinquency and/or cumulative loss threshold provisions have been breached in many private-label securitizations in our non-Agency servicing portfolio. To date, terminations as servicer as a result of a breach of any of these provisions have been minimal.

At September 30, 2018, S&P Global Ratings' (S&P) servicer ratings outlook for Ocwen is stable. Fitch Ratings, Inc.'s (Fitch) servicer ratings outlook is Stable and Moody's Investors Service, Inc.'s (Moody's) servicer ratings are on Watch for Downgrade. Downgrades in servicer ratings could adversely affect our ability to sell or finance servicing advances and could impair our ability to consummate future servicing transactions or adversely affect our dealings with lenders, other contractual counterparties, and regulators, including our ability to maintain our status as an approved servicer by Fannie Mae and Freddie Mac. The servicer rating requirements of Fannie Mae do not necessarily require or imply immediate action, as Fannie Mae has discretion with respect to whether we are in compliance with their requirements and what actions it deems appropriate under the circumstances in the event that we fall below their desired servicer ratings.

Certain of our servicing agreements require that we maintain specified servicer ratings from rating agencies such as Moody's and S&P. At September 30, 2018, non-Agency servicing agreements with a UPB of $27.0 billion have minimum servicer ratings criteria. As a result of our current servicer ratings, termination rights have been triggered in non-Agency servicing agreements with a UPB of $8.4 billion, or approximately 9% of our total non-Agency servicing portfolio. To date, terminations as servicer as a result of a breach of any of these provisions have been minimal.

	Three Months Ended September 30,		Nine Months Ended September 30,	
Servicing Revenue	**2018**	**2017**	**2018**	**2017**
Loan servicing and subservicing fees				
Servicing	$ 52,610	$ 63,071	$ 167,389	$ 197,712
Subservicing	658	1,760	2,443	5,877
NRZ	120,593	129,228	374,322	420,151
	173,861	194,059	544,154	623,740
Late charges	14,839	14,958	44,743	47,352
Custodial accounts (float earnings)	10,241	7,489	25,965	18,322
Loan collection fees	4,916	5,663	14,700	17,918
Home Affordable Modification Program (HAMP) fees (1)	3,365	6,202	11,622	37,692
Other	6,508	4,849	16,911	16,499
	$ 213,730	$ 233,220	$ 658,095	$ 761,523

(1) The HAMP program expired on December 31, 2016. Borrowers who had requested assistance or to whom an offer of assistance had been extended as of that date had until September 30, 2017 to finalize their modification. We continue to earn HAMP success fees for HAMP modifications that remain less than 90 days delinquent at the first, second and third year anniversary of the start of the trial modification.

Float balances (balances in custodial accounts, which represent collections of principal and interest that we receive from borrowers) are held in escrow by an unaffiliated bank and are excluded from our unaudited consolidated balance sheets. Float balances amounted to $1.7 billion and $2.0 billion at September 30, 2018 and September 30, 2017, respectively.

Note 8 — Rights to MSRs

In 2012 and 2013, we sold Rights to MSRs with respect to certain non-Agency MSRs and the related servicing advances to Home Loan Servicing Solutions, Ltd. (HLSS), an indirect wholly-owned subsidiary of NRZ. While certain underlying economics of the MSRs were transferred, legal title was retained by Ocwen, causing the Rights to MSRs transactions to be accounted for as secured financings. We continue to recognize the MSRs and related financing liability on our unaudited consolidated balance sheet as well as the full amount of servicing revenue and changes in the fair value of the MSRs and related financing liability in our unaudited consolidated statements of operations.

Prior to the transfer of legal title under the Master Servicing Rights Purchase Agreement dated as of October 1, 2012, as amended, and certain Sale Supplements, as amended (collectively, the Original Rights to MSRs Agreements), Ocwen agreed to service the mortgage loans underlying the MSRs on the economic terms set forth in the Original Rights to MSRs Agreements. After the transfer of legal title as contemplated under the Original Rights to MSRs Agreements, Ocwen was to service the mortgage loans underlying the MSRs as subservicer on substantially the same economic terms.

On July 23, 2017 and January 18, 2018, we entered into a series of agreements with NRZ that collectively modify, supplement and supersede the arrangements among the parties as set forth in the Original Rights to MSRs Agreements. The July 23, 2017 agreements, as amended, include a Master Agreement, Transfer Agreement and Subservicing Agreement (collectively, the 2017 Agreements) pursuant to which the parties agreed, among other things, to undertake certain actions to facilitate the transfer from Ocwen to NRZ of Ocwen's legal title to the remaining MSRs, with a UPB of $109.6 billion as of June 30, 2017, that were subject to the Original Rights to MSRs Agreements and under which Ocwen will subservice mortgage loans underlying the MSRs for an initial term of five years (the Initial Term). While we continue the process of obtaining the third-party consents necessary to transfer the MSRs to NRZ, on January 18, 2018, the parties entered into new agreements (including a Servicing Addendum) regarding the Rights to MSRs related to MSRs that remained subject to the Original Rights to MSRs Agreements as of January 1, 2018 and amended the Transfer Agreement (collectively, New RMSR Agreements) to accelerate the implementation of certain parts of our arrangements in order to achieve the intent of the 2017 Agreements

sooner. Ocwen will continue to service the related mortgage loans until the necessary third-party consents are obtained in order to transfer the applicable MSRs in accordance with the New RMSR Agreements. Upon receiving the required consents and transferring the MSRs, Ocwen will subservice the mortgage loans underlying the MSRs pursuant to the 2017 Agreements.

On August 17, 2018, Ocwen and NRZ entered into certain amendments to the New RMSR Agreements to include New Penn Financial, LLC dba Shellpoint Mortgage Servicing (Shellpoint), a subsidiary of NRZ, as a party and to conform the New RMSR Agreements to certain of the terms of the Shellpoint Subservicing Agreement, between Ocwen and Shellpoint.

The 2017 Agreements and New RMSR Agreements (as amended) provide for the conversion of the economics of the Original Rights to MSRs Agreements into a more traditional subservicing arrangement and involve upfront payments to Ocwen. Prior to the execution of the New RMSR Agreements, we received these payments upon obtaining the required third-party consents and the transfer of the MSRs. Upon execution of the New RMSR Agreements, we received the balance of these upfront payments. These upfront payments generally represent the net present value of the difference between the future revenue stream Ocwen would have received under the Original Rights to MSRs Agreements and the future revenue stream Ocwen expects to receive under the 2017 Agreements and the New RMSR Agreements. On September 1, 2017, pursuant to the 2017 Agreements, Ocwen successfully transferred MSRs with UPB of $15.9 billion to NRZ and received a lump-sum payment of $54.6 million. On January 18, 2018, Ocwen received a lump-sum payment of $279.6 million in accordance with the terms of the New RMSR Agreements.

Due to the length of the Initial Term of the Subservicing Agreement, the transactions in which MSRs are transferred as described above do not qualify as a sale and are accounted for as secured financings. A new liability is recognized in an amount equal to the fair value of any lump sum payments received in connection with the 2017 Agreements and New RMSR Agreements. Due diligence and consent-related costs are recorded in Professional services expense as incurred. Changes in the fair value of the financing liability are recognized in Interest expense.

In the event the required third-party consents are not obtained with respect to any dates specified in, and in accordance with the process set forth in, the New RMSR Agreements, such MSRs will either: (i) remain subject to the New RMSR Agreements at the option of NRZ, (ii) be acquired by Ocwen at a price determined in accordance with the terms of the New RMSR Agreements, or (iii) be sold to a third party in accordance with the terms of the New RMSR Agreements.

At any time during the Initial Term, NRZ may terminate the Subservicing Agreement and Servicing Addendum for convenience, subject to Ocwen's right to receive a termination fee and proper notice. Following the Initial Term, NRZ may extend the term of the Subservicing Agreement and Servicing Addendum for additional three-month periods by providing proper notice. Following the Initial Term, the Subservicing Agreement and Servicing Addendum can be cancelled by Ocwen on an annual basis. NRZ and Ocwen have the ability to terminate the Subservicing Agreement and Servicing Addendum for cause if certain specified conditions occur.

Under the terms of the Subservicing Agreement and Servicing Addendum, in addition to a base servicing fee, Ocwen will continue to receive ancillary income, which primarily includes late fees, loan modification fees and Speedpay® fees. NRZ will receive all float earnings and deferred servicing fees related to delinquent borrower payments, as well as be entitled to receive certain real estate owned (REO) related income including REO referral commissions.

Prior to January 18, 2018, MSRs as to which necessary transfer consents had not yet been obtained continued to be subject to the terms of the agreements entered into in 2012 and 2013. Under the 2012 and 2013 agreements, the servicing fees payable under the servicing agreements underlying the Rights to MSRs were apportioned between NRZ and us. NRZ retained a fee based on the UPB of the loans serviced, and OLS received certain fees, including a performance fee based on servicing fees paid less an amount calculated based on the amount of servicing advances and the cost of financing those advances.

Interest expense related to financing liabilities recorded in connection with the NRZ transactions is indicated in the table below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Servicing fees collected on behalf of NRZ	$ 120,593	$ 129,228	$ 374,322	$ 420,151
Less: Subservicing fee retained by Ocwen	33,335	68,536	101,997	226,483
Net servicing fees remitted to NRZ	87,258	60,692	272,325	193,668
Less: Reduction (increase) in financing liability				
Changes in fair value				
Original Rights to MSRs Agreements	4,844	(9,854)	(3,938)	(9,854)
2017 Agreements and New RMSR Agreements	(2,163)	36,878	15,261	36,878
Runoff, settlement and other				
Original Rights to MSRs Agreements	14,095	19,003	45,455	52,196
2017 Agreements and New RMSR Agreements	33,765	767	104,291	767
	$ 36,717	$ 13,898	$ 111,256	$ 113,681

In April 2015, Ocwen sold all economic beneficial rights to the “clean-up call rights” to which we were entitled pursuant to servicing agreements that underlie the Rights to MSRs to NRZ for a payment upon exercise of 0.50% of the UPB of all performing mortgage loans (mortgage loans that are current or 30 days or less delinquent) associated with such clean-up call. As a result of the 2017 Agreements and the New RMSR Agreements, Ocwen is no longer entitled to the 0.50% purchase price but will continue to be reimbursed for costs incurred with respect to such efforts and receives administrative fees. We received $0.8 million and $5.5 million during the three and nine months ended September 30, 2017, respectively, from NRZ in connection with such clean-up calls. The clean-up calls are recognized in Other, net in the unaudited consolidated statements of operations.

Note 9 – Receivables

	September 30, 2018	December 31, 2017
Servicing-related receivables:		
Government-insured loan claims, net	$ 100,786	$ 114,971
Reimbursable expenses	30,493	31,709
Due from custodial accounts	27,990	36,122
Due from NRZ	6,137	14,924
Other	9,048	11,959
	174,454	209,685
Income taxes receivable	35,153	36,831
Other receivables	11,153	19,600
	220,760	266,116
Allowance for losses	(64,823)	(66,587)
	$ 155,937	$ 199,529

At September 30, 2018 and December 31, 2017, the allowance for losses related to receivables of our Servicing business was $64.4 million and $66.3 million, respectively, and was primarily comprised of an allowance for losses related to defaulted FHA or VA insured loans repurchased from Ginnie Mae guaranteed securitizations (government-insured loan claims).

Allowance for Losses - Government-Insured Loan Claims	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Beginning balance	$ 53,155	$ 46,577	$ 53,340	$ 53,258
Provision	10,180	9,162	29,214	31,848
Net charge-offs and other	(10,297)	(7,069)	(29,516)	(36,436)
Ending balance	$ 53,038	$ 48,670	$ 53,038	$ 48,670

Note 10 – Other Assets

	September 30, 2018	December 31, 2017
Contingent loan repurchase asset	$ 307,684	$ 431,492
Prepaid expenses	23,023	22,559
Debt service accounts (restricted cash)	22,454	33,726
Prepaid representation, warranty and indemnification claims - Agency MSR sale	15,173	20,173
Prepaid lender fees, net	6,290	9,496
Real estate	5,216	3,070
Derivatives, at fair value	4,721	5,429
Other restricted cash	3,056	9,179
Mortgage backed securities, at fair value	1,670	1,592
Interest-earning time deposits	1,629	4,739
Prepaid income taxes	—	5,621
Other	8,086	7,715
	$ 399,002	$ 554,791

Automotive dealer financing notes not pledged to our former automotive dealer loan financing facility are reported as Other assets. We ceased new lending and terminated this facility in January 2018. There were no remaining notes outstanding at September 30, 2018. At December 31, 2017, the balance of the notes was $0, net of an allowance of $7.7 million. Changes in the allowance are as follows:

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Beginning balance	$ —	$ 9,586	$ 7,664	$ 4,371
Provision	—	(1,019)	(265)	4,196
Net charge-offs and other	—	—	(7,399)	—
Ending balance	$ —	$ 8,567	$ —	$ 8,567

Note 11 – Borrowings

Match Funded Liabilities

Borrowing Type	Maturity (1)	Amorti- zation Date (1)	Available Borrowing Capacity (2)	September 30, 2018 Weighted Average Interest Rate (3)	September 30, 2018 Balance	December 31, 2017 Weighted Average Interest Rate (3)	December 31, 2017 Balance
Advance Financing Facilities:							
Advance Receivables Backed Notes - Series 2014-VF4 (4)	Aug. 2048	Aug. 2018	$ —	—%	$ —	4.29%	$ 67,095
Advance Receivables Backed Notes - Series 2015-VF5 (4)	Dec. 2049	Dec. 2019	46,178	3.76	178,822	4.29	67,095
Advance Receivables Backed Notes - Series 2016-T1 (5)	Aug. 2048	Aug. 2018	—	—	—	2.77	265,000
Advance Receivables Backed Notes - Series 2016-T2 (5)	Aug. 2049	Aug. 2019	—	2.99	235,000	2.99	235,000
Advance Receivables Backed Notes - Series 2017-T1 (5)	Sep. 2048	Sep. 2018	—	—	—	2.64	250,000
Advance Receivables Backed Notes, Series 2018-T1 (5)	Aug. 2049	Aug. 2019	—	3.50	150,000	—	—
Advance Receivables Backed Notes, Series 2018-T2 (5)	Aug. 2050	Aug. 2020	—	3.81	150,000	—	—
Total Ocwen Master Advance Receivables Trust (OMART)			46,178	3.46	713,822	3.02	884,190
Ocwen Servicer Advance Receivables Trust III (OSART III) - Advance Receivables Backed Notes, Series 2014-VF1 (6)	Dec. 2048	Dec. 2018	54,626	5.49	374	4.63	33,768
Ocwen Freddie Advance Funding (OFAF) - Advance Receivables Backed Notes, Series 2015-VF1 (7)	Jun. 2049	Jun. 2019	64,950	4.83	50	4.52	56,078
Total Servicing Advance Financing Facilities			165,754	3.46%	714,246	3.16%	974,036
Automotive Capital Asset Receivables Trust (ACART) - Loan Series 2017-1 (8)	Feb. 2021	Feb. 2019	—	—%	—	6.77%	24,582
			$ 165,754	3.46%	$ 714,246	3.25%	$ 998,618

(1) The amortization date of our facilities is the date on which the revolving period ends under each advance facility note and repayment of the outstanding balance must begin if the note is not renewed or extended. The maturity date is the date on which all outstanding balances must be repaid. In all of our advance facilities, there are multiple notes outstanding. For each note, after the amortization date, all collections that represent the repayment of advances pledged to the facility must be applied to reduce the balance of the note outstanding, and any new advances are ineligible to be financed.

(2) Borrowing capacity is available to us provided that we have eligible collateral to pledge. Collateral may only be pledged to one facility. At September 30, 2018, $52.8 million of the available borrowing capacity of our advance financing notes could be used based on the amount of eligible collateral that had been pledged.

(3) 1ML was 2.26% and 1.56% at September 30, 2018 and December 31, 2017, respectively.

(4) Effective January 1, 2018, the borrowing capacity of the Series 2014-VF4 and the Series 2015-VF5 variable rate notes were each reduced from $105.0 million to $70.0 million. The interest rate was based on 1ML, with a ceiling of 125 basis points (bps), plus a margin of 235 to 635 bps. On July 13, 2018, we increased the borrowing capacity of the Series 2015-VF5 variable notes to $225.0 million and extended the amortization date to December 15, 2019, with interest computed based on the lender's cost of funds plus a margin of 105 to 250 bps. The increased capacity was used on July 16, 2018 to redeem the Series 2016-T1 term notes with an outstanding balance of $265.0 million and an amortization date of August 15, 2018. We also voluntarily terminated the Series 2014-VF4 variable notes on July 16, 2018.

(5) Under the terms of the agreement, we must continue to borrow the full amount of the Series 2016-T2, 2018-T1 and 2018-T2 fixed-rate term notes until the amortization date. If there is insufficient eligible collateral to support the level of borrowing, the excess cash proceeds in an amount necessary to make up the deficit are not distributed to Ocwen but are held by the trustee, and interest expense continues to be based on the full amount of the outstanding notes. The Series 2016-T2, 2018-T1 and 2018-T2 term notes have a total combined borrowing capacity of $535.0 million. Rates on the individual classes of notes range from 2.72% to 4.53%. The Series 2016-T1 and Series 2017-T1 term notes were redeemed on July 16, 2018 and August 14, 2018, respectively. On August 15, 2018, we

issued two $150.0 million fixed-rate term notes (Series 2018 T-1 and Series 2018-T2) with amortization dates of August 15, 2019 and August 2020, respectively.

(6) The maximum borrowing capacity under this facility is $55.0 million. There is a ceiling of 300 bps for the 3ML in determining the interest rate for these variable rate notes. Rates on the individual notes are based on the lender's cost of funds plus a margin of 235 to 475 bps.

(7) On June 7, 2018, borrowing capacity was reduced from $110.0 million to $65.0 million with interest computed based on the lender's cost of funds plus a margin of 180 to 450 bps. There is a ceiling of 300 bps for 3ML in determining the interest rate for these variable rate notes.

(8) On January 23, 2018, we voluntarily terminated the Loan Series 2017-1 Notes.

Pursuant to the 2017 Agreements and New RMSR Agreements, NRZ is obligated to fund new servicing advances with respect to the MSRs underlying the Rights to MSRs. We are dependent upon NRZ for funding the servicing advance obligations for Rights to MSRs where we are the servicer. NRZ currently uses advance financing facilities in order to fund a substantial portion of the servicing advances that they are contractually obligated to purchase pursuant to our agreements with them. As of September 30, 2018, we were the servicer of Rights to MSRs sold to NRZ pertaining to $91.5 billion in UPB and the associated outstanding servicing advances as of such date were approximately $2.3 billion. Should NRZ's advance financing facilities fail to perform as envisaged or should NRZ otherwise be unable to meet its advance funding obligations, our liquidity, financial condition and business could be materially and adversely affected. As the servicer, we are contractually required under our servicing agreements to make the relevant servicing advances even if NRZ does not perform its contractual obligations to fund those advances. See Note 8 — Rights to MSRs for additional information.

In addition, although we are not an obligor or guarantor under NRZ's advance financing facilities, we are a party to certain of the facility documents as the servicer of the underlying loans on which advances are being financed. As the servicer, we make certain representations, warranties and covenants, including representations and warranties in connection with advances subsequently sold to, or reimbursed by, NRZ.

Financing Liabilities				**Outstanding Balance**	
Borrowing Type	**Collateral**	**Interest Rate**	**Maturity**	**September 30, 2018**	**December 31, 2017**
HMBS-Related Borrowings, at fair value (1)	Loans held for investment	1ML + 260 bps	(1)	$ 5,184,227	$ 4,601,556
Other Financing Liabilities					
MSRs pledged, at fair value:					
Original Rights to MSRs Agreements	MSRs	(2)	(2)	450,845	499,042
2017 Agreements and New RMSR Agreements	MSRs	(3)	(3)	169,354	9,249
				620,199	508,291
Secured Notes, Ocwen Asset Servicing Income Series, Series 2014-1 (4)	MSRs	(4)	Feb. 2028	67,194	72,575
Financing liability - Owed to securitization investors, at fair value:					
IndyMac Mortgage Loan Trust (INDX 2004-AR11) (5)	Loans held for investment	(5)	(5)	13,250	—
Residential Asset Securitization Trust 2003-A11 (RAST 2003-A11) (5)	Loans held for investment	(5)	(5)	13,393	—
				26,643	—
Advances pledged (6)	Advances on loans	(6)	(6)	5,283	12,652
				719,319	593,518
				$ 5,903,546	$ 5,195,074

(1) Represents amounts due to the holders of beneficial interests in Ginnie Mae guaranteed HMBS. The beneficial interests have no maturity dates, and the borrowings mature as the related loans are repaid.

(2) This financing liability has no contractual maturity or repayment schedule. The balance of the liability is adjusted each reporting period to its fair value based on the present value of the estimated future cash flows underlying the related MSRs.

(3) This financing liability arose in connection with lump sum payments received upon transfer of legal title of the MSRs related to the Rights to MSRs transactions to NRZ in September 2017. In connection with the execution of the New RMSR Agreements in January 2018, we received a lump sum payment of $279.6 million as compensation for foregoing certain payments under the Original Rights to MSRs Agreements. The balance of the liability is adjusted each reporting period to its fair value based on the present value of the estimated future cash flows. The expected maturity of the liability is April 30, 2020, the date through which we were scheduled to be the servicer on loans underlying the Rights to MSRs per the Original Rights to MSRs Agreements.

(4) OASIS noteholders are entitled to receive a monthly payment equal to the sum of: (a) 21 basis points of the UPB of the reference pool of Freddie Mac mortgages; (b) any termination payment amounts; (c) any excess refinance amounts; and (d) the note redemption amounts, each as defined in the indenture supplement for the notes. Monthly amortization of the liability is estimated using the proportion of monthly projected service fees on the underlying MSRs as a percentage of lifetime projected fees, adjusted for the term of the notes.

(5) Consists of securitization debt certificates due to third parties that represent beneficial interests in trusts that we include in our unaudited consolidated financial statements, as more fully described in Note 2 – Securitizations and Variable Interest Entities. The holders of these certificates have no recourse against the assets of Ocwen. The certificates in the INDX 2004-AR11 Trust pay interest based on variable rates which are generally based on weighted average net mortgage rates and which range between 3.29% and 3.62% at September 30, 2018. The certificates in the RAST 2003-A11 Trust pay interest based on fixed rates ranging between 4.25% and 5.75% and a variable rate based on 1ML plus 0.45%. The maturity of the certificates occurs upon maturity of the loans held by the trust. The remaining loans in the INDX 2004-AR11 Trust and RAST 2003-A11 Trust have maturity dates extending through November 2034 and October 2033, respectively.

(6) Certain sales of advances did not qualify for sales accounting treatment and were accounted for as a financing. This financing liability has no contractual maturity. The effective interest rate is based on 1ML plus a margin of 450 bps.

Other Secured Borrowings					**Outstanding Balance**	
Borrowing Type	**Collateral**	**Interest Rate**	**Termination / Maturity**	**Available Borrowing Capacity (1)**	**September 30, 2018**	**December 31, 2017**
SSTL (2)	(2)	1-Month Euro-dollar rate + 500 bps with a Eurodollar floor of 100 bps (2)	Dec. 2020	$ —	$ 235,687	$ 298,251
Mortgage loan warehouse facilities						
Repurchase agreement (3)	Loans held for sale (LHFS)	1ML + 200 - 345 bps	Sep. 2019	100,000	—	8,221
Participation agreements (4)	LHFS	N/A	(4)	—	64,798	161,433
Mortgage warehouse agreement (5)	LHFS (reverse mortgages)	1ML + 275 bps; 1ML floor of 350 bps	Aug. 2019	—	9,899	32,042
Master repurchase agreement (6)	LHFS (forward and reverse mortgages)	1ML + 225 bps forward; 1ML + 275 bps reverse	Dec. 2018	109,567	40,433	54,086
Master repurchase agreement (7)	LHFS (reverse mortgages)	Prime + 0.0% (4.0% floor)	Dec. 2018	—	—	—
				209,567	115,130	255,782
				$ 209,567	350,817	554,033
Unamortized debt issuance costs - SSTL					(3,573)	(5,423)
Discount - SSTL					(1,819)	(2,760)
					$ 345,425	$ 545,850
Weighted average interest rate					5.79%	5.22%

(1) Available borrowing capacity for our mortgage loan warehouse facilities does not consider the amount of the facility that the lender has extended on an uncommitted basis. Of the borrowing capacity extended on a committed basis, $100.0 million could be used at September 30, 2018 based on the amount of eligible collateral that could be pledged.

(2) Under the terms of the Amended and Restated Senior Secured Term Loan Facility Agreement with an original borrowing capacity of $335.0 million, we may request increases to the loan amount of up to $100.0 million, with additional increases subject to certain limitations. We are required to make quarterly principal payments of $4.2 million on the SSTL, the first of which was paid on March 31, 2017.

The borrowings under the SSTL are secured by a first priority security interest in substantially all of the assets of Ocwen, OLS and the other guarantors thereunder, excluding among other things, 35% of the capital stock of foreign subsidiaries, securitization assets and equity interests of securitization entities, assets securing permitted funding indebtedness and non-recourse indebtedness, REO assets, servicing agreements where an acknowledgment from the GSE has not been obtained, as well as other customary carve-outs.

Borrowings bear interest, at the election of Ocwen, at a rate per annum equal to either (a) the base rate (the greatest of (i) the prime rate in effect on such day, (ii) the federal funds rate in effect on such day plus 0.50% and (iii) 1ML, plus a margin of 4.00% and subject to a base rate floor of 2.00% or (b) 1ML, plus a margin of 5.00% and subject to a 1ML floor of 1.00%. To date, we have elected option (b) to determine the interest rate.

(3) We primarily use this facility to fund the repurchase of certain loans from Ginnie Mae guaranteed securitizations in connection with loan modifications and loan resolution activity as part of our contractual obligations as the servicer of the loans. On September 28, 2018, we renewed this facility through September 27, 2019. In connection with the renewal, we increased the maximum borrowing amount from $137.5 million to $175.0 million, of which $100.0 million is available on a committed basis and the remainder is available at the discretion of the lender.

(4) Under these participation agreements, the lender provides financing for a combined total of $250.0 million at the discretion of the lender. The participation agreements allow the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transaction does not qualify for sale accounting treatment and is accounted for as a secured borrowing. The lender earns the stated interest rate of the underlying mortgage loans while the loans are financed under the participation agreement. On May 31, 2018, we renewed these facilities through April 30, 2019 ($175.0 million) and May 31, 2019 ($75.0 million).

(5) Under this participation agreement, the lender provides financing for $100.0 million at the discretion of the lender. The participation agreement allows the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transaction does not qualify for sale accounting treatment and is accounted for as a secured borrowing. On August 15, 2018, we renewed these facilities through August 15, 2019.

(6) Under this agreement, the lender provides financing on a committed basis for up to $150.0 million. The agreement allows the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transaction does not qualify for sale accounting treatment and is accounted for as a secured borrowing.

(7) Under this agreement, the lender provides financing for up to $50.0 million at the discretion of the lender.

			Outstanding Balance	
Senior Notes	**Interest Rate**	**Maturity**	**September 30, 2018**	**December 31, 2017**
Senior unsecured notes (1)	6.625%	May 2019	$ 3,122	$ 3,122
Senior secured notes (2)	8.375%	Nov. 2022	346,878	346,878
			350,000	350,000
Unamortized debt issuance costs			(2,251)	(2,662)
			$ 347,749	$ 347,338

(1) Ocwen may redeem all or a part of the remaining Senior Unsecured Notes, upon not less than 30 nor more than 60 days' notice, at a redemption price (expressed as a percentage of principal amount) of 100.000% beginning May 15, 2018 plus accrued and unpaid interest and additional interest, if any.

(2) The Senior Secured Notes are guaranteed by Ocwen, OMS, Homeward Residential Holdings, Inc., Homeward and ACS (the Guarantors). The Senior Secured Notes are secured by second priority liens on the assets and properties of OLS and the Guarantors that secure the first priority obligations under the SSTL, excluding certain MSRs.

At any time, OLS may redeem all or a part of the Senior Secured Notes, upon not less than 30 nor more than 60 days' notice at a specified redemption price, plus accrued and unpaid interest to the date of redemption. Prior to November 15, 2018, the Senior Secured Notes may be redeemed at a redemption price equal to 100.0% of the principal amount of the Senior Secured Notes redeemed, plus the applicable make whole premium (as defined in the Indenture). On or after November 15, 2018, OLS may redeem all or a part of the Senior Secured Notes at the redemption prices (expressed as percentages of principal amount) specified in the Indenture. The redemption prices during the twelve-month periods beginning on November 15th of each year are as follows:

Year	Redemption Price
2018	106.281%
2019	104.188%
2020	102.094%
2021 and thereafter	100.000%

At any time, on or prior to November 15, 2018, OLS may, at its option, use the net cash proceeds of one or more equity offerings (as defined in the Indenture) to redeem up to 35.0% of the principal amount of all Senior Secured Notes issued at a redemption price equal to 108.375% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest to the date of redemption, provided that: (i) at least 65.0% of the principal amount of all Senior Secured Notes issued under the Indenture (including any additional Senior Secured Notes) remains outstanding immediately after any such redemption; and (ii) OLS makes such redemption not more than 120 days after the consummation of any such equity offering.

Upon a change of control (as defined in the Indenture), OLS is required to make an offer to the holders of the Senior Secured Notes to repurchase all or a portion of each holder's Senior Secured Notes at a purchase price equal to 101.0% of the principal amount of the Senior Secured Notes purchased plus accrued and unpaid interest to the date of purchase.

Credit Ratings

Credit ratings are intended to be an indicator of the creditworthiness of a particular company, security or obligation. As of September 30, 2018, the S&P long-term corporate rating was "B-". On September 14, 2018, Moody's affirmed the long-term corporate rating of "Caa1" and revised the outlook to stable from negative. On July 25, 2018, Fitch affirmed the long-term issuer default rating of "B-" and withdrew all corporate ratings. It is possible that additional actions by credit rating agencies could have a material adverse impact on our liquidity and funding position, including materially changing the terms on which we may be able to borrow money.

Covenants

Under the terms of our debt agreements, we are subject to various qualitative and quantitative covenants. Collectively, these covenants include:

- Financial covenants;
- Covenants to operate in material compliance with applicable laws;
- Restrictions on our ability to engage in various activities, including but not limited to incurring additional debt, paying dividends or making distributions on or purchasing equity interests of Ocwen, repurchasing or redeeming capital stock or junior capital, repurchasing or redeeming subordinated debt prior to maturity, issuing preferred stock, selling or transferring assets or making loans or investments or acquisitions or other restricted payments, entering into mergers or consolidations or sales of all or substantially all of the assets of Ocwen and its subsidiaries, creating liens on assets to secure debt of OLS or any Guarantor and entering into transactions with affiliates;
- Monitoring and reporting of various specified transactions or events, including specific reporting on defined events affecting collateral underlying certain debt agreements; and
- Requirements to provide audited financial statements within specified timeframes, including requirements that Ocwen's financial statements and the related audit report be unqualified as to going concern.

Many of the restrictive covenants arising from the indenture for the Senior Secured Notes will be suspended if the Senior Secured Notes achieve an investment-grade rating from both Moody's and S&P and if no default or event of default has occurred and is continuing.

Financial covenants in certain of our debt agreements require that we maintain, among other things:

- a 40% loan to collateral value ratio, as defined under our SSTL, as of the last date of any fiscal quarter; and
- specified levels of tangible net worth and liquidity at the OLS level.

As of September 30, 2018, the most restrictive consolidated tangible net worth requirements contained in our debt agreements were for a minimum of $1.1 billion in consolidated tangible net worth, as defined, at OLS under our match funded debt and certain of our other debt agreements.

As a result of the covenants to which we are subject, we may be limited in the manner in which we conduct our business and may be limited in our ability to engage in favorable business activities or raise additional capital to finance future operations or satisfy future liquidity needs. In addition, breaches or events that may result in a default under our debt agreements include, among other things, nonpayment of principal or interest, noncompliance with our covenants, breach of representations, the occurrence of a material adverse change, insolvency, bankruptcy, certain material judgments and changes of control.

Covenants and default provisions of this type are commonly found in debt agreements such as ours. Certain of these covenants and default provisions are open to subjective interpretation and, if our interpretation was contested by a lender, a court may ultimately be required to determine compliance or lack thereof. In addition, our debt agreements generally include cross default provisions such that a default under one agreement could trigger defaults under other agreements. If we fail to comply with our debt agreements and are unable to avoid, remedy or secure a waiver of any resulting default, we may be subject to adverse action by our lenders, including termination of further funding, acceleration of outstanding obligations, enforcement of liens against the assets securing or otherwise supporting our obligations and other legal remedies. Our lenders can waive their contractual rights in the event of a default.

We believe that we are in compliance with all of the qualitative and quantitative covenants in our debt agreements as of the date of these financial statements.

Note 12 – Other Liabilities

	September 30, 2018	December 31, 2017
Contingent loan repurchase liability	$ 307,684	$ 431,492
Other accrued expenses	60,238	75,088
Accrued legal fees and settlements	53,380	51,057
Due to NRZ	46,550	98,493
Servicing-related obligations	30,958	35,239
Checks held for escheat	20,686	19,306
Liability for indemnification obligations	20,543	23,117
Accrued interest payable	15,069	5,172
Liability for mortgage insurance contingency	6,820	6,820
Deferred revenue	4,836	3,463
Liability for uncertain tax positions	3,306	3,252
Derivatives, at fair value	2,567	635
Amounts due in connection with MSR sales	403	8,291
Other	16,287	7,985
	$ 589,327	$ 769,410

We establish a liability for legal settlements, including fines and penalties, judgments on appeal and filed and/or threatened claims for which we believe it is probable that a loss has been or will be incurred and the amount can be reasonably estimated. See Note 20 – Contingencies for additional information.

Accrued Legal Fees and Settlements	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Beginning balance	$ 54,295	$ 117,020	$ 51,057	$ 93,797
Accrual for probable losses (1)	995	2,500	10,777	80,815
Payments (2)	(460)	(55,188)	(8,103)	(120,441)
Issuance of common stock in settlement of litigation (3)	—	—	(5,719)	—
Net increase (decrease) in accrued legal fees	(1,450)	(4,389)	3,282	3,229
Other	—	—	2,086	2,543
Ending balance	$ 53,380	$ 59,943	$ 53,380	$ 59,943

(1) Consists of amounts accrued for probable losses in connection with legal and regulatory settlements and judgments. Such amounts are reported in Professional services expense in the unaudited consolidated statements of operations.
(2) Includes cash payments made in connection with resolved legal and regulatory matters.
(3) In January 2018, Ocwen issued 1,875,000 shares of common stock in connection with a previously approved securities litigation settlement.

Note 13 – Derivative Financial Instruments and Hedging Activities

The following table summarizes derivative activity, including the derivatives used in each of our identified hedging programs. The notional amount of our contracts does not represent our exposure to credit loss. None of the derivatives was designated as a hedge for accounting purposes at September 30, 2018:

		Interest Rate Risk	
		IRLCs and Loans Held for Sale	Borrowings
	IRLCs	Forward MBS Trades	Interest Rate Caps
Notional balance at December 31, 2017	$ 96,339	$ 240,823	$ 375,000
Additions	927,700	386,311	154,583
Amortization	—	—	(208,750)
Maturities	(746,615)	(407,759)	—
Terminations	(164,978)	—	—
Notional balance at September 30, 2018	$ 112,446	$ 219,375	$ 320,833
Maturity	Oct. 2018 - Nov. 2018	Dec. 2018	May 2019 - May 2020
Fair value of derivative assets (liabilities) (1) at:			
September 30, 2018	$ 2,816	$ (1,873)	$ 1,211
December 31, 2017	3,283	(545)	2,056
Gains (losses) on derivatives during the nine months ended:	**Gain on Loans Held for Sale, Net**		**Other, Net**
September 30, 2018	$ 137	$ 2,082	$ (308)
September 30, 2017	(1,605)	(8,604)	(207)

(1) Derivatives are reported at fair value in Other assets or in Other liabilities on our unaudited consolidated balance sheets.

As loans are originated and sold or as loan commitments expire, our forward MBS trade positions mature and are replaced by new positions based upon new loan originations and commitments and expected time to sell.

Foreign Currency Exchange Rate Risk

Our operations in India and the Philippines expose us to foreign currency exchange rate risk to the extent that our foreign exchange positions remain unhedged. We have not entered into any forward exchange contracts during the reported periods to hedge against the effect of changes in the value of the India Rupee or Philippine Peso. Foreign currency remeasurement exchange gains (losses) were $(2.0) million and $(4.7) million, and $(0.7) million and $0.7 million, during the three and nine months ended September 30, 2018 and 2017, respectively, and are reported in Other, net in the unaudited consolidated statements of operations. The losses in 2018 are primarily attributed to depreciation of the India Rupee against the U.S. Dollar.

Interest Rate Risk

Interest Rate Lock Commitments

A loan commitment binds us (subject to the loan approval process) to fund the loan at the specified rate, regardless of whether interest rates have changed between the commitment date and the loan funding date. As such, outstanding IRLCs are subject to interest rate risk and related price risk during the period from the date of the commitment through the loan funding date or expiration date. The borrower is not obligated to obtain the loan; thus, we are subject to fallout risk related to IRLCs, which is realized if approved borrowers choose not to close on the loans within the terms of the IRLCs. Our interest rate exposure on these derivative loan commitments is hedged with freestanding derivatives such as forward contracts. We enter into forward contracts with respect to both fixed and variable rate loan commitments.

Loans Held for Sale, at Fair Value

Mortgage loans held for sale that we carry at fair value are subject to interest rate and price risk from the loan funding date until the date the loan is sold into the secondary market. Generally, the fair value of a loan will decline in value when interest rates increase and will rise in value when interest rates decrease. To mitigate this risk, we enter into forward MBS trades to provide an economic hedge against those changes in fair value on mortgage loans held for sale. Forward MBS trades are primarily used to fix the forward sales price that will be realized upon the sale of mortgage loans into the secondary market.

Match Funded Liabilities

As required by certain of our advance financing arrangements, we have purchased interest rate caps to minimize future interest rate exposure from increases in the interest on our variable rate debt as a result of increases in the index, such as 1ML, which is used in determining the interest rate on the debt. We currently do not hedge our fixed rate debt.

Accumulated Other Comprehensive Loss (AOCL)

Included in AOCL at September 30, 2018 and 2017, were $1.1 million and $1.3 million of deferred unrealized losses, before taxes of $0.1 million and $0.1 million, respectively, on interest rate swaps that we had designated as cash flow hedges.

Note 14 – Interest Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Financing liabilities				
NRZ	$ 36,717	$ 13,898	$ 111,256	$ 113,681
Other financing liabilities	1,305	1,419	3,849	4,898
	38,022	15,317	115,105	118,579
Match funded liabilities	7,229	11,981	24,491	37,499
Other secured borrowings	6,958	10,990	23,190	30,174
Senior notes	7,452	7,452	22,355	22,355
Other	1,627	1,541	4,460	3,864
	$ 61,288	$ 47,281	$ 189,601	$ 212,471

Note 15 - Income Taxes

Our effective tax rate for the nine months ended September 30, 2018 and 2017 was (7.1)% and 15.7%, respectively. For the nine months ended September 30, 2018 and 2017, we recorded income tax expense (benefit) of $4.5 million and $(15.5) million on loss before income taxes of $63.7 million and $98.7 million, respectively. The change in the effective tax rate for the nine months ended September 30, 2018, compared with the same period in 2017, was primarily due to the $22.7 million

income tax benefit recognized in the third quarter of 2017 related to the reversal of an uncertain tax position liability upon expiration of the statute of limitations. The most significant potential benefit of the Tax Act, the reduction in the U.S. federal corporate income tax rate from 35% to 21% effective January 1, 2018, did not have an impact on our effective tax rate as we are currently generating losses in the U.S. for which a tax benefit has not been recorded as we have recognized a full valuation allowance on our U.S. deferred tax assets. We recognized incremental income tax expense of $2.8 million for the Base Erosion and Anti-Abuse Tax (BEAT) provision of the Tax Act in the nine months ended September 30, 2018. This increase in income tax expense related to implementing provisions of the Tax Act that were effective January 1, 2018 was offset by a reduction in income tax expense as a result of our adoption of ASU 2016-16 on January 1, 2018, as the deferred tax effects of intra-entity transfers of assets recognized as prepaid income taxes are no longer amortized to income tax expense over the life of the asset. Income tax expense related to uncertain tax positions increased in the nine months ended September 30, 2018 as compared to the same period of 2017, due to the $22.7 million reversal recognized in the third quarter of 2017 as disclosed above.

The reduction in the statutory U.S. federal rate is expected to positively impact our future U.S. after-tax earnings. However, the ultimate impact is subject to the effect of other complex provisions in the Tax Act (including BEAT, Global Intangible Low-Taxed Income (GILTI) and revised interest deductibility limitations) which we are currently reviewing. It is possible that any impact of these provisions could significantly reduce the benefit of the reduction in the statutory U.S. federal rate. Due to the uncertain practical and technical application of many of these provisions in the Tax Act, at this time, we are unable to make a final determination of the precise impact on our future earnings, and our accounting for the Tax Act remains incomplete. Ocwen will continue to gather additional information and evaluate the impact within the measurement period allowed, which will be completed no later than the fourth quarter of calendar year 2018.

At December 31, 2017 we were able to reasonably estimate certain effects and, therefore, recorded provisional adjustments associated with the deemed repatriation transition tax and the reduction in the statutory U.S. federal tax rate. We have not recorded any additional measurement-period adjustments related to the transition tax or the reduction in the U.S. federal tax rate during the nine months ended September 30, 2018. We are continuing to gather additional information and expect to complete our accounting for the transition tax within the prescribed measurement period.

At September 30, 2018 we were not yet able to reasonably estimate the effects of certain elements of the Tax Act, such as BEAT, GILTI and revised interest deductibility limitations. Therefore, no provisional adjustments were recorded.

Because of the complexity of the new GILTI tax rules, we are continuing to evaluate this provision of the Tax Act and the application of ASC 740. Under U.S. GAAP, we are permitted to make an accounting policy election of either (1) treating taxes due on future U.S. inclusions in taxable income related to GILTI as a current-period expense when incurred (the “period cost method”) or (2) factoring such amounts into a company’s measurement of its deferred taxes (the “deferred method”). Our selection of an accounting policy related to the new GILTI tax rules will depend, in part, on analyzing our global income to determine whether we expect to have future U.S. inclusions in taxable income related to GILTI and, if so, what the impact is expected to be. Whether we expect to have future U.S. inclusions in taxable income related to GILTI depends on a number of different aspects of our estimated future results of global operations, and as a result, we are not yet able to reasonably estimate the long-term effects of this provision of the Tax Act. Therefore, we have not recorded any deferred tax effects related to GILTI in our financial statements and have not made a policy election regarding whether to record deferred taxes on GILTI or to apply the period cost method as of September 30, 2018. We have, however, included an estimate of the 2018 current GILTI impact in the calculation of our annualized effective tax rate for 2018. In addition, we have included an estimate of the 2018 current BEAT impact in the calculation of our annualized effective tax rate for 2018. We expect to complete our accounting within the prescribed measurement period.

Note 16 – Basic and Diluted Earnings (Loss) per Share

Basic earnings or loss per share excludes common stock equivalents and is calculated by dividing net income or loss attributable to Ocwen common stockholders by the weighted average number of common shares outstanding during the period. We calculate diluted earnings or loss per share by dividing net income or loss attributable to Ocwen by the weighted average number of common shares outstanding including the potential dilutive common shares related to outstanding stock options and restricted stock awards. For the three and nine months ended September 30, 2018 and 2017, we have excluded the effect of all stock options and common stock awards from the computation of diluted loss per share because of the anti-dilutive effect of our reported net loss.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Basic loss per share				
Net loss attributable to Ocwen stockholders	$ (41,147)	$ (6,252)	$ (68,430)	$ (83,483)
Weighted average shares of common stock	133,912,425	128,744,152	133,632,905	125,797,777
Basic loss per share	$ (0.31)	$ (0.05)	$ (0.51)	$ (0.66)
Diluted loss per share				
Net loss attributable to Ocwen stockholders	$ (41,147)	$ (6,252)	$ (68,430)	$ (83,483)
Weighted average shares of common stock	133,912,425	128,744,152	133,632,905	125,797,777
Effect of dilutive elements				
Stock option awards	—	—	—	—
Common stock awards	—	—	—	—
Dilutive weighted average shares of common stock	133,912,425	128,744,152	133,632,905	125,797,777
Diluted loss per share	$ (0.31)	$ (0.05)	$ (0.51)	$ (0.66)
Stock options and common stock awards excluded from the computation of diluted earnings per share				
Anti-dilutive (1)	4,057,937	6,600,164	5,684,663	5,121,844
Market-based (2)	645,984	862,446	645,984	862,446

(1) Stock options were anti-dilutive because their exercise price was greater than the average market price of Ocwen's stock.
(2) Shares that are issuable upon the achievement of certain market-based performance criteria related to Ocwen's stock price.

Note 17 – Business Segment Reporting

Our business segments reflect the internal reporting that we use to evaluate operating performance of services and to assess the allocation of our resources. A brief description of our current business segments is as follows:

Servicing. This segment is primarily comprised of our core residential servicing business. We provide residential and commercial mortgage loan servicing, special servicing and asset management services. We earn fees for providing these services to owners of the mortgage loans and foreclosed real estate. In most cases, we provide these services either because we purchased the MSRs from the owner of the mortgage, retained the MSRs on the sale of residential mortgage loans or because we entered into a subservicing or special servicing agreement with the entity that owns the MSR. Our residential servicing portfolio includes conventional, government-insured and non-Agency loans. Non-Agency loans include subprime loans, which represent residential loans that generally did not qualify under GSE guidelines or have subsequently become delinquent.

Lending. The Lending segment originates conventional and government-insured residential forward and reverse mortgage loans. The loans are typically sold shortly after origination into a liquid market on a servicing retained (securitization) or servicing released (sale to a third party) basis. We originate loans directly with customers (retail channel) in forward lending as well as through our correspondent lending arrangements, broker relationships (wholesale) and retail channels of reverse mortgage lending. In 2017, we closed our forward correspondent lending channel and exited the forward wholesale lending business due to higher liquidity and capital requirements which in turn resulted in these channels being less profitable.

Corporate Items and Other. Corporate Items and Other includes revenues and expenses of CR Limited (CRL), our wholly-owned captive reinsurance subsidiary, and our other business activities that are individually insignificant, revenues and expenses that are not directly related to other reportable segments, interest income on short-term investments of cash, interest expense on corporate debt and certain corporate expenses. Our cash balances are included in Corporate Items and Other. CRL provides re-insurance related to coverage on foreclosed real estate properties owned or serviced by us. In January 2018, we decided to exit the ACS business and have liquidated the majority of our portfolio of inventory-secured loans to independent used car dealers.

We allocate a portion of interest income to each business segment, including interest earned on cash balances and short-term investments. We also allocate expenses incurred by corporate support services to each business segment.

Financial information for our segments is as follows:

	Three Months Ended September 30, 2018				
Results of Operations	**Servicing**	**Lending**	**Corporate Items and Other**	**Corporate Eliminations**	**Business Segments Consolidated**
Revenue	$ 217,630	$ 16,917	$ 3,731	$ —	$ 238,278
Expenses (1)	185,077	18,954	13,495	—	217,526
Other income (expense):					
Interest income	2,242	1,255	466	—	3,963
Interest expense	(47,359)	(1,437)	(12,492)	—	(61,288)
Gain on sale of mortgage servicing rights, net	(733)	—	—	—	(733)
Other	(602)	154	(2,519)	—	(2,967)
Other expense, net	(46,452)	(28)	(14,545)	—	(61,025)
Loss before income taxes	$ (13,899)	$ (2,065)	$ (24,309)	$ —	$ (40,273)

	Three Months Ended September 30, 2017				
Results of Operations	**Servicing**	**Lending**	**Corporate Items and Other**	**Corporate Eliminations**	**Business Segments Consolidated**
Revenue	$ 246,545	$ 31,935	$ 6,162	$ —	$ 284,642
Expenses	218,565	38,412	16,502	—	273,479
Other income (expense):					
Interest income	144	2,857	1,098	—	4,099
Interest expense	(28,568)	(4,504)	(14,209)	—	(47,281)
Gain on sale of mortgage servicing rights, net	6,543	—	—	—	6,543
Other	(418)	555	(1,214)	—	(1,077)
Other expense, net	(22,299)	(1,092)	(14,325)	—	(37,716)
Income (loss) before income taxes	$ 5,681	$ (7,569)	$ (24,665)	$ —	$ (26,553)

	Nine months ended September 30, 2018				
Revenue	$ 674,233	$ 65,116	$ 12,767	$ —	$ 752,116
Expenses (1)	523,061	57,036	49,580	—	629,677
Other income (expense):					
Interest income	4,136	4,107	1,775	—	10,018
Interest expense	(144,551)	(4,855)	(40,195)	—	(189,601)
Gain on sale of mortgage servicing rights, net	303	—	—	—	303
Other	(2,392)	774	(5,254)	—	(6,872)
Other income (expense), net	(142,504)	26	(43,674)	—	(186,152)
Income (loss) before income taxes	$ 8,668	$ 8,106	$ (80,487)	$ —	$ (63,713)

	Nine months ended September 30, 2017				
Revenue	$ 802,347	$ 95,457	$ 20,002	$ —	$ 917,806
Expenses	637,406	100,628	92,308	—	830,342
Other income (expense):					
Interest income	406	8,612	3,083	—	12,101
Interest expense	(159,822)	(11,171)	(41,478)	—	(212,471)
Gain on sale of mortgage servicing rights, net	7,863	—	—	—	7,863
Other	4,642	658	1,084	—	6,384
Other expense, net	(146,911)	(1,901)	(37,311)	—	(186,123)
Income (loss) before income taxes	$ 18,030	$ (7,072)	$ (109,617)	$ —	$ (98,659)

Total Assets	Servicing	Lending	Corporate Items and Other	Corporate Eliminations	Business Segments Consolidated
September 30, 2018	$ 2,726,905	$ 5,385,437	$ 348,695	$ —	$ 8,461,037
December 31, 2017	$ 3,033,243	$ 4,945,456	$ 424,465	$ —	$ 8,403,164
September 30, 2017	$ 2,905,817	$ 4,679,641	$ 512,147	$ —	$ 8,097,605

Depreciation and Amortization Expense	Servicing	Lending	Corporate Items and Other	Business Segments Consolidated
Three months ended September 30, 2018				
Depreciation expense	$ 1,035	$ 23	$ 4,500	$ 5,558
Amortization of debt discount	—	—	235	235
Amortization of debt issuance costs	—	—	599	599
Three months ended September 30, 2017				
Depreciation expense	$ 1,525	$ 57	$ 5,408	$ 6,990
Amortization of mortgage servicing rights	13,081	67	—	13,148
Amortization of debt discount	—	—	258	258
Amortization of debt issuance costs	—	—	644	644
Nine months ended September 30, 2018				
Depreciation expense	$ 3,647	$ 77	$ 14,475	$ 18,199
Amortization of debt discount	—	—	941	941
Amortization of debt issuance costs	—	—	2,261	2,261
Nine months ended September 30, 2017				
Depreciation expense	$ 4,393	$ 162	$ 15,875	$ 20,430
Amortization of mortgage servicing rights	38,351	209	—	38,560
Amortization of debt discount	—	—	797	797
Amortization of debt issuance costs	—	—	1,979	1,979

(1) Expenses in the Corporate Items and Other segment for the nine months ended September 30, 2018 includes $7.5 million of severance expense attributable to headcount reductions in connection with our strategic initiatives to exit the ACS business and the forward lending correspondent and wholesale channels, as well as our overall efforts to reduce costs.

Note 18 – Regulatory Requirements

Our business is subject to extensive regulation by federal, state and local governmental authorities, including the Consumer Financial Protection Bureau (CFPB), HUD, the SEC and various state agencies that license and conduct examinations of our servicing and lending activities. In addition, we operate under a number of regulatory settlements that subject us to ongoing reporting and other obligations. From time to time, we also receive requests (including requests in the form of subpoenas and civil investigative demands) from federal, state and local agencies for records, documents and information relating to our servicing and lending activities. The GSEs (and their conservator, the Federal Housing Finance Authority (FHFA)), Ginnie Mae, the United States Treasury Department, various investors, non-Agency securitization trustees and others also subject us to periodic reviews and audits.

In the current regulatory environment, we have faced and expect to continue to face heightened regulatory and public scrutiny as an organization as well as stricter and more comprehensive regulation of the entire mortgage sector. We continue to work diligently to assess and understand the implications of the evolving regulatory environment in which we operate and to meet its requirements. We devote substantial resources to regulatory compliance, while, at the same time, striving to meet the needs and expectations of our customers, clients and other stakeholders. Our failure to comply with applicable federal, state and local laws, regulations and licensing requirements could lead to (i) administrative fines and penalties and litigation, (ii) loss of our licenses and approvals to engage in our servicing and lending businesses, (iii) governmental investigations and enforcement actions, (iv) civil and criminal liability, including class action lawsuits and actions to recover incentive and other payments made by governmental entities, (v) breaches of covenants and representations under our servicing, debt or other agreements, (vi) damage to our reputation, (vii) inability to raise capital or otherwise fund our operations and (viii) inability to execute on our business strategy. In addition to amounts paid to resolve regulatory matters, we could incur costs to comply with the terms of such resolutions, including, but not limited to, the costs of audits, reviews and third-party firms to monitor our compliance with such resolutions.

We must comply with a large number of federal, state and local consumer protection and other laws and regulations, including, among others, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the

Telephone Consumer Protection Act, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, the Real Estate Settlement Procedures Act (RESPA), the Truth in Lending Act (TILA), the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Federal Trade Commission Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, as well as individual state licensing and foreclosure laws, individual state and local laws relating to registration of vacant or foreclosed properties, and federal and local bankruptcy rules. These laws and regulations apply to many facets of our business, including loan origination, default servicing and collections, use of credit reports, safeguarding of non-public personally identifiable information about our customers, foreclosure and claims handling, investment of, and interest payments on, escrow balances and escrow payment features and fees assessed on borrowers, and they mandate certain disclosures and notices to borrowers. These requirements can and do change as laws and regulations are enacted, promulgated, amended, interpreted and enforced, including through CFPB interpretive bulletins and other regulatory pronouncements. In addition, the actions of legislative bodies and regulatory agencies relating to a particular matter or business practice may or may not be coordinated or consistent. As a result, ensuring ongoing compliance with applicable legal and regulatory requirements can be challenging. Over the past decade, the general trend among federal, state and local legislative bodies and regulatory agencies as well as state attorneys general has been toward increasing laws, regulations, investigative proceedings and enforcement actions with regard to residential real estate lenders and servicers. New regulatory and legislative measures, or changes in enforcement practices, including those related to the technology we use, could, either individually or in the aggregate, require significant changes to our business practices, impose additional costs on us, limit our product offerings, limit our ability to efficiently pursue business opportunities, negatively impact asset values or reduce our revenues. Accordingly, they could materially and adversely affect our business and our financial condition, liquidity and results of operations.

As further described below and in Note 20 – Contingencies, in recent years Ocwen has entered into a number of significant settlements with federal and state regulators and state attorneys general that have imposed additional requirements on our business. For example, we have made various commitments relating to the process of moving loans off the REALServicing® servicing system and onto the Black Knight MSP servicing system, we have engaged a third-party auditor to perform an analysis with respect to our compliance with certain federal and state laws relating to the escrow of mortgage loan payments, we have revised various aspects of our complaint handling processes and we have extensive review and reporting obligations to various regulatory bodies with respect to various matters, including our financial condition. We devote significant management time and resources to compliance with these additional requirements. These requirements are generally unique to Ocwen and, while certain of our competitors may have entered into regulatory-related settlements of their own, our competitors are generally not subject to either the same specific or the same breadth of additional requirements to which we are subject.

Ocwen has various subsidiaries that are licensed to originate and/or service forward and reverse mortgage loans in those jurisdictions in which they operate and which require licensing. Our licensed entities are required to renew their licenses, typically on an annual basis, and to do so they must satisfy the license renewal requirements of each jurisdiction, which generally include financial requirements such as providing audited financial statements and satisfying minimum net worth requirements and non-financial requirements such as satisfactory completion of examinations relating to the licensee's compliance with applicable laws and regulations. Failure to satisfy any of the requirements to which our licensed entities are subject could result in a variety of regulatory actions ranging from a fine, a directive requiring a certain step to be taken, entry into a consent order, a suspension or, ultimately, a revocation of a license, any of which could have a material adverse impact on our business, reputation, results of operations and financial condition. The minimum net worth requirements to which our licensed entities are subject are unique to each state and type of license. We believe our licensed entities were in compliance with all of their minimum net worth requirements at September 30, 2018.

OLS, Homeward and Liberty are also subject to seller/servicer obligations under agreements with one or more of the GSEs, HUD, FHA, VA and Ginnie Mae. These seller/servicer obligations contain financial requirements, including capital requirements related to tangible net worth, as defined by the applicable agency, an obligation to provide audited consolidated financial statements within 90 days of the applicable entity's fiscal year end as well as extensive requirements regarding servicing, selling and other matters. To the extent that these requirements are not met or waived, the applicable agency may, at its option, utilize a variety of remedies including requirements to provide certain information or take actions at the direction of the applicable agency, requirements to deposit funds as security for our obligations, sanctions, suspension or even termination of approved seller/servicer status, which would prohibit future originations or securitizations of forward or reverse mortgage loans or servicing for the applicable agency. Any of these actions could have a material adverse impact on us. To date, none of these counterparties has communicated any material sanction, suspension or prohibition in connection with our seller/servicer obligations. See Note 20 – Contingencies for additional information relating to our recent interactions with Ginnie Mae as a result of the state regulatory actions discussed in that note. We believe we were in compliance with applicable net worth requirements at September 30, 2018. Our non-Agency servicing agreements also contain requirements regarding servicing practices and other matters, and a failure to comply with these requirements could have a material adverse impact on our business.

The most restrictive of the various net worth requirements referenced above is based on the total assets of OLS, and the required net worth was $174.5 million at September 30, 2018.

In addition, a number of foreign laws and regulations apply to our operations outside of the U.S., including laws and regulations that govern licensing, employment, safety, taxes and insurance and laws and regulations that govern the creation, continuation and the winding up of companies as well as the relationships between shareholders, our corporate entities, the public and the government in these countries. Non-compliance with these laws and regulations could result in adverse actions against us, including (i) restrictions on our operations in these countries, (ii) fines, penalties or sanctions or (iii) reputational damage.

New York Department of Financial Services. In December 2014, we entered into a consent order (the 2014 NY Consent Order) with the NY DFS as a result of an investigation relating to Ocwen's servicing of residential mortgages. In March 2017, we entered into another consent order with the NY DFS (the 2017 NY Consent Order) that provided for the termination of the engagement of the monitor appointed pursuant to the 2014 NY Consent Order and for us to comply with certain reporting and other obligations.

The 2017 NY Consent Order requires us to update the NY DFS quarterly on our implementation of certain operational enhancements that we and the NY DFS agreed should be made. We made what we believe to be our final required report to the NY DFS in December 2017. Our updates to date show that all agreed upon enhancements are being implemented. Pursuant to the 2017 NY Consent Order, the NY DFS has the right to examine Ocwen to assess our implementation of such enhancements and the general safety and soundness of our servicing operations. As a result of such examination, if the NY DFS concludes that we have materially failed to implement such enhancements or otherwise finds that our servicing operations are materially deficient, the NY DFS may require Ocwen to hire an independent consultant to review and issue additional recommendations on our servicing operations. The 2017 NY Consent Order grants the NY DFS the additional right to conduct an on-site examination of Ocwen's servicing practices in order to determine whether to approve Ocwen's request to ease the restrictions on its ability to acquire new MSRs. To the extent that the NY DFS servicing examination results in adverse findings against Ocwen, the 2017 NY Consent Order provides that the NY DFS could determine not to ease restrictions on our acquiring MSRs or to take other regulatory actions against us, including imposing fines or penalties or otherwise restricting our business activities. Any such actions could have a material adverse impact on our business, financial condition liquidity and results of operations. However, as set forth below, the NY DFS has since modified its restriction on Ocwen's ability to acquire MSRs in connection with its conditional approval of Ocwen's acquisition of PHH.

The approval of the NY DFS for the acquisition imposed certain post-closing requirements on Ocwen, including reporting obligations and record retention and other requirements relating to the planned transfer of loans collateralized by New York property (New York loans) onto the Black Knight MSP and certain requirements with respect to the evaluation and supervision of management of both Ocwen Financial Corporation and PHH Mortgage Corporation. In addition, the conditions under which the NY DFS approved the acquisition prohibit Ocwen from boarding any additional loans to the REALServicing ® platform and require that all New York loans be transferred from the REALServicing ® platform by April 30, 2020. With respect to the pre-existing restriction on our ability to acquire MSRs, the conditional approval modifies this restriction to apply only to New York loans and, with respect to New York loans, provides that Ocwen may not increase its aggregate portfolio of New York loans serviced or subserviced by Ocwen by more than 2% per year (based on the unpaid principal balance of loans serviced at the prior calendar year-end). This restriction will remain in place until the NY DFS determines that all loans serviced on the REALServicing ® platform have been successfully migrated to the Black Knight MSP and that Ocwen has developed a satisfactory infrastructure to board sizable portfolios of MSRs.

California Department of Business Oversight. In January 2015, OLS entered into a consent order (the 2015 CA Consent Order) with the CA DBO relating to our alleged failure to produce certain information and documents during a routine licensing examination. In February 2017, we entered into another consent order with the CA DBO (the 2017 CA Consent Order) that terminated the 2015 CA Consent Order and resolved open matters between us and the CA DBO. We believe that we have completed those obligations of the 2017 CA Consent Order that have already come due, and we have so notified the CA DBO. We have certain remaining reporting and other obligations under the 2017 CA Consent Order. Pursuant to the 2017 CA Consent Order, the CA DBO has engaged a third-party administrator who, at the expense of the CA DBO, has commenced work to confirm that Ocwen has completed certain commitments under the 2017 CA Consent Order. If the CA DBO were to allege that we failed to comply with these or other obligations under the 2017 CA Consent Order or that we otherwise were in breach of applicable laws, regulations or licensing requirements, the CA DBO could take regulatory actions against us, including imposing fines or penalties or otherwise restricting our business activities. Any such actions could have a material adverse impact on our business, financial condition liquidity and results of operations.

Separately, in June 2018, we entered into a consent order with the CA DBO in order to resolve a finding stemming from a lending examination of Homeward. Pursuant to the consent order, we consented to a finding that certain records maintained by Homeward were not in compliance with certain California statutory requirements. Homeward cooperated in the examination, timely produced requested documents and records, and confirmed that no borrowers were overcharged as a result. No fines or penalties were payable under the consent order.

Note 19 — Commitments

Unfunded Lending Commitments

We have originated floating-rate reverse mortgage loans under which the borrowers have additional borrowing capacity of $1.5 billion at September 30, 2018. This additional borrowing capacity is available on a scheduled or unscheduled payment basis. We also had short-term commitments to lend $91.1 million and $21.3 million in connection with our forward and reverse mortgage loan IRLCs, respectively, outstanding at September 30, 2018. We finance originated and purchased forward and reverse mortgage loans with repurchase and participation agreements, commonly referred to as warehouse lines.

Long Term Contracts

Our business is currently dependent on many of the services and products provided by a subsidiary of Altisource Portfolio Solutions, S.A. (Altisource) under long-term agreements, many of which include renewal provisions.

Each of Ocwen and OMS are parties to a Services Agreement, a Technology Products Services Agreement, an Intellectual Property Agreement and a Data Center and Disaster Recovery Services Agreement with Altisource. Under the Services Agreements, Altisource provides various business process outsourcing services, such as valuation services and property preservation and inspection services, among other things. Altisource provides certain technology products and support services under the Technology Products Services Agreements and the Data Center and Disaster Recovery Services Agreements. These agreements expire August 31, 2025. Ocwen and Altisource have also entered into a Master Services Agreement pursuant to which Altisource currently provides title services to Liberty. Ocwen also has a General Referral Fee Agreement with Altisource pursuant to which Ocwen receives referral fees which are paid out of the commission that would otherwise be paid to Altisource as the selling broker in connection with real estate sales services provided by Altisource. However, for MSRs that transferred to NRZ in September 2017, as well as those subject to the New RMSR Agreements we entered into in January 2018, we are not entitled to REO referral commissions.

Our servicing system runs on an information technology system that we license from Altisource pursuant to a statement of work under the Technology Products Services Agreements. If Altisource were to fail to fulfill its contractual obligations to us, including through a failure to provide services at the required level to maintain and support our systems, or if Altisource were to become unable to fulfill such obligations, our business and operations would suffer. In addition, if Altisource fails to develop and maintain its technology so as to provide us with a competitive platform, our business could suffer. We are currently in the process of transitioning to a new servicing system and have entered into agreements with certain subsidiaries of Black Knight, pursuant to which we plan to transition to the Black Knight MSP. We originally anticipated an 18 to 24-month timeline to complete our transition onto the new servicing system; however, the PHH merger will likely accelerate that timeline because PHH utilizes the Black Knight MSP as its servicing system. Based on substantive discussions with Altisource prior to entering into our agreements with Black Knight, Ocwen expects to enter into mutually acceptable agreements that provide for Ocwen's transition to the Black Knight MSP and the termination of the statement of work for the use of the REALServicing ® system. Our discussions with Altisource regarding finalizing such agreements are ongoing.

Certain services provided by Altisource under these agreements are charged to the borrower and/or mortgage loan investor. Accordingly, such services, while derived from our loan servicing portfolio, are not reported as expenses by Ocwen. These services include residential property valuation, residential property preservation and inspection services, title services and real estate sales-related services. Similar to other vendors, in the event that Altisource's activities do not comply with the applicable servicing criteria, we could be exposed to liability as the servicer and it could negatively impact our relationships with our servicing clients, borrowers or regulators, among others. Under certain circumstances, we would have recourse under our contractual agreements with Altisource if we were to experience adverse consequences as a result of Altisource's non-compliance with applicable servicing criteria.

Note 20 – Contingencies

When we become aware of a matter involving uncertainty for which we may incur a loss, we assess the likelihood of any loss. If a loss contingency is probable and the amount of the loss can be reasonably estimated, we record an accrual for the loss. In such cases, there may be an exposure to potential loss in excess of the amount accrued. Where a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. If a reasonable estimate of loss cannot be made, we do not accrue for any loss or disclose any estimate of exposure to potential loss even if the potential loss could be material and adverse to our business, reputation, financial condition and results of operations. An assessment regarding the ultimate outcome of any such matter involves judgments about future events, actions and circumstances that are inherently uncertain. The actual outcome could differ materially. Where we have retained external legal counsel or other professional advisers, such advisers assist us in making such assessments.

Litigation

In the ordinary course of business, we are a defendant in, or a party or potential party to, many threatened and pending legal proceedings, including proceedings brought by regulatory agencies (discussed further under "Regulatory" below), those brought on behalf of various classes of claimants, and those brought derivatively on behalf of Ocwen against certain current or former officers and directors or others.

The majority of these proceedings are based on alleged violations of federal, state and local laws and regulations governing our mortgage servicing and lending activities, including, among others, the Dodd-Frank Act, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act (FDCPA), the Real Estate Settlement Procedures Act, the Truth in Lending Act, the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Federal Trade Commission Act, the Telephone Consumer Protection Act (TCPA), the Equal Credit Opportunity Act, as well as individual state licensing and foreclosure laws and federal and local bankruptcy rules. Such proceedings include wrongful foreclosure and eviction actions, allegations of wrongdoing in connection with lender-placed insurance arrangements, claims relating to our property preservation activities, claims related to REO management, claims relating to our written and telephonic communications with our borrowers such as claims under the TCPA, claims related to our payment, escrow and other processing operations, claims relating to fees imposed on borrowers relating to payment processing, payment facilitation, or payment convenience, claims related to ancillary products marketed and sold to borrowers, and claims regarding certifications of our legal compliance related to our participation in certain government programs. In some of these proceedings, claims for substantial monetary damages are asserted against us. For example, we are a defendant in various class action matters alleging that (1) certain fees we assess on borrowers are marked up improperly in violation of applicable state and federal law; and (2) the solicitation and marketing to borrowers of certain ancillary products was unfair and deceptive.

In view of the inherent difficulty of predicting the outcome of any threatened or pending legal proceedings, particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories or involve a large number of parties, we generally cannot predict what the eventual outcome of such proceedings will be, what the timing of the ultimate resolution will be, or what the eventual loss, if any, will be. Any material adverse resolution could materially and adversely affect our business, reputation, financial condition and results of operations.

Where we determine that a loss contingency is probable in connection with a pending or threatened legal proceeding and the amount of our loss can be reasonably estimated, we record an accrual for the loss. We have accrued for losses relating to threatened and pending litigation that we believe are probable and reasonably estimable based on current information regarding these matters. Where we determine that a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. It is possible that we will incur losses relating to threatened and pending litigation that materially exceed the amount accrued. Our accrual for probable and estimable legal and regulatory matters, including accrued legal fees, was $53.4 million at September 30, 2018. We cannot currently estimate the amount, if any, of reasonably possible losses above amounts that have been recorded at September 30, 2018.

In 2014, plaintiffs filed a putative class action against Ocwen in the United States District Court for the Northern District of Alabama, alleging that Ocwen violated the FDCPA by charging borrowers a convenience fee for making certain loan payments. See *McWhorter et al. v. Ocwen Loan Servicing, LLC, 2:15-cv-01831 (N.D. Ala.)*. The plaintiffs are seeking statutory damages under the FDCPA, compensatory damages and injunctive relief. The presiding court previously ruled on Ocwen's motions to dismiss, and Ocwen answered the operative complaint. Ocwen subsequently entered into an agreement in principle to resolve this matter, and the presiding court is considering motions to approve the settlement. While Ocwen believes that it has sound legal and factual defenses, Ocwen has agreed to this settlement in principle in order to avoid the uncertain outcome of litigation and the additional expense and demands on the time of its senior management that such litigation would involve. There can be no assurance that the court will finally approve the settlement. In the event the settlement is not finally approved, the litigation would continue, and we would vigorously defend the allegations made against Ocwen. Our accrual with respect to this matter is included in the $53.4 million legal and regulatory accrual referenced above. We cannot currently estimate the amount, if any, of reasonably possible loss above the amount accrued.

Ocwen has been named in putative class actions and individual actions related to its compliance with the TCPA. Generally, plaintiffs in these actions allege that Ocwen knowingly and willfully violated the TCPA by using an automated telephone dialing system to call class members' cell phones without their consent. On July 28, 2017, Ocwen entered into an agreement in principle to resolve two such putative class actions, which have been consolidated in the United States District Court for the Northern District of Illinois. See *Snyder v. Ocwen Loan Servicing, LLC, 1:14-cv-08461-MFK (N.D. Ill.); Beecroft v. Ocwen Loan Servicing, LLC, 1:16-cv-08677-MFK (N.D. Ill.)*. Subject to final approval by the court, the settlement will include the establishment of a settlement fund to be distributed to impacted borrowers that submit claims for settlement benefits pursuant to a claims administration process.

While Ocwen believes that it has sound legal and factual defenses, Ocwen agreed to this settlement in principle in order to avoid the uncertain outcome of litigation and the additional expense and demands on the time of its senior management that such litigation would involve. In October 2017, the court preliminarily approved the settlement and, thereafter, we paid the settlement amount into an escrow account held by the settlement administrator. However, on September 28, 2018, the Court denied the motion for final approval. On October 9, 2018, the parties advised the Court of their intention to further mediate the dispute, in an effort to address certain issues raised by the Court. There can be no assurance that the Court will finally approve the settlement or any revisions to it to which the parties may agree. In the event the settlement or any agreed upon revisions are not finally approved, the litigation would continue, and we would vigorously defend the allegations made against Ocwen. Additional lawsuits may be filed against us in relation to these matters. At this time, Ocwen is unable to predict the outcome of these existing lawsuits or any additional lawsuits that may be filed, the possible loss or range of loss, if any, associated with the resolution of such lawsuits or the potential impact such lawsuits may have on us or our operations. Ocwen intends to vigorously defend against these lawsuits. If our efforts to defend these lawsuits are not successful, our business, financial condition liquidity and results of operations could be materially and adversely affected.

We have previously disclosed the settlement of the consolidated securities fraud class action lawsuit that contained allegations in connection with the restatements of our 2013 and first quarter 2014 financial statements, among other matters, in the United States District Court for the Southern District of Florida captioned *In re Ocwen Financial Corporation Securities Litigation, 9:14-cv-81057-WPD (S.D. Fla.)* (such consolidated lawsuit, the Securities Class Action). In March 2018 and April 2018, respectively, Ocwen was named as a defendant in two separate "opt-out" securities fraud actions brought on behalf of certain putative shareholders of Ocwen based on similar allegations to those contained in the Securities Class Action. *See Brahman Partners et al. v. Ocwen Financial Corporation et al., 9:18-cv-80359-DMM (S.D. Fla.)* and *Owl Creek et al. v. Ocwen Financial Corporation et al., 9:18-cv-80506-BB (S.D. Fla.).* Our accrual with respect to these matters is included in the $53.4 million legal and regulatory accrual referenced above. We cannot currently estimate the amount, if any, of reasonably possible loss above the amount accrued. Ocwen and the other defendants intend to vigorously defend against these lawsuits. If our efforts to defend these lawsuits are not successful, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

We have previously disclosed that as a result of the April 2017 federal and state regulatory actions described below under "Regulatory", and the impact on our stock price, several putative securities fraud class action lawsuits were filed against Ocwen and certain of its officers that contain allegations in connection with Ocwen's statements concerning its efforts to satisfy the evolving regulatory environment, and the resources it devoted to regulatory compliance, among other matters. Those lawsuits were consolidated in the United States District Court for the Southern District of Florida in the matter captioned *Carvelli v. Ocwen Financial Corporation et al., 9:14-cv-9:17-cv-80500-RLR (S.D. Fla.).* On April 27, 2018, the court in Carvelli granted our motion to dismiss, and dismissed the consolidated case with prejudice. Plaintiffs thereafter filed a notice of appeal, and that appeal remains pending. Ocwen and the other defendants intend to defend themselves vigorously. Additional lawsuits may be filed against us in relation to these matters. At this time, Ocwen is unable to predict the outcome of this existing lawsuit or any additional lawsuits that may be filed, the possible loss or range of loss, if any, associated with the resolution of such lawsuits or the potential impact such lawsuits may have on us or our operations. If additional lawsuits are filed, Ocwen intends to vigorously defend itself against such lawsuits. If our efforts to defend the existing lawsuit or any future lawsuit are not successful, our business, financial condition, liquidity and results of operations could be materially and adversely affected.

In several recent court actions, mortgage loan sellers against whom repurchase claims have been asserted based on alleged breaches of representations and warranties are defending on various grounds including the expiration of statutes of limitation, lack of notice and opportunity to cure, and vitiation of the obligation to repurchase as a result of foreclosure or charge-off of the loan. We have entered into tolling agreements with respect to our role as servicer for a small number of securitizations relating to our performance under the servicing agreements for those securitizations and may enter into additional tolling agreements in the future. Other court actions have been filed against certain RMBS trustees alleging that the trustees breached their contractual and statutory duties by, among other things, failing to require the loan servicers to abide by the servicers' obligations and failing to declare that certain alleged servicing events of default under the applicable contracts occurred.

Ocwen is a party in certain of these actions, is the servicer for certain securitizations involved in other such actions and is the servicer for other securitizations as to which actions have been threatened by certificate holders. We intend to vigorously defend ourselves in the lawsuits to which we have been named a party. Should Ocwen be made a party to other similar actions or should Ocwen be asked to indemnify any parties to such actions, we may need to defend ourselves against allegations that we failed to service loans in accordance with applicable agreements and that such failures prejudiced the rights of repurchase claimants against loan sellers or otherwise diminished the value of the trust collateral. At this time, we are unable to predict the ultimate outcome of these lawsuits, the possible loss or range of loss, if any, associated with the resolution of these lawsuits or any potential impact they may have on us or our operations. If, however, we were required to compensate claimants for losses related to the alleged loan servicing breaches, then our business, liquidity, financial condition and results of operations could be adversely affected.

In addition, a number of RMBS trustees have received notices of default alleging material failures by servicers to comply with applicable servicing agreements. Although Ocwen has not yet been sued by an RMBS trustee in response to a notice of default, there is a risk that Ocwen could be replaced as servicer as a result of said notices, that the trustees could take legal action on behalf of the trust certificateholders, or, under certain circumstances, that the RMBS investors who issue notices of default could seek to press their allegations against Ocwen, independent of the trustees. Previously, one such group of affiliated RMBS investors sought to direct one trustee to bring suit against Ocwen. The trustee declined to bring suit, and the RMBS investors instead brought suit against Ocwen directly. The court dismissed the RMBS investors' suit without prejudice on October 4, 2017, and the RMBS investors subsequently filed an amended complaint. On January 23, 2018, the court dismissed the RMBS investors' amended suit with prejudice. The RMBS investors thereafter appealed the district court's dismissal, and that appeal remains pending. Ocwen is vigorously defending itself. We are unable at this time to predict what, if any, actions any trustee will take in response to a notice of default, nor can we predict at this time the potential loss or range of loss, if any, associated with the resolution of any notices of default or the potential impact on our operations. If Ocwen were to be terminated as servicer, or other related legal actions were pursued against Ocwen, it could have an adverse effect on Ocwen's business, financing activities, financial condition and results of operations.

Regulatory

We are subject to a number of ongoing federal and state regulatory examinations, cease and desist orders, consent orders, inquiries, subpoenas, civil investigative demands, requests for information and other actions. Where we determine that a loss contingency is probable in connection with a regulatory matter and the amount of our loss can be reasonably estimated, we record an accrual for the loss. Where we determine that a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. It is possible that we will incur losses relating to regulatory matters that materially exceed any accrued amount. Predicting the outcome of any regulatory matter is inherently difficult and we generally cannot predict the eventual outcome of any regulatory matter or the eventual loss, if any, associated with the outcome.

To the extent that an examination, audit or other regulatory engagement results in an alleged failure by us to comply with applicable laws, regulations or licensing requirements, or if allegations are made that we have failed to comply with applicable laws, regulations or licensing requirements or the commitments we have made in connection with our regulatory settlements (whether such allegations are made through administrative actions such as cease and desist orders, through legal proceedings or otherwise) or if other regulatory actions of a similar or different nature are taken in the future against us, this could lead to (i) administrative fines and penalties and litigation, (ii) loss of our licenses and approvals to engage in our servicing and lending businesses, (iii) governmental investigations and enforcement actions, (iv) civil and criminal liability, including class action lawsuits and actions to recover incentive and other payments made by governmental entities, (v) breaches of covenants and representations under our servicing, debt or other agreements, (vi) damage to our reputation, (vii) inability to raise capital or otherwise fund our operations and (viii) inability to execute on our business strategy. Any of these occurrences could increase our operating expenses and reduce our revenues, hamper our ability to grow or otherwise materially and adversely affect our business, reputation, financial condition, liquidity and results of operations.

CFPB

On April 20, 2017, the CFPB filed a lawsuit in the federal district court for the Southern District of Florida against Ocwen, OMS and OLS alleging violations of federal consumer financial laws relating to our servicing business dating back to 2014. The CFPB's claims include allegations regarding (1) the adequacy of Ocwen's servicing system and integrity of Ocwen's mortgage servicing data, (2) Ocwen's foreclosure practices and (3) various purported servicer errors with respect to borrower escrow accounts, hazard insurance policies, timely cancellation of private mortgage insurance, handling of customer complaints, and marketing of optional products. The CFPB alleges violations of unfair, deceptive acts or abusive practices, as well as violations of specific laws or regulations. The CFPB does not claim specific monetary damages, although it does seek consumer relief, disgorgement of allegedly improper gains, and civil money penalties. We believe we have factual and legal defenses to the CFPB's allegations and are vigorously defending ourselves. Prior to the initiation of legal proceedings, we had been engaged with the CFPB in efforts to resolve the matter and recorded $12.5 million as of December 31, 2016 as a result of these discussions. Our accrual with respect to this matter is included in the $53.4 million legal and regulatory accrual referenced above. The outcome of the matters raised by the CFPB, whether through negotiated settlements, court rulings or otherwise, could have a material adverse impact on our business, reputation, financial condition, liquidity and results of operations.

State Licensing, State Attorneys General and Other Matters

Our licensed entities are required to renew their licenses, typically on an annual basis, and to do so they must satisfy the license renewal requirements of each jurisdiction, which generally include financial requirements such as providing audited financial statements or satisfying minimum net worth requirements and non-financial requirements such as satisfactorily

completing examinations as to the licensee's compliance with applicable laws and regulations. Failure to satisfy any of the requirements to which our licensed entities are subject could result in a variety of regulatory actions ranging from a fine, a directive requiring a certain step to be taken, entry into a consent order, a suspension or ultimately a revocation of a license, any of which could have a material adverse impact on our results of operations and financial condition. In addition, we receive information requests and other inquiries, both formal and informal in nature, from our state financial regulators as part of their general regulatory oversight of our servicing and lending businesses. We also regularly engage with state attorneys general and the CFPB and, on occasion, we engage with other federal agencies, including the Department of Justice and various inspectors general on various matters, including responding to information requests and other inquiries. Many of our regulatory engagements arise from a complaint that the entity is investigating, although some are formal investigations or proceedings. The GSEs (and their conservator, FHFA), HUD, FHA, VA, Ginnie Mae, the United States Treasury Department, and others also subject us to periodic reviews and audits. We have in the past resolved, and may in the future resolve, matters via consent orders, payments of monetary amounts and other agreements in order to settle issues identified in connection with examinations or other oversight activities, and such resolutions could have material and adverse effects on our business, reputation, operations, results of operations and financial condition.

On April 20, 2017 and shortly thereafter, mortgage and banking regulatory agencies from 29 states and the District of Columbia took regulatory actions against OLS and certain other Ocwen companies that alleged deficiencies in our compliance with laws and regulations relating to our servicing and lending activities. An additional state regulator brought legal action together with that state's attorney general, as described below. In general, the regulatory actions took the form of orders styled as "cease and desist orders," and we use that term to refer to all of the orders for ease of reference; for ease of reference we also include the District of Columbia as a state when we reference states below. All of the cease and desist orders were applicable to OLS, but additional Ocwen entities were named in some orders, including Ocwen Financial Corporation, OMS, Homeward, Liberty, OFSPL and Ocwen Business Solutions, Inc. (OBS).

We have entered into agreements with all 30 states to resolve these regulatory actions. These agreements generally contain the following key terms (the Multi-State Common Settlement Terms):

- Ocwen would not acquire any new residential mortgage servicing rights until April 30, 2018.
- Ocwen will develop a plan of action and milestones regarding its transition from the servicing system we currently use, REALServicing®, to an alternate servicing system and, with certain exceptions, will not board any new loans onto the REALServicing ® system.
- In the event that Ocwen chooses to merge with or acquire an unaffiliated company or its assets in order to effectuate a transfer of loans from the REALServicing ® system, Ocwen must give the applicable regulatory agency prior notice to the signing of any final agreement and the opportunity to object (which prior notice requirement is independent of, and in addition to, applicable state law notice and consent requirements relating to change of control transactions). If no objection is received, the provisions of the first bullet point above shall not prohibit the transaction or limit the transfer of loans from the REALServicing ® system onto the merged or acquired company's alternate servicing system. In the event that an unaffiliated company merges with or acquires Ocwen or Ocwen's assets, the provisions of the first bullet point above shall not prohibit the transaction or limit the transfer of loans from the REALServicing ® system onto the merging or acquiring company's alternate servicing system.
- Ocwen will engage a third-party auditor to perform an analysis with respect to our compliance with certain federal and state laws relating to escrow by testing approximately 9,000 loan files relating to residential real property in various states, and Ocwen must develop corrective action plans for any errors that are identified by the third-party auditor.
- Ocwen will develop and submit for review a plan to enhance our consumer complaint handling processes.
- Ocwen will provide financial condition reporting on a confidential basis as part of each state's supervisory framework through September 2020.

In addition to the terms described above, Ocwen entered into settlements with certain states on different or additional terms, which include making additional communications with and for borrowers, certain review, reporting and remediation obligations, and the following additional terms:

- Ocwen agreed with the Connecticut regulatory agency to pay certain amounts only in the event we fail to comply with certain requirements under our agreement with Connecticut.
- In its agreement with the Maryland regulatory agency, Ocwen agreed to complete an independent management assessment and enterprise risk assessment and to a prohibition, with certain *de minimis* exceptions, on repurchases of our stock until December 7, 2018. Ocwen also agreed to make certain payments to Maryland, to provide remediation to certain borrowers in the form of cash payments or credits and to pay certain amounts only in the event we fail to comply with certain requirements under our agreement with Maryland.
- Ocwen agreed with the Massachusetts regulatory agency to pay $1.0 million to the Commonwealth of Massachusetts Mortgage Education Trust. Ocwen and the Massachusetts regulatory agency also agreed on a schedule pursuant to which we will regain eligibility to acquire residential MSRs on Massachusetts loans (including loans originated by Ocwen) as

it meets certain thresholds in its transition to a new servicing platform. All restrictions on Massachusetts MSR acquisitions will be lifted when Ocwen completes the second phase of a three-phase data integrity audit which will be conducted by an independent third-party following completion of Ocwen's servicing platform transition.

Accordingly, we have now resolved all of the administrative actions (but not all of the legal actions, which are described below) taken by state regulators on April 20, 2017 and shortly thereafter.

We have taken substantial steps toward fulfilling our commitments under the agreements described above, including, developing and providing periodic updates regarding our plan to transition to an alternate loan servicing system (which our acquisition of PHH could help to accelerate), developing and implementing certain enhancements to our consumer complaint process, engaging a third-party auditor who is currently performing escrow-related testing, and complying with our other information sharing and reporting obligations.

In April 2017, and concurrent with the issuance of the cease and desist orders and the filing of the CFPB lawsuit discussed above, two state attorneys general took actions against us relating to our servicing practices. The Florida Attorney General, together with the Florida Office of Financial Regulation, filed a lawsuit in the federal district court for the Southern District of Florida against Ocwen, OMS and OLS alleging violations of federal and state consumer financial laws relating to our servicing business. These claims are similar to the claims made by the CFPB. The Florida lawsuit seeks injunctive and equitable relief, costs, and civil money penalties in excess of $10,000 per confirmed violation of the applicable statute.

The Massachusetts Attorney General filed a lawsuit against OLS in the Superior Court for the Commonwealth of Massachusetts alleging violations of state consumer financial laws relating to our servicing business, including with respect to our activities relating to lender-placed insurance and property preservation fees. Previously, the Massachusetts Attorney General had sent us a civil investigative demand requesting information relating to various aspects of our servicing practices, including lender-placed insurance and property preservation fees. The Massachusetts Attorney General's lawsuit seeks injunctive and equitable relief, costs, and civil money penalties of $5,000 per confirmed violation of the applicable statute.

While we endeavor to negotiate appropriate resolutions in these two matters, we are vigorously defending ourselves, as we believe we have valid defenses to the claims made in both lawsuits. The outcome of these two lawsuits, whether through negotiated settlements, court rulings or otherwise, could potentially involve monetary fines or penalties or additional restrictions on our business and could be materially adverse to our business, reputation, financial condition, liquidity and results of operations. We cannot currently estimate the amount, if any, of reasonably possible loss related to these matters above amounts currently accrued.

Our accrual with respect to the administrative and legal actions initiated on April 20, 2017 and shortly thereafter is included in the $53.4 million litigation and regulatory matters accrual referenced above. We will also incur costs complying with the terms of the settlements we have entered into, including in connection with the escrow review and transition to a new servicing system. For example, with respect to the escrow review, which is currently underway, we will incur remediation costs to the extent that errors are identified which require remediation. If we fail to comply with the terms of our settlements, additional administrative or legal regulatory actions could be taken against us. Such actions could have a materially adverse impact on our business, reputation, financial condition, liquidity and results of operations.

Certain of the state regulators' cease and desist orders reference a confidential supervisory memorandum of understanding (MOU) that we entered into with the Multistate Mortgage Committee (MMC), a multistate coalition of various mortgage banking regulators, and six states relating to a servicing examination from 2013 to 2015. The MOU contained various provisions relating to servicing practices and safety and soundness aspects of the regulatory review, as a step toward closing the 2013-2015 examination. There were no monetary or other penalties under the MOU. Ocwen responded to the MOU items and continues to provide certain reports and other information pursuant to the MOU.

On occasion, we engage with agencies of the federal government on various matters. For example, OLS received a letter from the Department of Justice, Civil Rights Division, notifying OLS that the Department of Justice had initiated a general investigation into OLS's policies and procedures to determine whether violations of the Servicemembers Civil Relief Act by OLS might exist. We continue to provide information to the Department of Justice and we are engaged in ongoing discussions with the Department of Justice relating to this inquiry. In addition, Ocwen was named as a defendant in a HUD administrative complaint filed by a non-profit organization alleging discrimination in the manner in which the company maintains REO properties in minority communities. In February 2018, this matter was administratively closed, and similar claims were filed in federal court. We believe these claims are without merit and intend to vigorously defend ourselves.

In April 2017, Ocwen received a subpoena from the Office of Inspector General of HUD requesting the production of documentation related to lender-placed insurance arrangements with a mortgage insurer and the amounts paid for such insurance. We understand that other servicers in the industry have received similar subpoenas. In May 2016, Ocwen received a subpoena from the Office of Inspector General of HUD requesting the production of documentation related to HECM loans originated by Liberty. We understand that other lenders in the industry have received similar subpoenas. In May 2017, Ocwen received a subpoena from the Office of the Special Inspector General for the Troubled Asset Relief Program requesting

documents and information related to Ocwen's participation from 2009 to the present in the Treasury Department's Making Home Affordable Program and its Home Affordable Modification Program. We have been providing documents and information in response to these subpoenas.

In July 2017, we received a letter from Ginnie Mae in which Ginnie Mae informed us that the state regulators' cease and desist orders discussed above create a material change in Ocwen's business status under Chapter 3 of the Ginnie Mae MBS Guide, and that Ginnie Mae had accordingly declared an event of default under Guaranty Agreements between Ocwen and Ginnie Mae. In the letter, Ginnie Mae notified Ocwen that it would forbear from immediately exercising any rights relating to this matter. In a letter dated August 1, 2018, Ginnie Mae informed us that, based on Ocwen's progress resolving its state regulatory matters, Ginnie Mae considered the matter satisfied, subject to our compliance with ongoing reporting requirements relating to our state regulatory settlements and transition to the Black Knight MSP.

Adverse actions by Ginnie Mae could materially and adversely impact our business, reputation, financial condition, liquidity and results of operations, including if Ginnie Mae were to terminate us as an issuer or servicer of Ginnie Mae securities or otherwise take action indicating that such a termination was planned. For example, such actions could make financing our business more difficult, including by making future financing more expensive or if a lender were to allege a default under our debt agreements, which could trigger cross-defaults under all of our other material debt agreements.

Loan Put-Back and Related Contingencies

Our contracts with purchasers of originated loans contain provisions that require indemnification or repurchase of the related loans under certain circumstances. While the language in the purchase contracts varies, they contain provisions that require us to indemnify purchasers of related loans or repurchase such loans if:

- representations and warranties concerning loan quality, contents of the loan file or loan underwriting circumstances are inaccurate;
- adequate mortgage insurance is not secured within a certain period after closing;
- a mortgage insurance provider denies coverage; or
- there is a failure to comply, at the individual loan level or otherwise, with regulatory requirements.

We received origination representations and warranties from our network of approved originators in connection with loans we purchased through our correspondent lending channel. To the extent that we have recourse against a third-party originator, we may recover part or all of any loss we incur.

We believe that, as a result of the current market environment, many purchasers of residential mortgage loans are particularly aware of the conditions under which originators must indemnify or repurchase loans and under which such purchasers would benefit from enforcing any indemnification rights and repurchase remedies they may have.

In our lending business, we have exposure to indemnification risks and repurchase requests. If home values were to decrease, our realized loan losses from loan repurchases and indemnifications may increase as well. As a result, our liability for repurchases may increase beyond our current expectations. If we are required to indemnify or repurchase loans that we originate and sell, or where we have assumed this risk on loans that we service, as discussed above, in either case resulting in losses that exceed our related liability, our business, financial condition and results of operations could be adversely affected.

We have exposure to origination representation, warranty and indemnification obligations because of our lending, sales and securitization activities and in connection with our servicing practices. We initially recognize these obligations at fair value. Thereafter, the estimation of the liability considers probable future obligations based on industry data of loans of similar type segregated by year of origination, to the extent applicable, and estimated loss severity based on current loss rates for similar loans, our historical rescission rates and the current pipeline of unresolved demands. Our historical loss severity considers the historical loss experience that we incur upon sale or liquidation of a repurchased loan as well as current market conditions. We monitor the adequacy of the overall liability and make adjustments, as necessary, after consideration of other qualitative factors including ongoing dialogue and experience with our counterparties.

At September 30, 2018 and September 30, 2017, we had outstanding representation and warranty repurchase demands of $26.5 million UPB (160 loans) and $40.2 million UPB (213 loans), respectively. We review each demand and monitor through resolution, primarily through rescission, loan repurchase or make-whole payment.

The following table presents the changes in our liability for representation and warranty obligations, compensatory fees for foreclosures that may ultimately exceed investor timelines and similar indemnification obligations:

	Nine Months Ended September 30,	
	2018	2017
Beginning balance	$ 19,229	$ 24,285
Provision for representation and warranty obligations	4,443	(3,285)
New production reserves	259	554
Charge-offs and other (1)	(6,824)	(3,036)
Ending balance	$ 17,107	$ 18,518

(1) Includes principal and interest losses realized in connection with repurchased loans, make-whole, indemnification and fee payments and settlements net of recoveries, if any.

We believe that it is reasonably possible that losses beyond amounts currently recorded for potential representation and warranty obligations and other claims described above could occur, and such losses could have an adverse impact on our results of operations, financial condition or cash flows. However, based on currently available information, we are unable to estimate a range of reasonably possible losses above amounts that have been recorded at September 30, 2018.

Other

OLS, on its own behalf and on behalf of various investors, has been engaged in a variety of activities to seek payments from mortgage insurers for unpaid claims, including claims where the mortgage insurers paid less than the full claim amount. Ocwen believes that many of the actions by mortgage insurers were in violation of the applicable insurance policies and insurance law. In some cases, Ocwen has entered into tolling agreements, initiated arbitration or litigation, engaged in settlement discussions, or taken other similar actions. To date, Ocwen has settled with three mortgage insurers, and expects the ultimate outcome to result in recovery of additional unpaid claims, although we cannot quantify the likely amount at this time.

We may, from time to time, have affirmative indemnification claims against parties from whom we acquired MSRs or other assets. Although we pursue these claims, we cannot currently estimate the amount, if any, of further recoveries.

Note 21 – Subsequent Events

PHH Acquisition

On October 4, 2018, Ocwen completed its acquisition of PHH, a non-bank servicer with established servicing and origination recapture capabilities. We believe this acquisition will enable us to obtain the following key strategic and financial benefits: (i) accelerate Ocwen's transition to the Black Knight MSP servicing platform; (ii) reduce fixed costs, on a combined basis, through reductions in corporate overhead and other costs and improved economies of scale; and (iii) provide a foundation to enable the combined servicing platform to resume new business and growth activities to offset portfolio runoff. The results of PHH operations will be included in Ocwen's consolidated statement of operations from the date of acquisition. Assets acquired and liabilities assumed will be recorded at their fair value as of the date of acquisition based on management's estimates using currently available information. The acquisition will be accounted for under the acquisition method of accounting pursuant to ASC 805, *Business Combinations*.

The aggregate consideration paid to the former holders of PHH common stock was $358.4 million in cash, with $325.0 million from PHH and $33.4 million from Ocwen. We expect to recognize a bargain purchase gain, net of tax, in connection with the acquisition. The anticipated bargain purchase gain results from the losses we expect PHH to incur in the future that were contemplated as part of the purchase price. To the extent those losses are realized, they will be included in our consolidated statements of operations. Due to the timing of the acquisition, the initial accounting for the acquisition is incomplete as of the filing date and therefore the amount of the actual bargain purchase gain has not yet been determined.

As part of the acquisition Ocwen assumed certain contingent liabilities, including contingent liabilities relating to pending and threatened legal and regulatory proceedings. Similar to Ocwen and other mortgage loan servicers and lenders, PHH and its subsidiaries are routinely, and currently, defendants in various legal proceedings that arise in the ordinary course of PHH's business, including class action proceedings. These proceedings are generally based on alleged violations of federal, state and local laws and regulations governing mortgage servicing and lending activities, and contractual obligations. Similar to Ocwen and other mortgage loan servicers and lenders, PHH and its subsidiaries are also routinely, and currently, subject to government and regulatory examinations, investigations and inquiries or other requests for information. The resolution of these various legal and regulatory matters may result in adverse judgments, fines, penalties, injunctions and other relief against PHH as well as monetary payments or other agreements and obligations. In particular, legal proceedings brought under RESPA or other federal or state consumer protection laws that are ongoing, or may arise from time to time, may include the award of treble and other damages substantially in excess of actual losses, attorneys' fees and expenses, injunctive relief and remediation or other consumer relief. These proceedings and matters are at varying procedural stages and PHH may engage in settlement discussions on certain matters in order to avoid the additional costs of engaging in litigation. The outcome of any legal or regulatory matter is inherently difficult to predict or estimate and the ultimate time to resolve any such matter may be protracted. In addition, the outcome in one or more legal or regulatory matters may affect the outcome of other pending or threatened legal or regulatory matters. The ultimate resolution of any particular legal or regulatory matter, whether through negotiated settlement, court rulings or otherwise, could be material to Ocwen's business, reputation, financial condition, liquidity and results of operations.

Costs incurred in connection with the transaction are expensed as incurred and are reported in Professional services in the unaudited consolidated statements of operations. Such costs were $1.7 million and $6.6 million during the three and nine months ended September 30, 2018, respectively.

Due to the timing of the acquisition occurring subsequent to the end of the third quarter of 2018, the initial accounting for the business combination is incomplete as of the filing date as disclosed above, and certain disclosures, including the supplemental pro forma financial information, have been omitted from these unaudited consolidated financial statements. We will include the disclosures required by ASC 805, *Business Combinations*, in our 2018 Annual Report on Form 10-K. We are currently evaluating the impact of this acquisition on our reportable segments.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in thousands, except per share amounts and unless otherwise indicated)

The following Management's Discussion and Analysis of Financial Condition and Results of Operations, as well as other portions of this Form 10-Q, may contain certain statements that constitute forward-looking statements within the meaning of the federal securities laws. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "intend," "consider," "expect," "plan," "anticipate," "believe," "estimate," "predict" or "continue" or the negative of such terms or other comparable terminology. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change, which has magnified such risks and uncertainties. You should bear these factors in mind when considering forward-looking statements and should not place undue reliance on such statements. Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those suggested by such statements. In the past, actual results have differed from

those suggested by forward-looking statements, and this may happen again. You should consider all uncertainties and risks discussed or referenced in this report, including those under “Forward-Looking Statements” and Item 1A, Risk Factors, as well as those discussed in our other reports and filings with the SEC, including those in our Annual Report on Form 10-K for the year ended December 31, 2017 and any subsequent SEC filings.

OVERVIEW

General

We are a financial services company that services and originates loans.

The majority of our revenues are generated from our residential mortgage servicing business. Regulatory restrictions on acquisitions of MSRs and portfolio runoff continue to negatively impact the size of, and revenues from, our servicing portfolio. While we have made progress, we have not been able to reduce our overall expenses by a comparative amount, in part because of the relatively fixed nature of certain aspects of our corporate overhead. In addition, continuing regulatory and legal matters have negatively impacted our results. We have incurred a net loss in each of the last four fiscal years and for the nine months ended September 30, 2018, which has significantly eroded stockholders’ equity and weakened our financial condition.

Earlier this year, we entered into an agreement to acquire PHH because we believed that we would need to grow our revenues in order to drive stronger financial performance. On October 4, 2018, we completed our acquisition of PHH, which became a wholly owned subsidiary of Ocwen. On a combined basis as of September 30, 2018, Ocwen and PHH serviced 1.7 million loans with a UPB of $287.0 billion. In 2017, on a combined basis Ocwen and PHH originated more than $3.0 billion UPB in residential mortgage loans, including reverse mortgages and excluding forward lending correspondent and wholesale channels which Ocwen exited during 2017.

We believe this acquisition will enable us to obtain the following key strategic and financial benefits:

- Accelerate Ocwen’s transition to the Black Knight MSP servicing platform;
- Reduce fixed costs, on a combined basis, through reductions in corporate overhead and other costs;
- Improve economies of scale; and,
- Provide a foundation to enable the combined servicing platform to resume new business and growth activities to offset portfolio runoff.

We expect to recognize a bargain purchase gain, net of tax, in connection with the acquisition of PHH. The anticipated bargain purchase gain results from the fair value of PHH’s net assets exceeding the purchase price we paid. The purchase price we negotiated contemplated that PHH may incur losses after the acquisition date. To the extent those losses are realized, they will be included in our consolidated statements of operations. In addition, there can be no assurances that the desired strategic and financial benefits of the acquisition will be realized.

The approval of NY DFS for the acquisition imposed certain post-closing requirements on Ocwen, including certain reporting obligations and certain record retention and other requirements relating to the planned transfer of New York loans onto the Black Knight MSP servicing platform as well as certain requirements with respect to the management of PHH Mortgage Corporation (PMC), a licensed subsidiary of PHH. In addition, the NY DFS modified its restriction on Ocwen’s ability to acquire MSRs to allow certain acquisitions of MSRs that are boarded onto the Black Knight MSP servicing platform subject to annual portfolio growth limitations until such time as the NY DFS determines that all loans have been successfully migrated to the Black Knight MSP servicing platform and that Ocwen has developed a satisfactory infrastructure to board sizeable portfolios of MSRs.

Now that we have consummated our acquisition of PHH, if we can execute on five key initiatives, we believe we will drive stronger financial performance. First, we must successfully execute on the integration of PHH’s business with ours, including a smooth transition onto the Black Knight MSP servicing platform. Second, we must re-engineer our cost structure to go beyond eliminating redundant costs through the integration process. Third, we must fulfill our regulatory commitments and resolve our remaining legal and regulatory matters on satisfactory terms. Fourth, we must replenish our servicing portfolio through expanding our lending business and permissible MSR acquisitions that are prudent and well-executed with appropriate financial return targets. Finally, we must ensure that we continue to manage our balance sheet to provide a solid platform for executing on our growth and other initiatives.

We have significantly strengthened our cash position through the receipt of aggregate lump-sum payments of $334.2 million in connection with our 2017 Agreements and the New RMSR Agreements with NRZ. However, these upfront payments generally represent the net present value of the difference between the future revenue stream Ocwen would have received under the Original Rights to MSRs Agreements and the future revenue stream Ocwen expects to receive under the 2017 Agreements. Accordingly, the new agreements provide for a larger portion of future servicing compensation to be retained by NRZ.

We continue to invest cash amounts that are excess to our immediate business needs to achieve targeted investment returns within our risk appetite and we have also deployed excess cash to reduce secured borrowings. We continue to evaluate options to grow our revenues through select investments. There can be no assurances we will be able to execute on our plans or that the returns on such investments will ultimately meet our targets.

Our business, operating results and financial condition have been significantly impacted in recent periods by regulatory actions against us and by significant litigation matters. Should the number or scope of regulatory or legal actions against us increase or expand or should we be unable to reach reasonable resolutions in existing regulatory and legal matters, our business, reputation, financial condition, liquidity and results of operations could be materially and adversely affected, even if we are otherwise successful in our ongoing efforts to drive stronger financial performance.

Results of Operations and Financial Condition

The following discussion and analysis of our results of operations and financial condition should be read in conjunction with our unaudited consolidated financial statements and the related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Results of Operations Summary	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	% Change	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017	% Change
Revenue						
Servicing and subservicing fees	$ 213,730	$ 233,220	(8)%	$ 658,095	$ 761,523	(14)%
Gain on loans held for sale, net	16,942	25,777	(34)	61,135	76,976	(21)
Other	7,606	25,645	(70)	32,886	79,307	(59)
Total revenue	238,278	284,642	(16)	752,116	917,806	(18)
Expenses						
Compensation and benefits	63,307	90,538	(30)	211,220	272,750	(23)
Professional services	40,662	38,417	6	110,821	145,651	(24)
MSR valuation adjustments, net	41,448	33,426	24	91,695	115,446	(21)
Servicing and origination	31,758	52,246	(39)	91,452	128,061	(29)
Technology and communications	20,597	27,929	(26)	67,306	79,530	(15)
Occupancy and equipment	11,896	15,340	(22)	37,369	49,569	(25)
Other	7,858	15,583	(50)	19,814	39,335	(50)
Total expenses	217,526	273,479	(20)	629,677	830,342	(24)
Other income (expense)						
Interest income	3,963	4,099	(3)	10,018	12,101	(17)
Interest expense	(61,288)	(47,281)	30	(189,601)	(212,471)	(11)
Gain (loss) on sale of mortgage servicing rights, net	(733)	6,543	(111)	303	7,863	(96)
Other, net	(2,967)	(1,077)	175	(6,872)	6,384	(208)
Total other expense, net	(61,025)	(37,716)	61	(186,152)	(186,123)	(1)
Loss before income taxes	(40,273)	(26,553)	51	(63,713)	(98,659)	(38)
Income tax expense (benefit)	845	(20,418)	(104)	4,541	(15,465)	(129)
Net loss	(41,118)	(6,135)	568	(68,254)	(83,194)	(20)
Net income attributable to non-controlling interests	(29)	(117)	(75)	(176)	(289)	(39)
Net loss attributable to Ocwen stockholders	$ (41,147)	$ (6,252)	556 %	$ (68,430)	$ (83,483)	(21)%
Segment income (loss) before income taxes						
Servicing	$ (13,899)	$ 5,681	(345)%	$ 8,668	$ 18,030	(52)%
Lending	(2,065)	(7,569)	(73)	8,106	(7,072)	(215)
Corporate Items and Other	(24,309)	(24,665)	(1)	(80,487)	(109,617)	(27)
	$ (40,273)	$ (26,553)	52 %	$ (63,713)	$ (98,659)	(35)%

n/m: not meaningful

Three Months Ended September 30, 2018 versus 2017

Servicing and subservicing fees were $19.5 million, or 8%, lower than the third quarter of 2017, primarily due to portfolio runoff, consistent with the 14% and 13% decline in our residential portfolio average UPB and loan count, respectively. The number of completed modifications increased for the three months ended September 30, 2018 compared to the three months ended September 30, 2017 as our non-HAMP modification programs replace the HAMP program which expired on December 31, 2016. Revenue recognized in connection with loan modifications was $14.4 million and $14.5 million for the third quarter of 2018 and 2017, respectively.

The $8.8 million, or 34%, decline in Gains on loans held for sale, net in the third quarter of 2018 is primarily due to a decrease in total loan production offset in part by higher margins. Forward lending originations declined as a result of our exit from the forward lending correspondent and wholesale channels and rising interest rates which reduced refinance volume. Changes to the FHA HECM program for originations after October 1, 2017 have negatively impacted reverse lending origination volume.

Other revenue for the third quarter of 2018 declined $18.0 million, or 70%, largely due to a $7.0 million decline in REO referral commissions in connection with the transfer of the rights to such commissions to NRZ effective with the New RMSR Agreements, and a $7.1 million unfavorable net change in the fair values of our HECM reverse mortgage loans and the related HMBS financing liability. Rising interest rates reduce the average life of our HECM reverse mortgage loans as Adjustable Rate Mortgage (ARM) borrowers reach their maximum loan amount faster, reducing projected service fees, net of subservicing fees, and available future draws, and accelerating loan resolutions. CRL premium revenue declined $1.6 million consistent with the decline in the number of foreclosed real estate properties in the servicing portfolio, and loan origination fees were lower on lower lending segment production volumes.

MSR valuation adjustments, net, increased $8.0 million, or 24%, as compared to the third quarter of 2017, primarily due to higher interest rates in the third quarter of 2018 and a resulting increase in advance funding costs related to our non-Agency MSRs, with no offsetting favorable impact to our Agency MSRs based on our third quarter benchmarking review. MSR valuation adjustments for the third quarter of 2017 include the impact of a favorable benchmarking update to modeled losses on certain financed FHA and VA MSRs.

Excluding MSR valuation adjustments, net, expenses were $64.0 million, or 27%, lower as compared to the third quarter of 2017.

Compensation and benefits expense for the third quarter of 2018 declined $27.2 million, or 30%, as average headcount declined by 24%, including a 31% reduction in U.S.-based headcount, consistent with our efforts to reduce servicing operations costs and corporate overhead in line with the runoff of our servicing portfolio and consistent with our strategic decisions to exit the ACS business and the forward lending correspondent and wholesale channels.

Servicing and origination expense decreased $20.5 million, or 39%, as compared to the third quarter of 2017 primarily due to a $15.0 million reduction in government-insured claim loss provisions and a $5.4 million reduction in losses related to non-recoverable advances and receivables. We recorded additional reserves in the prior year on reinstated or modified government-insured claims.

Declines of $7.3 million and $3.4 million in Technology and communication and Occupancy and equipment expenses, respectively, as compared to the third quarter of 2017, are largely a result of our cost reduction efforts that include bringing technology services in-house and closing and consolidating certain facilities.

Other expenses were $7.7 million, or 50%, lower in the third quarter of 2018 as the three months ended September 30, 2017 includes a $6.8 million charge to write-off the carrying value of internally-developed software used in our wholesale forward lending business in connection with our decision to exit that channel and sell the furniture, fixtures and equipment located at our Westborough, Massachusetts facility. Advertising expense declined $1.9 million as a result of our exit from the forward lending correspondent and wholesale channels.

Interest expense for the third quarter of 2018 increased $14.0 million, or 30%, as compared to the third quarter of 2017, primarily due to the $22.8 million increase in interest expense on the NRZ financing liabilities, which we account for at fair value, offset by a $4.8 million decrease in interest on match funded liabilities, consistent with the decline in servicing advances, and a $3.1 million decrease in interest on borrowings under our mortgage loan warehouse facilities due to lower forward lending production volumes.

The increase in interest expense on the NRZ financing liabilities is primarily the result of the $37.6 million favorable fair value adjustment recorded in the third quarter of 2017 in connection with the $54.6 million lump sum payment we received from NRZ on execution of the 2017 Agreements on July 23, 2017, offset in part by runoff of the NRZ servicing portfolio.

Nine Months Ended September 30, 2018 versus 2017

Servicing and subservicing fees declined $103.4 million, or 14%, in the nine months ended September 30, 2018 as compared to the same period in 2017, primarily due to portfolio runoff and a reduction in completed modifications. The average UPB and loan count in our residential portfolio declined 14% and 13%, respectively, as compared to the nine months ended September 30, 2017.

Gains on loans held for sale, net declined $15.8 million, or 21%, as compared to the nine months ended September 30, 2017 primarily due to lower forward and reverse loan production volumes partially offset by higher margins.

The $46.4 million, or 59% decline in Other revenue as compared to the nine months ended September 30, 2017 is primarily due to a $24.7 million decline in REO referral commissions, a $5.0 million decline in CRL premiums and a $10.6 million unfavorable net change in the fair values of our HECM loans and the related HMBS financing liability. Loan origination fees also declined on significantly lower correspondent loan production as a result of our exit from this channel in 2017.

MSR valuation adjustments, net, decreased $23.8 million, or 21%, as compared to the nine months ended September 30, 2017, primarily driven by a net favorable impact of higher interest rates, with the favorable impact of slower projected Agency prepayment speeds more than offsetting the unfavorable impact of higher non-Agency advance funding costs, and a favorable impact of slower actual runoff in the non-Agency MSRs in 2018.

Excluding MSR valuation adjustments, net, expenses were $176.9 million, or 25%, lower as compared to the nine months ended September 30, 2017.

Compensation and benefits expense for the nine months ended September 30, 2018 declined $61.5 million, or 23%, as average headcount declined by 23%, including a 29% reduction in U.S.-based headcount. These declines are the result of our efforts to reduce costs of our servicing operations and corporate overhead, as well as our strategic decisions to exit the ACS business and the forward lending correspondent and wholesale channels. The reduction in Compensation and benefits expense resulting from the decline in headcount was offset in part by a $4.6 million increase in related severance expense for the nine months ended September 30, 2018.

Servicing and origination expense decreased $36.6 million, or 29%, as compared to the nine months ended September 30, 2017 primarily due to a $22.6 million decrease in government-insured claim loss provisions recorded in the prior year on reinstated or modified loans along with a decline in claims, an $8.1 million reduction in losses related to non-recoverable advances and receivables, a $2.9 million reduction in CRL reinsurance commissions due to the decline in foreclosed real estate properties, and a general decline in other expenses resulting from the declines in our servicing portfolio and loan production volume.

Professional services expense was $34.8 million, or 24%, lower for the nine months ended September 30, 2018 as compared to same period of 2017 primarily due to a $29.3 million decline in legal expenses, a $6.4 million decrease in monitor expenses and a $1.7 million reduction in fees incurred in connection with our conversion of NRZ's Rights to MSRs to fully-owned MSRs, offset in part by $6.6 million of fees related to the PHH Merger Agreement incurred during the nine months ended September 30, 2018. The CA Auditor appointment and the NY Operations Monitor appointment were terminated in 2017. We are not currently incurring any expenses related to regulatory monitors.

As disclosed above, cost reduction efforts and the decline in the size of our servicing portfolio drove declines in Occupancy and equipment expense ($12.2 million) and Technology and communication expense ($12.2 million) as compared to the nine months ended September 30, 2017.

The $19.5 million, or 50%, decrease in Other expenses as compared to the nine months ended September 30, 2017 is due in large part to the $6.8 million charge recognized in the third quarter of 2017 to write-off the carrying value of internally-developed software used in our wholesale forward lending business, a $4.9 million reduction in advertising expenses, a $4.5 million decline in the provision for losses on ACS automotive dealer financing notes as we exited the ACS business in the first quarter of 2018 and a $2.4 million decline in bank charges.

Interest expense for the nine months ended September 30, 2018 declined $22.9 million, or 11%, as compared to the same period of 2017 primarily because of a $13.0 million decrease in interest on match funded liabilities, a $6.3 million decrease in interest on borrowings under our mortgage loan warehouse facilities and a $2.4 million decline in interest expense on the NRZ financing liabilities.

The decline in interest expense on the NRZ financing liabilities was due to runoff of the NRZ servicing portfolio offset by a $15.7 million reduction in net favorable fair value adjustments as compared to the nine months ended September 30, 2017. Interest expense for the third quarter of 2017 included a $37.6 million favorable fair value adjustment on the NRZ financing liability in connection with the transfer of MSRs, as discussed above, while the first quarter of 2018 included a $16.6 million favorable fair value adjustment related to the $279.6 million lump-sum upfront payment we received in January 2018 in accordance with the terms of the New RMSR Agreements.

Although we incurred a pre-tax loss of $63.7 million for the nine months ended September 30, 2018, we recorded income tax expense of $4.5 million due to the mix of earnings among different tax jurisdictions with different statutory tax rates, which impacts the amount of the tax benefit or expense recorded. Income tax expense for the nine months ended September 30, 2018 includes additional expense related to the Tax Act that was partially offset by a reduction in expense related to the tax effects of intra-entity asset transfers that are no longer recognized effective with our adoption of ASU 2016-16 on January 1, 2018. We recognized a $22.7 million income tax benefit in the third quarter of 2017 related to the reversal of an uncertain tax position

liability upon expiration of the statute of limitations. The overall effective tax rate for the nine months ended September 30, 2018 and 2017 is (7.1)% and 15.7%, respectively.

Financial Condition Summary	September 30, 2018	December 31, 2017	% Change
Cash	$ 254,843	$ 259,655	(2)%
Mortgage servicing rights	999,282	1,008,844	(1)
Advances and match funded assets	1,101,104	1,389,150	(21)
Loans held for sale	217,436	238,358	(9)
Loans held for investment, at fair value	5,307,560	4,715,831	13
Other	580,812	791,326	(27)
Total assets	$ 8,461,037	$ 8,403,164	1 %
Total Assets by Segment			
Servicing	$ 2,726,905	$ 3,033,243	(10)%
Lending	5,385,437	4,945,456	9
Corporate Items and Other	348,695	424,465	(18)
	$ 8,461,037	$ 8,403,164	1 %
HMBS-related borrowings, at fair value	$ 5,184,227	$ 4,601,556	13 %
Other financing liabilities	719,319	593,518	21
Match funded liabilities	714,246	998,618	(28)
SSTL and other secured borrowings, net	345,425	545,850	(37)
Senior notes, net	347,749	347,338	—
Other	589,327	769,410	(23)
Total liabilities	$ 7,900,293	$ 7,856,290	1 %
Total Ocwen stockholders' equity	559,556	545,040	3
Non-controlling interest in subsidiaries	1,188	1,834	(35)
Total equity	560,744	546,874	3
Total liabilities and equity	$ 8,461,037	$ 8,403,164	1 %
Total Liabilities by Segment			
Servicing	$ 1,912,480	$ 2,233,431	(14)%
Lending	5,314,692	4,861,928	9
Corporate Items and Other	673,121	760,931	(12)
	$ 7,900,293	$ 7,856,290	1 %

Changes in the composition and balance of our assets and liabilities during the nine months ended September 30, 2018 are principally attributable to Loans held for investment and Financing liabilities, which increased because of our reverse mortgage securitizations which are accounted for as secured financings. Match funded liabilities declined consistent with lower advances and match funded advances on a declining servicing portfolio. Total equity increased as a result of the effect of our fair value election for MSRs previously accounted for using the amortization method less the net loss recognized for the nine months ended September 30, 2018. Our fair value election for these MSRs resulted in an $82.0 million increase in retained earnings recorded as of January 1, 2018 to reflect the excess of the fair value of the MSRs over their carrying amount on the election date.

SEGMENT RESULTS OF OPERATIONS

Our activities are organized into two reportable business segments that reflect our primary lines of business - Servicing and Lending - as well as a Corporate Items and Other segment.

Servicing

We earn contractual monthly servicing fees pursuant to servicing agreements (which are typically payable as a percentage of UPB) as well as ancillary fees, including late fees, HAMP fees, REO referral commissions, float earnings and Speedpay® fees relating to owned MSRs. We also earn fees under both subservicing and special servicing arrangements with banks and other institutions that own the MSRs. We typically earn these fees either as a percentage of UPB or on a per loan basis. Per loan fees typically vary based on delinquency status. As of September 30, 2018, we serviced 1.1 million loans with an aggregate UPB of $161.0 billion.

Prior to January 18, 2018, for loans underlying Rights to MSRs, the servicing fees were apportioned between NRZ and us such that NRZ retained a fee based on the UPB of the loans serviced, and OLS received certain fees, including a performance fee based on servicing fees paid less an amount calculated based on the amount of servicing advances and the cost of financing those advances as well as ancillary fees (other than float earnings). From January 18, 2018 going forward, in addition to a base servicing fee, Ocwen will continue to receive certain ancillary fees, primarily late fees, loan modification fees and Speedpay® fees, while NRZ will receive all float earnings, servicing fees in excess of the base fee paid to OLS and certain REO-related income including REO referral commissions. OLS may also receive certain incentive fees or pay penalties tied to various contractual performance metrics.

Effective January 1, 2018, our entire portfolio of MSRs is carried at fair value. Prior to that date, conforming and government insured MSR classes were carried at amortized cost. We are reporting changes in fair value, amortization and impairments related to our MSRs in MSR valuation changes, net on our

unaudited consolidated statements of operations. The value of our MSRs are typically correlated to changes in interest rates; as interest rates rise the value of the servicing portfolio typically rises as a result of lower anticipated prepayment speeds. Valuation is also impacted by loan delinquency rates whereby as delinquency rates decline, the value of the servicing portfolio rises. While we do not hedge changes in the fair value of our MSRs, changes in fair value of any fair value elected financing liabilities, which are recorded in interest expense in our unaudited consolidated statements of operations, will partially offset the changes in fair value of the related MSRs.

We recognize the proceeds received in connection with Rights to MSRs transactions as a financing liability that we elected to account for at fair value. Fair value for the portion of the borrowing attributable to the MSRs underlying the Rights to MSRs is determined using the mid-point of the range of prices provided by third-party valuation experts. Fair value for the portion of the borrowing attributable to any lump sum payments received in connection with the transfer of MSRs underlying such Rights to MSRs to the extent such transfer is accounted for as a financing is determined by discounting the relevant future cash flows that were altered through such transfer using assumptions consistent with the mid-point of the range of prices provided by third-party valuation experts for the related MSR. Since we have elected fair value for our portfolio of non-Agency MSRs, future fair value changes in the Financing Liability - MSRs Pledged will offset changes in the fair value of the related MSRs. See Note 8 — Rights to MSRs for additional information.

Third-Party Servicer Ratings

Like other servicers, we are the subject of mortgage servicer ratings or rankings (collectively, ratings) issued and revised from time to time by rating agencies including Moody’s, S&P and Fitch. Favorable ratings from these agencies are important to the conduct of our loan servicing and lending businesses, and downgrades in these ratings could adversely impact them.

The following table summarizes our key servicer ratings by these rating agencies:

	Moody's	S&P	Fitch
Residential Prime Servicer	SQ3-	Average	RPS3-
Residential Subprime Servicer	SQ3-	Average	RPS3-
Residential Special Servicer	SQ3-	Average	RSS3-
Residential Second/Subordinate Lien Servicer	SQ3-	Average	RPS3-
Residential Home Equity Servicer	—	—	RPS3-
Residential Alt-A Servicer	—	—	RPS3-
Master Servicing	SQ3	Average	RMS3-
Ratings Outlook (1)	N/A	Stable	Stable
Date of last action	April 24, 2017	February 26, 2018	April 25, 2017

(1) Moody's placed the servicer ratings on Watch for Downgrade on April 24, 2017.

The following table presents selected results of operations of our Servicing segment. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months			Nine Months		
Periods ended September 30,	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue						
Servicing and subservicing fees						
Residential	$ 213,377	$ 231,272	(8)%	$ 655,602	$ 756,119	(13)%
Commercial	1,050	2,314	(55)	4,301	6,209	(31)
	214,427	233,586	(8)	659,903	762,328	(13)
Gain on loans held for sale, net	1,334	4,054	(67)	7,914	8,767	(10)
Other	1,869	8,905	(79)	6,416	31,252	(79)
Total revenue	217,630	246,545	(12)	674,233	802,347	(16)
Expenses						
Compensation and benefits	32,130	40,312	(20)	103,365	121,678	(15)
MSR valuation adjustments, net	41,289	33,359	24	91,307	115,237	(21)
Servicing and origination	27,883	46,684	(40)	80,303	110,650	(27)
Professional services	13,605	14,148	(4)	38,422	49,076	(22)
Technology and communications	9,850	11,970	(18)	30,838	35,779	(14)
Occupancy and equipment	8,475	11,098	(24)	28,335	35,431	(20)
Corporate overhead allocations	48,845	59,211	(18)	145,710	168,345	(13)
Other	3,000	1,783	68	4,781	1,210	295
Total expenses	185,077	218,565	(15)	523,061	637,406	(18)
Other income (expense)						
Interest income	2,242	144	n/m	4,136	406	919
Interest expense	(47,359)	(28,568)	66	(144,551)	(159,822)	(10)
Gain (loss) on sale of mortgage servicing rights, net	(733)	6,543	(111)	303	7,863	(96)
Other, net	(602)	(418)	44	(2,392)	4,642	(152)
Total other expense, net	(46,452)	(22,299)	108	(142,504)	(146,911)	(3)
Income before income taxes	$ (13,899)	$ 5,681	(345)%	$ 8,668	$ 18,030	(52)%

n/m: not meaningful

The following tables provide selected operating statistics:

At September 30,	2018	2017	% Change
Residential Assets Serviced			
Unpaid principal balance (UPB):			
Performing loans (1)	$ 148,440,800	$ 169,840,643	(13)%
Non-performing loans	10,174,351	14,230,148	(29)
Non-performing real estate	2,381,323	3,397,527	(30)
Total	$ 160,996,474	$ 187,468,318	(14)%
Conventional loans (2)	$ 42,845,089	$ 53,202,003	(19)%
Government-insured loans	19,855,900	21,727,342	(9)
Non-Agency loans	98,295,485	112,538,973	(13)
Total	$ 160,996,474	$ 187,468,318	(14)%
Percent of total UPB:			
Servicing portfolio	42%	42%	— %
Subservicing portfolio	1	2	(50)
NRZ (3)	57	56	2
Non-performing residential assets serviced	8	9	(11)
Number:			
Performing loans (1)	1,045,029	1,178,537	(11)%
Non-performing loans	49,982	72,213	(31)
Non-performing real estate	11,811	16,803	(30)
Total	1,106,822	1,267,553	(13)%
Conventional loans (2)	262,968	317,588	(17)%
Government-insured loans	145,233	159,439	(9)
Non-Agency loans	698,621	790,526	(12)
Total	1,106,822	1,267,553	(13)%
Percent of total number:			
Servicing portfolio	40%	40%	— %
Subservicing portfolio	1	2	(50)
NRZ (3)	59	58	2
Non-performing residential assets serviced	6	7	(14)

Periods ended September 30,	Three Months 2018	Three Months 2017	% Change	Nine Months 2018	Nine Months 2017	% Change
Residential Assets Serviced						
Average UPB:						
Servicing portfolio	$ 69,502,586	$ 79,836,441	(13)%	$ 71,985,417	$ 82,257,200	(12)%
Subservicing portfolio	1,498,324	3,672,537	(59)	1,655,913	4,018,896	(59)
NRZ (3)	93,097,665	107,589,331	(13)	96,575,894	112,279,580	(14)
Total	$ 164,098,575	$ 191,098,309	(14)%	$ 170,217,224	$ 198,555,676	(14)%
Prepayment speed (average CPR)	14%	15%	(7)%	14%	15%	(7)%
% Voluntary	82	82	—	82	81	1
% Involuntary	18	18	—	18	19	(5)
% CPR due to principal modification	1	1	—	1	1	—
Average number:						
Servicing portfolio	447,598	510,455	(12)%	463,533	524,337	(12)%
Subservicing portfolio	15,039	27,994	(46)	16,737	29,774	(44)
NRZ (3)	663,587	750,078	(12)	684,769	777,821	(12)
	1,126,224	1,288,527	(13)%	1,165,039	1,331,932	(13)%
Residential Servicing and Subservicing Fees						
Loan servicing and subservicing fees:						
Servicing	$ 52,541	$ 62,465	(16)%	$ 166,700	$ 195,683	(15)%
Subservicing	657	1,760	(63)	2,443	5,792	(58)
NRZ	120,593	129,228	(7)	374,322	420,151	(11)
	173,791	193,453	(10)	543,465	621,626	(13)
Late charges	14,773	14,878	(1)	44,516	47,120	(6)
Custodial accounts (float earnings)	10,351	7,380	40	26,156	18,027	45
Loan collection fees	4,907	5,654	(13)	14,666	17,889	(18)
HAMP fees	3,365	6,202	(46)	11,622	37,662	(69)
Other	6,190	3,705	67	15,177	13,795	10
	$ 213,377	$ 231,272	(8)%	$ 655,602	$ 756,119	(13)%

Periods ended September 30,	Three Months 2018	Three Months 2017	% Change	Nine Months 2018	Nine Months 2017	% Change
Interest Expense on NRZ Financing Liability (4)						
Servicing fees collected on behalf of NRZ	$ 120,593	$ 129,228	(7)%	$ 374,322	$ 420,151	(11)%
Less: Subservicing fee retained by Ocwen	33,335	68,536	(51)	101,997	226,483	(55)
Net servicing fees remitted to NRZ	87,258	60,692	44	272,325	193,668	41
Less: Reduction (increase) in financing liability						
Changes in fair value						
Original Rights to MSRs Agreements	4,844	(9,854)	(149)	(3,938)	(9,854)	(60)
2017 Agreements and New RMSR Agreements	(2,163)	36,878	(106)	15,261	36,878	(59)
Runoff, settlements and other						
Original Rights to MSRs Agreements	14,095	19,003	(26)	45,455	52,196	(13)
2017 Agreements and New RMSR Agreements	33,765	767	n/m	104,291	767	n/m
	$ 36,717	$ 13,898	164 %	$ 111,256	$ 113,681	(2)%
Number of Completed Modifications						
HAMP	316	620	(49)%	987	12,249	(92)%
Non-HAMP	8,863	5,924	50	30,542	23,719	29
Total	9,179	6,544	40 %	31,529	35,968	(12)%
Financing Costs						
Average balance of advances and match funded advances	$ 1,145,026	$ 1,441,798	(21)%	$ 1,227,819	$ 1,544,824	(21)%
Average borrowings						
Match funded liabilities	702,679	1,046,772	(33)	753,805	1,146,096	(34)
Financing liabilities	729,049	525,806	39	760,491	546,324	39
Other secured borrowings	1,753	17,711	(90)	2,404	21,999	(89)
Interest expense on borrowings						
Match funded liabilities	7,229	11,196	(35)	23,323	36,015	(35)
Financing liabilities	38,259	15,317	150	115,625	118,579	(2)
Other secured borrowings	244	513	(52)	1,144	1,371	(17)
Effective average interest rate						
Match funded liabilities	4.12%	4.28%	(4)	4.13%	4.19%	(1)
Financing liabilities (4)	20.99	11.65	80	20.27	28.94	(30)
Other secured borrowings	55.68	11.59	380	63.45	8.31	664
Facility costs included in interest expense	$ 1,183	$ 2,305	(49)	$ 4,185	$ 5,724	(27)
Average 1ML	2.11%	1.23%	72	1.91%	1.02%	87

Periods ended September 30,	Three Months 2018	Three Months 2017	% Change	Nine Months 2018	Nine Months 2017	% Change
Average Employment						
India and other	3,981	4,927	(19)%	4,192	5,251	(20)%
U.S.	938	1,173	(20)	1,008	1,215	(17)
Total	4,919	6,100	(19)%	5,200	6,466	(20)%
Collections on loans serviced for others	$ 7,830,901	$ 9,196,616	(15)%	$ 23,746,463	$ 28,063,649	(15)%

n/m: not meaningful

(1) Performing loans include those loans that are current (less than 90 days past due) and those loans for which borrowers are making scheduled payments under loan modification, forbearance or bankruptcy plans. We consider all other loans to be non-performing.

(2) Conventional loans include 119,974 and 144,461 prime loans with a UPB of $20.6 billion and $25.7 billion at September 30, 2018 and September 30, 2017, respectively, which we service or subservice.

(3) Loans serviced by Ocwen for which the Rights to MSRs have been sold to NRZ, including loans that have been converted to fully-owned MSRs.

(4) The effective average interest rate on the financing liability that we recognized in connection with the sales of Rights to MSRs to NRZ is 22.41% and 12.79% for the three months ended September 30, 2018 and 2017, respectively, and 21.72% and 33.58% for the nine months ended September 30, 2018 and 2017, respectively.

The following table provides information regarding the changes in our portfolio of residential assets serviced or subserviced:

	Amount of UPB 2018	Amount of UPB 2017	Count 2018	Count 2017
Portfolio at January 1	$ 179,352,554	$ 209,092,130	1,221,695	1,393,766
Additions	546,619	1,403,213	2,694	6,675
Sales	(3,292)	(52,162)	(39)	(260)
Servicing transfers	(302,120)	(220,169)	(1,840)	(1,253)
Runoff	(6,204,885)	(7,853,998)	(36,598)	(44,972)
Portfolio at March 31	$ 173,388,876	$ 202,369,014	1,185,912	1,353,956
Additions	655,943	1,152,541	2,906	5,434
Sales	(6,459)	(82,571)	(43)	(410)
Servicing transfers	(218,871)	(484,530)	(2,467)	(2,015)
Runoff	(6,692,475)	(8,156,030)	(40,219)	(46,855)
Portfolio at June 30	$ 167,127,014	$ 194,798,424	1,146,089	1,310,110
Additions	641,286	731,276	2,808	3,171
Sales	(572,129)	(28,825)	(3,228)	(221)
Servicing transfers	(31,375)	(212,908)	(3,465)	(1,332)
Runoff	(6,168,322)	(7,819,649)	(35,382)	(44,175)
Portfolio at September 30	$ 160,996,474	$ 187,468,318	1,106,822	1,267,553

The key drivers of our servicing segment operating results for the three and nine months ended September 30, 2018, as compared to the same periods of 2017, are portfolio runoff, the effects of cost improvements achieved in aligning our servicing operations more appropriately to the size of our servicing portfolio and expiration of the HAMP modification program on December 31, 2016. Borrowers who had requested assistance or to whom an offer of assistance had been extended as of that date had until September 30, 2017 to finalize their modification. We continue to earn HAMP success fees for HAMP modifications that remain less than 90 days delinquent at the first, second and third year anniversary of the start of the trial modification.

Three Months Ended September 30, 2018 versus 2017

Servicing and subservicing fee revenue declined by $19.2 million, or 8%, compared to the third quarter of 2017 as the average UPB and loan count in our residential portfolio declined by 14% and 13%, respectively, due to portfolio runoff. Total completed loan modifications increased 40% as compared to the third quarter of 2017, despite a 49% decline in HAMP modifications, due to an increase in non-HAMP modifications. Revenue recognized in connection with loan modifications was $14.4 million and $14.5 million for the third quarter of 2018 and 2017, respectively.

Other revenue declined $7.0 million, or 79%, due to a $7.0 million decline in REO referral commissions primarily due to the transfer of the rights to such commissions to NRZ effective with the New RMSR Agreements.

MSR valuation adjustments, net, increased $7.9 million, or 24%, compared to the third quarter of 2017 primarily due to higher interest rates in the third quarter of 2018 and a resulting increase in advance funding costs related to our non-Agency MSRs, with no offsetting favorable impact to our Agency MSRs based on our third quarter benchmarking review. MSR valuation adjustments for the third quarter of 2017 include the impact of a favorable benchmarking update to modeled losses on certain financed FHA and VA MSRs.

Expenses, excluding MSR valuation adjustments, net, were $41.4 million, or 22%, lower as compared to the third quarter of 2017.

Compensation and benefits, Occupancy and equipment, and Technology and communications expenses declined principally as a result of headcount reductions and other initiatives aimed at reducing the costs of our servicing operations to more appropriately align with the declining size of our servicing portfolio. Total average headcount of the servicing segment decreased 19% as compared to the third quarter of 2017, which drove an $8.2 million, or 20%, decline in Compensation and benefits expense. Corporate overhead allocations declined $10.4 million due to corporate headcount reductions and other actions we have taken to reduce costs.

Servicing and origination expense declined $18.8 million, or 40%, as compared to the third quarter of 2017 primarily due to a $15.0 million decrease in government-insured claim loss provisions in connection with reinstated or modified loans and a $4.5 million reduction in losses related to non-recoverable advances and receivables.

Interest expense increased by $18.8 million, or 66%, compared to the third quarter of 2017. The $22.8 million increase in interest expense on the fair value elected NRZ financing liabilities was partially offset by a $4.0 million decrease in interest on match funded liabilities, consistent with the decline in servicing advances.

The increase in interest expense on the NRZ financing liabilities is primarily the result of the $37.6 million favorable fair value adjustment recorded in the third quarter of 2017 in connection with the $54.6 million lump sum payment we received from NRZ on execution of the 2017 Agreements on July 23, 2017, offset in part by runoff of the NRZ servicing portfolio.

Nine Months Ended September 30, 2018 versus 2017

Servicing and subservicing fee revenue declined by $102.4 million, or 13%, as the average UPB and loan count in our residential servicing and subservicing portfolio declined by 14% and 13%, respectively, due to portfolio runoff. Revenue recognized in connection with loan modifications declined 40% to $47.1 million for the nine months ended September 30, 2018 as compared to $78.8 million for the same period in 2017 due primarily to the expiration of the HAMP program on December 31, 2016 which resulted in a 92% decline in completed HAMP modifications.

Other revenue declined $24.8 million, or 79%, due to a $24.7 million decline in REO referral commissions primarily due to the transfer of the rights to such commissions to NRZ effective with the New RMSR Agreements.

MSR valuation adjustments, net, decreased $23.9 million, or 21%, compared to the nine months ended September 30, 2017 primarily driven by a net favorable impact of higher interest rates, with the favorable impact of slower projected Agency prepayment speeds more than offsetting the unfavorable impact of higher non-Agency advance funding costs, and a favorable impact of slower actual runoff in the non-Agency MSRs in 2018.

Expenses, excluding MSR valuation adjustments, net, were $90.4 million, or 17%, lower as compared to the nine months ended September 30, 2017.

Declines in Compensation and benefits, Occupancy and equipment, and Technology and communications expenses reflect a 20% reduction in average servicing headcount and the effects of other cost improvements. Compensation and benefits expense declined $18.3 million, or 15%. Corporate overhead allocations declined $22.6 million due to headcount reductions and other actions we have taken to reduce corporate expenses.

The $10.7 million, or 22% decline in Professional services expense is primarily due to an $8.2 million decline in legal expenses and a $1.7 million reduction in fees incurred in connection with the conversion of NRZ’s Rights to MSRs to fully-owned MSRs.

Servicing and origination expense declined $30.3 million, or 27%, as compared to the nine months ended September 30, 2017 primarily due to a $22.6 million decrease in government-insured claim loss provisions due to additional reserves recorded in the prior year on reinstated or modified loans along with a decline in the volume of claims and a $5.9 million reduction in losses related to non-recoverable advances and receivables.

Interest expense declined by $15.3 million, or 10%, compared to the nine months ended September 30, 2017 primarily due to a $12.7 million decrease in interest on match funded liabilities, consistent with the decline in servicing advances. Interest expense on the fair value elected NRZ financing liabilities declined $2.4 million.

The decline in interest expense related to the NRZ financing liabilities was due to runoff of the NRZ servicing portfolio offset by a $15.7 million reduction in net favorable fair value adjustments as compared to the nine months ended September 30, 2017. Interest expense for the third quarter of 2017 includes the $37.6 million favorable fair value adjustment on the NRZ financing liability recognized in connection with the transfer of MSRs, as discussed above, while the first quarter of 2018 includes a $16.6 million favorable fair value adjustment related to the $279.6 million lump-sum upfront payment we received in January 2018 in accordance with the terms of the New RMSR Agreements.

Lending

Our lending business is focused on our retail forward lending channel, primarily through retail lending recapture, and on our reverse mortgage business.

Given the 2017 strategic shift in our forward lending activities, our efforts are principally focused on targeting existing Ocwen customers by offering them competitive mortgage refinance opportunities (i.e., portfolio recapture), where permitted by the governing servicing and pooling agreement. In doing so, we generate revenues for our forward lending business and protect the servicing portfolio by retaining these customers. Under the terms of the 2017 Agreements and New RMSR Agreements, to the extent we refinance a loan underlying the MSRs subject to these agreements, we are obligated to transfer such recaptured MSR to NRZ under the terms of a separate subservicing agreement.

We originate and purchase reverse mortgages under the guidelines of the HECM reverse mortgage insurance program of HUD. Loans originated under this program are guaranteed by the FHA, which provides investors with protection against risk of borrower default. We retain the servicing rights to reverse loans securitized through the Ginnie Mae HMBS program.

The following table presents the results of operations of our Lending segment. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months			Nine Months		
Periods ended September 30,	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue						
Gain on loans held for sale, net						
Forward loans	$ 6,954	$ 10,268	(32)%	$ 20,802	$ 30,889	(33)%
Reverse loans	8,654	11,454	(24)	32,419	37,182	(13)
	15,608	21,722	(28)	53,221	68,071	(22)
Other	1,309	10,213	(87)	11,895	27,386	(57)
Total revenue	16,917	31,935	(47)	65,116	95,457	(32)
Expenses						
Compensation and benefits	9,959	18,666	(47)	32,138	57,657	(44)
Servicing and origination	3,606	4,583	(21)	11,302	13,669	(17)
Occupancy and equipment	1,361	1,120	22	3,773	3,817	(1)
Technology and communications	519	652	(20)	1,355	2,001	(32)
Professional services	308	1,124	(73)	1,003	2,107	(52)
MSR valuation adjustments, net	159	67	137	388	209	86
Corporate overhead allocations	935	960	(3)	2,554	2,861	(11)
Other	2,107	11,240	(81)	4,523	18,307	(75)
Total expenses	18,954	38,412	(51)	57,036	100,628	(43)
Other income (expense)						
Interest income	1,255	2,857	(56)	4,107	8,612	(52)
Interest expense	(1,437)	(4,504)	(68)	(4,855)	(11,171)	(57)
Other, net	154	555	(72)	774	658	18
Total other income (expense), net	(28)	(1,092)	(97)	26	(1,901)	(101)
Income (loss) before income taxes	$ (2,065)	$ (7,569)	(73)%	$ 8,106	$ (7,072)	(215)%

n/m: not meaningful

The following table provides selected operating statistics for our Lending segment:

	September 30,		
	2018	2017	% Change
Short-term loan funding commitments			
Forward loans	$ 91,134	$ 189,501	(52)%
Reverse loans	21,312	17,290	23
Future draw commitment (UPB) (1)	1,460,642	1,363,300	7 %
Future Value (2)	69,250	68,429	1 %

	Three Months			Nine Months		
Periods ended September 30,	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Loan Production by Channel						
Forward loans						
Correspondent	$ —	$ 16,086	(100)%	$ 408	$ 472,890	(100)%
Wholesale	—	296,869	(100)	1,750	1,014,318	(100)
Retail	172,302	228,246	(25)	602,338	594,022	1
	$ 172,302	$ 541,201	(68)%	$ 604,496	$ 2,081,230	(71)%
% HARP production	6%	9%	(33)%	8%	7%	14 %
% Purchase production	—	32	(100)	—	36	(100)
% Refinance production	100	68	47	100	64	56
Reverse loans						
Correspondent	$ 94,631	$ 86,133	10 %	$ 278,681	$ 395,372	(30)%
Wholesale	38,414	101,728	(62)	136,086	267,681	(49)
Retail	14,471	39,947	(64)	50,153	113,279	(56)
	$ 147,516	$ 227,808	(35)%	$ 464,920	$ 776,332	(40)%
Average Employment						
U.S.	363	711	(49)%	390	745	(48)%
India and other	125	252	(50)	128	258	(50)
Total	488	963	(49)%	518	1,003	(48)%

(1) We do not incur any substantive underwriting, marketing or compensation costs in connection with any future draws. We recognize this Future Value over time as future draws are securitized or sold.

(2) Future Value represents the net present value of estimated future cash flows from customer draws of the loans and projected performance assumptions based on historical experience and industry benchmarks discounted at 12%.

Our Lending segment results for the three and nine months ended September 30, 2018, as compared to the same periods of 2017, were primarily driven by our strategic decision to exit the forward lending correspondent and wholesale channels, rising interest rates and reverse lending HECM program changes and the related impacts on loan production, revenue and expenses. Average headcount decreased in line with lower production and the focus on our retail channel, resulting in lower Compensation and benefits expense. Rising interest rates in 2018 have negatively impacted our forward retail business with industry refinance volumes down 32% for the three months ended September 30, 2018 compared to the three months ended September 30, 2017 according to the Fannie Mae Housing Forecast Report. Changes to the FHA HECM program for originations after October 1, 2017 have negatively impacted industry, and Ocwen, originations. According to the HUD HECM Endorsement Summary Report, industry endorsements, or the number of new HECM loans insured by the FHA during the reporting period, totaled 8,985 and 34,341, and 13,773 and 42,868, for the three and nine months ended September 30, 2018

and 2017, respectively. This represents a decline of 35% and 20% for the three and nine months ended September 30, 2018, respectively, as compared to the same periods of 2017.

Three Months Ended September 30, 2018 versus 2017

Total revenue decreased by $15.0 million, or 47%, in the third quarter of 2018 on a $449.2 million, or 58%, decrease in total loan production. Our exit from the forward lending correspondent and wholesale channels, while resulting in a 68% decline in forward loan production as compared to the third quarter of 2017, only resulted in a $3.3 million, or 32%, reduction in gain on loans held for sale because margins are generally lower in these channels. In our reverse lending business, gain on loans held for sale declined $2.8 million, or 24%, as total loan production declined 35% driven in part by the HECM program changes and offset in part by improved margins. Other revenue decreased primarily because of a $7.1 million decrease in the excess of changes in the fair value of our HECM reverse mortgage loans over changes in the fair value of the HMBS financing liability. Rising interest rates reduce the average life of our HECM reverse mortgage loans as ARM borrowers reach their maximum loan amount faster, reducing projected service fees, net of subservicing fees, and available future draws, and accelerating loan resolutions. Origination fees declined due to lower lending segment volumes.

Total expenses decreased $19.5 million, or 51%, as compared to the third quarter of 2017. Compensation and benefits expense decreased $8.7 million, or 47%, due to a reduction in headcount and a decline in commissions on lower forward and reverse lending origination volume. Total average headcount of the Lending segment decreased 49% as compared to the third quarter of 2017, reflecting the strategic shift in our forward lending activities and lower origination volume in the reverse lending channels. Other expenses are $9.1 million lower in the third quarter of 2018 primarily because of a $6.8 million charge we recognized in the third quarter of 2017 to write-off the carrying value of internally-developed Loan Operating System (LOS) software used in our wholesale forward lending business. In addition, advertising expense declined by $1.8 million.

Interest income and expense both declined in the third quarter of 2018, consistent with lower origination volume.

Nine Months Ended September 30, 2018 versus 2017

Total revenue for the nine months ended September 30, 2018 decreased $30.3 million, or 32%, as total loan production dropped $1.8 billion, or 63%, driven primarily by our exit from the forward lending correspondent and wholesale channels. The resulting $10.1 million, or 33%, decline in forward lending gain on loans held for sale was offset in part by slightly higher production and margins in our retail channel. Reverse lending gain on loans held for sale declined by $4.8 million, or 13%, due to a 40% decline in loan production which was lower across all channels, offset in large part by higher margins. Other revenue declined due to a $10.6 million reduction in the net change in the fair values of HECM reverse mortgage loans and the related HMBS financing liability driven by higher interest rates, as disclosed above, and due to a decline in origination fees on lower lending segment volumes.

Total expenses for the nine months ended September 30, 2018 decreased $43.6 million, or 43%. The $25.5 million, or 44% decrease in Compensation and benefits expense is due to a 48% decrease in headcount and a decline in commissions resulting from the reduction in lending segment production. The $13.8 million decline in Other expenses is primarily attributable to the $6.8 million write-off in the third quarter of 2017 of the LOS software used in our wholesale forward lending business, a $4.6 million decline in advertising expense and a $1.3 million decline in the provision for indemnification.

The decline in interest income and expense as compared to the nine months ended September 30, 2017 is primarily the result of the overall decline in loan production.

Corporate Items and Other

Corporate Items and Other includes revenues and expenses of CRL, ACS and our other business activities that are currently individually insignificant, revenues and expenses that are not directly related to other reportable segments, interest income on short-term investments of cash, interest expense on corporate debt and certain corporate expenses. Our cash balances are included in Corporate Items and Other.

Certain expenses incurred by corporate support services are allocated to the Servicing and Lending segments.

The following table presents selected results of operations of Corporate Items and Other. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months			Nine Months		
Periods ended September 30,	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue						
Premiums (CRL)	$ 3,884	$ 5,455	(29)%	$ 12,795	$ 17,827	(28)%
Other	(153)	707	(122)	(28)	2,175	(101)
Total revenue	3,731	6,162	(39)	12,767	20,002	(36)
Expenses						
Compensation and benefits	21,218	31,560	(33)	75,717	93,415	(19)
Professional services	26,749	23,145	16	71,396	94,468	(24)
Technology and communications	10,228	15,307	(33)	35,113	41,750	(16)
Occupancy and equipment	2,060	3,122	(34)	5,261	10,321	(49)
Servicing and origination	269	979	(73)	(153)	3,742	(104)
Other	2,751	2,560	7	10,510	19,818	(47)
Total expenses before corporate overhead allocations	63,275	76,673	(17)	197,844	263,514	(25)
Corporate overhead allocations						
Servicing segment	(48,845)	(59,211)	(18)	(145,710)	(168,345)	(13)
Lending segment	(935)	(960)	(3)	(2,554)	(2,861)	(11)
Total expenses	13,495	16,502	(18)	49,580	92,308	(46)
Other income (expense), net						
Interest income	466	1,098	(58)	1,775	3,083	(42)
Interest expense	(12,492)	(14,209)	(12)	(40,195)	(41,478)	(3)
Other, net	(2,519)	(1,214)	107	(5,254)	1,084	(585)
Total other expense, net	(14,545)	(14,325)	2	(43,674)	(37,311)	17
Loss before income taxes	$ (24,309)	$ (24,665)	(1)%	$ (80,487)	$ (109,617)	(27)%

Three Months Ended September 30, 2018 versus 2017

The 29% decrease in CRL premium revenue as compared to the three months ended September 30, 2017 is primarily driven by a 30% decline in the average number of foreclosed real estate properties in our servicing portfolio.

Expenses before allocations declined $13.4 million, or 17%, as compared to the third quarter of 2017.

Declines in Compensation and benefits, Technology and communications and Occupancy and equipment expenses as compared to the third quarter of 2017 are primarily attributable to headcount reductions and other actions we have taken to reduce our costs, including bringing technology services in-house, closing and consolidating certain facilities, and our exit from the ACS business. The $10.3 million, or 33%, reduction in Compensation and benefits expense primarily resulted from a 27% decline in average headcount.

The $3.6 million, or 16%, increase in Professional services primarily reflects a $3.3 million increase in legal fees and settlements. Legal fees for the third quarter of 2018 include $4.6 million of fees incurred in connection with third-party escrow-related testing on certain loans we service. See Note 20 – Contingencies for additional information regarding our obligations under the agreements we entered into with all 30 states to resolve certain regulatory actions. Fees of $1.7 million incurred in the third quarter of 2018 related to the PHH Merger Agreement were offset by $1.6 million of regulatory monitor expenses in the third quarter of 2017.

Other, net includes foreign currency remeasurement exchange losses of $2.0 million and $0.7 million during the three months ended September 30, 2018 and 2017, respectively. The higher losses in 2018 are primarily attributed to depreciation of the India Rupee against the U.S. Dollar.

Nine Months Ended September 30, 2018 versus 2017

CRL premium revenue decreased 28% as compared to the nine months ended September 30, 2017 as a result a 29% decline in the average number of foreclosed real estate properties in our servicing portfolio.

Expenses before allocations declined $65.7 million, or 25%, as compared to the nine months ended September 30, 2017.

Professional services expense declined $23.1 million, or 24%, as compared to the nine months ended September 30, 2017 primarily due to a $20.7 million decrease in legal fees and settlements. Professional services expense for the nine months ended September 30, 2017 included significant litigation settlement related costs incurred in connection with a securities law matter and a TCPA matter. A $6.4 million decrease in monitor expenses, due to the termination of the CA Auditor and NY Operations Monitor engagements in 2017, was offset by $6.6 million of costs incurred during the nine months ended September 30, 2018 related to the PHH Merger Agreement.

As disclosed above, the declines in Compensation and benefits, Technology and communications and Occupancy and equipment are primarily attributable to headcount reductions and other actions we have taken to reduce our costs, as well as our exit from the ACS business. A 24% decline in average headcount drove the $17.7 million, or 19% reduction, in Compensation and benefits expense as compared to the nine months ended September 30, 2017. Lower salaries and benefits attributed to the reduction in headcount was offset in part by a $4.5 million increase in related severance expense for the nine months ended September 30, 2018.

The $3.9 million decrease in Servicing and origination expense is the result of lower reinsurance commissions incurred by CRL during the nine months ended September 30, 2018 in line with the declines in the covered portfolio.

Other operating expenses declined $9.3 million, or 47%, primarily due to a $4.5 million decline in the provision for losses on ACS automotive dealer financing notes, as we exited the ACS business in the first quarter of 2018, and a $2.5 million decline in the provision for indemnification.

The decline in Other, net for the nine months ended September 30, 2018 is primarily due to a $5.4 million increase in foreign currency remeasurement exchange losses that is primarily due to depreciation in value of the India Rupee against the U.S. Dollar. Foreign currency exchange gains (losses) for the nine months ended September 30, 2018 and 2017 were $(4.7) million and $0.7 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Overview

At September 30, 2018, our cash position was $254.8 million compared to $259.7 million at December 31, 2017. We invest cash in excess of our immediate operating needs primarily in money market deposit accounts. Our main priorities for deployment of excess cash are: (1) supporting our core servicing and lending businesses and investing in these core assets, (2) reducing revolving lines of credit in order to reduce interest expense, (3) reducing corporate leverage and (4) expanding into similar or complementary businesses that meet our return on capital requirements.

Sources of Funds

Our primary sources of funds for near-term liquidity are:

- Collections of servicing fees and ancillary revenues;
- Proceeds from match funded advance financing facilities;
- Proceeds from other borrowings, including warehouse facilities; and
- Proceeds from sales and securitizations of originated loans and repurchased loans.

On September 1, 2017, pursuant to the 2017 Agreements, we successfully transferred MSRs with UPB of $15.9 billion to NRZ and received a lump-sum payment of $54.6 million. On January 18, 2018, we received a lump-sum payment of $279.6 million in accordance with the terms of the New RMSR Agreements.

Servicing advances are an important component of our business and represent amounts that we, as servicer, are required to advance to, or on behalf of, our servicing clients if we do not receive such amounts from borrowers. Our ability to finance servicing advances is a significant factor that affects our liquidity. Our use of advance financing facilities is integral to our servicing advance financing strategy. Revolving variable funding notes issued by our advance financing facilities to large global financial institutions generally have a 364-day revolving period. Term notes are generally issued to institutional investors with one-, two- or three-year maturities.

Borrowings under our advance financing facilities are incurred by special purpose entities (SPEs) that we consolidate because we have determined that Ocwen is the primary beneficiary of the SPE. We transfer the financed advances to the SPEs, and the SPEs issue debt supported by collections on the transferred advances. Holders of the debt issued by the SPEs have recourse only to the assets of the SPEs for satisfaction of the debt. In connection with our sale of servicing advances to these advance financing SPEs and to NRZ relating to the Rights to MSRs, we make certain representations, warranties and covenants primarily related to the nature of the transferred advance receivables, our financial condition and our servicing practices.

Advances and match funded advances comprised 13% of total assets at September 30, 2018. Our borrowings under our advance financing facilities are secured by pledges of servicing advances that are sold to the related SPE and by cash held in debt service accounts.

The available borrowing capacity under our advance financing facilities has increased by $14.8 million to $165.8 million at September 30, 2018. While we reduced our maximum borrowing capacity by $245.0 million to better align with our anticipated future usage, the $259.8 million decline in outstanding borrowings drove the net increase in available capacity. Our ability to continue to pledge collateral under our advance financing facilities depends on the performance of the advances, among other factors. At September 30, 2018, $52.8 million of the available borrowing capacity could be used based on the amount of eligible collateral that had been pledged.

We use mortgage loan warehouse facilities to fund newly originated loans on a short-term basis until they are sold to secondary market investors, including GSEs or other third-party investors. These warehouse facilities are structured as repurchase or participation agreements under which ownership of the loans is temporarily transferred to the lender. The loans are transferred at a discount, or haircut, which serves as the primary credit enhancement for the lender. Currently, our master repurchase and participation agreements generally have maximum terms of 364-days. The funds are typically repaid using the proceeds from the sale of the loans to the secondary market investors, usually within 30 days. At September 30, 2018, we had maximum borrowing capacity under our warehouse facilities of $725.0 million. Of the borrowing capacity extended on a committed basis, $209.6 million was available at September 30, 2018, and $100.0 million of the available borrowing capacity could be used based on the amount of eligible collateral that had been pledged. $400.3 million of available uncommitted amounts at September 30, 2018 can be advanced solely at the discretion of the lender, and there can be no assurance that any uncommitted amounts will be available to us at any particular time.

We also rely on the secondary mortgage market as a source of long-term capital to support our lending operations. Substantially all of the mortgage loans that we originate or purchase are sold or securitized in the secondary mortgage market in the form of residential mortgage backed securities guaranteed by Fannie Mae or Freddie Mac and, in the case of mortgage backed securities guaranteed by Ginnie Mae, are mortgage loans insured or guaranteed by the FHA or VA.

Our debt agreements contain various qualitative and quantitative covenants including financial covenants, covenants to operate in material compliance with applicable laws, monitoring and reporting obligations and restrictions on our ability to engage in various activities, including but not limited to incurring additional debt, paying dividends, repurchasing or redeeming capital stock, transferring assets or making loans, investments or acquisitions. Because of the covenants to which we are subject, we may be limited in the manner in which we conduct our business and may be limited in our ability to engage in favorable business activities or raise additional capital to finance future operations or satisfy future liquidity needs. In addition, breaches or events that may result in a default under our debt agreements include, among other things, nonpayment of principal or interest, noncompliance with our covenants, breach of representations, the occurrence of a material adverse change, insolvency, bankruptcy, certain material judgments and litigation and changes of control.

Covenants and default provisions of this type are commonly found in debt agreements such as ours. Certain of these covenants and default provisions are open to subjective interpretation and, if our interpretation were contested by a lender, a court may ultimately be required to determine compliance or lack thereof. In addition, our debt agreements generally include cross default provisions such that a default under one agreement could trigger defaults under other agreements. If we fail to comply with our debt agreements and are unable to avoid, remedy or secure a waiver of any resulting default, we may be subject to adverse action by our lenders, including termination of further funding, acceleration of outstanding obligations, enforcement of liens against the assets securing or otherwise supporting our obligations, and other legal remedies, any of which could have a material adverse effect on our business, financial condition, liquidity and results of operations. We believe that we are in compliance with the qualitative and quantitative covenants in our debt agreements as of the date this Quarterly Report on Form 10-Q is filed with the SEC.

Use of Funds

Our primary uses of funds are:

- Payments for advances in excess of collections on existing servicing portfolios;
- Payment of interest and operating costs;
- Funding of originated and repurchased loans;

- Repayments of borrowings, including match funded liabilities and warehouse facilities; and
- Working capital and other general corporate purposes.

Under the terms of our SSTL facility agreement, subject to certain exceptions, we are required to prepay the SSTL with 100% of the net cash proceeds from certain permitted asset sales, subject to our ability to reinvest such proceeds in our business within 270 days of receipt. During the second quarter of 2018, we voluntarily prepaid $50.0 million of the SSTL balance for the purpose of reducing interest costs.

We continue to invest cash amounts that are in excess of our immediate business needs to achieve targeted investment returns within our risk appetite and we have also deployed excess cash to reduce secured borrowings. We continue to evaluate the best uses for such cash, which could involve investments in new assets or businesses and reductions in debt, among other options.

Outlook

We closely monitor our liquidity position and ongoing funding requirements, and we regularly monitor and project cash flow by period to mitigate liquidity risk.

In assessing our liquidity outlook, our primary focus is on six measures:

- Business financial projections for revenues, costs and net income;
- Requirements for maturing liabilities compared to amounts generated from maturing assets and operating cash flow;
- Any projected future sales of MSRs, interests in MSRs or other assets and any reimbursement of servicing advances that may be related to any such sales;
- The change in advances and match funded advances compared to the change in match funded liabilities and available borrowing capacity;
- Projected future originations and purchases of forward and reverse mortgage loans; and
- Projected funding requirements of new investment and business initiatives.

We have considered the impact of financial projections on our liquidity analysis and have evaluated the appropriateness of the key assumptions in our forecast such as revenues, expenses, our assessment of the likely impact of recent regulatory actions, recurring and nonrecurring costs and sales of MSRs and other assets. We have analyzed our cash requirements and financial obligations. Based upon these evaluations and analysis, we believe that we have sufficient liquidity to meet our obligations and fund our operations for the next twelve months.

We are required to maintain certain minimum levels of cash under our debt agreements and portions of our cash balances are held in our non-U.S. subsidiaries. We would have to repatriate the cash held by our non-U.S. subsidiaries, potentially with tax consequences and in compliance with applicable laws, should we wish to utilize that cash in the U.S.

As of September 30, 2018, the revolving periods of our advance financing facilities for variable funding notes with a total borrowing capacity of $55.0 million were scheduled to end during 2018, subject to renewal, replacement or extension. Total borrowings outstanding on these notes were only $0.4 million at September 30, 2018. In the event we are unable to renew, replace or extend the revolving period of one or more of these advance financing facilities, monthly amortization of the outstanding balance must generally begin at the end of the respective revolving period.

Our master repurchase and participation agreements for financing new loan originations generally have 364-day terms. At September 30, 2018, we had $40.4 million outstanding under these financing arrangements that mature in 2018.

Despite the heightened regulatory and public scrutiny we have faced, including regulatory actions and settlements, we continue to access capital markets to fund our business operations. We believe that we will be able to renew, replace or extend our debt agreements to the extent necessary to finance our business before or as they become due, consistent with our historical experience.

We are actively engaged with our lenders and as a result, have successfully completed the following with respect to our current and anticipated financing needs:

- Effective January 1, 2018, we reduced the borrowing capacity of our Ocwen Master Advance Receivables Trust (OMART) Series 2015-VF5 variable rate notes from $105.0 million to $70.0 million. Additionally, effective January 1, 2018, we converted the OMART Series 2014-VF4 variable notes into a single class Series 2014-VF4 Note and reduced the maximum borrowing capacity from $105.0 million to $70.0 million. The prior senior and subordinate margins by class have been replaced by an all-in margin of 3.00%.
- On January 23, 2018, we voluntarily terminated our Automotive Capital Asset Receivables Trust (ACART) Loan Series 2017-1 automotive dealer floor plan loan agreement pursuant to our exit of the ACS line of business.
- On May 31, 2018, we extended to April 30, 2019 and May 31, 2019 the maturity of two warehouse facilities with a combined uncommitted borrowing capacity of $250.0 million.

- Effective June 7, 2018, we reduced the borrowing capacity of the Ocwen Freddie Advance Funding (OFAF) Series 2015-VF1 variable rate notes from $110.0 million to $65.0 million with interest computed based on the lender's cost of funds plus a margin of 180 to 450 bps.
- On July 13, 2018, we increased the borrowing capacity of the OMART Series 2015-VF5 variable notes from $70.0 million to $225.0 million and extended the amortization date to December 15, 2019, with interest computed based on the lender's cost of funds plus a margin of 105 to 250 bps. The increased capacity was used on July 16, 2018 to redeem the OMART Series 2016-T1 fixed-rate term notes with an outstanding balance of $265.0 million and an amortization date of August 15, 2018. We also voluntarily terminated the OMART Series 2014-VF4 variable note on such date, due to reductions in outstanding advances.
- On August 15, 2018, we issued two $150.0 million fixed-rate term notes (OMART Series 2018 T-1 and Series 2018-T2) with amortization dates of August 15, 2019 and August 2020, respectively.
- On August 15, 2018, we renewed a mortgage warehouse agreement facility through August 15, 2019. This agreement provides financing for up to $100.0 million at the discretion of the lender.
- On September 28. 2018, we renewed a repurchase agreement through September 27, 2019 and increased the committed borrowing capacity to $100.0 million and uncommitted borrowing capacity to $75.0 million.

Our liquidity forecast requires management to use judgment and estimates and includes factors that may be beyond our control. Additionally, our business has been undergoing substantial change, which has magnified the uncertainties that are inherent in the forecasting process. Our actual results could differ materially from our estimates. If we were to default under any of our debt agreements, it could become very difficult for us to renew, replace or extend some or all of our debt agreements. Challenges to our liquidity position could have a material adverse effect on our operating results and financial condition and could cause us to take actions that would be outside the normal course of our operations to generate additional liquidity.

Acquisition of PHH

On October 4, 2018, we completed the acquisition of PHH, with PHH becoming a wholly owned subsidiary of Ocwen. We expect our operations, financial position and cash flows to be significantly impacted following the closing of this transaction. The merger consideration paid in connection with the acquisition was $358.4 million and was funded by a combination of PHH's cash on hand and Ocwen's cash on hand. The portion funded by Ocwen's cash on hand was $37.4 million, which included the payment of $4.0 million of certain transaction expenses at closing.

Upon the closing of the transaction, Ocwen assumed debt, at the subsidiary level, in the form of PHH's outstanding senior unsecured notes. The aggregate principal amount of these notes is $120.0 million, representing $98.0 million of PHH's 7.375% Senior Notes due 2019 and $22.0 million of PHH's 6.375% Senior Notes due 2021. Ocwen also assumed a mortgage repurchase facility with maximum borrowing of $200.0 million on an uncommitted basis.

We have not recognized certain expenses that were contingent on completion of the acquisition in our unaudited consolidated statement of operations. These expenses include financial advisory fees and certain insurance fees. We also expect cash payments for integration costs and other transaction-related costs following the closing of the transaction. Most of the contingent expenses will be recognized in our consolidated financial statements in the fourth quarter of 2018, the quarter in which we completed the acquisition, with the remainder recognized thereafter. The final amount of compensation expense to be recognized is partially dependent upon personnel decisions that will be made as part of integration planning. These amounts may be material.

Credit Ratings

Credit ratings are intended to be an indicator of the creditworthiness of a company, security or obligation. Lower ratings generally result in higher borrowing costs and reduced access to capital markets. The following table summarizes our current ratings and outlook by the respective nationally recognized rating agencies. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Rating Agency	Long-term Corporate Rating	Review Status / Outlook	Date of last action
Moody's	Caa1	Stable	September 14, 2018
S&P	B –	Negative	June 18, 2018
Fitch	Withdrew (1)	Withdrew (1)	July 25, 2018

(1) Withdrawn as a result of our decision to allow our annual contract with Fitch for corporate ratings to expire as part of our ongoing efforts to reduce costs.

On June 18, 2018, S&P affirmed our long-term corporate rating of "B-" and a Negative Outlook. On September 14, 2018, Moody's affirmed our long-term corporate rating at "Caa1" and upgraded the outlook to Stable from a Negative Outlook. On

July 25, 2018, Fitch affirmed the long-term issuer default rating of "B-" and withdrew all corporate ratings, as disclosed above. It is possible that additional actions by credit rating agencies could have a material adverse impact on our liquidity and funding position, including materially changing the terms on which we may be able to borrow money.

Cash Flows

Our operating cash flow is primarily impacted by operating results, changes in our servicing advance balances, the level of mortgage loan production and the timing of sales and securitizations of mortgage loans. We classify proceeds from the sale of servicing advances, including advances sold in connection with the sale of MSRs, as investing activity. We classify changes in HECM loans held for investment as investing activity and changes in the related HMBS secured financing as financing activity.

Cash flows for the nine months ended September 30, 2018

Our operating activities provided $291.5 million of cash largely due to $243.8 million of net collections of servicing advances. Net cash paid on loans held for sale was $80.3 million for the nine months ended September 30, 2018.

Our investing activities used $371.9 million of cash. The primary uses of cash in our investing activities were net cash outflows in connection with our HECM reverse mortgages of $414.2 million. Cash inflows include net proceeds of $33.0 million in connection with the ACS business, which we decided to exit in January 2018, and the receipt of $14.0 million of net proceeds from the sale of MSRs and related advances.

Our financing activities provided $58.1 million of cash. Cash inflows include $728.7 million received in connection with our reverse mortgage securitizations, which are accounted for as secured financings, less repayments on the related financing liability of $290.3 million. In January 2018, Ocwen received a lump-sum payment of $279.6 million in accordance with the terms of the New RMSR Agreements. Cash outflows include $284.4 million of net repayments on match funded liabilities as a result of advance recoveries, $154.1 million of net payments on the financing liability related to MSRs pledged and $62.6 million of repayments on the SSTL. In addition, we reduced borrowings under our mortgage loan warehouse facilities by $140.7 million.

Cash flows for the nine months ended September 30, 2017

Our operating activities provided $405.4 million of cash largely due to $285.1 million of net collections of servicing advances. Net cash paid on loans held for sale during the nine months ended September 30, 2017 was $7.2 million.

Our investing activities used $659.3 million of cash. The primary uses of cash in our investing activities include net cash outflows in connection with our HECM reverse mortgages of $650.1 million, net cash outflows of $10.1 million in connection with the ACS business and additions to premises and equipment of $7.4 million. Cash inflows for the nine months ended September 30, 2017 include the receipt of $8.4 million of net proceeds from the sale of MSRs and related advances.

Our financing activities provided $301.5 million of cash. Cash inflows include $981.7 million received in connection with our reverse mortgage securitizations, less repayments on the related financing liability of $287.9 million. Cash outflows include $253.0 million of net repayments on match funded liabilities as a result of advance recoveries and $12.6 million of repayments on the SSTL. In addition, we reduced borrowings under our mortgage loan warehouse facilities by $123.8 million.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

Contractual Obligations

We believe that we have adequate resources to fund all unfunded commitments to the extent required and meet all contractual obligations as they come due. At September 30, 2018, such contractual obligations were primarily comprised of secured and unsecured borrowings, interest payments, operating leases and commitments to originate or purchase loans, including equity draws on reverse mortgages. There were no material changes to the table of specified contractual obligations contained in our Annual Report on Form 10-K during the nine months ended September 30, 2018, except that we terminated our match funded lending agreement to finance automotive dealer loans made by the ACS business, reduced the total maximum borrowing capacity of match funded advance financing facilities and renewed maturing mortgage warehouse lines. See Note 11 – Borrowings to the Unaudited Consolidated Financial Statements for additional information.

Upon the closing of the PHH acquisition on October 4, 2018, Ocwen assumed PHH's outstanding senior unsecured notes with an aggregate principal amount of $120.0 million, representing $98.0 million of 7.375% Senior Notes due 2019 and $22.0 million of 6.375% Senior Notes due 2021.

Our forecasting with respect to our ability to satisfy our contractual obligations requires management to use judgment and estimates and includes factors that may be beyond our control. Additionally, our business has been undergoing substantial change, which has magnified the uncertainties that are inherent in the forecasting process. Our actual results could differ materially from our estimates, and if this were to occur, it could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in transactions with a variety of financial institutions and other companies that are not reflected on our balance sheet. We are subject to potential financial loss if the counterparties to our off-balance sheet transactions are unable to complete an agreed upon transaction. We manage counterparty credit risk by entering into financial instrument transactions through national exchanges, primary dealers or approved counterparties and through the use of mutual margining agreements whenever possible to limit potential exposure. We regularly evaluate the financial position and creditworthiness of our counterparties. Our off-balance sheet arrangements include mortgage loan repurchase and indemnification obligations, unconsolidated SPEs (a type of VIE) and notional amounts of our derivatives. We have also entered into non-cancelable operating leases principally for our office facilities.

Mortgage Loan Repurchase and Indemnification Liabilities. We have exposure to representation, warranty and indemnification obligations in our capacity as a loan originator and servicer. We recognize the fair value of representation and warranty obligations in connection with originations upon sale of the loan or upon completion of an acquisition. Thereafter, the estimation of the liability considers probable future obligations based on industry data of loans of similar type segregated by year of origination and estimated loss severity based on current loss rates for similar loans. Our historical loss severity considers the historical loss experience that we incur upon sale or liquidation of a repurchased loan as well as current market conditions. See Note 2 – Securitizations and Variable Interest Entities, Note 12 – Other Liabilities and Note 20 – Contingencies to the Unaudited Consolidated Financial Statements for additional information.

Involvement with VIEs. We use SPEs and VIEs for a variety of purposes but principally in the financing of our servicing advances and in the securitization of mortgage loans. We include VIEs in our unaudited consolidated financial statements if we determine we are the primary beneficiary. See Note 2 – Securitizations and Variable Interest Entities to the Unaudited Consolidated Financial Statements for additional information.

We generally use match funded securitization facilities to finance our servicing advances. The SPEs to which the receivables for servicing advances are transferred in the securitization transaction are included in our consolidated financial statements either because we have the majority equity interest in the SPE or because we are the primary beneficiary where the SPE is a VIE. Holders of the debt issued by the SPEs have recourse only to the assets of the SPEs for satisfaction of the debt.

Derivatives. We record all derivatives at fair value on our consolidated balance sheets. We use these derivatives primarily to manage our interest rate risk. The notional amounts of our derivative contracts do not reflect our exposure to credit loss. See Note 13 – Derivative Financial Instruments and Hedging Activities to the Unaudited Consolidated Financial Statements for additional information.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our ability to measure and report our financial position and operating results is influenced by the need to estimate the impact or outcome of future events based on information available at the date of the financial statements. An accounting estimate is considered critical if it requires that management make assumptions about matters that were highly uncertain at the time the accounting estimate was made. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. We have processes in place to monitor these judgments and assumptions, and management is required to review critical accounting policies and estimates with the Audit Committee of the Board of Directors. Our significant accounting policies and critical accounting estimates are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017 in Note 1 to the Consolidated Financial Statements and in Management’s Discussion and Analysis of Financial Condition and Results of Operations under “Critical Accounting Policies and Estimates.”

Fair Value Measurements

We use fair value measurements to record fair value adjustments to certain instruments and to determine fair value disclosures. Refer to Note 3 – Fair Value to the Unaudited Consolidated Financial Statements for the fair value hierarchy, descriptions of valuation methodologies used to measure significant assets and liabilities at fair value and details of the valuation models, key inputs to those models, and significant assumptions utilized. We follow the fair value hierarchy to prioritize the inputs utilized to measure fair value. We review and modify, as necessary, our fair value hierarchy classifications on a quarterly basis. As such, there may be reclassifications between hierarchy levels.

The following table summarizes assets and liabilities measured at fair value on a recurring and nonrecurring basis and the amounts measured using Level 3 inputs:

	September 30, 2018	December 31, 2017
Loans held for sale	$ 217,436	$ 238,358
Loans held for investment	5,307,560	4,715,831
MSRs - recurring basis	999,282	671,962
MSRs - nonrecurring basis, net (1)	—	133,227
Derivative assets	4,721	5,429
Mortgage-backed securities	1,670	1,592
U.S. Treasury notes	1,059	1,567
Assets at fair value	$ 6,531,728	$ 5,767,966
As a percentage of total assets	77%	69%
Financing liabilities		
HMBS-related borrowings	5,184,227	4,601,556
Financing liability - MSRs pledged	620,199	508,291
Financing liability - Owed to securitization investors	26,643	—
Total financing liabilities	5,831,069	5,109,847
Derivative liabilities	2,567	635
Liabilities at fair value	$ 5,833,636	$ 5,110,482
As a percentage of total liabilities	74%	65%
Assets at fair value using Level 3 inputs	$ 6,381,742	$ 5,548,764
As a percentage of assets at fair value	98%	96%
Liabilities at fair value using Level 3 inputs	$ 5,831,069	$ 5,109,847
As a percentage of liabilities at fair value	100%	100%

(1) The balance represents our impaired government-insured stratum of MSRs previously accounted for using the amortization method, which were measured at fair value on a nonrecurring basis. The carrying value of this stratum is net of a valuation allowance of $24.8 million at December 31, 2017.

Assets at fair value using Level 3 inputs increased during the nine months ended September 30, 2018 primarily due to reverse mortgage originations and the fair value election on our remaining portfolio of amortization method MSRs. Liabilities at fair value using Level 3 inputs increased primarily in connection with reverse mortgage securitizations, which we account for as secured financings. Our net economic exposure to Loans held for investment - Reverse mortgages and the related Financing liabilities (HMBS-related borrowings) is limited to the residual value we retain. Changes in inputs used to value the loans held for investment are largely offset by changes in the value of the related secured financing.

We have various internal controls in place to ensure the appropriateness of fair value measurements. Significant fair value measures are subject to analysis and management review and approval. Additionally, we utilize a number of operational controls to ensure the results are reasonable, including comparison, or “back testing,” of model results against actual performance and monitoring the market for recent trades, including our own price discovery in connection with potential and completed sales, and other market information that can be used to benchmark inputs or outputs. Considerable judgment is used in forming conclusions about Level 3 inputs such as interest rate movements, prepayment speeds, delinquencies, credit losses and discount rates. Changes to these inputs could have a significant effect on fair value measurements.

Valuation and Amortization of MSRs

MSRs are assets that represent the right to service a portfolio of mortgage loans. We originate MSRs from our lending activities and obtain MSRs through asset acquisitions or business combinations. For initial measurement, acquired and originated MSRs are initially measured at fair value. Subsequent to acquisition or origination, we elect to account for MSRs using either the amortization method or the fair value measurement method. For MSRs accounted for using the amortization measurement method, we assess servicing assets or liabilities for impairment or increased obligation based on fair value on a quarterly basis. We group our MSRs by stratum for impairment testing based on the predominant risk characteristics of the underlying mortgage loans. Historically, our strata had been defined as conventional loans (i.e. conforming to the underwriting

standards of Fannie Mae or Freddie Mac), government-insured loans (insured by FHA or VA) and non-Agency loans (i.e. all private label primary and master serviced).

Effective January 1, 2018, we elected fair value accounting for our MSRs previously accounted for using the amortization method, which included Agency MSRs and government-insured MSRs. Effective with this election, our entire portfolio of MSRs is accounted for using the fair measurement method. This irrevocable election applies to all subsequently acquired or originated servicing assets and liabilities that have characteristics consistent with each of these classes. We recorded a cumulative-effect adjustment of $82.0 million to retained earnings as of January 1, 2018 to reflect the excess of the fair value of the Agency MSRs over their carrying amount. The government-insured MSRs were impaired by $24.8 million at December 31, 2017; therefore, these MSRs are already effectively carried at fair value. At December 31, 2017, the UPB and net carrying value of Agency MSRs for which the fair value election was made was $40.9 billion and $336.9 million, respectively. At December 31, 2017, the UPB and net carrying value of government-insured MSRs for which the fair value election was made was $16.9 billion and $133.2 million, respectively.

The determination of the fair value of MSRs requires management judgment due to the number of assumptions that underlie the valuation. We estimate the fair value of our MSRs using a process based upon the use of independent third-party valuation experts and supported by commercially available discounted cash flow models and analysis of current market data. The key assumptions used in the valuation of these MSRs include prepayment speeds, loan delinquency, cost to service and discount rates.

Income Taxes

In December 2017, the Securities and Exchange Commission Staff issued Staff Accounting Bulletin (SAB) 118, which provides guidance on accounting for the income tax effects of the Tax Act. SAB 118 provides a measurement period that should not extend beyond one year from the Tax Act enactment date of December 22, 2017 for companies to complete the accounting under ASC 740, *Income Taxes*. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in the financial statements and should continue to apply ASC 740 on the basis of the provisions of the tax laws that were in effect immediately before the enactment of the Tax Act. We adopted the guidance of SAB 118 as of December 31, 2017. See Note 15 - Income Taxes for additional information on the Tax Act and the impact on our consolidated financial statements.

We record a tax provision for the anticipated tax consequences of the reported results of operations. We compute the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. We measure deferred tax assets and liabilities using the currently enacted tax rates in each jurisdiction that applies to taxable income in effect for the years in which those tax assets are expected to be realized or settled. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

We conduct periodic evaluations of positive and negative evidence to determine whether it is more likely than not that the deferred tax asset can be realized in future periods. In these evaluations, we gave more significant weight to objective evidence, such as our actual financial condition and historical results of operations, as compared to subjective evidence, such as projections of future taxable income or losses.

For the three-year periods ended December 31, 2017 and 2016, the USVI filing jurisdiction was in a material cumulative loss position. The U.S. jurisdiction was also in a three-year cumulative loss position as of December 31, 2017 and 2016. We recognize that cumulative losses in recent years is an objective form of negative evidence in assessing the need for a valuation allowance and that such negative evidence is difficult to overcome. Other factors considered in these evaluations are estimates of future taxable income, future reversals of temporary differences, tax character and the impact of tax planning strategies that may be implemented, if warranted.

As a result of these evaluations, we recognized a full valuation allowance of $62.9 million on our U.S. deferred tax assets and $43.9 million on our USVI deferred tax assets. The U.S. and USVI jurisdictional deferred tax assets are not considered to be more likely than not realizable based on all available positive and negative evidence. We intend to continue maintaining a full valuation allowance on our deferred tax assets in both the U.S. and USVI until there is sufficient evidence to support the reversal of all or some portion of these allowances. Release of the valuation allowance would result in the recognition of certain

deferred tax assets and a decrease to income tax expense for the period in which the release is recorded. However, the exact timing and amount of the valuation allowance release is subject to change based on the profitability that we achieve.

Net operating loss (NOL) carryforwards may be subject to annual limitations under Internal Revenue Code Section 382 (Section 382) (or comparable provisions of foreign or state law) in the event that certain changes in ownership were to occur. We periodically evaluate our NOL carryforwards and whether certain changes in ownership have occurred as measured under Section 382 that would limit our ability to utilize a portion of our NOL carryforwards. If it is determined that an ownership change(s) has occurred, there may be annual limitations on the use of these NOL carryforwards under Section 382 (or comparable provisions of foreign or state law).

We are currently in the process of evaluating whether we experienced an ownership change as measured under Section 382, and during 2017 identified risk that an ownership change may have occurred in the U.S. jurisdiction, which would also result in an ownership change under Section 382 in the USVI jurisdiction. As part of this evaluation, Ocwen is seeking additional information pertaining to certain identified 5% shareholders, and their economic ownership for Section 382 purposes. To the extent an ownership change is ultimately determined to have occurred, the annual utilization of our NOLs may be subject to certain limitations under Section 382 and other limitations under state tax laws.

Any reduction to our NOL deferred tax assets due to an annual Section 382 limitation and the NOL carryforward period is expected to result in an offsetting reduction in valuation allowance related to the NOL deferred tax assets. In addition, any limitation on the utilization of our NOL carryforwards could result in Ocwen incurring a current tax liability. At this time, we anticipate that any limitation would not have a material impact on our consolidated statements of operations. However, as we are still in the process of evaluating whether and when we experienced an ownership change and are seeking additional information from shareholders, the final impact of Section 382 limitations has not been determined.

In September 2018, Ocwen filed a Definitive Proxy Statement with the SEC calling for a Special Stockholders Meeting scheduled for November 16, 2018, to allow shareholders to vote on a proposed amendment to Ocwen’s Amended and Restated Articles of Incorporation. The proposed amendment would restrict certain transfers of Ocwen’s common stock. Such protective amendment (the "Protective Amendment") is designed to help preserve the value of certain tax benefits associated with NOL carryforwards. As of September 30, 2018, we had total net operating loss carryforwards of approximately $334.0 million in the United States and United States Virgin Islands jurisdictions, which we estimated to be worth approximately $43.0 million in potential tax savings under assumptions related to our various relevant jurisdictional tax rates (which assumptions reflect a significant degree of uncertainty). If approved, the Protective Amendment generally will restrict any direct or indirect transfer of our common stock (such as transfers of our securities that result from the transfer of interests in other entities that own our common stock) if the effect would be to (1) increase the direct or indirect ownership of our common stock by any person or group from less than 4.99% to 4.99% or more of our common stock or (2) increase the percentage of our common stock owned directly or indirectly by any person or group owning or deemed to own 4.99% or more of our common stock. The Protective Amendment, if approved, may not offer a complete solution for the preservation of our NOL carryforwards and a future ownership change may still occur. Further, we cannot assure that the Protective Amendment's restriction on acquisitions of our common stock would be enforceable against all our stockholders, and the restriction may be subject to challenge.

Litigation

We monitor our litigation matters, including advice from external legal counsel, and regularly perform assessments of these matters for potential loss accrual and disclosure. We establish liabilities for settlements, judgments on appeal and filed and/or threatened claims for which we believe it is probable that a loss has been or will be incurred and the amount can be reasonably estimated.

Going Concern

In accordance with ASC 205-40, *Presentation of Financial Statements - Going Concern*, we evaluate whether there are conditions that are known or reasonably knowable that raise substantial doubt about our ability to continue as a going concern within one year after the date that our financial statements are issued. We perform a detailed review and analysis of relevant quantitative and qualitative information from across our organization in connection with this evaluation. To support this effort, senior management from key business units reviews and assesses the following information:

- our current financial condition, including liquidity sources at the date that the financial statements are issued (e.g., available liquid funds and available access to credit, including covenant compliance);
- our conditional and unconditional obligations due or anticipated within one year after the date that the financial statements are issued (regardless of whether those obligations are recognized in our financial statements);
- funds necessary to maintain operations considering our current financial condition, obligations and other expected cash flows within one year after the date that the financial statements are issued (i.e., financial forecasting); and
- other conditions and events, when considered in conjunction with the above items, that may adversely affect our ability to meet obligations within one year after the date that the financial statements are issued (e.g., negative

financial trends, indications of possible financial difficulties, internal matters such as a need to significantly revise operations and external matters such as adverse regulatory/legal proceedings or rating agency decisions).

If such conditions exist, management evaluates its plans that when implemented would mitigate the condition(s) and alleviate the substantial doubt about our ability to continue as a going concern. Such plans are considered only if information available as of the date that the financial statements are issued indicates both of the following are true:

- it is probable management's plans will be implemented within the evaluation period; and
- it is probable management's plans, when implemented individually or in the aggregate, will mitigate the condition(s) that raise substantial doubt about our ability to continue as a going concern in the evaluation period.

Our evaluation of whether it is probable that management's plans will be effectively implemented within the evaluation period is based on the feasibility of implementation of management's plans in light of our specific facts and circumstances.

Our evaluation of whether it is probable that our plans, individually or in the aggregate, will be implemented in the evaluation period involves a degree of judgment, including about matters that are, to different degrees, uncertain.

RECENT ACCOUNTING DEVELOPMENTS

Recent Accounting Pronouncements

Listed below are recent Accounting Standards Update (ASU) that we adopted in 2018. We adopted ASU 2016-16, Income Taxes: Intra-Entity Transfers of Assets Other Than Inventory on a modified retrospective basis by recording a cumulative-effect reduction of $5.6 million to retained earnings. Our adoption of the other standards listed below did not have a material impact on our unaudited consolidated financial statements.

- ASU 2014-09: Revenue from Contracts with Customers
- ASU 2016-01: Financial Instruments: Recognition and Measurement of Financial Assets and Financial Liabilities
- ASU 2016-15: Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments
- ASU 2016-18: Statement of Cash Flows: Restricted Cash
- ASU 2017-01: Business Combinations: Clarifying the Definition of a Business
- ASU 2017-09: Compensation: Stock Compensation
- ASU 2018-03: Financial Instruments: Technical Corrections and Improvements to Financial Instruments

We are also evaluating the impact of recently issued ASUs not yet adopted that are not effective for us until on or after January 1, 2019. While we do not anticipate that our adoption of most of these ASUs will have a material impact on our consolidated financial statements, we are currently evaluating the effect of adopting certain ASUs. See Note 1 – Organization, Business Environment and Basis of Presentation to the Unaudited Consolidated Financial Statements for additional information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (Dollars in thousands unless otherwise indicated)

Our principal market exposure is to interest rate risk due to the impact on our mortgage-related assets and commitments, including mortgage loans held for sale, IRLCs and MSRs. Changes in interest rates could materially and adversely affect our volume of mortgage loan originations or reduce the value of our MSRs. We also have exposure to the effects of changes in interest rates on our borrowings, including advance financing facilities.

Interest rate risk is a function of (i) the timing of re-pricing and (ii) the dollar amount of assets and liabilities that re-price at various times. We are exposed to interest rate risk to the extent that our interest rate sensitive liabilities mature or re-price at different speeds, or on different bases, than interest-earning assets.

Our management-level Credit and Market Risk Committee establishes and maintains policies that govern our hedging program, including such factors as our target hedge ratio, the hedge instruments that we are permitted to use in our hedging activities and the counterparties with whom we are permitted to enter into hedging transactions. See Note 13 – Derivative Financial Instruments and Hedging Activities to the Unaudited Consolidated Financial Statements for additional information regarding our use of derivatives.

Match Funded Liabilities

We monitor the effect of increases in interest rates on the interest paid on our variable rate advance financing debt. Earnings on cash and float balances are a partial offset to our exposure to changes in interest expense. Based on the extent to which the projected excess of our interest expense on variable rate debt exceeds interest income on our cash and float balances, we would consider hedging this exposure with interest rate swaps or other derivative instruments. We may purchase interest rate caps as economic hedges (not designated as a hedge for accounting purposes) as required by certain of our advance financing arrangements.

IRLCs and Loans Held for Sale

IRLCs represent an agreement to purchase loans from a third-party originator or an agreement to extend credit to a mortgage loan applicant, whereby the interest rate on the loan is set prior to funding. In our lending business, mortgage loans held for sale and IRLCs are subject to the effects of changes in mortgage interest rates from the date of the commitment through the sale of the loan into the secondary market. As a result, we are exposed to interest rate risk and related price risk during the period from the date of the lock commitment through (i) the lock commitment cancellation or expiration date or (ii) through the date of sale of the resulting loan into the secondary mortgage market. Loan commitments for forward loans range from 5 to 90 days, but the majority of our commitments are for 60 days. Our holding period for forward mortgage loans from funding to sale is typically less than 30 days. Loan commitments for reverse loans range from 10 to 30 days. The majority of our reverse loans are variable rate loan commitments. Our interest rate exposure on these derivative loan commitments is hedged with freestanding derivatives such as forward contracts. We enter into forward contracts with respect to both fixed and variable rate loan commitments.

For loans held for sale that we have elected to carry at fair value, we manage the associated interest rate risk through an active hedging program overseen by our management's Credit and Market Risk Committee. Our hedging policy determines the hedging instruments to be used in the mortgage loan hedging program, which include forward sales of agency "to be announced" securities (TBAs), whole loan forward sales, Eurodollar futures and interest rate options. Forward MBS trades are primarily used to fix the forward sales price that will be realized upon the sale of mortgage loans into the secondary market. Our hedging policy also stipulates the hedge ratio we must maintain in managing this interest rate risk, which is also monitored by management's Credit and Market Risk Committee.

Fair Value MSRs

Effective January 1, 2018, we elected fair value accounting for our MSRs previously accounted for using the amortization method, which included Agency MSRs and government-insured MSRs. Effective with this election, our entire portfolio of MSRs is accounted for using the fair measurement method.

Interest Rate Sensitive Financial Instruments

The tables below present the notional amounts of our financial instruments that are sensitive to changes in interest rates and the related fair value of these instruments at the dates indicated. We use certain assumptions to estimate the fair value of these instruments. See Note 3 – Fair Value to the Unaudited Consolidated Financial Statements for additional information regarding fair value of financial instruments.

	September 30, 2018		December 31, 2017	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Rate-Sensitive Assets:				
Interest-earning cash	$ 112,521	$ 112,521	$ 99,627	$ 99,627
Loans held for sale, at fair value	145,417	145,417	214,262	214,262
Loans held for sale, at lower of cost or fair value (1)	72,019	72,019	24,096	24,096
Loans held for investment - Reverse mortgages, at fair value	5,279,187	5,279,187	4,715,831	4,715,831
Automotive dealer financing notes (including match funded)	—	—	32,757	32,590
U.S. Treasury notes	1,059	1,059	1,567	1,567
Debt service accounts and interest-earning time deposits	24,083	24,083	38,465	38,465
Total rate-sensitive assets	$ 5,634,286	$ 5,634,286	$ 5,126,605	$ 5,126,438
Rate-Sensitive Liabilities:				
Match funded liabilities	$ 714,246	$ 710,303	$ 998,618	$ 992,698
HMBS-related borrowings, at fair value	5,184,227	5,184,227	4,601,556	4,601,556
Other secured borrowings (2)	345,425	351,996	545,850	555,523
Senior notes (2)	347,749	355,161	347,338	358,422
Total rate-sensitive liabilities	$ 6,591,647	$ 6,601,687	$ 6,493,362	$ 6,508,199

	September 30, 2018		December 31, 2017	
	Notional Balance	Fair Value	Notional Balance	Fair Value
Rate-Sensitive Derivative Financial Instruments:				
Derivative assets (liabilities):				
Interest rate caps	$ 320,833	$ 1,211	$ 375,000	$ 2,056
IRLCs	112,446	2,816	96,339	3,283
Forward MBS trades	219,375	(1,873)	240,823	(545)
Derivatives, net		$ 2,154		$ 4,794

(1) Net of market valuation allowances and including non-performing loans.
(2) Carrying values are net of unamortized debt issuance costs and discount.

Sensitivity Analysis

Fair Value MSRs, Loans Held for Sale and Related Derivatives

The following table summarizes the estimated change in the fair value of our MSRs and loans held for sale that we have elected to carry at fair value as well as any related derivatives at September 30, 2018, given hypothetical instantaneous parallel shifts in the yield curve. We used September 30, 2018 market rates to perform the sensitivity analysis. The estimates are based on the market risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship to the change in fair value may not be linear.

	Change in Fair Value	
	Down 25 bps	Up 25 bps
Loans held for sale	$ 1,440	$ (1,636)
Forward MBS trades	(1,349)	1,503
Total loans held for sale and related derivatives	91	(133)
Fair value MSRs (1)	456	(456)
MSRs, embedded in pipeline	(39)	39
Total fair value MSRs	417	(417)
Total, net	$ 508	$ (550)

(1) Primarily reflects the impact of market rate changes on projected prepayments on the Agency MSR portfolio and on advance funding costs on the non-Agency MSR portfolio.

Borrowings

The debt used to finance much of our operations is exposed to interest rate fluctuations. We may purchase interest rate swaps and interest rate caps to minimize future interest rate exposure from increases in 1ML interest rates.

Based on September 30, 2018 balances, if interest rates were to increase by 1% on our variable rate debt and interest earning cash and float balances, we estimate a net positive impact of approximately $8.4 million resulting from an increase of $19.5 million in annual interest income and an increase of $11.1 million in annual interest expense. The increase in interest expense reflects the effect of our hedging activities, which would offset $2.4 million of the increase in interest on our variable rate debt.

ITEM 4. CONTROLS AND PROCEDURES

Our management, under the supervision of and with the participation of our chief executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), as of September 30, 2018.

Based on such evaluation, management concluded that our disclosure controls and procedures as of September 30, 2018 were (1) designed and functioning effectively to ensure that material information relating to Ocwen, including its consolidated subsidiaries, is made known to our principal executive officer and principal financial officer by others within those entities,

particularly during the period in which this report was being prepared and (2) operating effectively in that they provided reasonable assurance that information required to be disclosed by Ocwen in the reports that it files or submits under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including our principal executive officer or principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 18 – Regulatory Requirements and Note 20 – Contingencies to the Unaudited Consolidated Financial Statements. That information is incorporated into this item by reference.

ITEM 1A. RISK FACTORS

An investment in our common stock involves significant risk. We describe the most significant risks that management believes affect or could affect us under Part I of our Annual Report on Form 10-K for the year ended December 31, 2017. Understanding these risks is important to understanding any statement in such Annual Report and in our subsequent SEC filings (including this Form 10-Q) and to evaluating an investment in our common stock. You should carefully read and consider the risks and uncertainties described therein together with all the other information included or incorporated by reference in such Annual Report and in our subsequent SEC filings before you make any decision regarding an investment in our common stock. You should also consider the information set forth above under “Forward-Looking Statements.” If any of the risks actually occur, our business, financial condition, liquidity and results of operations could be materially and adversely affected. If this were to happen, the value of our common stock could significantly decline, and you could lose some or all of your investment.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 6. EXHIBITS

2.1†	Agreement and Plan of Merger, dated as of February 27, 2018, by and among Ocwen Financial Corporation, POMS Corp and PHH Corporation (1)
3.1	Amended and Restated Articles of Incorporation, as amended (2)
3.2	Amended and Restated Bylaws of Ocwen Financial Corporation (3)
4.1	First Supplemental Indenture, dated as of October 4, 2018, among PHH Corporation, PHH Mortgage Corporation and Wilmington Trust, National Association (4)
4.2	Indenture, dated as of January 17, 2012, between PHH Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (5)
4.3	Second Supplemental Indenture, dated August 23, 2012, between PHH Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (6)
4.4	Third Supplemental Indenture, dated August 20, 2013, between PHH Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (7)
4.5	Fourth Supplemental Indenture, dated as of July 3, 2017, among PHH Corporation, as issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (8)
4.6	Fifth Supplemental Indenture, dated as of July 3, 2017, among PHH Corporation, as issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (8)
10.1	Counterpart Agreement, dated as of October 4, 2018, executed by PHH Corporation and PHH Mortgage Corporation and acknowledged and agreed to by Barclays Bank PLC, as administrative agent and collateral agent (4)
10.2*	Ocwen Financial Corporation United States Basic Severance Plan (9)
10.3*	Ocwen Financial Corporation United States Change in Control Severance Plan (9)
10.4*	Form of Restricted Stock Unit Agreement (filed herewith)
10.5*	Form of Stock Option Agreement (filed herewith)
10.6††	Amendment No. 1 to Subservicing Agreement dated as of August 17, 2018 between New Residential Mortgage LLC and Ocwen Loan Servicing, LLC (filed herewith)
10.7††	Amendment No. 1 to New RMSR Agreement dated as of August 17, 2018 among New Residential Mortgage LLC, Ocwen Loan Servicing, LLC and the other parties thereto (filed herewith)
10.8††	Subservicing Agreement dated as of August 17, 2018 between New Penn Financial, LLC and Ocwen Loan Servicing, LLC (filed herewith)
31.1	Certification of the principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of the principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of the principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of the principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
99.1	Audited Consolidated Balance Sheet as of December 31, 2017, and the audited Consolidated Statement of Operations, audited Consolidated Statement of Comprehensive Income, audited Consolidated Statement of Changes in Equity, and audited Consolidated Statement of Cash Flows for the year ended December 31, 2017, including the related notes thereto, of PHH Corporation (10)
99.2	Unaudited Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017, unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss) for the three and six months ended June 30, 2018 and June 30, 2017, and unaudited Condensed Consolidated Statements of Changes in Equity and unaudited Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2018 and June 30, 2017, including the related notes thereto, of PHH Corporation (11)
101.INS	XBRL Instance Document (filed herewith)
101.SCH	XBRL Taxonomy Extension Schema Document (filed herewith)
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document (filed herewith)
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document (filed herewith)
101.LAB	XBRL Taxonomy Extension Label Linkbase Document (filed herewith)
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document (filed herewith)

† Schedules and exhibits omitted pursuant to Item 601(b)(2) of Regulation S-K. Ocwen agrees to furnish a copy of any omitted schedule to the SEC upon request.

†† Portions of this exhibit have been omitted pursuant to a request for confidential treatment. Omitted information has been filed separately with the SEC.

* Management contract or compensatory plan or agreement.

(1) Incorporated by reference to the similarly described exhibit to the Registrant's Form 8-K filed on February 28, 2018.
(2) Incorporated by reference to the similarly described exhibit to the Registrant's Form 10-Q for the quarter ended June 30, 2017 filed on August 3, 2017.
(3) Incorporated by reference to the similarly described exhibit to the Registrant's Form 8-K filed on February 19, 2016.
(4) Incorporated by reference to the similarly described exhibit to the Registrant's Form 8-K filed on October 4, 2018.
(5) Incorporated by reference to the similarly described exhibit to PHH Corporation's Form 8-K filed on January 17, 2012.
(6) Incorporated by reference to the similarly described exhibit to PHH Corporation's Form 8-K filed on August 23, 2012.
(7) Incorporated by reference to the similarly described exhibit to PHH Corporation's Form 8-K filed on August 20, 2013.
(8) Incorporated by reference to the similarly described exhibit to PHH Corporation's Form 8-K filed on July 5, 2017.
(9) Incorporated by reference to the similarly described exhibit to the Registrant's Form 8-K filed on July 2, 2018.
(10) Incorporated herein by reference to PHH Corporation's Form 10-K for the year ended December 31, 2017 filed on March 1, 2018.
(11) Incorporated herein by reference to PHH Corporation's Form 10-Q for the quarter ended June 30, 2018 filed on August 3, 2018.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ocwen Financial Corporation

By: /s/ Catherine M. Dondzila

Senior Vice President and Chief Accounting Officer
(On behalf of the Registrant and as its principal financial officer)

Date: November 5, 2018

FORM OF
STOCK UNIT AWARD AGREEMENT

THIS STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of [_____] (the "Award Date") between Ocwen Financial Corporation, a Florida corporation (the "Corporation"), and [_____], an employee of the Corporation or of a Subsidiary (the "Participant").

WHEREAS, the Corporation desires, by granting to the Participant an award of stock units pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the 2017 Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. STOCK UNIT GRANT

The Corporation hereby grants to the Participant, pursuant to and subject to the 2017 Plan, an aggregate of [_____] stock units (the "Stock Units"), on the terms and conditions herein set forth (the "Award"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's common stock (subject to adjustment as provided in Section 7 of the 2017 Plan) solely for purposes of the 2017 Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Paragraph 2 below. The Stock Units shall not be treated as property or as a trust fund of any kind.

2. VESTING OF STOCK UNITS

A. Generally

The Award will vest as follows: One-third (1/3) of the Stock Units will vest on each of the first, second and third anniversaries of the Award Date (each such date, a "Vesting Date"). Except as provided in Paragraphs B, C and D of this Paragraph 2, the Award will not vest unless the Participant shall, through the applicable Vesting Date, be an employee of the Corporation or one of its Subsidiaries.

B. Retirement

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of the Participant's Retirement at any time on or after the first anniversary of the Award Date and prior to the vesting of the entire Award, each installment of the Award that is then outstanding and unvested shall vest on the applicable Vesting Date, subject, however, to the Participant's continued compliance with the conditions set forth in Paragraph 5 hereof through such Vesting Date. Any such Stock Units that vest after the Participant's Retirement shall be paid in accordance with Paragraph 7 hereof. As used herein, the term "Retirement" shall mean termination (other than by reason of death or Disability) of the Participant's employment with the Corporation or one of its Subsidiaries pursuant to and in accordance with a plan or program of the Corporation or Subsidiary applicable to the Participant; provided, however, that for purposes of this Agreement only, the Participant must have attained the age of 60 and been an employee of the Corporation for not less than five (5) years as of the date of termination of employment by reason of Retirement.

C. Disability

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated by reason of the Participant's Disability prior to vesting of the entire Award, each installment of the Award that is then outstanding and unvested shall vest on the applicable Vesting Date, subject, however, to the Participant's continued compliance with the conditions set forth in Paragraph 5 hereof through such Vesting Date. Any such Stock Units that vest after the Participant's termination due to Disability shall be paid in accordance with Paragraph 7 hereof. As used herein, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Committee, renders the Participant unable to perform the essential functions of his employment with the Corporation or such Subsidiary, even with reasonable accommodation that does not impose an undue hardship on the Corporation or Subsidiary, for more than 180 days in any 12-month period, unless a longer period is required by federal or state law, in which case that longer period would apply.

D. Death

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated by reason of the Participant's death prior to vesting of the entire Award, each installment of the Award that is then outstanding and unvested shall vest on the applicable

Vesting Date and shall be paid in accordance with Paragraph 7 hereof.

E. Change of Control

If a 409A Change of Control occurs, the Award, to the extent then outstanding and unvested, shall vest in full upon (or, to the extent necessary to give effect to the acceleration, immediately prior to) the consummation of the 409A Change of Control, and the date of such 409A Change of Control shall be deemed the "Vesting Date" for purposes of Paragraph 7 hereof. As used herein, "409A Change of Control" shall mean the occurrence of (a) a "change in the ownership" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire ownership of Corporation stock which constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation), (b) a "change in the effective control" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months ownership of stock of the Corporation possessing 30% or more of the total voting power of the stock of the Corporation; or certain majority changes in the membership of the Board occur over a period of not more than twelve months), or (c) a change "in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months assets from the Corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Corporation immediately before such acquisition(s)).

F.Continued Employment

The vesting schedule requires continued employment through each applicable Vesting Date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Employment for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Paragraph 4 above or under the 2017 Plan. As used in this Agreement, references to the Participant's "employment" (and similar references to the Participant's being "employed" and an "employee") shall include any period when the Participant is either (i) an employee of the Corporation or any of its Subsidiaries or (ii) a member of the Board.

3. DIVIDEND AND VOTING RIGHTS

A. Limitations on Rights Associated with Units

The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 3B with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any Shares underlying or issuable in respect of such Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Shares.

B. Dividend Equivalent Rights

As of any date that the Corporation pays an ordinary cash dividend on its Shares, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Shares on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 8 of the 2017 Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a Share on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Paragraph 3B shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Paragraph 3B with respect to any Stock Units which, as of such record date, have either been paid pursuant to Paragraph 7 or terminated pursuant to Paragraph 4.

4. TERMINATION OF AWARD

If the Participant's employment with the Corporation or any of its Subsidiaries terminates other than by reason of the Participant's Retirement, death or Disability prior to vesting of the entire Award, the Award, to the extent then outstanding and unvested, shall terminate and be cancelled on the last day of the Participant's employment with the Corporation or such Subsidiary. If any unvested Stock Units are terminated hereunder, such Stock Units shall automatically terminate and be cancelled as of the applicable termination date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

5. CONDITIONS UPON TERMINATION OF EMPLOYMENT

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of Retirement or Disability, the rights of the Participant with respect to the Award shall be subject to the conditions that until the Award is vested, he/she shall (a) not engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation or any of its direct or indirect Subsidiaries, and (b) be available, unless he/she shall have died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that either of the above conditions is not fulfilled, the Participant shall forfeit all rights to any unvested portion of the Award, as of the date of the breach of the conditions of this Paragraph 5. Any determination by the Board of Directors of the Corporation that the Participant is or has engaged in a competitive business or activity as aforesaid or has not been available for consultations as aforesaid shall be conclusive.

6. NO EMPLOYMENT COMMITMENT

Nothing contained in this Agreement or the 2017 Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

7. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

On or as soon as administratively practical following the Vesting Date as provided in Paragraph 2 hereof (and in all events not later than two and one-half months after the Vesting Date), the Corporation shall deliver to the Participant a number of Shares (either by delivering one or more certificates for such Shares or by entering such Shares in book entry form, as determined by the Corporation in its discretion) equal to the number of Stock Units that vest on such date pursuant to this Agreement. The Corporation's obligation to deliver Shares or otherwise make payment with respect to vested Stock Units is subject to the condition precedent that the Participant or other person entitled under the 2017 Plan to receive any Shares with respect to the vested Stock Units deliver to the Corporation any representations or other documents or assurances required pursuant to Paragraph 11 of this Agreement. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Paragraph 4.

8. TAX WITHHOLDING

Subject to compliance with all applicable laws, rules and regulations, upon any distribution of Shares in respect of the Stock Units, unless otherwise provided by the Committee, the Corporation shall automatically reduce the number of Shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then Fair Market Value, to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares at the minimum applicable withholding rates. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares or the Committee otherwise provides that the Corporation will not so reduce the number of shares delivered to satisfy such withholding obligations, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

9. ADJUSTMENT UPON SPECIFIED EVENTS

Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 8 of the 2017 Plan (including, without limitation, an extraordinary cash dividend on such stock), the Committee shall make adjustments in accordance with such section in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are credited pursuant to Paragraph 3B.

10. NON-TRANSFERABILITY OF THE AWARD

The Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Award, shall be null and void and without effect.

11. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

A. The Corporation shall reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto to the Participant and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

B. The Participant hereby represents and covenants that (a) any Shares acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Corporation, the Participant shall submit a written statement, in form satisfactory to the Corporation, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Award, the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Corporation shall in its sole discretion deem necessary or advisable.

C. The Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Corporation. The Corporation agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

12. AMENDMENT

In the event that the Board of Directors of the Corporation shall amend the 2017 Plan and such amendment shall modify or otherwise affect the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan. However, the timing of payment of the Award (to the extent it becomes vested) shall be as set forth in this Award Agreement and may not be changed (pursuant to the Plan, any amendment thereto, or otherwise) except as would be compliant with (and not result in any tax, penalty or interest under) Section 409A of the Code.

13. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

16. CLAWBACK POLICY

The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or any Shares or other cash or property received with respect to the Stock Units (including any value received from a disposition of the Shares acquired upon payment of the Stock Units).

17. SECTION 409A

It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be

construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____
[_____]

PARTICIPANT

By: _____
[_____]

FORM OF
NON-QUALIFIED STOCK OPTION AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AGREEMENT ("Agreement") is made as of [_____] between Ocwen Financial Corporation, a Florida corporation (together, with its subsidiaries and affiliates, the "Corporation"), and [_____]**,** an executive employee of the Corporation or one of its subsidiaries (the "Executive").

WHEREAS, the Corporation desires, by affording the Executive an opportunity to purchase Shares of its common stock ("Stock") pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan.

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. OPTION GRANT

The Corporation hereby grants to the Executive, pursuant to and subject to the 2017 Plan, the right and option (the "Options") to purchase all or any part of an aggregate [_____] Shares of common stock from the Corporation for a purchase price of $[_____] per share (the "Strike Price"), on the terms and conditions set forth in this Agreement.

2. OPTION TERM

The term of the Options shall begin on the date of this Agreement and will continue for a period of ten (10) years from the date of this Agreement.

3. EXERCISE OF OPTIONS

A. Vesting Schedule

Subject to the provisions of Paragraphs 5 and 6 below, 1/3 of the Options shall vest in three (3) equal annual increments, as follows. One-third (1/3) of the Options shall vest on each of the first three anniversaries of the date hereof.

B. Accelerated Vesting

Notwithstanding the vesting schedule provided in Paragraph 3A above, if the Executive's employment is terminated by the Corporation without Cause, by the Executive for Good Reason, or by reason of death, Disability or Retirement, then the Options shall vest and shall become immediately exercisable in full on the date of such termination; provided, however, that any acceleration of vesting (other than for a termination by reason of the Executive's Disability or the Executive's death) is subject to the condition precedent that the Executive

execute and deliver to the Company, not later than fifty five (55) days after such termination of employment, a full release in favor of the Company (in a form that will be provided by the Company to the Executive not later than ten (10) days after such termination of employment) and such release shall not be revoked by the Executive pursuant to any revocation rights provided by applicable law (otherwise, if such release condition is not satisfied in such circumstances, the termination shall be treated for purposes of the Award, including for purposes of Section 5 below, as a resignation by the Executive without Good Reason).

C. General

Upon vesting, the Options may be exercised in whole or in part at any time before the Options terminate, subject to the terms and conditions of this Agreement. In no case may the Options be exercised as to less than 50 Shares at any one time (or the remaining Shares then purchasable under the Options, if less than 50 Shares) or for a fractional share. Except as provided in Paragraph 5 below, the Options may not be exercised unless the Executive shall, at the time of the exercise, be an employee of the Corporation. During the Executive's lifetime, only he/she or his/her guardian or legal representative may exercise the Options. The Executive shall have none of the rights of a stockholder with respect to any of the Shares subject to the Options until such Shares shall be issued in his/her name or the name of his/her designee following the exercise of the Options.

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4. METHOD OF OPTION EXERCISE

A. Subject to the terms and conditions of this Agreement, the Options may be exercised by written notice to the Corporation at its executive offices to the attention of the Corporate Secretary of the Corporation (the "Secretary"). Such notice shall state the election to exercise the Options, shall state the number of Shares in respect of which it is being exercised (the "Purchased Shares") and shall be signed by the person or persons so exercising the Options. Such notice shall be accompanied by (i) a personal check payable to the order of the Corporation for payment of the full purchase price of the Purchased Shares, (ii) delivery to the Corporation of the number of Shares duly endorsed for transfer and owned by the Executive which have an aggregate Fair Market Value equal to the aggregate purchase price of the Purchased Shares, (iii) agreement to a reduction in the number of Purchased Shares otherwise deliverable to the Executive pursuant to the exercise of the Options with the number of shares withheld having an aggregate Fair Market Value equal to the aggregate purchase price of the Purchased Shares (before such reduction) and related tax withholding obligations, or (iv) payment therefor made in such other manner as may be acceptable to the Corporation on such terms as may be determined by the Compensation Committee of the Board of Directors of the Corporation (the "Committee"). "Fair Market Value" shall mean the average of the high and low sales price of the Stock on the date of exercise, as reported on the primary securities exchange on which the Stock is then traded (if the Stock is not then publicly traded on a securities exchange, the Compensation Committee shall determine the Fair Market Value of such Stock at its complete discretion). In addition to and at the time of payment of the purchase price, the person exercising the Options shall

pay to the Corporation the full amount of any federal and state withholding or other taxes applicable to the taxable income of such person resulting from such exercise in cash unless the Committee in its sole discretion shall permit such taxes to be paid in Stock or via reduction in shares pursuant to (iii) above. Such payment may also be made in the form of payroll withholding, at the election of the option holder. The Executive may request the Corporation's current form of election notice and make its election on such form.

B. The Corporation shall deliver a certificate or certificates representing said purchased Shares (or, at the option of the Corporation, provide evidence of their issuance in book-entry form) as soon as practicable after receipt of the notice and all required documents and payments as provided in this Paragraph 4. The certificate or certificates for the Shares as to which the Options have been so exercised may or may not be registered (including via book-entry) until at least five business days after the date of the exercise of the Options. Unless the person or persons exercising the Options shall otherwise direct the Corporation in writing, such certificate or certificates for the Shares shall be registered (including via book-entry) in the name of the person or persons so exercising the Options and shall be delivered as aforesaid to or upon the written order of the person or persons exercising the Options.

C. In the event the Options shall be exercised, pursuant to Paragraphs 3 and 5 hereof, by any person or persons other than the Executive, such notice shall be accompanied by appropriate proof of the derivative right of such person or persons to exercise the Options.

D. The date of exercise of the Options shall be the date on which the notice is received by the Secretary. If such notice is received after the market close, the following trading day will be considered the date of exercise. All Shares that shall be purchased upon the exercise of the Options as provided herein shall be fully paid and non-assessable.

5. TERMINATION OF OPTIONS

The Options may not be exercised to any extent after termination of the Options in one of the ways, whichever first occurs, set forth below in this Paragraph 5.

A. The Options shall terminate upon the exercise of such Options in the manner provided in this Agreement and the 2017 Plan, whether or not the Shares are ultimately delivered.

B. Except as may otherwise be provided in Paragraph 5 C below for the earlier termination of the Options, the Options and all rights and obligations thereunder shall expire ten (10) years after the date of this Agreement.

C. If, prior to exercise, expiration, surrender or cancellation of the Options, the Executive's employment terminates:

(1) by reason of Disability, then the Options shall terminate not later than (a) three (3) years after the date of such termination of employment or (b) the end of the Option's term, whichever occurs first. In the event of the death of the Executive, the Options shall

terminate on the earlier to occur of: (i) three (3) years after the date of the Executive's death or (ii) the end of the Option's term, during which period the Options may be exercised by the person or persons to whom the Executive's rights shall pass by will or by the applicable laws of descent or distribution.

(2)by action of the Corporation without Cause or by action of the Executive for Good Reason, then the Options shall terminate three (3) years after the date of the Executive's termination, or upon the expiration of the term of the Options, whichever occurs first.

(3) by reason of termination of employment by the Corporation for Cause or termination of employment by the Executive without Good Reason, then all Options shall terminate on such date of termination of employment.

(4) by reason of the Retirement of the Executive, then all Options shall terminate on the six (6) month anniversary of the date of such termination of employment.

6. CONDITIONS UPON TERMINATION OF EMPLOYMENT

If the employment of the Executive terminates by action of the Corporation without Cause, by action of the Executive for Good Reason or by reason of Retirement, then the rights of the Executive and the Options shall be subject to the conditions that for a period of one (1) year following the effective date of termination the Executive shall not (a) engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation, (b) solicit, directly or indirectly, any employee of the Corporation to leave the employ of the Corporation for employment, hire or engagement as an independent contractor elsewhere, (c) in any way interfere with the relationship between any customer, supplier, licensee or business relation of the Corporation or (d) share, reveal or utilize any Confidential Information of the Corporation except as otherwise expressly permitted by Corporation.

In addition, the rights of the Executive to the Options shall be subject to the conditions that for a period of one (1) year he/she shall be available, unless he/she shall has since died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that the above conditions are not fulfilled, the Executive shall forfeit all rights to any unexercised portion of the Options as of the date of such breach of condition. Any determination by the Board of Directors of the Corporation with regard to this Paragraph 6 shall be conclusive.

7. ADJUSTMENT UPON CHANGES IN STOCK

If there shall be any change in the stock subject to the Options granted hereunder, through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, spin off of one or more

subsidiaries or other change in the corporate structure, appropriate adjustments shall be made by the Committee or the Board of Directors of the Corporation in its reasonable discretion (or if the Corporation is not the surviving corporation in any such transaction, the Board of Directors or compensation committee of the surviving corporation – with the Committee or the Board of Directors of the Corporation and the surviving corporation or its compensation committee collectively referred to in this Paragraph 7 as the "Board") in the number and kind of Shares and the price per Share subject to the Options. Without limiting the generality of the foregoing, in the event of a restructuring or transaction resulting in some or all of the Corporation's Stock being convertible into equity of a separate company, the Board shall have the authority to replace outstanding Options with any one or more of the following: (1) adjusted options of the Corporation; (2) adjusted options on the equity of the separate company; or (3) a combination of adjusted options on the shares of both the Corporation and the separate company, all as the Board sees as equitable. In the event of any such option adjustment and/or conversion, the Board shall ensure, to the extent practical, that the aggregate value of the Executive's outstanding Options under this Agreement is preserved through the conversion/adjustment. Any determination by the Board with regard to this Paragraph 7 shall be conclusive. For the avoidance of doubt, in the event Executive remains employed with the separate company that results from a restructuring or transaction covered by this Paragraph 7, for purposes of this Agreement, he/she will be deemed to remain employed as if he/she continued employment with the Corporation such that the employment termination provisions applicable to Options shall not be invoked unless and until his/her employment with such separate company shall terminate.

8. NON-TRANSFERABILITY OF OPTIONS

The Options shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Options may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Options contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Options, shall be null and void and without effect.

9. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

The Corporation shall at all times during the term of the Options reserve and keep available such number of shares of Stock as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of shares pursuant hereto to the Executive and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

10. DEFINITIONS

A. As used herein, the term "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential

functions of his employment with the Corporation, even with reasonable accommodation that does not impose an undue hardship on the Corporation, for more than 180 days in any 12-month period, unless a longer period is required by federal or state law, in which case that longer period would apply.

B. As used herein, the term “Retirement” shall mean termination (other than by reason of death or Disability) of the Executive's employment with the Corporation or one of its subsidiaries pursuant to and in accordance with a plan or program of the Corporation or subsidiary applicable to the Executive provided, however, that for purposes of this Agreement only, the Executive must have attained the age of 60 and been an employee of the Corporation for not less than three (3) years as of the date of termination of employment by reason of Retirement.

C. As used herein, “Confidential Information” shall mean all information relating to Corporation, including any of its subsidiaries, customers, vendors, and affiliates, of any kind whatsoever; know-how; experience; expertise; business plans; ways of doing business; business results or prospects; financial books, data and plans; pricing; supplier information and agreements; investor or lender data and information; business processes (whether or not the subject of a patent), computer software and specifications therefore; leases; and any and all agreements entered into by Corporation or its affiliates and any information contained therein; database mining and marketing; customer relationship management programs; any technical, operating, design, economic, client, customer, consultant, consumer or collector related data and information, marketing strategies or initiatives and plans which at the time or times concerned is either capable of protection as a trade secret or is considered to be of a confidential nature regardless of form. Confidential Information shall not include: (a) information which is or becomes generally available to the public other than as a result of a disclosure in breach of this Agreement, (b) information which was available on a non-confidential basis prior to the date hereof or becomes available from a person other than the Corporation who was not otherwise bound by confidentiality obligations to the Corporation and was not otherwise prohibited from disclosing the information or (c) Confidential Information which is required by law to be disclosed, in which case, Executive will provide the Corporation with notice of such obligation immediately to allow the Corporation to seek such intervention as it may deem appropriate to prevent such disclosure including and not limited to initiating legal or administrative proceedings prior to disclosure.

D. As used herein, “Annualized Rate of Return” shall be determined as a function of the Corporation’s stock price appreciation and dividends and other distributions over the Strike Price. For this purpose, dividends and other distributions shall be deemed reinvested in stock of the Company on the date such dividends and distributions are paid to shareholders. The Compensation Committee shall make all determinations of Annualized Rate of Return under this Agreement at its sole discretion.

E. As used herein, “Cause” shall mean (a) conviction of, or plea of guilty or nolo contendere to, a felony; (b) willful and continued failure to use reasonable best efforts to substantially perform Executive’s duties that Executive fails to remedy to the Committee or the Board of

Directors' reasonable satisfaction of the Corporation (excluding the Executive, if he/she is then a member of within 30 days after written notice is delivered to Executive by the Corporation that sets forth in reasonable detail the basis of such failure; or (c) willful misconduct that is or may reasonably be expected to have a material adverse effect on the reputation or interests of the Corporation.

F. As used herein, "Good Reason" shall mean (a) a material reduction by the Corporation in Executive's base salary, annual incentive opportunity or annual total target direct compensation; (b) a material diminution in Executive's position, authority, duties or responsibilities (including reporting responsibilities) or failure by the Board to re-nominate Executive for reelection to the Board for the period during which Executive serves as Chief Executive Officer; (c) a relocation of Executive's location of employment by more than 50 miles from the office where Executive is located as of the Effective Date; or (d) the Company's material breach of any provision of the Executive's offer letter; provided that, for the purposes of clauses (a) through (d), (i) Executive gives written notice to the Corporation setting forth in reasonable detail the basis of the event within 30 days of becoming aware of it, (ii) such event has not been cured within 30 days after Executive gives written notice and (iii) Executive terminates his employment within 90 days after giving the notice described under clause (i), above.

11. AMENDMENT

In the event that the Board of Directors of the Corporation shall amend the 2017 Plan and such amendment shall modify or otherwise affect the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan.

12. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

14. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____
[_____]

EXECUTIVE

By: _____
[_____]

Exhibit 10.6

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION COPY

AMENDMENT NUMBER ONE
Subservicing Agreement
dated as of August 17, 2018
by and between
NEW RESIDENTIAL MORTGAGE LLC
and
OCWEN LOAN SERVICING, LLC

This AMENDMENT NUMBER ONE is made this 17th day of August, 2018, by and between OCWEN LOAN SERVICING, LLC, as subservicer (the "Subservicer"), and NEW RESIDENTIAL MORTGAGE LLC, as owner/servicer (the "Owner/Servicer"), to that certain Subservicing Agreement, dated as of July 23, 2017 (the "Agreement"), by and between the Subservicer and the Owner/Servicer.

RECITALS

WHEREAS, the Subservicer and the Owner/Servicer desire to amend the Agreement, subject to the terms hereof, to modify the Agreement as specified herein; and

WHEREAS, the Subservicer and the Owner/Servicer each have agreed to execute and deliver this Amendment Number One on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments. Effective as of August 17, 2018, the Agreement is hereby amended as follows:

(a) The Agreement is hereby amended by replacing all references to "Subservicer Parent" with "Corporate Parent".

(b) Article I of the Agreement is hereby amended by adding the following new definitions in alphabetical order therein:

"Confidentiality Agreement: That certain Confidentiality Agreement, dated as of May 5, 2015, by and between New Residential Investment Corp. and Subservicer."

"Disclosing Party: Shall have the meaning assigned to such term in Section 10.12."

"New RMSR Agreement: That certain New RMSR Agreement, dated as of January 18, 2018, by and among the Subservicer, Owner/Servicer, HLSS and MSR – EBO, as amended, supplemented or otherwise modified from time to time."

"NRM Agency Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer, and Subservicer, as subservicer for agency loans."

"NRZ O/S Entity: Each of Owner/Servicer, Shellpoint, HLSS and MSR – EBO."

"NRZ Servicing/Subservicing Agreement: Each of the this Agreement, the Servicing Addendum and the Shellpoint PLS Subservicing Agreement."

"PHH: PHH Mortgage Corporation."

"PMI Proceeding Advance: Any and all Losses incurred by the Subservicer (or any agent, attorney, Vendor and/or representative of the Subservicer) in connection with any PMI Proceeding, regardless whether the Subservicer and/or the Owner/Servicer is entitled under the related Servicing Agreement to be reimbursed for such Losses."

"Servicing Addendum: That certain Servicing Addendum attached as Annex 1 to the New RMSR Agreement as may be amended, supplemented or otherwise modified from time to time."

"Shellpoint: New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing."

"Shellpoint PLS Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between Shellpoint, as owner/servicer, and Subservicer, as subservicer for non-agency loans."

(a) The definition of "Affiliate" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Affiliate: (i) With respect to Subservicer, Corporate Parent, OMS, Homeward Residential Holdings, Inc., Homeward Residential Inc. and the direct or indirect wholly-owned subsidiaries of Subservicer and the direct or indirect subsidiaries of Corporate Parent involved in forward mortgage servicing, forward mortgage lending or related ancillary services and (ii) with respect to the Owner/Servicer, HLSS, MSR-EBO, Shellpoint, New

Residential Investment Corp. and the direct or indirect wholly-owned subsidiaries of New Residential Investment Corp."

(b) The definition of "Approved Third-Party Appraisers" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Approved Third-Party Appraisers: The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Owner/Servicer and the Subservicer as an "Approved Third-Party Appraiser" for purposes of this Agreement: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor."

(c) The definition of "Change of Control" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Change of Control: Unless otherwise consented to by Owner/Servicer (a decision on which shall not be unreasonably delayed) with respect to the Subservicer, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Subservicer; (ii) the sale, transfer, or other disposition of all or substantially all of Subservicer's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Subservicer with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Subservicer immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Owner/Servicer (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members

of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Owner/Servicer agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1."

(d) The definition of "Business Day" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, Texas, New Jersey or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing.

(e)

(f) The definition of "Confidential Information" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Confidential Information: Any and all information regarding the transactions contemplated by this Agreement, Consumer Information, the proprietary, confidential and non-public information or material relating to the business (including business practices) of the Disclosing Party (as defined in Section 10.12) (or the Disclosing Party's clients and investors), information regarding the financial condition, operations and prospects of the Disclosing Party, and any other information that is disclosed to one party by or on behalf of the other party or any of their respective Affiliates or representatives, either directly or indirectly, in writing, orally or by drawings or by permitting inspection of documents or other tangible expression, whether exchanged before or after the date of this Agreement, and contained in any medium, which the Disclosing Party considers to be non-public, proprietary or confidential. Confidential Information includes (but is not limited to) all (a) information relating to HLSS and MSR–EBO's interest in the Rights to MSRs and/or Excess Servicing Fee (each as defined in the New RMSR Agreement) or the amount, characteristics or performance of the Mortgage Loans or any economic or noneconomic terms of this Agreement; (b) information relating to research and development, discoveries, formulae, inventions, policies, guidelines, displays, specifications, drawings, codes, concepts, practices, improvements, processes, know-how, patents, copyrights, trademarks, trade names, trade secrets, and any application for any patent, copyright or trademark; and (c) descriptions, financial and statistical data, business plans, data, pricing, reports, business

processes, recommendations, accounting information, identity of suppliers, business relationships, personnel information, technical specifications, computer hardware or software, information systems, customer lists, costs, product concepts and features, corporate assessments strategic plans, services, formation of investment strategies and policies, other plans, or proposals, and all information encompassed in the foregoing. Information relating to the Disclosing Party's consultants, employees, clients, investors, customers, members, vendors, research and development, software, financial condition or marketing plans is also considered Confidential Information."

(g) The definition of "Consumer Information" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Consumer Information: Any personally identifiable information relating to a Mortgagor which is considered "nonpublic personal information" of "customers" or "consumers" as those terms are defined in the GLBA."

(h) The definition of "Exit Fee Percentage" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Exit Fee Percentage: The applicable basis points set forth in Exhibit D associated as of the actual transfer date set forth in Exhibit D."

(i) The definition of "Material Adverse Effect" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Material Adverse Effect: With respect to the Subservicer (a) a Material Adverse Change with respect to the Subservicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Subservicer to perform under this Agreement, or to avoid a Subservicer Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Subservicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Subservicer to realize the full benefits of the Servicing Rights. With respect to the

Owner/Servicer (a) a Material Adverse Change with respect to the Owner/Servicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Owner/Servicer to perform under this Agreement, or to avoid any Owner/Servicer Termination Event under this Agreement (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Owner/Servicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and any NRZ Servicing/Subservicing Agreement, taken as a whole."

(j) The definition of "Measurement Balance" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement).

(k) The definition of "Measurement Loans" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum."

(l) The definition of "Performance Triggers" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Performance Triggers: Any of the events set forth on Exhibit J, as may be modified by mutual agreement of the parties from to time, including upon the addition of additional Mortgage Loans as reflected in an Acknowledgment Agreement, or through other written agreement of the parties, it being understood that, to the extent applicable, the Seller, the Purchasers and the NRZ O/S Entities shall coordinate with respect to any modifications to the Performance Triggers under and as defined in the respective NRZ Subservicing Agreement and any modifications to the Performance Triggers hereunder."

(m) The definition of "REO Disposition Services" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"REO Disposition Services: The services provided by a Vendor or services which such Vendor controls, which shall include, without limitation, valuation services, property preservation and inspection, trustee services, insurance, title services, management services, liquidation services (REO sales, short sales), due diligence services, mortgage charge off collection, mortgage fulfillment and underwriting services unless otherwise agreed to by the parties, but shall exclude umbrella insurance on REO Properties."

(n) The definition of "Representatives" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Representatives: With respect to the Owner/Servicer or any NRZ O/S Entity, the employees, managers, advisors, agents, contractors, counsel, auditors and other representatives of the Owner/Servicer or such NRZ O/S Entity."

(o) The definition of "Servicing Advance" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Subservicer in accordance with the Applicable Requirements and the Advance Policy, and after the Transfer Date, subject to the terms of this Agreement, excluding (i) any P&I Advance or indemnification amounts payable by the Subservicer pursuant to this Agreement and (ii) any PMI Proceeding Advances."

(p) The definition of "Termination Fee" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Termination Fee: The fee payable by the Owner/Servicer to the Subservicer as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Subservicer under any NRZ Servicing/Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Servicing/Subservicing Agreements exceed the amount set forth on Exhibit C-1.

(q) The definition of "Transfer Agreement" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Transfer Agreement: That certain Transfer Agreement dated as of July 23, 2017, among Subservicer, Owner/Servicer, Corporate Parent and New Residential Investment Corp, as may be amended, supplemented or otherwise modified from time to time."

(r) The definition of "Vendor" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Vendor: Any contractor, vendor, real estate broker and/or service provider (which may be an Affiliate of the Owner/Servicer) engaged by the Subservicer and involved in providing services with respect to any Mortgage Loans or Subservicing in accordance with and subject to the terms of this Agreement."

(s) The Agreement is hereby amended by deleting Sections 2.1(c), (d), (e) and (h) in their entirety and replacing them with the following:

"(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined

with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Owner/Servicer hereunder, such delivery to the Owner/Servicer of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Owner/Servicer hereunder.

(d) Notwithstanding any provision in this Agreement to the contrary, the parties acknowledge that all of the Mortgage Loans that become subject to this Agreement are serviced or subserviced by the Subservicer immediately preceding the Transfer Date (each, a "Prior Ocwen Serviced Loan") and that no physical transfer of servicing shall be required with respect to such Prior Ocwen Serviced Loan except as may be necessary to reflect the Owner/Servicer's ownership of the Servicing Rights and any related requirements under Applicable Requirements. For such Prior Ocwen Serviced Loans, the parties' respective obligations and liabilities with respect to the Prior Ocwen Serviced Loans relating to matters occurring during the period of time prior to the applicable Transfer Date shall be as set forth in the Transfer Agreement.

(e) Upon the Owner/Servicer's request, the Subservicer shall reasonably cooperate with the Owner/Servicer and any backup servicer designated by the Owner/Servicer, including, but not limited to, working and coordinating with such backup servicer's personnel to provide applicable mapping system fields, data checks, conversion routines and such other assistance to enable such backup servicer to receive readable data from the Subservicer on a periodic basis, provided, however, that, any such back-up servicer shall be approved by the Seller pursuant to Section 2.3(f) and to the extent a backup servicer has been engaged by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer may not designate a different backup servicer hereunder. On a monthly basis, at no additional charge (unless requested more frequently than monthly), Subservicer shall provide to Owner/Servicer and to any backup servicer designated by the Owner/Servicer the information, in readable form, set forth in Schedule 2.1(e) with respect to the Mortgage Loans subserviced hereunder. In addition, the Subservicer shall provide information and data regarding the Mortgage Loans and Servicing Rights to the designated backup servicer as required by such backup servicer, including but not limited to contacts for Vendors and Default Firms performing services on the Mortgage Loans, images of Mortgage Servicing Files in Subservicer's possession or control, and reports identifying the party in possession of the Mortgage Loan Documents from the Custodian. Except with respect to the monthly data transmission described above, the Owner/Servicer shall reimburse the Subservicer for its out-of-pocket costs and expenses or its internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection

with its cooperation with such backup servicer in accordance with the process set forth in Section 2.3(d) of this Agreement. The Subservicer's obligation to provide any information to a back-up servicer shall only arise following the backup servicer and Subservicer entering into a customary, mutually agreeable non-disclosure agreement which will limit such back-up servicer's use of information provided by or on behalf of Subservicer to the purpose of providing such back-up services.

(h) Notwithstanding anything set forth in this Agreement to the contrary, with respect to the Servicing Rights for which Owner/Servicer is acting as Master Servicer, (i) the Owner/Servicer hereby appoints the Subservicer as its agent to be the REMIC administrator for each Servicing Agreement which requires the Master Servicer under such Servicing Agreement to perform the duties of the REMIC administrator therein and the Subservicer shall perform such obligations of the REMIC administrator in accordance with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement and (ii) the Subservicer shall not have the obligations specifically excluded under the addendum set forth in Exhibit R (the "Master Servicing Addendum") attached hereto; provided that such exclusions shall only apply to the Subservicer's performance of the Master Servicer's obligations of the Subservicer and not to any primary or subservicing obligations relating to the same Mortgage Loans with respect to the Subservicer acting as SBO Servicer."

(t) The Agreement is hereby amended by deleting Section 2.1(g) in its entirety and replacing it with the following:

"(g) For any New Mortgage Loans, the Subservicer shall subservice each such New Mortgage Loan pursuant to the NRM Agency Subservicing Agreement."

(u) The Agreement is hereby amended by deleting Section 2.2(a)(v) in its entirety and replacing it with the following:

"(v) Maintain accurate records reflecting the status of taxes, ground rents, and other recurring similar charges generally accepted by the mortgage servicing industry, which would become a lien on the Mortgaged Property. For all Mortgage Loans providing for the payment to and collection by the Subservicer of Escrow Payments for taxes, ground rents, or such other recurring charges, the Subservicer shall remit payments for such charges before any penalty date. The Subservicer assumes responsibility for the timely remittance of all such payments and will hold harmless and indemnify the Owner/Servicer and the applicable Investor from any and all Losses resulting from the Subservicer's failure to discharge said responsibility subsequent to the Transfer Date of the particular Mortgage Loan by the Subservicer; provided, however, that Subservicer shall not be obligated to indemnify any Investor for any Losses other than as expressly

set forth in the applicable Servicing Agreement. The Subservicer shall promptly notify the Owner/Servicer if it becomes aware of any missing or erroneous information with respect to the Mortgage Loans that is preventing or impeding the Subservicer from timely meeting tax or other payments obligations with respect to the Mortgage Loans or from otherwise meeting the Subservicer's obligations under this Agreement. Within thirty (30) days of each Transfer Date, the Subservicer shall notify the Owner/Servicer in writing identifying the related Mortgage Loans for which assignable life-of-loan tax service or life of loan flood service contracts have not been provided to the Subservicer in connection with the servicing transfer;"

(v) The Agreement is hereby amended by deleting Section 2.2(a)(ix) in its entirety and replacing it with the following:

"(ix) With respect to Mortgage Loans covered by PMI policies, the Subservicer shall comply with all requirements of the applicable PMI Companies, including requirements concerning the giving of notices and submitting of claims required to be given or submitted pursuant to Applicable Requirements. In connection with any assumption or substitution agreement entered into or to be entered as permitted under Applicable Requirements, the Subservicer shall promptly notify the related PMI Company, if any, of such assumption or substitution of liability in accordance with the terms of the PMI policy. The Subservicer shall provide to the Owner/Servicer a monthly report as set forth in Exhibit E regarding notices of rescission of PMI policies, it being understood that Subservicer may deliver a single report to any NRZ O/S Entity covering all such notices applicable to the Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans being serviced hereunder and such delivery shall be deemed to constitute delivery hereunder;"

(w) The Agreement is hereby amended by deleting Section 2.2(a)(xvii) in its entirety and replacing it with the following:

"(xvii) Maintain the Mortgage Servicing Files and the Mortgage Loan Documents in its possession pursuant to Applicable Requirements and maintain a record of its handling of such documents and files. Any Mortgage Loan Documents that are in the possession of the Subservicer shall be held in secure and fireproof facilities or storage areas in accordance with customary standards for the custody of similar documents and Applicable Requirements. The Subservicer shall allow the Owner/Servicer, its Affiliates and its agents to conduct such audits, from time to time, to confirm the Subservicer's recordkeeping, storage and security practices with respect to such files and documents, it being understood that Owner/Servicer and its Affiliates shall coordinate with each

other with respect to such audits and any such audits conducted under this Agreement, the NRM Agency Subservicing Agreement and the NRZ Servicing/Subservicing Agreements. The Subservicer shall only release Mortgage Servicing Files and Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements. Notwithstanding the foregoing sentence, in connection with an examination or any request by any Investor or Governmental Authority, the Subservicer shall use all commercially reasonable efforts to release any requested Mortgage Servicing Files and/or Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements and shall deliver any such documents within the time frame set forth by such Investor or Governmental Authority. Any documents or files that are released by the Subservicer shall be properly tracked and pursued to the extent such documents or files are not returned to the Subservicer or to the Custodian. The Subservicer shall provide the Owner/Servicer with information related to documents or files that have been released by the Subservicer promptly upon request. The Subservicer shall cooperate in good faith with the Owner/Servicer in connection with clearing any document exceptions with respect to such releases, consistent with Applicable Requirements."

(x) The Agreement is hereby amended by deleting Section 2.2(e) in its entirety and replacing it with the following:

"(e) The Subservicer shall maintain its current internal quality control program that reviews, on a regular basis, its compliance with and conformity to all Applicable Requirements (including all applicable regulations, rules, directives and published guidance of the CFPB, as such may be amended, modified or supplemented from time to time) to which the Subservicer and the Corporate Parent is subject. The quality control program shall include (i) evaluating and monitoring the overall quality of the Subservicer's loan servicing and origination activities, including collection call programs, in accordance with industry standards and this Agreement and (ii) tests of business process controls and loan level samples. Subject to Section 10.17, the Subservicer shall provide to the Owner/Servicer reports related to such quality control program as set forth on Exhibit Q. The Subservicer shall provide the Owner/Servicer with a copy of its quality control program on or prior to the Effective Date, and shall provide or make available the quality control program in accordance with Exhibit Q. The Subservicer shall provide the Owner/Servicer with notice of any material modifications to the quality control program as promptly as possible and in any event not later than within one calendar month following the implementation of such material modification. In the event of a material modification to the quality control program, the Owner/Servicer shall have the option to perform a due diligence review of the revised quality control program on reasonable notice to the Subservicer and the Subservicer shall cooperate with due diligence requests from the Owner/Servicer. The Owner/

Servicer and Subservicer agree that any report or notices delivered to any NRZ O/S Entity pursuant to Section 2.2(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder."

(y) The Agreement is hereby amended by deleting Section 2.3(d) in its entirety and replacing it with the following:

"(d) To the extent such Change Requests or Subservicer's compliance with Section 2.1(e), would result in the Subservicer incurring any additional out-of-pocket costs or expenses or internally allocated costs or expenses, which collectively are in excess of $[***] in connection with the implementation of such changes (and measured together with any similar Change Request delivered by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement), the Subservicer shall provide the Owner/Servicer with a good faith estimate regarding the costs and expenses needed to implement the contemplated work on the Owner/Servicer's behalf and reasonable supporting documentation. If such work will involve third party costs or expenses, the Subservicer shall follow Owner/Servicer's reasonable instructions regarding the retention of such third party providers, including the terms of such retention, related requests for proposals, seeking fixed prices or caps or similar arrangements and establishing time commitments from such third parties. Any such estimate shall also include the anticipated time frame for implementation of such work. Such estimate shall also include the ongoing incremental expense of performing the work in a modified manner as described in the Change Request. If the Owner/Servicer consents to the Subservicer performing such work on its behalf, the parties will enter into a mutually acceptable agreement for implementation of such work (such agreement, a "Statement of Work"), which shall be performed by the Subservicer on a commercially-reasonable, best-efforts basis. Upon the due execution by both parties, the Statement of Work shall constitute an amendment to this Agreement without further action on the part of either party. The Subservicer shall perform the services set forth in the Statement of Work in the manner provided therein, and the Owner/Servicer shall pay for any agreed upon cost, if any, of the implementation and any additional services resulting therefrom, in each case in accordance with the terms of the Statement of Work and this Agreement in accordance with the process set forth in Section 2.3(d) of this Agreement. If the actual internally allocated costs and expenses are greater than the estimated amount, (i) the Owner/Servicer shall not be liable for any amounts in excess of such invoiced amount and (ii) the Subservicer shall perform all such contemplated work within the agreed upon timeframe. Subject to Owner/Servicer's approval of the terms of retention of the applicable third parties in accordance with this Section 2.3(d), if the actual out-of-pocket costs and expenses

are greater than the estimated amount, the Owner/Servicer shall reimburse the Subservicer for all such amounts. Subservicer shall regularly communicate with Owner/Servicer regarding the status of performance of any Statement of Work hereunder, including with respect to any actual or expected delays or cost overruns. Owner/Servicer agrees that to the extent any NRZ O/S Entity and Subservicer are contemplating or implementing a similar Change Request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer shall coordinate with such NRZ O/S Entity on a single set of estimates, instructions, reporting, processes and Statements of Work. For the avoidance of doubt, the parties understand and agree that a Statement of Work shall not be required to implement (i) the services already enumerated or contemplated under this Agreement (other than the services contemplated by this Section 2.3 or any other services or activities in this Agreement that are expressly subject to the Statement of Work process set forth in this Section 2.3) or (ii) other services or projects previously commenced by the Subservicer on behalf of the Owner/Servicer."

(z) The Agreement is hereby amended by deleting Sections 2.3(f) and (g) in their entirety and replacing them with the following:

"(f) *Approval Process*. Any Approved Party, Substitute Vendor, backup servicer or [***] shall be subjected to Subservicer's usual and customary vendor onboarding process (consistent with its practices prior to the Effective Date or improvements that Subservicer makes to such process on a platform-wide basis). Following such onboarding process, if Subservicer identifies that such Person has material deficiencies or would be reasonably likely to violate Applicable Requirements, in each case consistent with Subservicer's practices prior to the Effective Date or improvements that Subservicer makes to such process on a platform-wide basis, Subservicer shall notify Owner/Servicer in writing and shall provide the basis for determining that such Person has material deficiencies and/or would be reasonably likely to violate Applicable Requirements. [***]

(g) In addition to the Owner/Servicer's indemnification obligations set forth in Section 8.3, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of [***]. For purposes of this Section 2.3(g), a "Directed Provider" shall be any Approved Party, Substitute Vendor, backup servicer [***] proposed by the Owner/Servicer in accordance with the terms of this Agreement and onboarded in accordance with and subject to Section 2.3(f). For the avoidance of doubt, Subservicer's interaction and/or cooperation with any Directed Provider shall not constitute an endorsement, evaluation or view of or by the Subservicer as to whether any agreement between Owner/Servicer and any Directed Provider complies with Applicable Requirements."

(aa) The Agreement is hereby amended by adding the following sentence to the beginning of Section 2.4:

"At any time prior to the date New Residential Mortgage LLC is terminated as Owner/Servicer:"

(ab) The Agreement is hereby amended by deleting Sections 2.4(b), (c), (d), (f), (g) and (j) in their entirety and replacing them with the following:

"(b) From time to time, the Subservicer may engage other Vendors in addition to those appearing on Exhibit I-1 to provide services to the Subservicer that are related to the Mortgage Loans. The Subservicer shall not engage any Vendors or Default Firms to provide services with respect to any Mortgage Loan if such Vendor or Default Firm is on any of the (i) Freddie Mac Exclusionary List, (ii) Specifically Designated Nationals and Blocked Persons List published by OFAC, (iii) Suspended Counterparty Program list published by FHFA, or (iv) Subservicer's internal exclusionary list, and shall promptly (x) notify Owner/Servicer if any such Vendor or Default Firm becomes subject to any such exclusionary list, and (y) replace any such Vendor or Default Firm. In the event any such additional Critical Vendor is identified by the Owner/Servicer as having been deficient in the reasonable judgment of the Owner/Servicer, the Owner/Servicer shall notify the Subservicer with its concerns of such Critical Vendor. The Subservicer shall notify the Owner/Servicer of additional Critical Vendors at the timing set forth in Exhibit E-1. The Subservicer shall promptly respond to the Owner/Servicer and the parties hereto shall cooperate in good faith to resolve the Owner/Servicer's concerns and/or findings relating to Critical Vendors, including but not limited to determining if such deficiencies can be corrected or to replace Critical Vendors, as applicable, with another Vendor or Default Firm, as applicable, mutually acceptable to the parties and in accordance with Applicable Requirements. In addition, the Subservicer shall promptly notify the Owner/Servicer of any material deficiencies with respect to any Vendor and/or Default Firm used by the Subservicer with respect to any Mortgage Loan. To the extent that the same Vendor or Default Firm is being utilized under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer will coordinate with the related NRZ O/S Entity regarding all inquiries, notices and determinations with respect to such Vendor or Default Firm.

(c) With respect to any Vendor that performs any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, the Subservicer shall routinely, in accordance with Applicable Requirements, (i) examine and audit the books, records, and/or other information of any such Vendor and (ii) monitor the activities of such Vendor (including but not limited to reviewing call transcripts and

listening to audio-recordings of calls to Mortgagors). The Subservicer shall promptly deliver to the Owner/Servicer at least ninety (90) calendar days (or if a shorter period of time is necessary for Subservicer's ongoing business continuity purposes, not later than the date the potential vendor enters into Subservicer's input process) advance written notice of any Off-shore Vendors that the Subservicer intends to cause to perform any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, it being understood that Subservicer may combine such notice with any similar notice(s) delivered to any NRZ O/S Entity in connection with the utilization of such Off-shore Vendors in connection with the related NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement.

(d) All foreclosure attorneys, bankruptcy attorneys and eviction attorneys (collectively, "Default Firms") and all Vendors to be used in connection with the servicing and administration of the Mortgage Loans and REO Properties shall (i) be engaged in accordance with Applicable Requirements and (ii) have any and all qualifications, licenses and/or approvals necessary to perform their respective services in this Agreement in accordance with Applicable Requirements. The Subservicer shall (x) review on at least an annual basis that each Default Firm providing foreclosure or bankruptcy services that its attorneys are licensed to practice in the relevant jurisdiction and are in good standing in the relevant jurisdictions and bars, (y) provide an annual certification to the Owner/Servicer to the matters in clause (x) of this Section 2.4(d) (by the Subservicer or each Default Firm) and shall state each Default Firm meets Agency requirements and Applicable Requirements, and (z) provide the Owner/Servicer with copies of such evidence available to the Subservicer upon reasonable request of the Owner/Servicer, it being understood that any certifications or other materials provided by Subservicer to an NRZ O/S Entity pursuant to Section 2.4(d) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered to Owner/Servicer hereunder. Within thirty (30) days of the Effective Date, the Subservicer shall (i) provide a report to the Owner/Servicer identifying any Default Firm which received an "objection" or other similar classification from any Agency to the extent the Subservicer submitted such Default Firm to an Agency for servicing Agency loans in the Subservicer's servicing portfolio, it being understood that to the extent such report have been made available to any NRZ O/S Entity pursuant to Section 2.4(d) of the any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to have been made available hereunder and (ii) shall cooperate with Owner/Servicer to evaluate what steps, if any, should be taken as a result of such objection."

"(f) The Subservicer shall oversee all Vendors, Off-shore Vendors and Default Firms in accordance with the Vendor Oversight Guidance and its third-party management policy, and require that all Vendors, Off-shore Vendors and Default

Firms on the Vendor List maintain and provide policies and procedures applicable to the services provided in a manner consistent with all Applicable Requirements, the Vendor Oversight Guidance and the servicing standards under this Agreement. Solely as it relates to a violation or non-compliance with Applicable Requirements by a Vendor that materially and adversely affects any Mortgage Loan or the related Servicing Rights, within twenty-one (21) Business Days of confirmation of the violation or non-compliance with Applicable Requirements, (i) the Subservicer shall provide to the Owner/Servicer notice of such violations or such non-compliance with Applicable Requirements of which the Subservicer has knowledge by any Vendor, Off-shore Vendor and/or Default Firm under the Vendor Oversight Guidance, the Subservicer's third-party management policy and/or Applicable Requirements, (ii) the Subservicer agrees to cooperate with the Owner/Servicer to remedy such non-compliance and to maintain regular communication with the Owner/Servicer regarding the progress of any remediation efforts, (iii) the Subservicer shall provide to the Owner/Servicer a summary and action-plan by the Subservicer detailing how such violation(s) or non-compliance will be remediated, (iv) to the extent permitted under the applicable Vendor contract or consented to by such Vendor, the Owner/Servicer may directly participate in cooperation with the Subservicer in any of the material activities described in this paragraph, and (v) the Subservicer shall provide to the Owner/Servicer, if applicable, a request in writing for an extension of the twenty-one (21) Business Day period. To the extent that any violation or non-compliance with Applicable Requirements by a Vendor relates to any Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, all notices by Subservicer, and all cooperation efforts, summaries, action plans and permitted extensions shall be done in coordination with such NRZ O/S Entity and those activities contemplated in Section 2.4(f) of such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall provide the Owner/Servicer with the Subservicer's then current third-party management policy or policies at the timing set forth in Exhibit E-1 in an acceptable searchable electronic format that allows for comparison of the current policies against the policies from the prior period and shall provide the Owner/Servicer with immediate written notice following the implementation of a material change to any such policy or policies, it being understood that to the extent Subservicer provides such policies to any NRZ O/S Entity pursuant to Section 2.4(f) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies shall be deemed to have been delivered hereunder.

(g) The Subservicer shall conduct periodic reviews of the Vendors, Off-shore Vendors and Default Firms that the Subservicer engages to perform under this Agreement in accordance with its third-party management policy and Vendor Oversight Guidance to confirm compliance, timeliness and completeness with

respect to the terms of this Agreement and Applicable Requirements and that the Vendors, Off-shore Vendors and Default Firms are not subject to litigation or other enforcement actions that could have a material effect on such Vendor's, Off-shore Vendor's and/or Default Firm's financial viability or reputation. At the timing set forth in Exhibit E-1, the Subservicer shall provide to the Owner/Servicer the results of all periodic reviews concluded by or on behalf of the Subservicer during the prior three (3) month period for any Critical Vendor in a manner consistent with Exhibit Q, which shall be in the form of performance scorecards, risk rating and risk-tier assignment system, in each case, in a format reasonably acceptable to the Owner/Servicer. During each such quarterly update, the Subservicer shall notify the Owner/Servicer of any changes to the Subservicer's scorecard, risk-rating, or risk-tiering methodology, to the extent such information is available or obtainable for each Vendor, Off-shore Vendor and Default Firm. To the extent that Subservicer provides such quarterly reviews or notices to any NRZ O/S Entity pursuant to Section 2.4(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reviews and notices shall be deemed to have been delivered hereunder."

"(j) Subject to Section 10.17, if reasonably necessary for the Owner/Servicer to comply with the requirements of any Governmental Authority that exercises authority over the Owner/Servicer, the Subservicer shall, at the request of the Owner/Servicer, make available to the Owner/Servicer copies of any contracts electronically through an electronic portal, ftp site, or otherwise, by or with any Vendors, Off-shore Vendors and/or Default Firms on the Vendor List and any reports, audits, evaluations, reviews or assessments with respect to such contractors, it being understood that to the extent such contracts have been made available to any NRZ O/S Entity pursuant to Section 2.4(j) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such contracts shall be deemed to have been made available hereunder. Subject to Section 10.17, in the event the Subservicer is not able to make available copies contracts, reports, evaluations, reviews or assessments with respect to any Vendors, Off-shore Vendors or Default Firms that are required to be made available to the Owner/Servicer under this Section 2.4 or are otherwise reasonably requested by the Owner/Servicer in order for it to comply with Applicable Requirements because such materials are subject to confidentiality or other non-disclosure restrictions that would prevent disclosing such materials, (i) the Subservicer shall make reasonable efforts to obtain consent to disclosure from the related Vendors, Off-shore Vendors or Default Firms, with the understanding that pricing or other confidential business terms may be redacted and (ii) the Subservicer shall provide the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited."

(ac) The Agreement is hereby amended by deleting Sections 2.6(a), (b) and (c) in their entirety and replacing them with the following:

"(a) Each party shall identify a relationship manager with respect to the Mortgage Loans, who shall serve as the principal point of contact for the other party for purposes of answering questions with respect to the Subservicing pursuant to this Agreement, it being understood that, to the extent that either party has identified a relationship manager under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such person shall also serve as the relationship manager and point of contact for such party hereunder. Each party will provide prompt notice to the relationship manager of the other party if a change occurs with the relationship manager;

(b) Subject to Section 10.17, the Subservicer shall (i) notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days from the Subservicer's or the Corporate Parent's receipt from any Insurer (as determined by the login information pursuant to Subservicer's intake procedures), Investor or Governmental Authority of any written notice or inquiry relating to an alleged violation or non-compliance of Applicable Requirements with respect to any Mortgage Loans that would reasonably be expected to result in a sanction, fee or other liability to the Owner/Servicer (including, but not limited to, termination under the applicable Servicing Agreement(s)), the Corporate Parent or otherwise materially adversely affect the Owner/Servicer or the Subservicer's ability to perform its obligations under this Agreement, including, but not limited to, any allegations of discrimination by the Subservicer or the Corporate Parent and any civil investigative demand or request for information, and shall promptly provide a copy of any such notice, allegation, demand or inquiry to the Owner/Servicer, it being understood that to the extent such a notice is delivered to any NRZ O/S Entity pursuant to Section 2.6(b) of the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder, and (ii) cooperate fully with the Owner/Servicer to respond promptly and completely to any such allegations or inquiries and similarly to any such allegations or inquiries received by the Owner/Servicer, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent similar responses are required under any NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement. Subject to Section 10.17, the Subservicer shall notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days of learning (as determined by the login information pursuant to Subservicer's intake procedures) that an investigation of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority has determined that material deficiencies in servicing performance or a material violation or non-

compliance of Applicable Requirements has occurred; provided, however, that the Subservicer shall provide prompt notice but in no event later than ten (10) Business Days to the Owner/Servicer if (i) the Subservicer reasonably believes that a Governmental Authority is reasonably likely to suspend, revoke or limit any license or approval necessary for the Subservicer to service the Mortgage Loans in accordance with the terms of this Agreement, (ii) any notice from Fannie Mae, Freddie Mac or HUD regarding the termination or potential termination of the Subservicer as an eligible servicer for Fannie Mae, Freddie Mac or HUD, as applicable, (iii) any downgrade or actual notice of any anticipated downgrade of the Subservicer's servicer ratings, if any, with any Rating Agency or (iv) a special investigation or non-routine exam of the Subservicer or the Corporate Parent commenced by a Governmental Authority is reasonably likely to result in a Material Adverse Effect with respect to the Servicing Rights, it being understood that to the extent such a notice is delivered to an NRZ O/S Entity pursuant to Section 2.6(b) of an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder. The Subservicer shall then periodically, as often as the Owner/Servicer may reasonably request, confer with the Owner/Servicer to advise the Owner/Servicer of the status of any such investigation, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent applicable on all such requests. In addition, subject to Section 10.17, within ten (10) Business Days of the Subservicer's or the Corporate Parent's receipt (as determined by the login information pursuant to Subservicer's or Corporate Parent's intake procedures, as applicable), the Subservicer shall deliver to the Owner/Servicer (x) any reports and/or findings with respect to such investigation relating to any material deficiencies in servicing performance or material violations or non-compliance with Applicable Requirements and (y) any consent decree terms and/or any proposed consent decree terms in connection with any investigation or settlement negotiations of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority that would materially affect the servicing activities hereunder or that would result in a Material Adverse Effect with respect to the Servicing Rights or the Owner/Servicer, it being understood that any such reports, findings, consent decrees and/or proposed consent terms delivered by any NRZ O/S Entity pursuant to Section 2.6(b) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder. In the event the Subservicer is prohibited under applicable rules of privilege and confidentiality based upon the express advice of counsel from providing specific information or documentation under this Section 2.6, the Subservicer shall provide (and to the extent prohibited, the Subservicer shall provide to the maximum extent possible the information that is not prohibited from being disclosed) the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited under such rules, it being understood that to the

extent Subservicer has provided such information to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such information shall be deemed to have been provided hereunder. Any report made pursuant to this Section 2.6 related to regulatory investigation or other regulatory contact with the Subservicer and/or Corporate Parent, shall be at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report;

(c) The Subservicer shall maintain a log of all "qualified written requests" (as such term is used in the Real Estate Settlement Procedures Act) relating to the Mortgage Loans and a log of all escalated telephone complaints related to the Mortgage Loans. The Subservicer shall (i) provide copies of such logs the following month no later than the Reporting Date (or promptly upon the request by the Owner/Servicer) and (ii) make copies of any correspondence or documentation relating to any items included in such logs available electronically or on the Subservicer's systems for access to data and reports. The Subservicer shall provide basic complaint reporting and an Escalated Complaint Case Data Report, at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report, respectively, and a Notice of Error and Request for Information Report, in each case, at the timing set forth in Exhibit E and in the format set forth in the related Formatted Servicing Report. For the purpose of this Section 2.6(c), the Subservicer may provide combined reports and other materials concerning the Mortgage Loans serviced or subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans subserviced hereunder, and the delivery of such combined reports and materials to any NRZ O/S Entity shall be deemed to constitute delivery hereunder. The Subservicer shall handle all complaints received by the Subservicer in accordance with Applicable Requirements, and shall:

(i) Maintain an internal procedure to provide for the management, acknowledgment, response, tracking, and reporting of written and telephonic complaints made to, or received by, the Subservicer in accordance with Applicable Requirements. The Subservicer shall provide the Owner/Servicer with a copy of such procedures and any material changes to such procedures at the timing set forth in Exhibit E-1. For the avoidance of doubt, for any purposes under this Agreement, written complaints include any complaints delivered in hard copy or in electronic form, including as obtained electronically through the CFPB or other regulatory portals.

(ii) The Subservicer shall make available promptly upon request of the Owner/Servicer with copies of a written complaint or transcripts of any telephonic complaints with respect to a Mortgage Loan (whether by or on behalf of Mortgagors or any third party), and any ongoing correspondence related thereto and the final

written response to such complaint, and other reasonably related documents or information, upon request of the Owner/Servicer.

(iii) The Subservicer also shall include in its complaint monitoring, handling, and response activities any complaints and requests regarding the services provided by the Subservicer hereunder initially received by the Owner/Servicer and forwarded to the Subservicer for review and response."

(ad) The Agreement is hereby amended by deleting Sections 2.7(a), (b) and (c) in their entirety and replacing them with the following:

"(a) The Subservicer shall comply with the Service Level Agreements ("SLAs") as set forth from time to time on Exhibit F, or as modified pursuant to this Section 2.7; provided, however, that the Subservicer will not be responsible for delays, errors or omissions caused by the Owner/Servicer or any NRZ O/S Entity or any verifiable factors outside of the Subservicer's control.

(b) No later than the applicable reporting schedule or deadline as set forth in any SLA, the Subservicer shall provide to the Owner/Servicer a report that sets forth the Subservicer's actual results with respect to such SLA for the applicable prior reporting period. In the event the Subservicer fails to comply with any SLA for a particular reporting period, the Subservicer shall provide to the Owner/Servicer in either the same reporting period or the immediately subsequent reporting period an explanation in writing of the reasons for failing to comply with each SLA and the proposed actions that the Subservicer shall undertake to address such failure. To the extent that Subservicer provides such reports and/or explanations to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, such reports and/or explanations shall be deemed to have been provided hereunder. The Owner/Servicer and the Subservicer shall cooperate in good faith to resolve any questions or issues regarding the SLAs and the Subservicer's performance with respect to such SLAs and Owner/Servicer shall coordinate with each NRZ O/S Entity regarding any such issues to the extent applicable under the related NRZ Servicing/Subservicing Agreement.

(c) At either party's request, the Owner/Servicer and the Subservicer shall review the SLAs and any proposed modifications to the SLAs (including the related tools and methodologies for measuring or calculating compliance with such SLAs). Such modifications shall be implemented and shall become effective when such modification is acknowledged in writing and signed by both parties. The parties agree that, to the extent applicable, the Owner/Servicer and Subservicer shall use commercially reasonable efforts to reconcile any modifications to the SLAs under

and as defined in the Shellpoint PLS Subservicing Agreement and any modifications to the SLAs hereunder."

(ae) The Agreement is hereby amended by deleting Sections 2.8(c), (d), (e), (f), (k) and (l) in their entirety and replacing them with the following:

"(c) The Subservicer shall provide the Owner/Servicer with the daily and monthly servicing reports in accordance with the timing set forth in Exhibit E-1 or otherwise required under this Agreement, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under the Shellpoint PLS Subservicing Agreement. The monthly servicing reports shall be delivered no later than the Reporting Date, unless otherwise set forth in Exhibit E-1 or agreed by the parties. Such reports shall be delivered electronically in a manner acceptable to the Owner/Servicer or made accessible to the Owner/Servicer on the Subservicer's reporting website (as described in Section 2.11(c)) and shall be in a format substantially in the forms attached to Exhibit E-2 (each, a "Formatted Servicing Report"), as applicable, or in such other format mutually agreed by the parties. In addition, upon request, the Subservicer shall provide the Owner/Servicer with a loan-level download (in a format reasonably requested by the Owner/Servicer) of servicing system collection comments within fifteen (15) calendar days of such request for up to [***] Mortgage Loans per quarter, or such longer period of time as the parties reasonably agree for more than [***] Mortgage Loans per quarter, unless the volume of loans requires a longer time period as determined in good faith by Subservicer in which case parties shall agree upon a reasonable timeframe to provide such comments. The Subservicer also shall cooperate in good faith with the Owner/Servicer to provide any additional reports or data as may be reasonably requested from time to time, including but not limited to any Owner/Servicer Regulatory Report subject to the process set forth in Section 2.3, it being understood that to the extent such a report is delivered to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such report shall be deemed to have been delivered hereunder.

(d) The Subservicer shall provide the Owner/Servicer in an electronic format, with a month end collection and delinquency report set forth in the related Formatted Servicing Report identifying on a loan-level basis the status of any Delinquent Mortgage Loans, and any Loss Mitigation efforts, including, but not limited to, loan modifications and forbearances, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under

any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery of such report to the applicable NRZ O/S Entity in accordance with the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder. Loan-level monthly reports shall be properly coded by the Subservicer to identify Mortgage Loans affected by Loss Mitigation efforts or other changes in payment terms and such reports shall reflect such pending payment terms. In the event a Governmental Authority or an Investor requests a report or delivery of data or information, the Subservicer and the Owner/Servicer shall follow the process set forth in Section 2.3.

(e) The Subservicer shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage Loans. In addition, the Subservicer shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a form to be reasonably agreed upon by the parties. The Subservicer's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Subservicer shall promptly provide to the Owner/Servicer copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The parties hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section 2.8(e) are delivered by Subservicer to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Subservicer may deliver combined reports covering Mortgage Loans subserviced under such NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and under this Agreement, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Subservicer may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Owner/Servicer under Section 2.8(e) of the Shellpoint PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Subservicer shall cooperate in good faith with any requests or instructions from the Owner/Servicer regarding such litigation and related proceedings, and Owner/Servicer shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

(f) On each Business Day, no later than two (2) Business Days after receipt thereof, the Subservicer shall remit to the Owner/Servicer the applicable Owner/Servicer Economics with respect to the Mortgage Loans pursuant to Section 4.1; provided, however, the Subservicer shall promptly notify the Owner/Servicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation until resolved in a mutually acceptable fashion pursuant to Section 4.3. The Subservicer shall provide the Owner/Servicer with the Reconciliation Report (as defined in Section 4.1) to confirm and reconcile the calculation of the Owner/Servicer Economics and the Subservicer Economics each month, including the appropriate breakdown and support of the various components of the daily Owner/Servicer Economics and monthly Owner/Servicer Economics and Subservicer Economics (on a loan-by-loan basis) and reflecting all applicable fees payable to the Owner/Servicer and to the Subservicer. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any such reporting with the reporting provided to the NRZ O/S Entities under Section 2.8(f) of the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement and delivery of such reporting under the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement shall be deemed to constitute deliver hereunder."

(k) The Subservicer shall cause an independent certified public accountant selected and employed by it to provide the Owner/Servicer not later than March 15th (or such earlier date required under the applicable Servicing Agreement) of each calendar year to furnish a statement to the effect that such firm has examined certain documents and records relating to the servicing of assets similar in nature to the Mortgage Loans and that such firm is of the opinion that the provisions of this Agreement or similar agreements have been complied with, and that, on the basis of such examination conducted substantially in compliance with the Uniform Single Attestation Program for Mortgage Bankers, nothing has come to their attention which would indicate that such servicing has not been conducted in compliance therewith, except for (i) such exceptions as such firm shall believe to be immaterial, and (ii) such other exceptions as shall be set forth in such statement. The parties agree that Subservicer may combine any such accountant statement with the similar accountant statements to be provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and that delivery of such combined shall be deemed to have been provided hereunder.

(l) In the event any items of material noncompliance with Applicable Requirements are discovered, or are specifically noted in connection with any audit or examination of the Corporate Parent or the Subservicer's servicing of any of the Mortgage Loans, the Subservicer shall promptly address and resolve such items and report the status, findings and resolution of such items in a timely manner to the Owner/Servicer and as otherwise required under Applicable Requirements, it being understood that to the extent such reports are provided to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to be provided hereunder."

(af) The Agreement is hereby amended by deleting Section 2.9(g) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(g) The Subservicer shall comply with the Applicable Requirements, including without limitation the applicable Servicing Agreement, and the Servicing Procedures in connection with procedures and requirements relating to Charged-off Loans and shall include in its monthly reporting to the Owner/Servicer when any such Mortgage Loans become Charged-off Loans. The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under Section 2.9(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. Unless otherwise required under Applicable Requirements, the Subservicer shall not make any Servicing Advances or P&I Advances with respect to Charged-off Loans and shall not be entitled to any Servicing Fees or other compensation with respect to Charged-off Loans. To the extent consistent with Subservicer's Servicing Procedures and in accordance with Section 2.4, Subservicer may utilize a Vendor for recovery collection on such Charged-off Loans."

(ag) The Agreement is hereby amended by deleting Section 2.10(c) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(c) To the extent the ongoing internal costs and expenses related to the Subservicer's interaction and/or cooperation with any Approved Party materially exceeds the costs Subservicer had previously experienced with respect to REO Disposition Services (the "Internal Cost Variance"), the Owner/Servicer shall reimburse the Subservicer the documented incremental costs and incremental expenses incurred by Subservicer with respect to interaction and cooperation with any Approved Party that exceeds the Subservicer's prior costs related thereto; provided that (i) the Subservicer shall use commercially reasonable efforts to minimize such incurred costs and expenses

and (ii) the Owner/Servicer shall have no obligation to reimburse the Subservicer for any costs and expenses related to changes in Subservicer's servicing systems, technology systems, servicing processes and/or training/re-training employees, in each case, in connection with the initial implementation and on-boarding. The Subservicer shall provide the Owner/Servicer any and all supporting documentation reasonably necessary to review the Internal Cost Variance asserted by Subservicer (supporting documentation may include invoices, reports and any other documentation or evidence which reasonably substantiates the alleged Internal Cost Variance) and the Owner/Servicer must reasonably agree with such Internal Cost Variance prior to the Owner/Servicer reimbursing the applicable incremental costs and incremental expenses as set forth above. The Owner/Servicer shall be reasonable with respect to any requests to change any Approved Party or Critical REO Disposition Vendor. In connection with the foregoing, the parties hereby agree that it would not be "reasonable" [***]. Any

Approved Party shall be onboarded in accordance with and subject to the provisions in Section 2.3(f) of this Agreement."

(ah) The Agreement is hereby amended by deleting Sections 2.11(a), (b), (c), (d), (e), (f) and (g) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) Subject to Section 10.17, the Subservicer shall keep accessible and retrievable, and make available to the Owner/Servicer upon the Owner/Servicer's reasonable request, copies of all records relating to the Subservicing of the Mortgage Loans under this Agreement, including records related to foreclosure and Loss Mitigation. The Owner/Servicer shall have the right to examine, audit or conduct diligence on the Subservicer and the Servicing Rights, Mortgage Loans; provided that the Owner/Servicer agrees to coordinate examinations, audits, reviews or diligence pursuant to this Section 2.11(a) with any examinations, audits, reviews or diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. In such reviews, the Subservicer will allow the Owner/Servicer, its Affiliates, and its Representatives (other than Representatives that are business competitors of Subservicer), during normal business hours and upon reasonable notice and provided that such review shall not unduly or unreasonably interrupt the Subservicer's business operations, to, at any time and from time to time, access to review all of Subservicer's origination and servicing platform, the Mortgage Files, facilities, employees, servicing files, servicing documents, servicing records, data tapes, computer records, servicing systems, and other computer and technology systems or other information pertaining to this Agreement, any Servicing Agreement, the Servicing Rights, the Mortgage Loans, P&I Advances, the Servicing Advances and the Subservicer's general servicing practices and procedures. The Subservicer may require that any Persons performing such due diligence on behalf of the Owner/Servicer agree to the same non-disclosure and confidentiality agreements set forth in Section 10.12. In furtherance thereof, the Subservicer shall provide such information, data and materials as reasonably requested by the Owner/Servicer in furtherance of this Section 2.11; provided that Owner/Servicer agrees to coordinate any requests with any such requests made by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Owner/Servicer shall pay its own expenses in connection with any such examination; provided further, to the extent the Owner/Servicer reasonably determines that additional diligence is necessary as a result of (x) incorrect or inaccurate information provided to Owner/Servicer by Subservicer or (y)

the Subservicer's (actual or reasonably alleged) failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement (including errors in judgment), in each case, the Subservicer shall reimburse the Owner/Servicer up to $500,000.00 per year for the incremental costs and expenses of conducting such additional diligence, it being understood that the maximum amount of $500,000 per year shall apply to all diligence conducted by Owner/Servicer hereunder and any diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. With respect to any reviews under this clause (a) and under Section 2.11(a) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement that exceed one (1) review in any three-month period (absent an event occurring under Section 5.3), the out-of-pocket and internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such additional review shall be at the Owner/Servicer's expense as further set forth in Section 2.3(d). In addition, upon Owner/Servicer's request, which request shall be made in coordination with any similar request by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, the Subservicer shall make its chief financial officer, treasurer or other senior executive that is both authorized and sufficiently well-informed to speak to Subservicer's financial condition, available to discuss Subservicer's financial condition, including its current liquidity, promptly but no less than two (2) Business Days after such request.

(b) The Subservicer shall cooperate in good faith with the Owner/Servicer and it Representatives and regulators in responding to any reasonable inquiries regarding the Subservicer's Subservicing of the Mortgage Loans and the Subservicer's compliance with, and ability to perform its obligations under, the provisions of this Agreement and Applicable Requirements, including without limitation inquiries regarding the Subservicer's qualifications, expertise, capacity and staffing levels, training programs, work quality and workload balance, reputation (including complaints), information security, document custody practices, business continuity and financial viability, monitoring and oversight of the Vendors, Off-shore Vendors and Default Firms as well as the current accuracy of the representations and warranties made by the Subservicer in Article VII, it being understood that Owner/Servicer shall coordinate all such requests with the requests made by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall reasonably cooperate to provide to the regulatory authorities supervising Owner/Servicer or its Affiliates and the examiners and supervisory agents of such authorities, access to the documentation required by applicable regulations of such authorities supervising

Owner/Servicer or its Affiliates with respect to the Mortgage Loans. The Owner/Servicer may request, in concert with any such request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and the Subservicer shall cooperate with, reasonable periodic reviews of the Subservicer's performance and competence under this Agreement to confirm timeliness, completeness, and compliance with all Applicable Requirements and the provisions of this Agreement, and to confirm that foreclosures are conducted in a manner consistent with Applicable Requirements and any regulatory orders, directives or guidance applicable to the Owner/Servicer, the Subservicer, or their Affiliates. The Subservicer shall provide the Owner/Servicer with at least ninety (90) days' prior written notice if it intends to discontinue or change its current servicing system of record, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder.

(c) The Subservicer shall provide the Owner/Servicer and its Representatives with access to its systems for access to data and reports to allow the Owner/Servicer to monitor the Mortgage Loans. Owner/Servicer shall not have any limitations on the amount of access to such systems and shall not have any limitation on "page views" or downloading therein. Through such access to systems, the Owner/Servicer shall be provided with unlimited access on demand to certain reports and data referenced in this Agreement. Such access to systems shall have targeted availability of twenty-four hours a day, three-hundred sixty-five (365) days per calendar year with a targeted uptime of ninety-eight percent (98%) per month not to include scheduled maintenance. The Subservicer shall provide the Owner/Servicer at least five (5) Business Days' notice prior to any scheduled maintenance or other scheduled access interruption of such access to systems, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder; provided that the Subservicer shall immediately notify the Owner/Servicer of any unscheduled access interruptions, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. The Subservicer shall use commercially reasonable efforts to address any access or availability issues on the same Business Day on which such issues arises. During any such unscheduled access interruptions, the Subservicer shall use commercially reasonable efforts to provide the Owner/Servicer certain reports and data in an alternative medium, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity

under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer's access to systems shall allow access to the following data and documents: (i) imaged Mortgage Loan Documents and Mortgage Servicing Files in Subservicer's possession or control; (ii) imaged copies of all Mortgagor communications; (iii) records of all Mortgagor communications; (iv) imaged copies of all litigation, bankruptcy, foreclosure related filings and related documentation solely to each Mortgage Loan (for the avoidance of doubt, such imaged copies of litigation, bankruptcy and foreclosure filings and related documentation will not include those unrelated to the Mortgage Loans); (v) current commentary regarding all Mortgagor communications and all activity related to each Mortgage Loan with sufficient detail to understand the status of any issues; (vi) an identifier of the Default Firm(s) engaged relating to the Mortgage Loan, if applicable; (vii) call transcripts; (viii) call recordings (unless call recordings are otherwise electronically made available to the Owner/Servicer, (ix) insurance, including [***], if applicable, and hazard and flood insurance; (x) single point of contact; and (xi) the documents and materials described in Section 2.18(e).

(d) Subject to Section 10.17, the Subservicer shall deliver to the Owner/Servicer the results of any and all reviews or audits conducted by or obtained by the Corporate Parent, the Subservicer, its Vendors, Off-shore Vendors, Default Firms, agents or representatives (including internal and external auditors) to the extent set forth in Exhibit Q hereto, it being understood that to the extent such results or reports are delivered to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such results or reports shall be deemed to have been delivered hereunder. To the extent the Subservicer is prohibited from delivering such results to the Owner/Servicer, the Owner/Servicer and the Subservicer agree that such reporting may be conducted onsite at the Subservicer's location, or may be accomplished via secure electronic means, to the extent such onsite or electronic diligence is otherwise permitted. The Subservicer and the Owner/Servicer acknowledge that the availability of certain information from the Subservicer's Vendors, Off-shore Vendors, Default Firms and/or other agents and representatives is subject to the requirements and limitations of the contractual relationship between the Subservicer and that party.

(e) For critical systems relied upon by the Subservicer in connection with its obligations under this Agreement, the Subservicer shall, for each year starting the year

in which the Effective Date occurs and for so long as Subservicer performs the Subservicing under this Agreement and in accordance with the delivery timing set forth in Exhibit E-1, provide (i) the Owner/Servicer with a copy of the SOC 1 Type II report applicable to the services or products (or equivalent report(s), solely to the extent Subservicer proposes such equivalent report(s) in advance to Owner/Servicer and are reasonably satisfactory to Owner/Servicer) of Subservicer's data processing environment and internal controls related to the obligations or services under this Agreement, as well as (ii) copies of each SOC report or equivalent report(s) applicable to the services or products provided by the Critical Vendors. Each report described in clauses (i) and (ii) above must be performed by a nationally recognized independent audit firm (provided that Subservicer's current audit firm shall be deemed acceptable) and shall be substantially consistent with the scope and form provided to New Residential Mortgage LLC in the report related to the period from October 1, 2015 to September 30, 2016, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. Any requests by the Owner/Servicer to expand the scope of such reports shall be made in coordination with any such request by each NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement and shall be subject to Section 2.3. To the extent any such SOC 1 Type II attestation (or permitted equivalent report(s)) described in clause (i) or (ii) above results in findings, the Subservicer shall make commercially reasonable efforts to remediate and respond promptly to any reasonable inquiries regarding any such findings from the Owner/Servicer and its external auditor, it being understood that the Owner/Servicer shall coordinate any such inquiries with any inquiries made in accordance with Section 2.11(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and, to the extent applicable, any response provided by Subservicer to such inquiries under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. Subject to Section 10.17, in the event the Subservicer is prohibited from providing any of the reports or reviews required under this Section 2.11(e) to the Owner/Servicer, the Subservicer shall cooperate with the Owner/Servicer and use commercially reasonable efforts to obtain the necessary consents to provide such reports or reviews to the Owner/Servicer.

(f) The Subservicer shall promptly upon written request provide to the Owner/Servicer and any Master Servicer, or any Depositor (or any designee of the Depositor, such as an administrator) if a Master Servicer has not been identified under the applicable Servicing Agreement, a written description (in form and substance reasonably satisfactory to the Owner/Servicer) of the role and function of each Vendor utilized by the Subservicer, specifying (i) the identity of each such Vendor, (ii) which (if any) of such Vendors are "participating in the servicing function" within the meaning of Item 1122 of Regulation AB and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Vendor identified pursuant to clause (ii) of this Section 2.11(f), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer shall cause any Vendor determined by the Subservicer in its commercially reasonable discretion, applying substantially the same criteria in its determination as applied in the Subservicer's 2016 Regulation AB reporting, to be "participating in the servicing function" used by the Subservicer to comply with the provisions of Section 2.11(g) of this Agreement to the same extent as if such Vendor were the Subservicer."

(ai) The Agreement is hereby amended by adding the following at the end of Section 2.11(g)(v):

"The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder."

(aj) The Agreement is hereby amended by deleting the last sentence of Section 2.12 in its entirety and replacing it with the following (modified text underlined for review purposes):

"At the timing set forth in Exhibit E-1, the Subservicer will deliver or make available its then-current Fidelity and Errors and Omissions Insurance and will notify the Owner/Servicer promptly if such Fidelity and Errors and Omissions Insurance is terminated

without replacement, it being understood that to the extent Subservicer delivers or makes available to any NRZ O/S Entity such proof or notifies any NRZ O/S Entity of any such termination, Subservicer shall be deemed to have provided such proof or notice to Owner/Servicer hereunder."

(ak) The Agreement is hereby amended by deleting Section 2.13(c)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(iii) Promptly upon Owner/Servicer's lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Reimbursement Date"), subject to resolution of any obvious or manifest errors, the Owner/Servicer shall remit (or cause to be remitted) the amount set forth in the written invoice or other customary documentation provided by the Subservicer for all such Servicing Advances (or such lesser amount as reasonably determined by the Subservicer) via wire transfer to the Subservicer on such Servicing Advances Reimbursement Date. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall not be responsible for any PMI Proceeding Advances and in no event shall the Subservicer be reimbursed by the Owner/Servicer for any PMI Proceeding Advances."

(al) The Agreement is hereby amended by deleting the penultimate paragraph of Section 2.13(d) in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall cooperate in good faith with the Owner/Servicer to pursue full reimbursement of outstanding P&I Advances, Owner/Servicer Expense and Servicing Advances and shall indicate in the monthly reporting if it determines the recoverability of any such P&I Advances or Servicing Advances is at risk, it being understood that Subservicer may combine any such reporting with the reporting provided to Owner/Servicer under the Shellpoint PLS Subservicing Agreement and delivery of such reporting under such Shellpoint PLS Subservicing Agreement shall be deemed to constitute delivery thereof."

(am) The Agreement is hereby amended by deleting Section 2.18 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall maintain its current business continuity plan ("BCP") that addresses the continuation of services if an incident (act or omission) impairs or disrupts the Subservicer's obligation to provide the services contemplated under this Agreement, as may be modified from time to time. The Subservicer agrees to provide the Owner/

Servicer (and any applicable regulatory agencies having jurisdiction over the Owner/Servicer) with a copy of its entire BCP promptly following the Owner/Servicer's request. The Subservicer warrants that the BCP conforms to Applicable Requirements and generally accepted industry standards for business continuity planning (collectively, the "BCP Standards"), which include, but are not limited to, recovery strategy, loss of critical personnel, restoring access to documents and data to the Owner/Servicer, documented recovery plans covering all areas of operations pursuant to this Agreement, vital records protection, and testing plans. The Subservicer will maintain and test the BCP at regular intervals (no less frequently than annually) to ensure that the BCP complies with BCP Standards and shall provide reporting of the test results to the Owner/Servicer upon request. The Subservicer will comply with the BCP during the term of this Agreement. The Subservicer shall notify the Owner/Servicer promptly of any material modifications to the BCP. To the extent that Subservicer provides such BCP reporting of test results or notices of material modifications to such BCP to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such BCP reporting of test results or notices of material modifications to such BCP shall be deemed to have been delivered hereunder.

The Subservicer shall provide disaster recovery and backup capabilities and facilities through which it will be able to perform its obligations under this Agreement with minimal disruptions or delays. The recovery strategy shall, at a minimum, provide for recovery after short and long term disruptions in facilities, environmental support, workforce availability and data processing equipment. If requested by the Owner/Servicer, the Subservicer must provide evidence of its capability to meet any applicable regulatory requirement concerning business continuity applicable to the Owner/Servicer or the Subservicer, it being understood that to the extent Subservicer has provided such evidence to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such evidence shall be deemed to have been provided hereunder. The Subservicer shall notify the Owner/Servicer immediately (and in any event, within twelve (12) hours) of the occurrence of any catastrophic event that affects or could affect the Subservicer's performance of the services contemplated under this Agreement.

The BCP shall include appropriate provisions to ensure the continued availability of critical third-party services and to ensure an orderly transition to new service providers should that become necessary. The Subservicer shall comply with the Vendor Oversight Guidance with respect to business continuity plans of Vendors. Subject to Sections 10.17 and 2.4, the Subservicer shall require that any of its Vendors, Off-shore Vendors and Default Firms providing critical services with respect to this Agreement provide copies of their own business continuity plans to the Subservicer and the Subservicer shall make such plans available to the extent set forth in Exhibit Q, it being understood that to the extent Subservicer has provided such plans to any NRZ O/S Entity under any NRZ

Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such plans shall be deemed to have been provided hereunder."

(an) The Agreement is hereby amended by deleting Sections 2.19(a) and (g) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) The Subservicer shall (i) develop and maintain client management protocols (escalation procedures to be utilized by Owner/Servicer, if needed) as set forth in Exhibit N and (ii) dedicate to its relationship with Owner/Servicer two (2) fulltime employees, who will be available to Owner/Servicer during normal business hours to answer questions, handle requests for information, coordinate change requests, monitor reporting timelines, and to schedule calls with business units in accordance with such protocols, it being understood that Owner/Servicer will coordinate with each NRZ O/S Entity, to the extent possible, in all such interactions with Subservicer and the protocol and dedicated employees applicable to the NRZ O/S Entity relationship under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be applicable to the relationship between Owner/Servicer and Subservicer hereunder.

(g) Unless otherwise agreed to by the Subservicer and the Owner/Servicer in a SLA attached hereto, no later than forty-five (45) calendar days after the end of each calendar quarter, the Subservicer shall deliver to the Owner/Servicer the following platform-wide customer service statistics (or such other statistics reasonably requested by the Owner/Servicer): (i) staffing numbers changes, including turnover numbers and outsourced vs. internal; (ii) staffing location changes, including off-shore moves; (iii) advance notice of any outsourcing of consumer-facing staff; (iv) changes to staff scoring methodology; (v) changes to training programs; (vi) numbers of calls/month; (vii) numbers of calls monitored each month; (viii) changes to credit-reporting practice; and (ix) answer times, hold times and other measurements of consumer call performance as reasonably requested by the Owner/Servicer, it being understood that to the extent such statistics have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such statistics shall be deemed to have been provided hereunder."

(ao) The Agreement is hereby amended by deleting Sections 2.22(b) and (c) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) On a monthly basis, the Subservicer shall provide the Owner/Servicer with sufficient supporting documentation and backup that will allow the Owner/Servicer to verify and validate that the Subservicer is in compliance with the financial requirements set forth in the applicable Servicing Agreement [***], it being understood that to the extent such documentation has been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such

documentation shall be deemed to have been provided hereunder. No later than the last day of the month (or if such day is not a Business Day, the next succeeding Business Day) after the end of each month, the Subservicer shall provide the Owner/Servicer with a certificate, signed by the chief financial officer of the Subservicer and the Corporate Parent, in the form attached hereto as Exhibit H (the "Monthly Financial Covenant Certification"), with supporting documentation and backup (including but not limited to any interim and audited financial statements prepared by the Subservicer, Corporate Parent's and any accountant engaged by the Subservicer or Corporate Parent) that will allow the Owner/Servicer to verify, validate and corroborate the certifications made in each Monthly Financial Covenant Certification, it being understood that to the extent such a monthly Financial Covenant Certification and supporting documentation have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such a monthly Financial Covenant Certification and supporting documentation shall be deemed to have been provided hereunder.

(b) [***]

(ap) The Agreement is hereby amended by adding the following Section 2.23 immediately following Section 2.22:

"Section 2.23. PMI Litigation.

The parties agree that Subservicer has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Subservicer on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Subservicer has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Subservicer, or by assisting the Subservicer in obtaining a ratification, consent or authorization from a trustee, to permit Subservicer to act or continue acting on behalf of Owner/Servicer if Subservicer's authority to proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as

may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall the Owner/Servicer be obligated to provide any records, materials and/or information which was previously provided to the Owner/Servicer by the Subservicer and (ii) the Owner/Servicer shall have no obligation to provide any witness to the extent any witness under the Subservicer's control can provide similar information/testimony. In no event shall the Subservicer make any admissions of liability on the part of the Owner/Servicer.

On a monthly basis and/or as otherwise reasonably requested by Owner/Servicer, the Subservicer shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Subservicer shall promptly notify the Owner/Servicer in writing of any material developments or changes in the status of any PMI Proceeding."

(aq) The Agreement is hereby amended by deleting Section 3.1(d) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(d) The Subservicer shall provide the Owner/Servicer with any proposed changes to the Servicing Transfer In Procedures at least sixty (60) days prior to boarding any Mortgage Loans under this Agreement which the Subservicer is not already servicing or subservicing, it being understood that to the extent Subservicer has provided such proposed changes to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such proposed changes shall be deemed to have been provided hereunder. The Subservicer and the Owner/Servicer shall cooperate in good faith to reach agreement on any proposed changes to the Servicing Transfer In Procedures."

(ar) The Agreement is hereby amended by deleting Section 3.4 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall process requests for partial releases, easements, substitutions, division, subordination, alterations, waivers of security instrument terms, or similar matters in accordance with Applicable Requirements and the Subservicer shall provide a monthly report identifying such processed requests (other than partial releases), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery of such reporting to such NRZ O/S Entity under such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder."

(as) The Agreement is hereby amended by deleting the first paragraph of Section 4.1 in its entirety and replacing it with the following (modified text underlined for review purposes):

"On or prior to each Reporting Date, the Subservicer shall provide the Owner/Servicer, in an electronic format, a monthly report containing data elements detailing all the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics (the "Reconciliation Report") as set forth in the related Formatted Servicing Report; it being understood that the amounts described in clauses (iv) and (v) of Owner/Servicer Economics, and Owner/Servicer Expenses, may relate to prior periods. Pursuant to Section 2.8(f), the Subservicer shall provide the Owner/Servicer with sufficient information to reflect the calculation (daily and monthly, as applicable) of the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics, including the fees payable to the Subservicer by the Owner/Servicer under this Agreement. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine the Reconciliation Report and any supporting materials required to be delivered hereunder with the "Reconciliation Report" and supporting materials as defined in and delivered pursuant to the relevant NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement."

(at) The Agreement is hereby amended by deleting the penultimate paragraph of Section 4.1 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall be entitled to all amounts, to the extent paid, allowed to a servicer from time to time by any governmental or quasi-governmental programs or PMI Companies, as applicable, for engaging in Loss Mitigation with respect to the Mortgage Loans. The Owner/Servicer shall be entitled to the Float Benefit, which amounts (i) shall be remitted by the Subservicer to the Owner/Servicer as part of the Owner/Servicer Economics pursuant to Section 2.8(f) to the extent the applicable Custodial Account(s) or Escrow Account(s) are not in the name of the Owner/Servicer and (ii) Owner/Servicer shall withdraw directly from the applicable Custodial Account(s) or Escrow Account(s) to the extent the applicable Custodial Account(s) or Escrow Account(s) are in the name of the Owner/Servicer. The Subservicer shall be entitled to Ancillary Income and, pursuant to its reporting obligations hereunder, provide to the Owner/Servicer information and data related to the Ancillary Income received and/or paid to the Subservicer. The Subservicer shall provide or make available to the Owner/Servicer its schedule of Ancillary Income charged to the Mortgagors on a quarterly basis in an acceptable searchable electronic format that allows for comparison of the current schedule of Ancillary Income against the schedule of Ancillary Income from the prior quarterly period. Unless separate reporting is requested

by Owner/Servicer, Subservicer may combine any reporting with respect to Ancillary Income required to be delivered hereunder with the reports it delivers to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement."

(au) The Agreement is hereby amended by deleting Sections 5.3(a)(ii), (xiv), (xv), (xvi) and (xix) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(ii) any failure by the Subservicer to provide to the Owner/Servicer (1) any Critical Report unless such failure to deliver a Critical Report was a direct result of Owner/Servicer's or any NRZ O/S Entity's failure to provide material information (which was not in the possession or control of the Subservicer) necessary to complete such Critical Report, which failure continues unremedied for a period of five (5) Business Days following the date such Critical Report was due and/or (2) any Owner/Servicer Regulatory Reports, which failure continues unremedied for a period of five (5) Business Days following the date such Owner/Servicer Regulatory Report was due;

(xiv) any report required herein contains materially inaccurate data or information that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights, P&I Advances and/or the Servicing Advances; provided, that such inaccuracy is not the direct result of inaccurate data or information provided to the Subservicer by any NRZ O/S Entity or New Residential Investment Corp., or a third party appointed by any NRZ O/S Entity or New Residential Investment Corp.;

(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating the Owner/Servicer, Shellpoint and/or Subservicer in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance

with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to Terminate if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement;

(xix) the Subservicer's or Corporate Parent's management discloses in their respective quarterly or annual financial statements that there is substantial doubt about its ability to continue as a going concern; provided, however, that such substantial doubt is not based in material part on the potential early termination of any of the transactions contemplated by this Agreement, the NRM Agency Subservicing Agreement or by any NRZ Servicing/Subservicing Agreement;

(av) The Agreement is hereby amended by adding the following Section 5.3(a)(xxiii) immediately following Section 5.3(a)(xxii):

"(xxiii) the occurrence of a Subservicer Termination Event or Seller Termination Event, in each case, as defined in the applicable NRZ Servicing/

Subservicing Agreement, with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if Owner/Servicer exercises its right to terminate the NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Owner/Servicer shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, the applicable NRZ O/S Entity exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) the applicable NRZ O/S Entity does not exercise its remedies thereunder but an Investor terminates the applicable NRZ O/S Entity as NRZ O/S Entity with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Owner/Servicer being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply."

(aw) The Agreement is hereby amended by deleting the last paragraph of Section 5.3(a) in its entirety and replacing it with the following (modified text underlined for review purposes):

"provided, however, that notwithstanding the foregoing, if Subservicer has provided Owner/Servicer a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Subservicer's intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.6 thereof or Owner/Servicer has provided written notice of its intent to terminate this Agreement pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Subservicer of its intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.1(b) thereof, the Owner/Servicer may not terminate the Subservicer for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Subservicer Termination Event is cured or is no longer continuing, such event shall cease to be a Subservicer Termination Event upon the date that is six (6) months following the later of (i) the date such Subservicer Termination Event was cured or ceases to continue and (ii) the date Owner/Servicer received notice or otherwise became aware of such Subservicer Termination Event."

(ax) The Agreement is hereby amended by deleting Section 5.3(b) in its entirety and replacing it with the following:

"(b) If an NRZ O/S Entity terminates an NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the closing date of the acquisition of Shellpoint by New Residential Corp. or any of its Affiliates, unless otherwise agreed to by Subservicer, Owner/Servicer shall concurrently terminate this Agreement for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement as permitted by Section 5.1(d) (and not with respect to all

of the mortgage loans subserviced thereunder), this clause (b) shall not apply and the Agreement shall not be terminated."

(ay) The Agreement is hereby amended by deleting the paragraph directly following Sections 5.4(a)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ

O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term."

(az) The Agreement is hereby amended by deleting the paragraph directly following Sections 5.4(b)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent

as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term."

(ba) The Agreement is hereby amended by adding the following Section 5.7 immediately following Section 5.6:

"Section 5.7. Recognition of Rights of Investor to Terminate or Assume Agreement.

(a) Subject to Section 5.7(b), the parties hereto acknowledge that, in the event the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer)), then one or more of the following rights may be exercised: (i) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the Owner/Servicer shall have the right to immediately terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement, (ii) if such right is required by the express provisions of the Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to immediately terminate this Agreement (subject to the receipt of such consents, if any, as may be required by such Servicing Agreement, and in accordance with the terms of such Servicing Agreement) solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which was terminated as servicer (or in similar capacity), or (iii) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to assume (or may be deemed to have assumed without act or deed on the part such Investor or its designee or any successor servicer) all of the rights and obligations of the Owner/Servicer under this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, if an Investor terminates both the Owner/Servicer and the Subservicer under the applicable Servicing Agreement, such termination would be treated as:

(i) a termination for cause for purposes of this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) if the Investor's action is related to an act or omission of the Subservicer or the Corporate Parent, or the processes, practices and/or procedures of the Subservicer or the Corporate Parent (unless such act, omission or breach is related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3) or in connection with a Subservicer Termination Event; provided, further, that this provision shall not protect the Subservicer from any liability for any breach of its covenants made herein, or failure to perform its obligations in compliance with the terms of this Agreement, including any standard of care set forth in this Agreement, or from any liability which would otherwise be imposed on the Subservicer or any of its directors, officers, agents or employees by reason of the Subservicer's willful misfeasance, bad faith, fraud, or negligence in the performance of its duties hereunder or by reason of its negligent disregard of its obligations or duties hereunder), or

(ii) a termination without cause solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated if the Investor's action is (1) unrelated to (x) an act or omission of the Subservicer or the Corporate Parent, respectively, or (y) a Subservicer Termination Event, or (2) related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3.

(c) If an Investor assumes (or is deemed to have assumed) the obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, then the Subservicer shall have the right, upon not less than 90 days' prior written notice to the related Investor, to terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity). In addition to any rights and remedies under the applicable Servicing Agreement or this Agreement, in the event such Investor terminates the Subservicer following such assumption of this Agreement by such Investor and such termination by the Investor is unrelated to an act or omission of the Subservicer or the Corporate Parent, respectively, unrelated to a Subservicer Termination Event or related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3, and solely if the Effective Date of Termination occurs during the Initial Term, Investor (including without limitation, any trustee master servicer, back-up servicer, successor servicer, trust administrator, insurer or similar transaction party or any related securityholder) assuming the obligations of the Owner/Servicer shall reimburse the Subservicer in accordance with such termination without cause provisions. To the extent the Investor is obligated to pay the applicable Termination Fee as set forth in this Section 5.7(c), the Investor shall remit to the Subservicer one-hundred percent (100%) of the applicable Termination

Fee (Investor) Deposit Amount (as defined and calculated in accordance with Exhibit C-2) on the related Effective Date of Termination. For the avoidance of doubt, the provisions relating to the Escrow Agent in Section 5.04 shall be inapplicable to the extent the related Investor is obligated to pay the Subservicer the applicable Termination Fee pursuant to this Section 5.7(c).

(d) Notwithstanding any provision of this Agreement to the contrary, the termination of this Agreement as to the related Mortgage Loans (subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity)) by the Subservicer in accordance with Section 5.7(c) above shall not be effective until a successor subservicer has been appointed by the related Investor and has assumed the duties of the Subservicer hereunder solely with respect to the related Mortgage Loans subject to the related Servicing Agreement which was terminated, and the Subservicer shall not be relieved of its obligations under this Agreement with respect to such Mortgage Loans until such time. If a successor subservicer has not assumed the duties of the Subservicer within one hundred and twenty (120) days of the Subservicer's notice of termination pursuant to Section 5.7(c), the Subservicer may, at the expense of the related Investor, petition a court with appropriate jurisdiction to appoint a successor subservicer.

(e) Unless expressly required pursuant to the terms of the applicable Servicing Agreement, with respect to any of the Mortgage Loans for which the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer), in the event that the related trustee or successor servicer assumes or (is deemed to have assumed) the rights and/or obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing shall not have any obligations as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption and shall not be liable to the Subservicer for any losses, liabilities, acts or omissions of Investor as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption."

(bb) The Agreement is hereby amended by deleting Sections 8.2(c), (d) and (e) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(c) any event of termination described in Section 5.3, other than Section 5.3(a)(xxiii);

(d) any claim, litigation or proceeding to which the Owner/Servicer is made a party in connection with Section 2.23, (ii) the Owner/Servicer's (and any Owner/

Servicer's designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) the Owner/Servicer's cooperation with the Subservicer in connection with any PMI Proceeding;

(e) the matters set forth on Schedule 4.12.15 to the Transfer Agreement; provided that such Loss is incurred and/or is payable prior to the earliest of (i) the date New Residential Mortgage LLC is terminated as Owner/Servicer and (ii) the later of (x) the fifth anniversary of the Effective Date and (y) the two year anniversary of the termination of the Subservicer under this Agreement;"

(bc) The Agreement is hereby amended by deleting Section 8.4 in its entirety and replacing it with the following (modified text underlined for review purposes):

"Promptly after receipt by an indemnified party under Sections 8.2 or 8.3 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under Sections 8.2 or 8.3, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability that it may have to any indemnified party under Sections 8.2 or 8.3, except to the extent that it has been prejudiced in any material respect, or from any liability that it may have, otherwise than under Sections 8.2 or 8.3. The indemnifying party shall assume the defense of any such claim (provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party) and pay all expenses in connection therewith, including attorneys' fees, and promptly pay, discharge, and satisfy any judgment or decree that may be entered against it or the indemnified party in respect of such claim. The indemnifying party shall follow any reasonable written instructions received from the indemnified party in connection with such claim. The provisions of Sections 8.2 or 8.3 shall survive for five (5) years following termination of this Agreement. The Subservicer shall provide the Mortgagor Litigation Reports set forth in the related Formatted Servicing Report regarding legal action(s) by individual Mortgagor(s) relating to the Mortgage Loans and against the Subservicer or the Owner/Servicer, it being understood that the Subservicer may combine such reports with the reports required to be delivered under Section 8.4 of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery thereunder shall be deemed to constitute delivery hereunder. With respect to any third party claim subject to indemnification under this Agreement, the

indemnified party agrees to reasonably cooperate and cause its Affiliates to reasonably cooperate in good faith with the indemnifying party in connection with the defense of any such claim. The indemnifying party shall pay the indemnified party any non-disputed Losses within thirty (30) days of the indemnifying party's receipt of an invoice therefor, together with reasonable supporting documentation."

(bd) The Agreement is hereby amended by deleting Section 10.1(b) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(b) This Agreement may not be assigned or otherwise transferred by operation of law or otherwise by either Owner/Servicer or Subservicer without the express written consent of the other and any such assignment or attempted assignment without such consent shall be void; provided, however, that (i) Owner/Servicer may pledge its rights to any Person providing financing to Owner/Servicer or its Affiliates without the express written consent of Subservicer, (ii) without limiting any other transfers that otherwise do not require the consent of Subservicer, following a Transfer Date, Owner/Servicer or any assignee or transferee thereof may transfer all or any interest in the Rights to MSRs or any Transferred Receivables Assets (each as defined in the Transfer Agreement) to any Person without the express written consent of Subservicer, (iii) Owner/Servicer may assign or otherwise transfer any of its rights and obligations hereunder, in whole or in part, without the consent of Subservicer to (x) Shellpoint on or after the date that Shellpoint is a direct or indirect wholly owned subsidiary of New Residential Investment Corp., or (y) any other direct or indirect wholly-owned subsidiary of New Residential Investment Corp; provided that in each case such entity has been approved by and is in good standing with Fannie Mae, Freddie Mac and each applicable State Agency, as necessary, in order to acquire the Servicing Rights hereunder."

(be) The Agreement is hereby amended by deleting Section 10.12 in its entirety and replacing it with the following (modified text underlined for review purposes):

"(a) Each party acknowledges that it may, in the course of performing its responsibilities under this Agreement, be exposed to or acquire Confidential Information that is proprietary to or confidential to the other party, its Affiliates, their respective clients and investors or to third parties to whom the other party owes a duty of confidentiality. The party providing Confidential Information in each case shall be called the "Disclosing Party" and the party receiving the Confidential Information shall be called the "Recipient". With respect to all such Confidential Information, the Recipient shall (i) act in accordance and comply with all Applicable Requirements (including, without limitation, security and privacy laws with respect to its use of such Confidential Information), (ii) maintain, and shall require all third

parties that receive Confidential Information from the Recipient as permitted hereunder to maintain, effective information security measures to protect Confidential Information from unauthorized disclosure or use, and (iii) provide the Disclosing Party with information regarding such security measures upon the reasonable request of the Disclosing Party and promptly provide the Disclosing Party with information regarding any material failure of such security measures or any security breach relating to the Disclosing Party's Confidential Information. The Recipient shall hold the Disclosing Party's Confidential Information in strict confidence, exercising no less care with respect to such Confidential Information than the level of care exercised with respect to the Recipient's own similar Confidential Information and in no case less than a reasonable standard of care, and shall not copy, reproduce, summarize, quote, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties or use such information for any purposes other than the provision of the services to the Disclosing Party without the prior written authorization of the Disclosing Party. In addition, the Recipient shall not use the Confidential Information to make any contact with any of the parties identified in the Confidential Information without the prior authorization of the Disclosing Party, except in the course of performing its obligations under the terms of this Agreement.

(b) The Recipient may disclose the Disclosing Party's Confidential Information only (i) to its and its Affiliates' officers, directors, attorneys, accountants, employees, agents and representatives and, with respect to the Owner/Servicer only, Rating Agencies, consultants, bankers, financial advisors and potential financing sources (collectively, "Confidential Representatives") who need to know such Confidential Information and who are subject to a duty of confidentiality (contractual or otherwise) with respect to such Confidential Information, (ii) to those Persons within the Recipient's organization directly involved in the transactions contemplated in this Agreement, and who are bound by confidentiality terms substantially similar to the terms set forth herein, (iii) to the Recipient's regulators and examiners, (iv) as required by Applicable Requirements, (v) to the extent such Recipient determines reasonably necessary or appropriate to defend itself in connection with a legal proceeding regarding the transactions contemplated in this Agreement; provided that Confidential Information may not be disclosed pursuant to this clause (v) without prior notice to the Disclosing Party and the Recipient shall use reasonable efforts to cooperate with the Disclosing Party's reasonable requests to protect and preserve the confidential nature of such Confidential Information, (vi) in the case of the Owner/Servicer, and subject to, and otherwise limited to the information provided pursuant to, Section 2.1(e), to a backup servicer and (vii) to any third party mutually agreed upon by the Owner/Servicer and Subservicer. The Recipient shall be liable for any breach of its confidentiality obligations and the confidentiality obligations of its Confidential Representatives.

(c) The parties shall not, without the other party's prior written authorization, publicize, disclose, or allow disclosure of any Confidential Information about the other party, its present or former partners, managing directors, directors, officers, employees, agents or clients, its or their business and financial affairs, personnel matters, operating procedures, organization responsibilities, marketing matters and policies or procedures, with any reporter, author, producer or similar Person or entity, or take any other action seeking to publicize or disclose any such information in any way likely to result in such information being made available to the general public in any form, including books, articles or writings of any other kind, as well as film, videotape, audiotape, or any other medium except as required by Applicable Requirements.

(d) The obligations under this Section 10.12 shall survive the termination of this Agreement.

(e) In addition to the foregoing, the parties agree that any information provided hereunder shall be subject to the terms of the Confidentiality Agreement; provided that if there exists any conflict between this Agreement and the terms of the Confidentiality Agreement, this Agreement shall control except as provided in Section 10.12(f) below Furthermore, the parties agree that the Confidentiality Agreement shall be incorporated into this Agreement for purposes of confidentiality.

(f) Notwithstanding any contrary terms in the Confidentiality Agreement, the obligations under the Confidentiality Agreement shall survive indefinitely after the

expiration or termination of the Sale Supplements (as defined in the New RMSR Agreement)."

(bf) The Agreement is hereby amended by deleting Schedule 1.1 in its entirety and replacing it with Schedule 1.1 attached hereto.

(bg) The Agreement is hereby amended by deleting Exhibit B in its entirety and replacing it with Exhibit B attached hereto.

(bh) The Agreement is hereby amended by deleting Exhibit C-2 in its entirety and replacing it with Exhibit C-2 attached hereto (modified text underlined for review purposes).

(bi) The Agreement is hereby amended by deleting Exhibit E-1 in its entirety and replacing it with Exhibit E-1 attached hereto.

(bj) The Agreement is hereby amended by deleting Exhibit E-2 in its entirety and replacing it with Exhibit E-2 attached hereto.

(bk) The Agreement is hereby amended by deleting Exhibit G in its entirety and replacing it with Exhibit G attached hereto (modified text underlined for review purposes).

(bl) The Agreement is hereby amended by deleting Exhibit J in its entirety and replacing it with Exhibit J attached hereto (modified text underlined for review purposes).

SECTION 2. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Agreement.

SECTION 3. Limited Effect. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment Number One need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 4. Governing Law. This Amendment Number One shall be construed in accordance with the laws of the State of New York and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without regard to conflict of laws doctrine applied in such state (other than Section 5-1401 or 5-1402 of the New York General Obligations Law which shall govern).

SECTION 5. Counterparts. This Amendment Number One may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties agree that this Amendment Number One and signature pages may be transmitted between them by facsimile or by electronic mail and that faxed and PDF signatures may constitute original signatures and that a faxed or PDF signature page containing the signature (faxed, PDF or original) is binding upon the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Owner/Servicer and the Subservicer have caused this Amendment Number One to be executed and delivered by their duly authorized officers as of the day and year first above written.

OCWEN LOAN SERVICING, LLC
(Subservicer)

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

NEW RESIDENTIAL MORTGAGE LLC
(Owner/Servicer)

By: /s/Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

SCHEDULE 1.1

CHANGE OF CONTROL

Owner/Servicer hereby consents to a proposed transaction pursuant to which (x) Subservicer would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger or (y) PMC would become the direct or indirect owner of the majority of the stock of the Subservicer and, in each case, such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Servicing/Subservicing Agreements, to the extent applicable.

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT C-2

TERMINATION FEE CALCULATION

Definitions

Deal-Level UPB: By Ocwen investor code ("deal"), the unpaid principal balance of Mortgage Loans associated with each deal will be fixed for the purposes calculations under this Exhibit C-2 as of the month-end following Subservicer's receipt of notification of termination without cause. To the extent Mortgage Loans serviced under RMSR 2.0 are transferred to a third party while this Agreement is still in effect, Deal-Level UPB will be based on the month-end UPB immediately preceding such transfer date.

Investor Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement that with respect to which the subservicing or servicing is being terminated solely pursuant to Section 5.7(c) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

MSRPA Servicing Agreements: As defined in the Master Agreement.

Primary Mortgage Loans: As defined in the Master Agreement.

RMSR 2.0: The New RMSR Agreement (as defined in the Master Agreement).

Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement and serviced under RMSR 2.0 that with respect to which the subservicing or servicing is being terminated for any reason under this Agreement (other than Section 5.3 and Section 5.7) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the

time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

Termination Fee Deposit Amount: Except with respect to a termination of Subservicer by an Investor pursuant to Section 5.7(c), with respect to the termination of Subservicer under this Agreement or RMSR 2.0 transferred pursuant to a termination without cause or an RMSR 2.0 transfer to a third party during the Initial Term is calculated for each date on which subservicing or RMSR 2.0 is transferred by multiplying the Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

Termination Fee (Investor) Deposit Amount: Solely with respect to a termination without cause of Subservicer by an Investor pursuant to Section 5.7(c) prior to the expiration of the Initial Term is calculated for each date on which subservicing is transferred by multiplying the Investor Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day
Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.
No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-33	*	Annual (by 45th calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement

"Critical Report"	"Regulatory Report"	Name of Report		Report #	Updates #	Frequency
No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*		E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*		E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*		E-A8	No later than January 31

EXHIBIT E-2

FORMATTED SERVICING REPORTS

[***]

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT J

PERFORMANCE TRIGGERS

A. **Initial Performance Triggers**

The following shall represent the applicable Performance Triggers, as may be modified from time to time in accordance with the terms hereof, and to be assessed on the basis of data collected from the first full Quarter following the Effective Date:

1. the Quarterly Average Delinquency Ratio exceeds [***] (the "Delinquency Trigger Event");

2. the Quarterly Average Foreclosure Sale Ratio falls below [***] (the "Foreclosure Sale Trigger") for two consecutive Quarters (the "Foreclosure Sale Trigger Event");

3. the Quarterly Average Workout Ratio falls below [***] (the "Workout Trigger") for two consecutive Quarters (the "Workout Trigger Event"); and

4. the Net SLA Monthly Penalty Amount exceeds [***] of the Monthly Fee Amount for such month (the "Excessive SLA Failure Trigger") in every month for two consecutive Quarters (the "Excessive SLA Failure Trigger Event").

Subject to the automatic modification of the Workout Trigger as set for in Section D below, any modifications to Performance Triggers shall be evidenced in writing and shall take effect in the Quarter during which such modifications were agreed to, unless the parties mutually agree otherwise. In addition to the specific provisions set forth in Sections B, C and D of this Exhibit J relating to the conditions under which a Performance Trigger may be modified, the Owner/Servicer and Subservicer agree to modify any of the above Performance Triggers from time to time in cases where there have been or will be material changes to the portfolio of Subject Loans constituting the reference class of the applicable Performance Trigger. Upon the occurrence of any Force Majeure Event, that has a material impact on the Subservicer's ability to service the Subject Loans pursuant to the Agreement, the parties will agree to waive any of the Performance Triggers to the extent affected.

B. **Delinquency Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree to a modification of the Delinquency Trigger under each of the following circumstances: (i) (x) in the event that the delinquency rate set forth in the "Seriously Delinquent As a % of Total Loans NSA" quarterly index from Mortgage Bankers Association (FORLTOSD Index on Bloomberg) (the "Index") increases by more than three percentage points from the rate set forth in such report for the month ending June 2017 and (y) thereafter, in the event of any subsequent material increase in such rate or (ii) to the extent that the Index does not capture the impact of industry-wide events which would materially impact delinquency rates (for example, industry-wide foreclosure holds imposed by states regulators).

C. **Foreclosure Sale Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree on a modification to the Foreclosure Sale Trigger in the event that one or more judicial rulings or state regulatory actions, decrees, interpretations or guidance occurs that impact more than [***] ([***]) of the total number of Subject Loans counted in the Subservicer's active foreclosure inventory on the date of such occurrence.

D. **Workout Trigger Resets**

(a) The Workout Trigger shall be modified, effective as of January 1, 2019, to an amount equal to [***] of the average monthly Workout Ratio for the calendar year of 2018 and, for each subsequent calendar year, effective as of January 1st of such year, the Workout Trigger shall be modified to an amount equal to [***] of the average monthly Workout Ratio of the prior calendar year; provided that, to the extent the Quarterly Average Workout Ratio falls below the Workout Trigger for the Quarter beginning in October and the Quarterly Average Workout Ratio is above the Workout Trigger for the following Quarter beginning in January solely as a result of the automatic modification of the Workout Trigger as set forth in this sentence, then the Workout Trigger for the Quarter beginning in January shall not be included for purposes of calculating the Workout Trigger Event and the parties agree to use the Workout Trigger for the Quarters beginning in October and April to determine if a Workout Trigger Event occurred. The parties agree that the Workout Trigger may be recalibrated after January 1, 2019 based on quarterly rather than annual averages in order to reflect seasonal fluctuations.

(b) The Subservicer and Owner/Servicer shall mutually agree on a modification to the existing (or automatically modified pursuant to clause (a) above) Workout Trigger under each of the following circumstances: (i) any regulatory changes that result in substantially lower modification rates on an industry-wide basis, (ii) the previously modified proportion of the portfolio of Subject Loans that are 60+ Day Delinquent increases to more than [***] ([***]), and thereafter, for each subsequent increase of [***] (iii) a decrease in modification eligibility of the Subject Loans due to substantial macroeconomic changes, including but not limited to, material changes in (x) home prices, (y) interest rates and/or (z) unemployment rates, and (iv) conditions materially affecting modification rates, including, for example, the availability and funding of governmental modification programs.

The Subservicer and Owner/Servicer shall mutually agree on a modification or reconstruction of the Workout Trigger to compare the Subservicer's loss mitigation performance against the performance of the mortgage servicing industry (in which the Subservicer would be expected to be within a range of average industry levels) to the extent a reliable industry benchmarking loss mitigation data has been introduced and is generally acceptable to the secondary mortgage market.

E. **Excessive SLA Failure Trigger Waivers and Applicability**

The SLAs used to calculate the Aggregate Net SLA Monthly Penalty Rate shall include all SLAs other than (i) any SLA identified as inapplicable to the Excessive SLA Failure Trigger on Exhibit F of the Agreement, as updated from time to time by mutual agreement of the parties and (ii) any SLAs that the Owner/Servicer and Subservicer have agreed to waive or exclude on the basis of major events beyond the Subservicer's control which materially and adversely affect the servicing of the Subject Loans under the Agreement, including, without limitation, conflicts or issues with Approved Parties, any "Approved Parties" (as defined herein), Vendors selected by the Owner/

Servicer, HLSS or Shellpoint, any NRZ REO Vendor (under and as defined in the Servicing Addendum) or any subcontractors or subvendors retained by any such NRZ REO Vendor, regulatory changes, Force Majeure Events or events affecting the mortgage servicing industry as a whole and not specific to Subservicer.

In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change.

F. **Definitions**

"**60+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered sixty (60) days or more contractually delinquent following the OTS Methodology.

"**90+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered ninety (90) days or more contractually delinquent following the OTS Methodology.

"**Affected SLA**": (i) In the event that there are major system changes impacting the Subservicer's servicing platform as a whole, for a period of six months following such changes or increase, all SLAs and (ii) in the event that there are major system changes impacting particular areas of the Subservicer's servicing activities, for a period of six months following such changes, all SLAs related to such areas.

For the avoidance of doubt, if there is a system change, the double and triple SLA penalties shall not count towards the Excessive SLA Failure Trigger. However, they shall count towards the Subservicer Economics and during the six month period reference above the 25% cap on adjustments to Subservicer Economics shall be in place.

"**Delinquency Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is the total unpaid principal balance of the Subject Loans which are 90+ Day Delinquent, including Subject Loans in foreclosure which are 90+ Day Delinquent, Subject Loans in bankruptcy which are 90+ Day Delinquent, plus the loan balance (prior to conversion to REO) of REO Properties, that were serviced or subserviced by the Subservicer during such month and (y) the denominator of which is the total unpaid principal balance of all Subject Loans.

"**Force Majeure Event**": Any event beyond the reasonable control of the Subservicer including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

"**Foreclosure Sale Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of Subject Loans with respect to which the foreclosure sale has been completed as of the end of the day on the last day of such calendar month, and (y) the denominator of which is the total number of Subject Loans counted in the Subservicer's foreclosure inventory (whether active or on hold) as of the end of the day on the last day of such calendar month.

"**Incentive Amount**": For each SLA, the amount computed pursuant to Exhibit F, if applicable.

"**Measurement Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

"**Monthly Fee Amount**": For each month, an amount equal to (A) the product of (i) [***] ([***]) and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans for which Subservicer is solely performing Master Servicing functions under this Agreement, (B) divided by 12.

"**Net SLA Monthly Penalty Amount**": For each month, the amount, if positive, equal to (A) the aggregate Penalty Amounts payable by the Subservicer, if any, with respect to the SLAs in such month minus (B)(i) if applicable, any such amounts paid as the result of a double or triple penalty multiplier for any Affected SLA and (ii) the aggregate Incentive Amounts payable to the Subservicer, if any, with respect to the SLAs in such month; provided that the amount to be included in clause (A) or (B) with respect to each Quarterly SLA shall be zero in each month prior to the initial calculation of such Quarterly SLA and for each month following such initial calculation shall be the Penalty Amount or Incentive Amount, if applicable, from the most recent calculation of such Quarterly SLA. For the avoidance of doubt penalties and incentives related to Master Servicing SLAs shall not count towards the calculation of the Net SLA Monthly Penalty Amount.

"**New Mortgage Loan**": With respect to any existing Mortgage Loan subject to this Agreement, the Shellpoint PLS Subservicing Agreement or the Servicing Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to the Owner/Servicer

or Shellpoint pursuant to Exhibit B of this Agreement, the Shellpoint PLS Subservicing Agreement or the Servicing Addendum.

"**OTS Methodology**": A method of calculating delinquency of a Subject Loan based upon The Office of Thrift Supervision method, under which method a Subject Loan is considered delinquent if the payment has not been received by the Subject Loan's next due date. For example, a Subject Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

"**Penalty Amount**": For each SLA, the amount computed pursuant to Exhibit F, including, without limitation, the application of any applicable double penalties, triple penalties or waivers and taking into account the consecutive failure requirement for a penalty to be assessed.

"**Quarter**": A period consisting of three consecutive calendar months and beginning with either January, April, July or October.

"**Quarterly Average Delinquency Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Delinquency Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Foreclosure Sale Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Foreclosure Sale Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Workout Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Workout Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly SLAs**": Each SLA with a designated frequency of "quarterly" on Exhibit F.

"**Subject Loans**": Each of (i) the Measurement Loans and (ii) any Transferred-In Loans agreed upon by the parties; provided that (x) with respect to the calculation of the Foreclosure Sale Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed by the parties and (y) with respect to the calculation of the Workout Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed to by the parties.

"**Transferred-In Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions under any NRZ Servicing/Subservicing Agreement, each of (i) any New Mortgage Loans and (ii) any Mortgage Loans that become subject to any NRZ Servicing/Subservicing Agreement pursuant to an Acknowledgement Agreement with respect to which the Subservicer is not solely performing Master Servicing functions.

"**Workout Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of the Subject Loans with respect to which, during such month either a non-HAMP modification, a short-sale or a deed-in-lieu agreement, in each case, has been completed, and (y) the denominator of which is the total number of Subject Loans which are 60+ Day Delinquent, but excluding any Subject Loans for which the related Mortgaged Property has become an REO Property.

G. **Reporting**

In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, with respect to the Performance Triggers, the Subservicer will, in a format reasonably requested by the Owner/Servicer, report the following to the Owner/Servicer, it being understood that Subservicer may combine such reports with the reports required to be delivered under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery thereunder shall be deemed to constitute delivery hereunder:

a) With respect to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, (i) on a monthly basis, when available, but in no case later than ten Business Days after the end of the following month, the prior month's Delinquency Ratio, Foreclosure Sale Ratio and Workout Ratio, together with the relevant data used to calculate such ratios and (ii) on a quarterly basis, when available, but in no case later than ten Business Days after the end of the first month following the applicable quarter, the Quarterly Average Delinquency Ratio, the Quarterly Average Foreclosure Sale Ratio and the Quarterly Average Workout Ratio and a comparison of such ratios to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, respectively.

b) With respect to the Excessive SLA Failure Trigger, (i) on a monthly basis, when available, but in no case later than fifteen Business Days after the end of the following month, the Net SLA Monthly Penalty Amount for such month, which report shall include (i) a comparison to the Excessive SLA Failure Trigger, (ii) an identification of the applicable SLAs used to calculate the Net SLA Monthly Penalty Amount, (iii) any applicable Penalty Amount or Incentive Amount used to calculate the Net SLA Monthly Penalty Amount and (iv) any other relevant information (in addition to the previously delivered monthly and quarterly reports under Exhibit F to the Agreement).

Exhibit 10.7

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION COPY

AMENDMENT NUMBER ONE
New RMSR Agreement
dated as of August 17, 2018
by and among
NEW RESIDENTIAL MORTGAGE LLC
HLSS HOLDINGS, LLC
HLSS MSR - EBO ACQUISITION LLC
and
OCWEN LOAN SERVICING, LLC

This AMENDMENT NUMBER ONE is made this 17th day of August, 2018, by and between OCWEN LOAN SERVICING, LLC, as seller (the "Seller"), HLSS HOLDINGS, LLC ("Holdings"), HLSS MSR – EBO ACQUISITION LLC, ("MSR – EBO" and together with Holdings, the "Purchasers") and NEW RESIDENTIAL MORTGAGE LLC ("NRM"), to that certain New RMSR Agreement, dated as of January 18, 2018 (the "Agreement"), by and among the Seller, the Purchasers and NRM.

RECITALS

WHEREAS, the Seller, the Purchasers and NRM desire to amend the Agreement, subject to the terms hereof, to modify the Agreement as specified herein; and

WHEREAS, the Seller, the Purchasers and NRM each have agreed to execute and deliver this Amendment Number One on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments. Effective as of August 17, 2018, the Agreement is hereby amended as follows:

(a) Article I of Annex I the Agreement is hereby amended by adding the following new definitions in alphabetical order therein:

"Agency Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer, and Seller, as subservicer, as may be amended, supplemented or otherwise modified from time to time."

"PMI Proceeding Advance: Any and all Losses incurred by the Seller (or any agent, attorney, Vendor and/or representative of the Seller) in connection with any PMI Proceeding, regardless whether the Seller and/or the Purchasers or NRM are entitled under the related Servicing Agreement to be reimbursed for such Losses."

(a) The definition of "Approved Third-Party Appraisers" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Approved Third-Party Appraisers: The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Holdings and the Seller as an "Approved Third-Party Appraiser" for purposes of this Addendum: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor."

(b) The definition of "Business Day" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, Texas, New Jersey or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing."

(c) The definition of "Change of Control" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Change of Control: Unless otherwise consented to by Holdings (a decision on which shall not be unreasonably delayed) with respect to the Seller, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Seller; (ii) the sale, transfer, or other disposition of all or substantially all of Seller's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Seller with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting

power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Seller immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Holdings (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Holdings agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1.

(d) The definition of "Material Adverse Effect" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Material Adverse Effect": With respect to the Seller (a) a Material Adverse Change with respect to the Seller or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Seller to perform under this Addendum or any NRZ Subservicing Agreement, or to avoid a Seller Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Addendum against the Seller; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans serviced by the Seller pursuant to this Addendum and subserviced pursuant to any NRZ Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans serviced by the Seller pursuant to this Addendum and subserviced pursuant to any NRZ Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Seller to realize the full benefits of the Servicing Rights. With respect to the

Purchasers taken as a whole (a) a Material Adverse Change with respect to such Purchaser or any of its Affiliates taken as a whole; (b) a material impairment of the ability of such Purchaser to perform under this Addendum, or to avoid any Purchaser Termination Event under this Addendum (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Addendum against such Purchaser; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans serviced by the Seller pursuant to this Addendum and any NRZ Servicing/Subservicing Agreement, taken as a whole.

(e) The definition of "Measurement Balance" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Seller pursuant an agreement between NRM and Seller for which the related Mortgage Loan is owned by an Agency).

(f) The definition of "Measurement Loans" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Seller is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans under any NRZ Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by the Seller for Purchasers, any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or this Addendum, (y) the Rights to MSRs and Transferred Receivables Assets have been transferred to Seller or an Affiliate of Seller pursuant to the New RMSR Agreement or this Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Seller or an Affiliate of Seller pursuant to Section 5.7."

(g) The definition of "New Mortgage Loan" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"New Mortgage Loan: With respect to any existing Mortgage Loan subject to this Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Seller or any brokers, correspondent lenders, agents or independent contractors that Seller engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B."

(h) The definition of "NRZ Subservicing Agreement" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"NRZ Subservicing Agreement: Each of the NRM Subservicing Agreement, the Agency Subservicing Agreement, and the Shellpoint Subservicing Agreement, as may be amended, supplemented or otherwise modified from time to time."

(i) The definition of "Servicing Advance" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Seller in accordance with the Applicable Requirements and the Advance Policy, and after the Effective Date, subject to the terms of this Addendum, excluding (i)any P&I Advance or indemnification amounts payable by the Seller pursuant to this Addendum and (ii) any PMI Proceeding Advances."

(j) The definition of "Termination Fee" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Termination Fee: The fee payable by the Holdings to the Seller as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit

C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Seller under any NRZ Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Subservicing Agreements exceed the amount set forth on
Exhibit C-1.

(k) The Agreement is hereby amended by deleting Section 2.1(c) and (g) of Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Holdings hereunder, such delivery to the Holdings of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Holdings hereunder.

(g) For any New Mortgage Loans, the Seller shall transfer the related Servicing Rights to NRM pursuant to the MSRPA (as defined in the NRM Subservicing Agreement) with Seller, and following such transfer, Seller shall subservice each such New Mortgage Loan on behalf of NRM pursuant to the Agency Subservicing Agreement."

(l) The Agreement is hereby amended by deleting Section 2.13(c)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(iii) Promptly upon Holdings' lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Purchase Date"), subject to resolution of any obvious or manifest errors, (1) Seller shall sell, assign, transfer and convey to Holdings, for a cash purchase price equal to 100% of the Servicing Advance, all of Seller's right, title and interest, whether now owned or hereafter acquired in, to

and under, each such Servicing Advance, (2) Seller shall represent and warrant to Holdings the representation and warranties set forth in Section 7.11 hereof and (3) Holdings shall fund (or cause to be funded) the amount set forth in the written invoice or other customary documentation provided by the Seller for all such Servicing Advances (or such lesser amount as reasonably determined by the Seller) via wire transfer to the Seller on such Servicing Advances Reimbursement Date. Upon any such funding or payment by Holdings, Holdings shall acquire title to the related Servicing Advances. Notwithstanding any provision in this Addendum to the contrary, Holdings shall not be responsible for any PMI Proceeding Advances and in no event shall the Seller be reimbursed by Holdings for any PMI Proceeding Advances."

(m) The Agreement is hereby amended by deleting Section 2.8(e) in its entirety and replacing it with the following (modified text underlined for review purposes):

(e) The Seller shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage Loans. In addition, the Seller shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a form to be reasonably agreed upon by the Seller and Holdings. The Seller's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Seller shall promptly provide to Holdings copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The Seller and Holdings hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section 2.8(e) are delivered by Seller to an NRZ O/S Entity under an NRZ Subservicing Agreement, Seller may deliver combined reports covering Mortgage Loans subserviced under such NRZ Subservicing Agreement and under this Addendum, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Seller may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Holdings under Section 2.8(e) of the NRM PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Seller shall cooperate in good faith with any requests or instructions from Holdings regarding such litigation and related proceedings, and Holdings shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Subservicing Agreement.

(n) The Agreement is hereby amended by adding the following Section 2.23 immediately following Section 2.22 to Annex I:

"Section 2.23. PMI Litigation.

The parties agree that Seller has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Seller on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Seller has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Seller, or by assisting the Seller in obtaining a ratification, consent or authorization from a trustee, to permit Seller to act or continue acting on behalf of Holdings if Seller's authority to proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall Holdings be obligated to provide any records, materials and/or information which was previously provided to Holdings by the Seller and (ii) Holdings shall have no obligation to provide any witness to the extent any witness under the Seller's control can provide similar information/testimony. In no event shall the Seller make any admissions of liability on the part of Holdings.

On a monthly basis and/or as otherwise reasonably requested by Holdings, the Seller shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Seller shall promptly notify Holdings in writing of any material developments or changes in the status of any PMI Proceeding."

(o) The Agreement is hereby amended by deleting Section 5.3(a)(xv), (xvi) (xxiii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other

than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating any NRZ O/S Entity and/or Seller in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Seller's failure to service in accordance with the terms of this Addendum and/or any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement); provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Seller's compliance with a written direction from Holdings in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of any NRZ O/S Entity and/or Seller as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Seller's failure to service in accordance with the terms of this Addendum and/or any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement); provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of Seller's compliance with a written direction from Holdings in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Seller as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to Terminate

if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Seller as servicer under the related Servicing Agreement;

(xxiii) the occurrence of a Subservicer Termination Event (as defined in an NRZ Subservicing Agreement other than the NRM Agency Subservicing Agreement) under an NRZ Subservicing Agreement (other than the NRM Agency Subservicing Agreement), with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if the applicable NRZ O/S Entity exercises its right to terminate the NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Holdings shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, the applicable NRZ O/S Entity exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) the applicable NRZ O/S Entity does not exercise its remedies thereunder but an Investor terminates the applicable NRZ O/S Entity as NRZ O/S Entity with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Holdings being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply."

(p) The Agreement is hereby amended by deleting the last paragraph of Section 5.3(a) to Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"provided, however, that notwithstanding the foregoing, if Seller has provided Holdings a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Seller's intent to terminate any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) pursuant to Section 5.6 thereof or Holdings has provided written notice of its intent to terminate this Addendum pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Seller of its intent to terminate any NRZ

Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) pursuant to Section 5.1(b) thereof, the Holdings may not terminate the Seller for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Seller Termination Event is cured or is no longer continuing, such event shall cease to be a Seller Termination Event upon the date that is six (6) months following the later of (i) the date such Seller Termination Event was cured or ceases to continue and (ii) the date Holdings received notice or otherwise became aware of such Seller Termination Event."

(q) The Agreement is hereby amended by deleting Section 5.4(a) to Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"Seller purchases the related Servicing Assets or the related Rights to MSRs and Transferred Receivables Assets under Section 5.4(c)(i)(A) or (B), such Termination Fee shall, to the extent possible, be netted against the applicable Option Price or purchase price, respectively and otherwise be paid to Seller on the applicable Termination Date and (ii) if Seller is not purchasing the related Servicing Assets or the related Rights to MSRs and Transferred Receivables Assets under Section 5.4(c)(i)(A) or (B), Holdings shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Seller sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Seller has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Seller shall have no obligation to send any such notices until the Escrow Agent verifies to Seller that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Seller (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to Holdings, from the Seller of a certification by the Seller and its third party vendor handling the mailing that the Seller has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to Holdings, from the Seller of a certification by the Seller that the Seller has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Seller shall send a copy of each of the deliverables under the Servicing Transfer Requirements to Holdings at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Holdings may elect to wait to transfer the servicing with respect to certain

Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Addendum following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Addendum on the Effective Date of Termination. The Seller and Holdings shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement), Holdings and Seller may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Addendum, the Seller shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term or the parties are unable to effectuate the transfer of servicing to a successor servicer or subservicer."

(r) The Agreement is hereby amended by deleting Section 5.4(j) to Annex I in its entirety and replacing it with the following:

"(j) If an NRZ O/S Entity terminates an NRZ Subservicing Agreement (other than the NRM Agency Subservicing Agreement) for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the closing date of the acquisition of Shellpoint by New Residential Investment Corp. or any of its Affiliates, unless otherwise agreed to by Seller, the Purchasers shall concurrently terminate this Addendum for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) as permitted by Section 5.1(d) (and not with respect to all of the mortgage loans subserviced thereunder), this Section 5.4(j) shall not apply and the Addendum shall not be terminated. If, following termination of any NRZ Subservicing Agreement (other than as described in the immediately preceding sentence), there has been a Material Change, the parties shall agree to an Adjusted Fee Rate calculated in accordance with Exhibit U."

(s) The Agreement is hereby amended by deleting Section 8.2(g) to Annex I in its entirety and replacing it with the following:

"(g) any claim, litigation or proceeding to which Holdings is made a party in connection with Section 2.23, (ii) Holdings (and any of Holdings designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) Holdings' cooperation with the Seller in connection with any PMI Proceeding;"

(t) The Agreement is hereby amended by deleting Schedule 1.1 of Annex I in its entirety and replacing it with Schedule 1.1 attached hereto.

(u) The Agreement is hereby amended by deleting Exhibit B of Annex I in its entirety and replacing it with Exhibit B attached hereto.

(v) The Agreement is hereby amended by deleting Exhibit E-1 of Annex I in its entirety and replacing it with Exhibit E-1 attached hereto.

(w) The Agreement is hereby amended by deleting Exhibit G of Annex I in its entirety and replacing it with Exhibit G attached hereto.

(x) Exhibit J to the Agreement is hereby amended by deleting the definition of "Measurement Loans" in its entirety and replacing it with following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Seller is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans under any NRZ Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by the Seller for Purchasers, any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or this Addendum, (y) the Rights to MSRs and Transferred Receivables Assets have been transferred to Seller or an Affiliate of Seller pursuant to the New RMSR Agreement or this Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Seller or an Affiliate of Seller pursuant to Section 5.7."

(y) Exhibit J to the Agreement is hereby amended by deleting the definition of "New Mortgage Loan" in its entirety and replacing it with following (modified text underlined for review purposes):

"New Mortgage Loan": With respect to any existing Mortgage Loan subject to this Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Seller or any brokers, correspondent lenders, agents or independent contractors that Seller engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B."

SECTION 2. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Agreement.

SECTION 3. Limited Effect. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment Number One need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 4. Governing Law. This Amendment Number One shall be construed in accordance with the laws of the State of New York and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without regard to conflict of laws doctrine applied in such state (other than Section 5-1401 or 5-1402 of the New York General Obligations Law which shall govern).

SECTION 5. Counterparts. This Amendment Number One may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties agree that this Amendment Number One and signature pages may be transmitted between them by facsimile or by electronic mail and that faxed and PDF signatures may constitute original signatures and that a faxed or PDF signature page containing the signature (faxed, PDF or original) is binding upon the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number One to be executed and delivered by their duly authorized officers as of the day and year first above written.

OCWEN LOAN SERVICING, LLC

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

HLSS HOLDINGS, LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

HLSS MSR – EBO ACQUISITION LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NEW RESIDENTIAL MORTGAGE LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

SCHEDULE 1.1

CHANGE OF CONTROL

Holdings hereby consents to a proposed transaction pursuant to which (x) Seller would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger or (y) PMC would become the direct or indirect owner of the majority of the stock of the Seller and, in each case, such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Subservicing Agreements, to the extent applicable.

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day

Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.
No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan	E-33	*	Annual (by 45th

		Assessment Report Template			calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement
No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*	E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*	E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*	E-A8	No later than January 31

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

Exhibit 10.8

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION COPY

SUBSERVICING AGREEMENT

NEW PENN FINANCIAL, LLC,
D/B/A SHELLPOINT MORTGAGE SERVICING
as the Owner/Servicer

and

OCWEN LOAN SERVICING, LLC
as the Subservicer

Dated: August 17, 2018

Mortgage Loans

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SUBSERVICING AGREEMENT

THIS SUBSERVICING AGREEMENT (this "Agreement"), dated as of August 17, 2018, (the "Effective Date"), is by and between New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing (the "Owner/Servicer"), having an office at 55 Beattie Pl., Suite 500, Greenville, South Carolina 29601, and Ocwen Loan Servicing, LLC (the "Subservicer"), having an office at 1661 Worthington Road, Suite 100, West Palm Beach, FL 33409.

RECITALS

WHEREAS, the Subservicer is engaged in the business of servicing and subservicing mortgage loans evidenced by notes and secured by deeds of trust, mortgages, trust deeds or like security instruments;

WHEREAS, the Owner/Servicer owns or will acquire from time to time the right to service the mortgage loans or pools of mortgage loans identified on a schedule attached (i) with respect to Servicing Rights not transferred under the Transfer Agreement, to the related Acknowledgment Agreement or other schedule or data file delivered and accepted by the Subservicer or (ii) to the applicable Assignment Agreement (as defined in Transfer Agreement) relating to the Servicing Rights transferred under the Transfer Agreement;

WHEREAS, the Subservicer has the capacity to subservice such mortgage loans for the Owner/Servicer;

WHEREAS, the Owner/Servicer desires that the Subservicer perform, as a subservicer, the Subservicing and the Subservicer is agreeable thereto;

WHEREAS, Ocwen Mortgage Servicing, Inc. ("OMS"), the parent corporation of Subservicer, (i) has reviewed, analyzed, and approved this transaction, (ii) has authorized and caused Subservicer to enter into this Agreement, and (iii) has not delegated any authority to any person outside the United States Virgin Islands to agree to terms on its behalf; and

WHEREAS, the Owner/Servicer and the Subservicer shall each execute this Agreement in the United States Virgin Islands.

NOW, THEREFORE, in consideration of the mutual recitals, promises and covenants set forth herein, and other good and valuable consideration herein receipted for, but not herein recited, the receipt of which is hereby acknowledged, the parties hereto agree and covenant as follows:

ARTICLE I
DEFINITIONS

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings specified in this Article I:

Acknowledgment Agreement: The document substantially in the form attached hereto as Exhibit A, to be executed by the Owner/Servicer and the Subservicer prior to each Transfer Date with respect to Subservicing any Mortgage Loans identified on the schedule attached thereto pursuant to this Agreement.

Advance Policy: The policies and procedures set forth on Exhibit K that the Subservicer shall be required to follow in connection with making new P&I Advances and Servicing Advances after the Transfer Date and seeking recovery of P&I Advances and Servicing Advances, which policies and procedures may be modified by the Owner/Servicer pursuant to Section 2.3 hereof.

Affiliate: (i) With respect to Subservicer, Corporate Parent, OMS, Homeward Residential Holdings, Inc., Homeward Residential Inc. and the direct or indirect wholly-owned subsidiaries of Subservicer and the direct or indirect subsidiaries of Corporate Parent involved in forward mortgage servicing, forward mortgage lending or related ancillary services and (ii) with respect to the Owner/Servicer, HLSS, MSR–EBO, NRM, New Residential Investment Corp. and the direct or indirect wholly-owned subsidiaries of New Residential Investment Corp.

Agency: Each of Fannie Mae, Freddie Mac and Ginnie Mae, as applicable.

Agency Guidelines: The Fannie Mae Guide, Freddie Mac Guide or Ginnie Mae Guide, as applicable, as such Agency Guidelines may be modified from time to time or enacted subsequent to the date of this Agreement, and any other applicable agreements, rules, regulations, directives, announcements, bulletins and instructions of the applicable Agency relating to the servicing or subservicing of residential mortgage loans.

Agreement: This Agreement as the same may be amended from time to time by the Owner/Servicer and the Subservicer.

Ancillary Income: All income, fees and charges derived from the Mortgage Loans and REO Properties (other than (i) Servicing Compensation, (ii) any Float Benefit, (iii) any prepayment premiums attributable to the Mortgage Loans not payable to an Investor and (iv) any Downstream Ancillary Income), which the Subservicer is entitled to collect (for the Owner/Servicer) solely from third parties (and not from the Owner/Servicer) under Applicable Requirements and Section 4.1, including but not limited to late fees, payoff fees, assumption fees, reinstatement fees, fees received with respect to checks on bank drafts returned by the related bank for insufficient funds, fees payable by third parties (in connection with HAMP, or other incentive fees associated with private label securities), loss mitigation fees, and similar types of fees arising from or in connection with any Mortgage Loan, in any case to the extent not exceeding or violating any applicable amounts or limitations under Applicable Requirements. In no event shall any Ancillary Income be paid from Owner/Servicer Economics, reimbursed Servicing Advances or reimbursed P&I Advances.

AP Modifications: As defined in Section 2.3.

Applicable Requirements: As to any Mortgage Loan as of the time of reference with respect to the applicable capacity of Owner/Servicer, whether as master servicer, primary servicer or subservicer, (i) all contractual obligations of the Subservicer or the Owner/Servicer as servicer with respect to the Mortgage Loans and/or the Servicing Rights, including without limitation those contractual obligations contained in this Agreement, the Servicing Agreements, any agreement with any Insurer, Investor or other Person or in the Mortgage Loan Documents; (ii) all federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances) applicable to the Subservicer, the Owner/Servicer, the Servicing Rights or the Subservicing thereof, including without limitation the Vendor Oversight Guidance, the applicable requirements and guidelines of any Investor or Insurer, the CFPB, or any other Governmental Authority; (iii) all other judicial and administrative judgments, orders, stipulations, directives, consent decrees, awards, writs and injunctions applicable to the Subservicer, the Owner/Servicer, the Servicing Rights or the Mortgage Loans, (iv) the terms of the related Mortgage Instruments and Mortgage Notes, (v) the applicable Governmental Entity Guidelines with respect to any Mortgage Loan solely to the extent necessary to maintain or collect on insurance or guaranty from FHA, VA or USDA.

Approved Party: As defined in Section 2.10.

Approved Third-Party Appraisers: The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Owner/Servicer and the Subservicer as an "Approved Third-Party Appraiser" for purposes of this Agreement: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor.

Average Third Party Mark: In respect of any Servicing Rights, the average of two appraisals from two Approved Third-Party Appraisers engaged by the Owner/Servicer pursuant to Section 8.1. If any particular appraisal is a range of values, then such appraisal shall be the mean of such range of values for purpose of this definition.

Average Third Party Mark Payment: As defined in Section 8.1.

Bankruptcy Code: As defined in Section 10.16.

BCP: As defined in Section 2.18.

Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, New Jersey, Texas or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing.

CFPB: The Consumer Financial Protection Bureau, an independent federal agency operating as part of the United States Federal Reserve System.

Change of Control: Unless otherwise consented to by Owner/Servicer (a decision on which shall not be unreasonably delayed) with respect to the Subservicer, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Subservicer; (ii) the sale, transfer, or other disposition of all or substantially all of Subservicer's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Subservicer with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Subservicer immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Owner/Servicer (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Owner/Servicer agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1.

Change Request: As defined in Section 2.3

Change Notice: As defined in Section 2.3

Charged-off Loans: Any Mortgage Loans that have been charged off in accordance with Applicable Requirements and Servicing Procedures.

Claim: Any claim, demand or litigation related to the Mortgage Loans, the Subservicing, the Servicing Rights or this Agreement.

Client Contract: A "Subservicing Agreement" as defined in the applicable Servicing Agreement (or other like terminology used to reference the agreement giving rise to the applicable SBO Servicer's obligations to service the Mortgage Loans related to such Servicing Agreement).

Commission: The United States Securities and Exchange Commission.

Compensating Interest: Amounts required to be paid to the applicable Investor pursuant to the applicable Servicing Agreement for shortfalls in interest payments, if any, in connection with respect to principal prepayments or shortfalls (which shortfalls are not attributable to the failure of the Subservicer to service in accordance with Applicable Requirements), if any.

Compensatory Fees: Any compensatory fees, fines, penalties or other monies assessed by the Governmental Entity for failure to adhere to the applicable Governmental Entity Guidelines in servicing the Mortgage Loans, including without limitation applicable foreclosure, reporting and remitting timelines.

Confidential Information: Any and all information regarding the transactions contemplated by this Agreement, Consumer Information, the proprietary, confidential and non-public information or material relating to the business (including business practices) of the Disclosing Party (as defined in Section 10.12) (or the Disclosing Party's clients and investors), information regarding the financial condition, operations and prospects of the Disclosing Party, and any other information that is disclosed to one party by or on behalf of the other party or any of their respective Affiliates or representatives, either directly or indirectly, in writing, orally or by drawings or by permitting inspection of documents or other tangible expression, whether exchanged before or after the date of this Agreement, and contained in any medium, which the Disclosing Party considers to be non-public, proprietary or confidential. Confidential Information includes (but is not limited to) all (a) information relating to HLSS and MSR–EBO's interest in the Rights to MSRs and/or Excess Servicing Fee (each as defined in the New RMSR Agreement) or the amount, characteristics or performance of the Mortgage Loans or any economic or noneconomic terms of this Agreement; (b) information relating to research and development, discoveries, formulae, inventions, policies, guidelines, displays, specifications, drawings, codes, concepts, practices, improvements, processes, know-how, patents, copyrights, trademarks, trade names, trade secrets, and any application for any patent, copyright or trademark; and (c) descriptions, financial and statistical data, business plans, data, pricing, reports, business processes, recommendations, accounting information, identity of suppliers, business relationships, personnel information, technical specifications, computer hardware or software, information systems, customer lists, costs, product concepts and features, corporate assessments strategic plans, services, formation of investment strategies and policies, other plans, or proposals, and all information encompassed in the foregoing. Information relating to the Disclosing Party's consultants, employees, clients, investors, customers, members, vendors, research and development, software, financial condition or marketing plans is also considered Confidential Information.

Confidentiality Agreement: That certain Confidentiality Agreement, dated as of May 5, 2015, by and between New Residential Investment Corp. and Subservicer.

Consumer Information: Any personally identifiable information relating to a Mortgagor which is considered "nonpublic personal information" of "customers" or "consumers" as those terms are defined in the GLBA.

Corporate Parent: Ocwen Financial Corporation, or any successor thereto.

Critical REO Disposition Vendor: As defined in Section 2.10(b).

Critical Report: The reports (other than the Owner/Servicer Regulatory Reports) identified as such on Exhibit E-1 attached hereto which the Subservicer is required hereunder to deliver to the Owner/Servicer, which report list shall be amended from time to time upon mutual agreement of the Subservicer and Owner/Servicer.

Critical Vendor: As defined in Section 2.4(a).

Custodial Account: With respect to each Investor, the accounts created and maintained at a Qualified Depository designated by the Owner/Servicer in which Custodial Funds for the related Mortgage Loans are deposited and held in the name of the Owner/Servicer to the extent not prohibited by the applicable Servicing Agreement.

Custodial Funds: All funds held by or on behalf of the Subservicer with respect to the Mortgage Loans, including, but not limited to, all principal and interest funds and any other funds due Investors, buydown funds maintained by or on behalf of the Subservicer relating to the Mortgage Loans, exclusive of Escrow Payments.

Custodian: With respect to each Mortgage Loan, the document custodian designated by the Owner/Servicer (to the extent permitted in the applicable Servicing Agreement) or the applicable Investor to act as custodian of the Mortgage Loan Documents for such Mortgage Loan.

Default Firms: Shall have the meaning assigned to such term in Section 2.4.

Delinquency or Delinquent: With respect to any Mortgage Loan, the Mortgage Loan that would be considered one month or more delinquent following the OTS Methodology.

Disclosing Party: Shall have the meaning assigned to such term in Section 10.12.

Downstream Ancillary Income: Any and all income or fees referenced on the applicable HUD-1/closing disclosure relating to REO Disposition Services.

Depositor: The depositor, as such term is defined in Regulation AB, with respect to any securitization transaction.

Effective Date of Termination: With respect to the termination of Subservicer, (i) if terminated pursuant to Section 5.1(b) during the Initial Term, the day which is one hundred and eighty (180) days following the date on which the Owner/Servicer notified the Subservicer of its termination, (ii) if, after the Initial Term, not affirmatively renewed for an additional term pursuant to Section 5.1(b), the last day of the then-current term and (iii) if terminated pursuant to Section 5.1(d), or Section 5.3, the date Owner/Servicer notifies Subservicer of its termination. With respect to a termination of Owner/Servicer, (i) if terminated pursuant to Section 5.1(c) the last Business Day of the term in which the Subservicer notified Owner/Servicer of its termination and (ii) if terminated pursuant to Section 5.6, the date Subservicer notifies Owner/Servicer of its termination.

Equity Interests: With respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interest in (however designated) equity of such Person, including any common stock, preferred stock, any limited or general partnership interest and any limited liability company membership interest, as applicable; provided that, for the avoidance of doubt and without limitation, “Equity Interests” shall exclude the convertible notes and any other indebtedness convertible into or exchangeable for Equity Interests.

Escrow Account: With respect to each Investor, a time deposit or demand account (in the name of the Owner/Servicer to the extent not prohibited by the applicable Servicing Agreement) created and maintained at a financial institution designated by the Owner/Servicer for the deposit of Escrow Payments and related disbursements, as required by the applicable Servicing Agreement.

Escrow Agent: The Bank of New York Mellon Trust Company or such other Person as mutually agreed upon by the Owner/Servicer and the Subservicer.

Escrow Agreement: That certain agreement among the Owner/Servicer, the Subservicer and the Escrow Agent, entered into prior to the applicable Successor Transfer Date.

Escrow Payments: The amounts required to be escrowed by the Mortgagor pursuant to any Mortgage Loan and held in Escrow Accounts pursuant to the Applicable Requirements (including interest accrued thereon for the benefit of the Mortgagors under the Mortgage Loans, if required by law or contract).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Exit Fee: An amount equal to the product of (A) the unpaid principal balance of the Mortgage Loans to be included in the related Resecuritized Transaction where the Subservicer is not being retained under the Resecuritization Transaction pursuant to Section 5.1(d) and (B) the applicable Exit Fee Percentage.

Exit Fee Percentage: The applicable basis points set forth in Exhibit D associated as of the actual transfer date set forth in Exhibit D.

Fannie Mae: The Federal National Mortgage Association, or any successor thereto.

Fannie Mae Guide: The Fannie Mae Single Family Servicing Guide, as amended, supplemented or otherwise modified from time to time.

FDIC: The Federal Deposit Insurance Corporation, or any successor thereto.

FHA: The Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any successor.

FHA Regulations: Regulations promulgated by HUD under the National Housing Act, codified in Title 24 of the Code of Federal Regulations, and other HUD issuances relating to mortgage loans insured by the FHA.

Fidelity and Errors and Omissions Insurance: As defined in Section 2.12.

Float Benefit: All benefit (including interest or earnings) related to the Escrow Accounts (net of amounts due to the related Mortgagors under applicable law) and the Custodial Accounts, as applicable, with respect to the Mortgage Loans.

Foreclosure Liquidation: The liquidation of a defaulted Mortgage Loan through foreclosure sale.

Formatted Servicer Report; As defined in Section 2.8(c).

Freddie Mac: The Federal Home Loan Mortgage Corporation, or any successor thereto.

Freddie Mac Guide: The Freddie Mac Single Family Servicing Guide, as amended, supplemented or otherwise modified from time to time.

GAAP: Generally accepted accounting principles in effect from time to time in the United States of America.

Ginnie Mae: The Government National Mortgage Association, or any successor thereto.

Ginnie Mae Guide: The Ginnie Mae Mortgage Backed Securities (MBS) Guide, as amended, supplemented or otherwise modified from time to time.

GLBA: The Gramm-Leach-Bliley Act of 1999 as amended, modified, or supplemented from time to time, and any successor statute, and all rules and regulations issued or promulgated in connection therewith.

Governmental Authority: Any court, board, agency, State Agency, commission, office or other authority or quasi-governmental authority or self-regulatory organization of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

Governmental Entity: Each of FHA, USDA and VA, as applicable.

Governmental Entity Guidelines: The FHA Regulations, USDA Regulations, or VA Regulations, as applicable, as such Governmental Entity Guidelines may be modified from time to time or enacted subsequent to the date of this Agreement, and any other applicable agreements, rules, regulations, directives, announcements, bulletins and instructions of the applicable Governmental Entity relating to the servicing or subservicing of residential mortgage loans.

HAMP: The Home Affordable Modification Program implemented by the United States Department of Treasury pursuant to Section 101 and 109 of the Emergency Economic Stabilization Act of 2008, as the same may be amended or modified.

HLSS: HLSS Holdings, LLC.

HUD: The United States Department of Housing and Urban Development, or any successor thereto.

Initial Response: As defined in Section 2.3.

Initial Response Backup: As defined in Section 2.3.

Initial Response Notice: As defined in Section 2.3.

In-process Loan Modification: A trial or permanent loan modification offered by the Subservicer or any prior servicer that was either accepted by the Mortgagor or for which the time for the Mortgagor to accept the offer has not expired and the offer has not been rejected. The term also means and includes (a) trial modifications in which the Subservicer or any prior servicer agreed to modify the payment terms of the Mortgage Loan unless the Subservicer or a prior servicer has clear written evidence that the Mortgagor has failed to perform under the trial loan modification terms and (b) modifications in which the Mortgagor completed making the trial payments, but the permanent modification was not inputted into the Subservicer or any prior servicer's system.

Insurer: FHA, VA, USDA or any private mortgage insurer, pool insurer and any insurer or guarantor under any standard hazard insurance policy, any federal flood insurance policy, any title insurance policy, any earthquake insurance policy or other insurance policy, and any successor thereto, with respect to the Mortgage Loan or the Mortgaged Property.

Interim Servicing Agreement: The agreements entered into by the Subservicer, the Owner/Servicer, Affiliates thereof and/or certain other parties on the dates of related clean-up calls with respect to certain identified Mortgage Loans serviced hereunder which agreements shall be substantially similar to the following documents: [***].

Internal Cost Variance: As defined in Section 2.10(c).

Investor: Any securitization trust, issuer or other owner of the Mortgage Loans for which the Owner/Servicer services such Mortgage Loans pursuant to a Servicing Agreement or, with respect to Mortgage Loans owned by the Owner/Servicer, the Owner/Servicer. For purposes of this Agreement, references to the Investor shall include a trustee, master servicer, securities administrator or other party acting on behalf of an Investor but shall not include any Agency.

[***]

Loss or Losses: Any and all losses, damages, deficiencies, Claims, liabilities, penalties, costs or expenses, including without limitation reasonable costs of investigation (solely to the extent such investigation is required to address a third party claim), attorneys' fees and disbursements.

Loss Mitigation: With respect to any Mortgage Loan, any modified or proposed payment arrangement, proposed, trial or permanent loan modification, In-process Loan Modification, forbearance plan, short sale, deed-in-lieu agreement, HAMP and any other non-foreclosure home retention or non-retention option offered by the Subservicer or any prior servicer that is made available to the Mortgagor by or through the Subservicer or any prior servicer, including any application or request of a Mortgagor for any of the foregoing. For avoidance of doubt, this definition shall apply only to Mortgage Loans in loss mitigation or where a loss mitigation application is pending.

Master Agreement: The Master Agreement, dated as of July 23, 2017, among Subservicer, Owner/Servicer, HLSS and MSR–EBO.

Master Servicer: The “Master Servicer” as defined in the applicable Servicing Agreement (or other like terminology used to reference the entity that performs Master Servicing functions under such Servicing Agreement).

Master Servicing: Subject to Applicable Requirements, the master servicing functions related to the Servicing Rights under the applicable Servicing Agreement, Client Contract and this Agreement, including, without limitation, the REMIC administrator obligations to the extent applicable pursuant with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement, operational functions of receiving and reconciling funds from SBO Servicers, reconciling servicing activity with respect to servicing performed by SBO Servicers, calculating remittance amounts to certificateholders, sending remittances to the trustee for distributions to certificateholders, investor and tax reporting, bond administration, coordinating loan repurchases, overseeing of servicing of the SBO Servicers, approving SBO Servicers’ requests for non-delegated activities, and/or management and liquidation of REO Properties (including appraisals and brokerage services).

Master Servicing Addendum: As defined in Section 2.1(h).

Material Adverse Change: With respect to any Person, any material adverse change in the business, condition (financial or otherwise), or operations, of such Person.

Material Adverse Effect: With respect to the Subservicer (a) a Material Adverse Change with respect to the Subservicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Subservicer to perform under this Agreement, or to avoid a Subservicer Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Subservicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Subservicer to realize the full benefits of the Servicing Rights. With respect to the Owner/Servicer (a) a Material Adverse Change with respect to the Owner/Servicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Owner/Servicer to perform under this Agreement, or to avoid any Owner/Servicer Termination Event under this Agreement (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Owner/Servicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and any NRZ Servicing/Subservicing Agreement, taken as a whole.

Material Debt Agreement: Any debt, repurchase agreement, loan and security agreement or similar credit facility or agreement for borrowed funds in the amount of twenty million dollars ($20,000,000) or more in the aggregate between a lender and the Subservicer, the Corporate Parent

or any subsidiary or Affiliate of Subservicer (other than Automotive Capital Services, Inc. and Liberty Home Equity Solutions, Inc.).

Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement).

Measurement Loans: Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

MERS: Mortgage Electronic Registration Systems, Inc., or any successor thereto.

[***]

Monthly Financial Covenant Certification: As defined in Section 2.22.

Mortgage: The mortgage, deed of trust or other instrument creating a first or second lien on a Mortgaged Property securing a Note (or a first or second lien on (a) in the case of a cooperative, the related shares of stock in the cooperative securing the Note and (b) in the case of a ground rent, the leasehold interest securing the Note).

Mortgage Loan: Fixed or adjustable rate mortgage loans identified by the Owner/Servicer pursuant to Section 2.1 for which the Subservicer accepts subservicing from the Owner/Servicer from time to time for inclusion under the terms of this Agreement and any REO Property resulting from Mortgage Loans described in this definition.

Mortgage Loan Documents: With respect to each Mortgage Loan, (a) the original Mortgage Loan documents held by the Custodian, including the Note, and if applicable, cooperative mortgage loan related documents and (b) all documents required by the applicable Investor to be held by the Custodian under Applicable Requirements.

Mortgage Servicing File: With respect to each Mortgage Loan, all documents whether in hard copy, computer record, microfiche or any other format, evidencing and pertaining to a particular Mortgage Loan and relating to the processing, origination, servicing, collection, payment and foreclosure of such Mortgage Loan, necessary to service the Mortgage Loans in accordance with Applicable Requirements or required to be held by the servicers under Applicable Requirements, including without limitation the following documents with respect to each Mortgage Loan: (a) a schedule of all transactions credited or debited to the Mortgage Loan, including the Escrow Account and any suspense account; (b) copies of the Mortgage Loan Documents; (c) any notes created by the Subservicer (or any prior servicer) personnel reflecting communications with the Mortgagor about the Mortgage Loan; (d) any reports specific to the Mortgage Loan created by the Subservicer (or any prior servicer) in connection with the Subservicing of the Mortgage Loan; (e) copies of information or documents provided by Mortgagor to the Subservicer in connection with any error resolution or loss mitigation; and (f) any documents or records required to be maintained by the servicer under the applicable Servicing Agreement.

Mortgaged Property: The real property securing a Mortgage Loan, including all buildings and fixtures thereon.

Mortgagor: The mortgagor, grantor of security deeds, grantor of trust deeds and deeds of trust, and the grantor of any Mortgage.

MSR–EBO: HLSS MSR–EBO Acquisition LLC.

MSRPA: As defined in Section 2.16.

New Mortgage Loan: With respect to any existing Mortgage Loan subject to this Agreement, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B.

New RMSR Agreement: That certain New RMSR Agreement, dated as of January 18, 2018, by and among the Subservicer, Owner/Servicer, HLSS and MSR–EBO, as amended, supplemented or otherwise modified from time to time.

NRM: New Residential Mortgage LLC.

NRM PLS Subservicing Agreement: The Subservicing Agreement, dated as of July 23, 2017, between NRM, as owner/servicer and Subservicer, as subservicer for non-agency loans as may be amended, supplemented or otherwise modified from time to time.

NRM Agency Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer and Subservicer, as subservicer for agency loans as may be amended, supplemented or otherwise modified from time to time.

Note: The original executed note evidencing the indebtedness of a Mortgage.

NRZ O/S Entity: Each of Owner/Servicer, NRM, HLSS and MSR–EBO.

NRZ Servicing/Subservicing Agreement: Each of the NRM PLS Subservicing Agreement, the Servicing Addendum, and this Agreement.

Off-shore Vendor: Any Vendor which is located outside the United States of America and/or the services provided by any Vendor are being performed outside the United States of America.

Original Closing Date: July 23, 2017.

O/S Direction: As defined in Section 2.3.

OTS Methodology: A method of calculating delinquency of a Mortgage Loan based upon The Office of Thrift Supervision method, under which method a Mortgage Loan is considered delinquent if the payment has not been received by the Mortgage Loan's next due date. For example, a Mortgage Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

Owner/Servicer Economics: The sum of the following, without duplication, (i) all Servicing Compensation payable to the Owner/Servicer as servicer of the Mortgage Loans under the applicable Servicing Agreement and/or received during the applicable Investor accounting cycle, (ii) all amounts payable to the Owner/Servicer as the Investor of any Mortgage Loans during the related collection period, (iii) all recoveries on the Mortgage Loans of Servicing Advances and P&I Advances previously funded or reimbursed by the Owner/Servicer to the Subservicer or the prior servicer, (iv) if positive, the excess of all penalties assessed pursuant to Section 2.7(d) minus all bonuses payable pursuant to Section 2.7(d), and (v) all other outstanding amounts collected and payable to the Owner/Servicer under this Agreement (including Float Benefit pursuant to Section 2.8(h)).

Owner/Servicer Expenses: "Out-of-pocket" costs to third parties incurred in accordance with Applicable Requirements by the Subservicer in servicing the Mortgage Loans and REO Properties that are not reimbursable by the related Mortgagor, by the related Investor or from Liquidation Proceeds in accordance with the applicable Mortgage Loan Documents and/or Servicing Agreement, as applicable, and that constitute the cost of (a) Mortgagor counseling fees payable to a third party, (b) any Mortgage Loan Assignment, recording, trustee, endorsement or release fee including recordation of powers of attorney and any MERS charges, which fees are not reimbursable to Subservicer by any other party, (c) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, life of loan flood tracking contracts to the extent such Mortgage Loan did not have a life of loan flood tracking contract on the related Transfer Date, (d) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, life of loan tax service contracts

to the extent such Mortgage Loan did not have a life of loan tax service contract on the related Transfer Date, (e) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, tax certifications performed to research past due tax amounts, (f) funds to repurchase Mortgage Loans from the applicable Investor to the extent the Subservicer obtained the prior written consent of the Owner/Servicer to repurchase such Mortgage Loan(s), (g) interest on escrow payable to Mortgagors in accordance with Section 2.2(a)(iv), (h) LPMI premiums, (i) changing a Custodian at the direction of the Owner/Servicer, (j) Compensating Interest, (k) amounts payable by the Owner/Servicer in accordance with Section 2.3 of this Agreement, (l) solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights, the compensation of the applicable trustee to the extent the related Servicing Agreement requires that the Master Servicer is required to pay the trustee its compensation as calculated thereunder, and (m) any other fees or amounts expressly agreed to be paid by the Owner/Servicer pursuant to this Agreement (other than indemnity payments to be made in accordance with Article VIII).

Owner/Servicer Regulatory Report: The reports identified "Regulatory Reports" in the Formatted Servicing Reports attached hereto which the Subservicer is required hereunder to deliver to the Owner/Servicer, which report list shall be amended from time to time pursuant to Section 2.3.

Owner/Servicer Termination Event: As defined in Section 5.6.

P&I: Principal and interest.

P&I Advance: Principal and interest, if any, advanced to an Investor related to a Mortgage Loan, required to be made under the applicable Servicing Agreement.

Performance Triggers: Any of the events set forth on Exhibit J, as may be modified by mutual agreement of the parties from to time, including upon the addition of additional Mortgage Loans as reflected in an Acknowledgment Agreement, or through other written agreement of the parties, it being understood that, to the extent applicable, the Subservicer, the Owner/Servicer and the NRZ O/S Entities shall coordinate with respect to any modifications to the Performance Triggers under and as defined in the respective NRZ Subservicing Agreement and any modifications to the Performance Triggers hereunder.

Person: Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, limited partnership, government or any agency or political subdivision thereof or any similar entity.

PMI: Private mortgage insurance.

PMI Companies: The insurance companies that have issued PMI policies insuring any of the Mortgage Loans.

PMI Proceeding Advance: Any and all Losses incurred by the Subservicer (or any agent, attorney, Vendor and/or representative of the Subservicer) in connection with any PMI Proceeding,

regardless whether the Subservicer and/or the Owner/Servicer is entitled under the related Servicing Agreement to be reimbursed for such Losses.

Prime Rate: The prime rate announced to be in effect from time to time, as published as the average rate in *The Wall Street Journal (Northeast edition)*.

Prior Ocwen Serviced Loans: As defined in Section 2.1(d).

Qualified Depository: A depository (a) the accounts of which are insured by the Federal Deposit Insurance Corporation, or any successor thereto and (b) that is compliant with Applicable Requirements.

Rating Agencies: Standard & Poor's Financial Services LLC, Moody's Corporation, Fitch Ratings, Inc., DBRS, Inc., Kroll Bond Rating Agency, Inc. and, if specified in any related Securitization Transaction, any other nationally recognized statistical rating organization or their respective successors, or any successor in interest thereto.

Reconciliation Report: As defined in Section 4.1.

Reconstitution Date: The date(s) on which any or all of the Mortgage Loans serviced under this Agreement (or the related Servicing Rights) shall be removed from this Agreement and reconstituted as part of a Securitization Transaction pursuant to Section 9.1.

Regulation AB: Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§ 229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission in (a) the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,631 (Jan. 7, 2005)), (b) the adopting release (Asset-Backed Securities, Securities Act Release Nos. 33-9638 and 34-72982, 79 Fed. Reg. 57,183, 57,346 (September 24, 2014)), or (c) by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

REMIC: A "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

REMIC Provisions: Provisions of the federal income tax law relating to REMICs, which appear in Sections 860A through 860G of Subchapter M of Chapter 1, Subtitle A of the Code, and related provisions, and regulations, rulings, or pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.

Remittance Date: The monthly remittance date as set forth in the related Servicing Agreement.

REO Disposition Services: The services provided by a Vendor or services which such Vendor controls, which shall include, without limitation, valuation services, property preservation and inspection, trustee services, insurance, title services, management services, liquidation services (REO sales, short sales), due diligence services, mortgage charge off collection, mortgage fulfillment

and underwriting services unless otherwise agreed to by the parties, but shall exclude umbrella insurance on REO Properties.

REO Property: A Mortgaged Property acquired on behalf of an Investor by foreclosure or other similar process.

Reporting Date: With respect to each report listed in Exhibit E-1, the date specified therein.

Representatives: With respect to the Owner/Servicer or any NRZ O/S Entity, the employees, managers, advisors, agents, contractors, counsel, auditors and other representatives of the Owner/Servicer or such NRZ O/S Entity.

SBO Servicer: A "Servicer" or "Subservicer" as defined in the applicable Servicing Agreement for servicing and administration (or other like terminology used to reference the entity that is overseen by the Master Servicer under such Servicing Agreement), which may be the Subservicer.

Securitization Servicing Agreement: The agreement entered into by the Subservicer, the Owner/Servicer and certain other parties on the Reconstitution Date or Reconstitution Dates with respect to certain identified Mortgage Loans serviced hereunder in connection with a Securitization Transaction, which agreement shall be substantially similar to [***] (including, but not limited to, with respect to the compensation of the Subservicer and the payment of a portion of the servicing fee arising under such Securitization Servicing Agreement to Owner/Servicer or its Affiliate pursuant to the [***]), or such other securitization servicing agreement as the Owner/Servicer and Subservicer may mutually agree upon.

Securitization Transaction: Any transaction involving either (a) a sale or other transfer of certain identified Mortgage Loans directly or indirectly by New Residential Investment Corp. or its Affiliates to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities or (b) an issuance of publicly offered or privately placed, rated or unrated securities (directly or indirectly by New Residential Investment Corp. or its Affiliates), the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the Mortgage Loans.

Service Level Agreements or SLAs: As defined in Section 2.7(a) of this Agreement.

Servicer Transfer Data: The computer records provided by the prior servicer to the Subservicer reflecting the status of payments, balances and other pertinent information with respect to the Mortgage Loans necessary to subservice the Mortgage Loans in accordance with Applicable Requirements.

Servicing Addendum: That certain Servicing Addendum attached as Annex 1 to the New RMSR Agreement as may be amended, supplemented or otherwise modified from time to time.

Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Subservicer in accordance with the Applicable Requirements and the

Advance Policy, and after the Transfer Date, subject to the terms of this Agreement, excluding (i) any P&I Advance or indemnification amounts payable by the Subservicer pursuant to this Agreement and (ii) any PMI Proceeding Advances.

Servicing Agreement: With respect to each Mortgage Loan, the related servicing agreement, pooling and servicing agreement, subservicing agreement or similar agreement pursuant to which the Owner/Servicer is a party as the servicer (including master, special, primary or subservicer) thereunder as of the related Transfer Date, addressing the Servicing Rights and servicing obligations with respect to such Mortgage Loan, which servicing agreement shall be identified (i) on a schedule attached to the related Acknowledgment Agreement or (ii) on a schedule attached to the related Assignment Agreement (as defined in the Transfer Agreement). Servicing Agreements shall also include other agreements under which the Owner/Servicer has been assigned rights and/or has assumed obligations with respect to its role as servicer (including master, special, primary or subservicer) of the related Mortgage Loans.

Servicing Compensation: The aggregate amount payable to the Owner/Servicer under the applicable Servicing Agreement (including any deferred servicing fees and Downstream Ancillary Income) related to a Mortgage Loan as consideration for servicing such loan, expressed as a percentage of the unpaid principal balance thereof or a dollar amount per Mortgage Loan and excluding Ancillary Income. In addition, solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights, any net gain from REO Properties resulting from liquidation proceeds exceeding the amount due to certificateholders or the applicable Investor after reimbursement of all expenses to the related SBO Servicer.

Servicing Criteria: The “servicing criteria” used and identified in the Subservicer’s 2016 Regulation AB reporting as the same may be modified from time to time to comply with any amendments, modifications, supplements or interpretations that relate to Item 1122(d) of Regulation AB.

Servicing Procedures: The Subservicer’s internal written procedures applicable to the servicing and subservicing of mortgage loans similar to the Mortgage Loans, including but not limited to delinquency and loss mitigation efforts (i.e., modification, short sales, deed-in-lieu, cash for keys, etc.), as such procedures may be modified from time to time in accordance with Section 2.3.

Servicing Rights: Subject to any applicable Servicing Agreement, with respect to a Mortgage Loan, solely to the extent applicable to the relevant capacity of Owner/Servicer, whether as master servicer, primary servicer or subservicer, collectively, (i) the rights and obligations to service, administer, collect payments for the reduction of principal and application of interest thereon, collect payments on account of taxes and insurance, pay taxes and insurance, remit collected payments, provide foreclosure services, provide full escrow administration, (ii) any other obligations required by any Investor in connection with such Mortgage Loan pursuant to the applicable Servicing Agreement, (iii) the right to possess any and all documents, files, records, Mortgage Servicing File, servicing documents, servicing records, data tapes, computer records, or other information pertaining to such Mortgage Loan or pertaining to the past, present or prospective servicing of such Mortgage Loan, (iv) the right to receive the Servicing Compensation and any Ancillary Income

arising from or connected to such Mortgage Loan and the benefits derived from and obligations related to any accounts arising from or connected to such Mortgage Loan, (v) the rights of the servicer, if any, to exercise option redemption, optional termination or clean-up call rights under the applicable Servicing Agreement, (vi) any other rights of the servicer set forth in the applicable Servicing Agreement, and (vii) all rights, powers and privileges incident to any of the foregoing, subject, in each case, to any rights, powers and prerogatives retained or reserved by the Investors.

Servicing Transfer Costs: All reasonable out-of-pocket costs and expenses incurred in connection with the transfer of the servicing of the Mortgage Loans, including, without limitation, any reasonable costs or expenses associated with the complete transfer of all servicing data and the completion, correction or manipulation of such servicing data as may be required by the transferee subservicer to correct any errors or insufficiencies in the servicing data or otherwise enable the transferee servicer or subservicer to service the Mortgage Loans properly and effectively, all costs and expenses incurred in connection with the transfer and delivery of the Mortgage Loans, if applicable, including costs and expenses incurred to transfer existing imaged copies (with existing indexing) of all documents related to the Mortgage Loans, recording fees, fees for the preparation, delivery, tracking and recording of assignments of Mortgages or any MERS transfer related costs related to a transfer of servicing and all costs associated with the transfer of (or, if not transferable to a successor servicer or subservicer, the purchase of) life of loan tax service and flood certification contracts. For the avoidance of doubt, “Servicing Transfer Costs” shall not include any boarding or deboarding fees.

SP Modifications: As defined in Section 2.3.

State Agency: Any state or local agency with authority to (i) regulate the business of the Owner/Servicer or the Subservicer or the Corporate Parent, including without limitation any state or local agency with authority to determine the investment or servicing requirements with regard to mortgage loans originated, purchased or serviced by the Owner/Servicer or the Subservicer or the Corporate Parent, or (ii) originate, purchase or service mortgage loans, or otherwise promote mortgage lending, including without limitation state and local housing finance authorities.

Step-up Fee: With respect to each day between the Effective Date of Termination and the Successor Transfer Date described in Section 5.4(d)(i)(A) or 5.4(d)(ii)(A), [***] basis points ([***]), and, with respect to each day between the Effective Date of Termination and the Successor Transfer Date described in Section 5.4(d)(i)(B) or 5.4(d)(ii)(B), [***] basis points ([***]).

Subservicer Economics: With respect to any calendar month, an amount equal to the sum of (A) if positive, the excess of all bonuses payable pursuant to Section 2.7(d) over all penalties assessed pursuant to Section 2.7(d) and (B) an amount equal to (x) the product of (i) either (A) [***] or (B) if the conditions set forth in Section 5.4(d) have occurred, the applicable Step-up Fee, and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans which the Subservicer is solely performing Master Servicing functions in this Agreement divided by (y) twelve (12) and (C) with respect to those Mortgage Loans the Subservicer is performing Master Servicing functions in this Agreement (which may be in addition to amounts described in clause (B)), an amount equal to (x) the product of (i) [***] and (ii) the total

scheduled unpaid principal balance of such Mortgage Loans (which the Subservicer is performing Master Servicing functions in this Agreement) as of the first Business Day of such calendar month divided by (y) twelve (12); provided, however, in all cases, the Subservicer shall only be entitled to a pro rata portion of such fees for Mortgage Loans boarded or deboarded during the related month.

Subservicer Termination Event: As defined in Section 5.3(a).

Subservicing: Subject to Applicable Requirements, the servicing functions for the Mortgage Loans under the applicable Servicing Agreement and this Agreement, including, without limitation, the usual servicing operational functions of providing customer statements, accepting and applying customer payments, calculating, holding and applying escrowed amounts, providing customer service, collecting defaulted accounts, performing loss mitigation and any other obligations of the Owner/Servicer under the applicable Servicing Agreements and performing portfolio defense services in accordance with the provisions contained in Exhibit B.

Substitute Vendor: Any Person having all applicable qualifications, licenses and/or requisite approvals to provide similar services under this Agreement which a Vendor is currently performing and, in connection with Subservicer's obligation to reasonably cooperate with a Substitute Vendor that "is reasonably acceptable to Subservicer", the parties hereby agree that it would be "reasonably acceptable" if the Substitute Vendor has been approved, consistent with process set forth in Section 2.3(f).

Successor Transfer Date: As defined in Section 5.4(a).

Superior Lien: With respect to any second lien Mortgage Loan, any other mortgage loan relating to the corresponding Mortgaged Property which creates a lien on the Mortgaged Property which is senior to the lien securing the Mortgage Loan.

Termination Fee: The fee payable by the Owner/Servicer to the Subservicer as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Subservicer under any NRZ Servicing/Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Servicing/Subservicing Agreements exceed the amount set forth on Exhibit C-1.

Termination Party: With respect to any Servicing Agreement, a trustee, master servicer, or any other third party that is not an Affiliate of Owner/Servicer (or induced by Owner/Servicer or any of its Affiliates) with, in each case, the contractual right under such Servicing Agreement to terminate the servicer or subservicer thereunder, or to direct another party to terminate the servicer or subservicer, upon a servicer default, which, in the case of securityholders, means having current and actual ownership of a sufficient percentage of securities to exercise such right.

T&I: Taxes and insurance.

Transfer Agreement: That certain Transfer Agreement dated as of July 23, 2017, among Subservicer, Owner/Servicer, Corporate Parent and New Residential Investment Corp., as may be amended, supplemented or otherwise modified from time to time.

Transfer Date: With respect to any particular Mortgage Loan, the date on which Subservicing of the Mortgage Loan is transferred to the Subservicer and the Subservicer commences Subservicing such Mortgage Loan pursuant to this Agreement, which date shall be (i) the date of the applicable Assignment Agreement (as defined in the Transfer Agreement) or (ii) the date set forth on the related Acknowledgment Agreement, if any, or otherwise the date on which the servicing of such Mortgage Loan is boarded on the Subservicer's servicing system following the identification of such Mortgage Loan pursuant to Section 2.1.

Transfer Procedures: With respect to each Mortgage Loan, the procedures with respect to the transfer of subservicing of such Mortgage Loan to or from the Subservicer as mutually agreed to by the parties and set forth in Exhibit P-1 or Exhibit P-2 hereto, as applicable, as may be amended from time to time as mutually agreed by the parties hereto.

USDA: The United States Department of Agriculture or any successor thereto.

USDA Regulations: The regulations promulgated by the USDA and other USDA issuances relating to mortgage loans guaranteed by the USDA.

VA: The United States Department of Veterans Affairs or any successor thereto.

VA Regulations: The regulations promulgated by the VA pursuant to the Serviceman's Readjustment Act, as amended, codified in Title 38 of the Code of Federal Regulations, and other VA issuances relating to mortgage loans guaranteed by the VA.

Vendor: Any contractor, vendor, real estate broker and/or service provider (which may be an Affiliate of the Owner/Servicer) engaged by the Subservicer and involved in providing services with respect to any Mortgage Loans or Subservicing in accordance with and subject to the terms of this Agreement.

Vendor Oversight Guidance: All applicable requirements and guidelines related to the oversight of third-party contractors, vendors and/or service providers as set forth in Applicable Requirements. For the avoidance of doubt, Vendor Oversight Guidelines includes, but is not limited to, guidance issued by Governmental Authorities from time to time, including but not limited to the following Governmental Authorities: (i) the CFPB (including but not limited to CFPB Bulletin 2016-03), (ii) the Board of Governors of the Federal Reserve System (including but not limited to the "Guidance on Managing Outsourcing Risk" dated December 5, 2013), (iii) the FDIC (including but not limited to FIL-44-2008 ("Guidance for Managing Third-Party Risk")) and (iv) the Office of the Comptroller of the Currency (the "OCC"), including but not limited to OCC Bulletin 2013-29 ("Risk Management Guidance").

ARTICLE II
AGREEMENTS OF THE SUBSERVICER

Section 2.1. General.

(a) The Subservicer hereby agrees to subservice the Mortgage Loans on behalf of the Owner/Servicer pursuant and subject to the terms of this Agreement. Throughout the term of this Agreement, the Subservicer shall (i) maintain and satisfy all applicable eligibility and other requirements as subservicer to the Owner/Servicer to act as servicer (including master, special, primary or subservicer) under the applicable Servicing Agreements, (ii) maintain any required qualifications, licenses or approvals to do business, to service mortgage loans, or to otherwise collect debts or perform any activities relating to mortgage loans in any jurisdiction where the Mortgaged Properties are located, to the extent required under Applicable Requirements, and (iii) preserve and maintain its legal existence. In conjunction with the process set forth in the Transfer Agreement, upon compliance with the terms thereunder (including the execution of the applicable Assignment Agreement (as defined therein), the Servicing Rights related to the Mortgage Loans transferred thereunder shall automatically be deemed to be subject to the terms of this Agreement. In addition to the foregoing, in conjunction with the process set forth in Section 2.16(a) regarding the Subservicer's approval of additional Mortgage Loans through acceptance of an MSRPA, and Section 3.1 regarding the transfers to the Subservicer, at least sixty (60) days (or such shorter period as agreed by the parties) prior to each Transfer Date, the Owner/Servicer shall deliver by electronic transmission to the Subservicer a data tape identifying the Mortgage Loans to be included under this Agreement on such Transfer Date. Upon execution of an Acknowledgment Agreement, such Mortgage Loans acquired through an MSRPA shall thereby be deemed to be subject to the terms of this Agreement unless removed by the Owner/Servicer prior to the Transfer Date. Such Acknowledgment Agreement shall identify the Mortgage Loans to be made subject to this Agreement on such Transfer Date and may further set forth any additional business terms mutually agreed upon by the parties with respect to such Mortgage Loans. For the avoidance of doubt, notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall continue to own the Servicing Rights following the related Transfer Date.

(b) With respect to non-Prior Ocwen Serviced Loans, the Subservicer shall cooperate with the Owner/Servicer in connection with obtaining any necessary consents or approvals required for the Subservicer to act as subservicer under the applicable Servicing Agreements, including responding to requests for information regarding the Subservicer by or on behalf of the related Investor and other third parties.

(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Owner/Servicer hereunder, such delivery to the Owner/Servicer of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's

servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Owner/Servicer hereunder.

(d) Notwithstanding any provision in this Agreement to the contrary, the parties acknowledge that all of the Mortgage Loans that become subject to this Agreement are serviced or subserviced by the Subservicer immediately preceding the Transfer Date (each, a "Prior Ocwen Serviced Loan") and that no physical transfer of servicing shall be required with respect to such Prior Ocwen Serviced Loan except as may be necessary to reflect the Owner/Servicer's ownership of the Servicing Rights and any related requirements under Applicable Requirements. For such Prior Ocwen Serviced Loans, the parties' respective obligations and liabilities with respect to the Prior Ocwen Serviced Loans relating to matters occurring during the period of time prior to the applicable Transfer Date shall be as set forth in the Transfer Agreement.

(e) Upon the Owner/Servicer's request, the Subservicer shall reasonably cooperate with the Owner/Servicer and any backup servicer designated by the Owner/Servicer, including, but not limited to, working and coordinating with such backup servicer's personnel to provide applicable mapping system fields, data checks, conversion routines and such other assistance to enable such backup servicer to receive readable data from the Subservicer on a periodic basis, provided, however, that, any such back-up servicer shall be approved by the Seller pursuant to Section 2.3(f) and to the extent a backup servicer has been engaged by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer may not designate a different backup servicer hereunder. On a monthly basis, at no additional charge (unless requested more frequently than monthly), Subservicer shall provide to Owner/Servicer and to any backup servicer designated by the Owner/Servicer the information, in readable form, set forth in Schedule 2.1(e) with respect to the Mortgage Loans subserviced hereunder. In addition, the Subservicer shall provide information and data regarding the Mortgage Loans and Servicing Rights to the designated backup servicer as required by such backup servicer, including but not limited to contacts for Vendors and Default Firms performing services on the Mortgage Loans, images of Mortgage Servicing Files in Subservicer's possession or control, and reports identifying the party in possession of the Mortgage Loan Documents from the Custodian. Except with respect to the monthly data transmission described above, the Owner/Servicer shall reimburse the Subservicer for its out-of-pocket costs and expenses or its internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with its cooperation with such backup servicer in accordance with the process set forth in Section 2.3(d) of this Agreement. The Subservicer's obligation to provide any information to a back-up servicer shall only arise following the backup servicer and Subservicer entering into a customary, mutually agreeable non-disclosure agreement which will limit such back-up servicer's use of information provided by or on behalf of Subservicer to the purpose of providing such back-up services.

(f) The Subservicer shall provide portfolio defense services relating to the Mortgage Loans as set forth on Exhibit B attached hereto, as may be amended from time to time upon mutual agreement of the parties pursuant to Section 2.3.

(g) For any New Mortgage Loans, the Subservicer shall subservice each such New Mortgage Loan pursuant to the NRM Agency Subservicing Agreement.

(h) Notwithstanding anything set forth in this Agreement to the contrary, with respect to the Servicing Rights for which Owner/Servicer is acting as Master Servicer, (i) the Owner/Servicer hereby appoints the Subservicer as its agent to be the REMIC administrator for each Servicing Agreement which requires the Master Servicer under such Servicing Agreement to perform the duties of the REMIC administrator therein and the Subservicer shall perform such obligations of the REMIC administrator in accordance with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement and (ii), the Subservicer shall not have the obligations specifically excluded under the addendum set forth in Exhibit R (the "Master Servicing Addendum") attached hereto; provided that such exclusions shall only apply to the Subservicer's performance of the Master Servicer's obligations of the Subservicer and not to any primary or subservicing obligations relating to the same Mortgage Loans with respect to the Subservicer acting as SBO Servicer.

Section 2.2. Subservicer to Service in Compliance with Applicable Requirements.

(a) The Subservicer, as an independent contractor, shall service and administer each Mortgage Loan and REO Property in compliance with all Applicable Requirements and, subject to the terms and provisions of this Agreement, the Subservicer shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Subservicer may deem necessary or desirable in connection with the performance of its obligations under this Agreement. Subject to the terms of this Agreement, the Owner/Servicer shall not itself attempt to perform the duties and activities of the Subservicer hereunder, and Owner/Servicer shall refer to Subservicer any Mortgagor inquiries or correspondence, payments or payoff funds, or similar matters within the Subservicer's responsibilities hereunder that Owner/Servicer may receive; *provided* that Subservicer and Owner/Servicer have had prior discussion related to such failure to perform and so long as Owner/Servicer has given Subservicer one (1) Business Day prior written notice of its intent to so perform, the Owner/Servicer may perform any non-borrower facing activity required under a Servicing Agreement that the Subservicer fails to perform in accordance with such applicable Servicing Agreement which would reasonably be expected to result in a material Loss to Owner/Servicer, including but not limited to an event of default or other termination event under the applicable Servicing Agreement. Where Applicable Requirements appear to be in conflict, the Subservicer shall notify the Owner/Servicer of such conflict, and the parties shall address such conflict in accordance with the procedures set forth in Section 2.3(c). Until the principal and interest of each Mortgage Loan is paid in full, unless this Agreement is sooner terminated pursuant to the terms hereof, and subject to this Section 2.2(a), the Subservicer shall:

(i) Collect, accept and apply payments of Custodial Funds and Escrow Payments only in accordance with the Mortgage Loan and Applicable Requirements.

Deficiencies or excesses in payments shall be accepted and applied, or accepted and not applied, or rejected in a manner consistent with the Subservicer's payment hierarchy and payment application rules and in accordance with Applicable Requirements;

(ii) Maintain permanent mortgage account records capable of producing, in chronological order: the date, amount, distribution, installment due date, or other transactions affecting the amounts due from or to the Mortgagor and indicating the latest outstanding balances of principal, escrow accounts, advances, and unapplied payments;

(iii) Make interest rate adjustments in compliance with Applicable Requirements and the Mortgage Loan Documents to reflect the movements of the applicable Mortgage Loan rate index. The Subservicer shall deliver to the Mortgagors all appropriate notices required by Applicable Requirements and the applicable Mortgage Loan Documents regarding such interest rate adjustments including, without limitation, timely notification to the Investor if required of (i) the applicable date and information regarding such interest rate adjustment, (ii) the methods of implementation of such interest rate adjustments, (iii) new schedules of Investor's share of collections of principal and interest, and (iv) all prepayments of any Mortgage Loan hereunder by Mortgagor. The Subservicer shall be responsible for any liabilities under the applicable Servicing Agreement resulting from the failure to properly and timely make interest rate adjustments on the related Mortgage Loans;

(iv) Pay interest on Escrow Accounts if any Applicable Requirement requires the payment of interest on such amounts. Such interest amounts paid by the Subservicer shall be reimbursed by the Owner/Servicer and included as part of the Subservicer Economics payable to the Subservicer. As applicable, the Subservicer will determine the amount of Escrow Payments to be made by Mortgagors and will furnish to each Mortgagor, at least once a year, an analysis of each Mortgagor's Escrow Account in accordance with Applicable Requirements;

(v) Maintain accurate records reflecting the status of taxes, ground rents, and other recurring similar charges generally accepted by the mortgage servicing industry, which would become a lien on the Mortgaged Property. For all Mortgage Loans providing for the payment to and collection by the Subservicer of Escrow Payments for taxes, ground rents, or such other recurring charges, the Subservicer shall remit payments for such charges before any penalty date. The Subservicer assumes responsibility for the timely remittance of all such payments and will hold harmless and indemnify the Owner/Servicer and the applicable Investor from any and all Losses resulting from the Subservicer's failure to discharge said responsibility subsequent to the Transfer Date of the particular Mortgage Loan by the Subservicer; provided, however, that Subservicer shall not be obligated to indemnify any Investor for any Losses other than as expressly set forth in the applicable Servicing Agreement. The Subservicer shall promptly notify the Owner/Servicer if it becomes

aware of any missing or erroneous information with respect to the Mortgage Loans that is preventing or impeding the Subservicer from timely meeting tax or other payments obligations with respect to the Mortgage Loans or from otherwise meeting the Subservicer's obligations under this Agreement. Within thirty (30) days of each Transfer Date, the Subservicer shall notify the Owner/Servicer in writing identifying the related Mortgage Loans for which assignable life-of-loan tax service or life of loan flood service contracts have not been provided to the Subservicer in connection with the servicing transfer;

(vi) For all Mortgage Loans for which no provision has been made for the payment to and collection by the Subservicer of Escrow Payments, the Subservicer shall use commercially reasonable efforts to determine whether any such payments are made by the Mortgagor in a manner and at a time that avoids the loss of the Mortgaged Property due to a tax sale or the foreclosure of a tax lien and otherwise satisfies Applicable Requirements. The Subservicer shall make Servicing Advances to effect such payments and shall seek reimbursement of such Servicing Advances on the Owner/Servicer's behalf from the Mortgagor, Insurer or Investor in accordance with the applicable Mortgage Loan Documents or otherwise as permitted by Applicable Requirements. The Owner/Servicer shall reimburse the Subservicer for such Servicing Advances in accordance with Section 2.13 hereof;

(vii) When a Mortgagor's Escrow Payments are insufficient to pay taxes, assessments, mortgage insurance premiums, hazard or flood insurance premiums, or other items due therefrom, pay such amounts as a Servicing Advance and seek reimbursement from the Mortgagor or Investor. The Owner/Servicer shall reimburse the Subservicer for all outstanding deficiencies, and any other Servicing Advances made by the Subservicer to protect the security of the Investor, in accordance with Section 2.13 hereof;

(viii) Unless otherwise directed by the Owner/Servicer, maintain any optional insurance in effect on the Transfer Date;

(ix) With respect to Mortgage Loans covered by PMI policies, the Subservicer shall comply with all requirements of the applicable PMI Companies, including requirements concerning the giving of notices and submitting of claims required to be given or submitted pursuant to Applicable Requirements. In connection with any assumption or substitution agreement entered into or to be entered as permitted under Applicable Requirements, the Subservicer shall promptly notify the related PMI Company, if any, of such assumption or substitution of liability in accordance with the terms of the PMI policy. The Subservicer shall provide to the Owner/Servicer a monthly report as set forth in Exhibit E regarding notices of rescission of PMI policies, it being understood that Subservicer may deliver a single report to any NRZ O/S Entity covering all such notices applicable to the Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement, the

NRM Agency Subservicing Agreement and the Mortgage Loans being serviced hereunder and such delivery shall be deemed to constitute delivery hereunder;

(x) Ensure that improvements on a Mortgaged Property and REO Property are insured by a hazard insurance policy, pursuant to Applicable Requirements, and, if required by Applicable Requirements, a flood insurance policy, in each case meeting the requirements under the applicable Servicing Agreement. The Subservicer may use, at no expense to Owner/Servicer, a blanket policy insuring against fire and hazard losses on Mortgage Loans to the extent permitted and in accordance with the requirements under the applicable Servicing Agreement, [***];

(xi) Administer the release of any insurance proceeds or condemnation proceeds received with respect to the Mortgaged Property to the Mortgagor to be applied to the restoration or repair of the Mortgaged Property to the extent such release is consistent with Applicable Requirements. The Subservicer shall comply with Applicable Requirements and, unless inconsistent with Applicable Requirements, release insurance proceeds or condemnation proceeds in a manner consistent with the Servicing Procedures;

(xii) Subject to Section 2.3, comply with any and all procedures outlined in any applicable Servicing Agreement and any applicable guidelines promulgated by a Governmental Authority, which procedures shall control in the event of any conflict with the terms of this Agreement;

(xiii) In accordance with Applicable Requirements, report Mortgagor payment history to consumer reporting agencies with respect to the period following the related Transfer Date;

(xiv) With respect to any MERS Mortgage Loan, update all required MERS fields, with the cooperation of the Owner/Servicer, as necessary and comply with all applicable requirements of MERS; it being understood and agreed that following the initial update on or after the applicable Transfer Date any further update shall be an Owner/Servicer Expense;

(xv) If a REMIC election has been made with respect to the Mortgage Loans relating to any Investor, comply with the REMIC Provisions and all relevant provisions under the applicable Servicing Agreement;

(xvi) Upon payment of a Mortgage Loan in full, and subject to Section 3.2 hereof, prepare and file any necessary release or satisfaction documents, continue Subservicing the Mortgage Loan pending final settlement, and refund amounts due the Mortgagor in accordance with Applicable Requirements; and

(xvii) Maintain the Mortgage Servicing Files and the Mortgage Loan Documents in its possession pursuant to Applicable Requirements and maintain a record of its handling of such documents and files. Any Mortgage Loan Documents

that are in the possession of the Subservicer shall be held in secure and fireproof facilities or storage areas in accordance with customary standards for the custody of similar documents and Applicable Requirements. The Subservicer shall allow the Owner/Servicer, its Affiliates and its agents to conduct such audits, from time to time, to confirm the Subservicer's recordkeeping, storage and security practices with respect to such files and documents, it being understood that Owner/Servicer and its Affiliates shall coordinate with each other with respect to such audits and any such audits conducted under this Agreement, the NRM Agency Subservicing Agreement and the NRZ Servicing/Subservicing Agreements. The Subservicer shall only release Mortgage Servicing Files and Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements. Notwithstanding the foregoing sentence, in connection with an examination or any request by any Investor or Governmental Authority, the Subservicer shall use all commercially reasonable efforts to release any requested Mortgage Servicing Files and/or Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements and shall deliver any such documents within the time frame set forth by such Investor or Governmental Authority. Any documents or files that are released by the Subservicer shall be properly tracked and pursued to the extent such documents or files are not returned to the Subservicer or to the Custodian. The Subservicer shall provide the Owner/Servicer with information related to documents or files that have been released by the Subservicer promptly upon request. The Subservicer shall cooperate in good faith with the Owner/Servicer in connection with clearing any document exceptions with respect to such releases, consistent with Applicable Requirements.

(b) With respect to Mortgage Loans and/or REO Properties for which the Owner/Servicer is the sole Investor, the Subservicer shall service such Mortgage Loans and REO Properties in accordance with the terms of the applicable Servicing Agreement with respect to which such Mortgage Loans were previously serviced; provided, however, that (i) the Subservicer shall, on each Business Day remit to the Owner/Servicer all collections received by the Subservicer two (2) Business Days prior to such Business Day, on an "actual/actual" basis, (ii) the parties may agree in writing to provide for servicing provisions different from the terms of the applicable Servicing Agreement, pursuant to the process set forth in Section 2.3.

(c) To the extent any servicing provision in this Agreement is inconsistent with the applicable Servicing Agreement, the Subservicer shall promptly, upon obtaining knowledge of a specific event, occurrence or condition leading Subservicer to make such determination, notify the Owner/Servicer of such inconsistency and address such inconsistency in accordance with the procedures set forth in Section 2.3(c).

(d) Where applicable, the Subservicer will comply with the National Housing Act, as amended, and with the Servicemembers Civil Relief Act of 2003, as amended, and with all rules and regulations issued under each of those statutes.

(e) The Subservicer shall maintain its current internal quality control program that reviews, on a regular basis, its compliance with and conformity to all Applicable Requirements (including all applicable regulations, rules, directives and published guidance of the CFPB, as such may be amended, modified or supplemented from time to time) to which the Subservicer and the Corporate Parent is subject. The quality control program shall include (i) evaluating and monitoring the overall quality of the Subservicer's loan servicing and origination activities, including collection call programs, in accordance with industry standards and this Agreement and (ii) tests of business process controls and loan level samples. Subject to Section 10.17, the Subservicer shall provide to the Owner/Servicer reports related to such quality control program as set forth on Exhibit Q. The Subservicer shall provide the Owner/Servicer with a copy of its quality control program on or prior to the Effective Date, and shall provide or make available the quality control program in accordance with Exhibit Q. The Subservicer shall provide the Owner/Servicer with notice of any material modifications to the quality control program as promptly as possible and in any event not later than within one calendar month following the implementation of such material modification. In the event of a material modification to the quality control program, the Owner/Servicer shall have the option to perform a due diligence review of the revised quality control program on reasonable notice to the Subservicer and the Subservicer shall cooperate with due diligence requests from the Owner/Servicer. The Owner/Servicer and Subservicer agree that any report or notices delivered to any NRZ O/S Entity pursuant to Section 2.2(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder.

Section 2.3. Procedures, Owner/Servicer Change Requests and Servicing Cost Increase

(a) The Subservicer shall maintain Servicing Procedures that are consistent with and satisfy Applicable Requirements. The Subservicer shall provide such Servicing Procedures, including with respect to its charge-off policy, at the timing set forth in Exhibit E-1 and in the format set forth on Exhibit Q, and Owner/Servicer acknowledges that the Servicing Procedures constitute Subservicer's confidential and proprietary information.

(b) Except with respect to non-significant changes as mutually agreed upon by the parties, if, following the date of this Agreement, Owner/Servicer shall propose to modify (i) the Servicing Procedures ("SP Modifications"), the Advance Policy ("AP Modifications"), (ii) reports, or (iii) otherwise alter, amend or supplement the servicing activities or if Owner/Servicer becomes subject to such judicial or administrative judgment, order, stipulation, directive, consent decree, award, writ or injunction after the date of this Agreement that would modify the servicing or Subservicing of the Mortgage Loans hereunder (any such modification being herein referred to as a "Change Request"), the Owner/Servicer shall provide written notice of each such proposed Change Request to the Subservicer by providing (i) a specimen of each procedure proposed to be amended, supplemented or introduced, in the form in which it is proposed to be amended, supplemented or introduced; and/or (ii) a written description of each proposed amendment, supplement or other alteration to the Servicing Procedures, which description shall in each case be

sufficiently clear, comprehensive and detailed to provide a reasonable basis for the Subservicer to adequately assess the Change Request.

(c) [***]

(d) To the extent such Change Requests or Subservicer's compliance with Section 2.1(e), would result in the Subservicer incurring any additional out-of-pocket costs or expenses or internally allocated costs or expenses, which collectively are in excess of $[***] in connection with the implementation of such changes (and measured together with any similar Change Request delivered by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement), the Subservicer shall provide the Owner/Servicer with a good faith estimate regarding the costs and expenses needed to implement the contemplated work on the Owner/Servicer's behalf and reasonable supporting documentation. If such work will involve third party costs or expenses, the Subservicer shall follow Owner/Servicer's reasonable instructions regarding the retention of such third party providers, including the terms of such retention, related requests for proposals, seeking fixed prices or caps or similar arrangements and establishing time commitments from such third parties. Any such estimate shall also include the anticipated time frame for implementation of such work. Such estimate shall also include the ongoing incremental expense of performing the work in a modified manner as described in the Change Request. If the Owner/Servicer consents to the Subservicer performing such work on its behalf, the parties will enter into a mutually acceptable agreement for implementation of such work (such agreement, a "Statement of Work"), which shall be performed by the Subservicer on a commercially-reasonable, best-efforts basis. Upon the due execution by both parties, the Statement of Work shall constitute an amendment to this Agreement without further action on the part of either party. The Subservicer shall perform the services set forth in the Statement of Work in the manner provided therein, and the Owner/Servicer shall pay for any agreed upon cost, if any, of the implementation and any additional services resulting therefrom, in each case in accordance with the terms of the Statement of Work and this Agreement in accordance with the process set forth in Section 2.3(d) of this Agreement. If the actual internally allocated costs and expenses are greater than the estimated amount, (i) the Owner/Servicer shall not be liable for any amounts in excess of such invoiced amount and (ii) the Subservicer shall perform all such contemplated work within the agreed upon timeframe. Subject to Owner/Servicer's approval of the terms of retention of the applicable third parties in accordance with this Section 2.3(d), if the actual out-of-pocket costs and expenses are greater than the estimated amount, the Owner/Servicer shall reimburse the Subservicer for all such amounts. Subservicer shall regularly communicate with Owner/Servicer regarding the status of performance of any Statement of Work hereunder, including with respect to any actual or expected delays or cost overruns. Owner/Servicer agrees that to the extent any NRZ O/S Entity and Subservicer are contemplating or implementing a similar Change Request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer shall coordinate with such NRZ O/S Entity on a single set of estimates, instructions, reporting, processes and Statements of Work. For the avoidance of doubt, the parties understand and agree that a Statement of Work shall not be required to implement (i) the services already enumerated or contemplated under this

Agreement (other than the services contemplated by this Section 2.3 or any other services or activities in this Agreement that are expressly subject to the Statement of Work process set forth in this Section 2.3) or (ii) other services or projects previously commenced by the Subservicer on behalf of the Owner/Servicer.

(e) If any legal, regulatory or governmental policy enactment, amendment, reform or similar matter or matters applicable to non-bank servicers generally, individually or in the aggregate, have or are reasonably expected to have, caused an increase or decrease in the Subservicer's cost to service the Mortgage Loans by more than [***], then the Subservicer or the Owner/Servicer, respectively, may give written notice ("Change Notice") to the other party of such changed matter or matters. In the event of such Change Notice, the parties agree to review and discuss in good faith the Subservicer Economics and any other fees paid by Owner/Servicer, the performance standards and/or the services to be performed under this Agreement in order to reflect such change in Subservicer's cost to deliver the services under this Agreement in compliance with, or to otherwise address any effect on the economics of the transaction from, any such event or occurrence described above.

(f) *Approval Process*. Any Approved Party, Substitute Vendor, backup servicer [***] shall be subjected to Subservicer's usual and customary vendor onboarding process (consistent with its practices prior to the Original Closing Date or improvements that Subservicer makes to such process on a platform-wide basis). Following such onboarding process, if Subservicer identifies that such Person has material deficiencies or would be reasonably likely to violate Applicable Requirements, in each case consistent with Subservicer's practices prior to the Original Closing Date or improvements that Subservicer makes to such process on a platform-wide basis, Subservicer shall notify Owner/Servicer in writing and shall provide the basis for determining that such Person has material deficiencies and/or would be reasonably likely to violate Applicable Requirements. [***]

(g) In addition to the Owner/Servicer's indemnification obligations set forth in Section 8.3, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of [***]. For purposes of this Section 2.3(g), a "Directed Provider" shall be any Approved Party, Substitute Vendor, backup servicer [***] proposed by the Owner/Servicer in accordance with the terms of this Agreement and onboarded in accordance with and subject to Section 2.3(f). For the avoidance of doubt, Subservicer's interaction and/or cooperation with any Directed Provider shall not constitute an endorsement, evaluation or view of or by the Subservicer as to whether any agreement between Owner/Servicer and any Directed Provider complies with Applicable Requirements.

Section 2.4. Engagement of Contractors.

At any time prior to the date New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing is terminated as Owner/Servicer:

(a) Exhibit I-1 will set forth the following lists (in a format reasonably acceptable to the Owner/Servicer): (i) Vendors (excluding Off-shore Vendors) that the Subservicer engages to perform under this Agreement and to which the Subservicer has assigned a tier 1 or tier 2 risk tier rating, a summary of the related activities performed by each such Vendor and the applicable risk tier the Subservicer has assigned such Vendor, (ii) Off-shore Vendors that the Subservicer engages to perform under this Agreement to which the Subservicer has assigned a tier 1 or tier 2 risk tier rating, a summary of the related activities performed by each such Off-shore Vendor and the applicable risk tier the Subservicer has assigned such Off-shore Vendor, and (iii) Default Firms engaged by the Subservicer for foreclosures and bankruptcies only (collectively, the "Critical Vendors"), in each case, to the extent such Critical Vendor is performing any activity relevant to any Mortgage Loan. All Default Firms shall be deemed to have a tier 1 risk tier rating for purposes of this Agreement.

(b) From time to time, the Subservicer may engage other Vendors in addition to those appearing on Exhibit I-1 to provide services to the Subservicer that are related to the Mortgage Loans. The Subservicer shall not engage any Vendors or Default Firms to provide services with respect to any Mortgage Loan if such Vendor or Default Firm is on any of the (i) Freddie Mac Exclusionary List, (ii) Specifically Designated Nationals and Blocked Persons List published by OFAC, (iii) Suspended Counterparty Program list published by FHFA, or (iv) Subservicer's internal exclusionary list, and shall promptly (x) notify Owner/Servicer if any such Vendor or Default Firm becomes subject to any such exclusionary list, and (y) replace any such Vendor or Default Firm. In the event any such additional Critical Vendor is identified by the Owner/Servicer as having been deficient in the reasonable judgment of the Owner/Servicer, the Owner/Servicer shall notify the Subservicer with its concerns of such Critical Vendor. The Subservicer shall notify the Owner/Servicer of additional Critical Vendors at the timing set forth in Exhibit E-1. The Subservicer shall promptly respond to the Owner/Servicer and the parties hereto shall cooperate in good faith to resolve the Owner/Servicer's concerns and/or findings relating to Critical Vendors, including but not limited to determining if such deficiencies can be corrected or to replace Critical Vendors, as applicable, with another Vendor or Default Firm, as applicable, mutually acceptable to the parties and in accordance with Applicable Requirements. In addition, the Subservicer shall promptly notify the Owner/Servicer of any material deficiencies with respect to any Vendor and/or Default Firm used by the Subservicer with respect to any Mortgage Loan. To the extent that the same Vendor or Default Firm is being utilized under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer will coordinate with the related NRZ O/S Entity regarding all inquiries, notices and determinations with respect to such Vendor or Default Firm.

(c) With respect to any Vendor that performs any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, the Subservicer shall routinely, in accordance with Applicable Requirements, (i) examine and audit the books, records, and/or other information of any such Vendor and (ii) monitor the activities of such Vendor (including but not limited to reviewing call transcripts and listening to audio-recordings of calls to Mortgagors). The Subservicer shall promptly deliver to the Owner/Servicer at least ninety (90) calendar days (or if a shorter period of time is necessary for

Subservicer's ongoing business continuity purposes, not later than the date the potential vendor enters into Subservicer's input process) advance written notice of any Off-shore Vendors that the Subservicer intends to cause to perform any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, it being understood that Subservicer may combine such notice with any similar notice(s) delivered to any NRZ O/S Entity in connection with the utilization of such Off-shore Vendors in connection with the related NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement.

(d) All foreclosure attorneys, bankruptcy attorneys and eviction attorneys (collectively, "Default Firms") and all Vendors to be used in connection with the servicing and administration of the Mortgage Loans and REO Properties shall (i) be engaged in accordance with Applicable Requirements and (ii) have any and all qualifications, licenses and/or approvals necessary to perform their respective services in this Agreement in accordance with Applicable Requirements. The Subservicer shall (x) review on at least an annual basis that each Default Firm providing foreclosure or bankruptcy services that its attorneys are licensed to practice in the relevant jurisdiction and are in good standing in the relevant jurisdictions and bars, (y) provide an annual certification to the Owner/Servicer to the matters in clause (x) of this Section 2.4(d) (by the Subservicer or each Default Firm) and shall state each Default Firm meets Agency requirements and Applicable Requirements, and (z) provide the Owner/Servicer with copies of such evidence available to the Subservicer upon reasonable request of the Owner/Servicer, it being understood that any certifications or other materials provided by Subservicer to an NRZ O/S Entity pursuant to Section 2.4(d) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered to Owner/Servicer hereunder. Within thirty (30) days of the Effective Date, the Subservicer shall (i) provide a report to the Owner/Servicer identifying any Default Firm which received an "objection" or other similar classification from any Agency to the extent the Subservicer submitted such Default Firm to an Agency for servicing Agency loans in the Subservicer's servicing portfolio, it being understood that to the extent such report have been made available to any NRZ O/S Entity pursuant to Section 2.4(d) of the any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to have been made available hereunder and (ii) shall cooperate with Owner/Servicer to evaluate what steps, if any, should be taken as a result of such objection.

(e) Other than with respect to any Vendors performing REO Disposition Services, (i) the Subservicer shall cause any Vendors, Off-shore Vendors and/or Default Firms hired by the Subservicer to perform its duties and service the Mortgage Loans in compliance with Applicable Requirements and (ii) the use of any Vendor, Off-shore Vendor or Default Firm by the Subservicer shall not relieve the Subservicer of its obligations under this Agreement or any related remedies under this Agreement. Any such Vendor, Off-shore Vendor, and/or Default Firms engaged by the Subservicer shall be engaged on a commercially reasonable, arm's length basis and at competitive rates of compensation consistent with Applicable Requirements.

(f) The Subservicer shall oversee all Vendors, Off-shore Vendors and Default Firms in accordance with the Vendor Oversight Guidance and its third-party management policy, and require that all Vendors, Off-shore Vendors and Default Firms on the Vendor List maintain and provide policies and procedures applicable to the services provided in a manner consistent with all Applicable Requirements, the Vendor Oversight Guidance and the servicing standards under this Agreement. Solely as it relates to a violation or non-compliance with Applicable Requirements by a Vendor that materially and adversely affects any Mortgage Loan or the related Servicing Rights, within twenty-one (21) Business Days of confirmation of the violation or non-compliance with Applicable Requirements, (i) the Subservicer shall provide to the Owner/Servicer notice of such violations or such non-compliance with Applicable Requirements of which the Subservicer has knowledge by any Vendor, Off-shore Vendor and/or Default Firm under the Vendor Oversight Guidance, the Subservicer's third-party management policy and/or Applicable Requirements, (ii) the Subservicer agrees to cooperate with the Owner/Servicer to remedy such non-compliance and to maintain regular communication with the Owner/Servicer regarding the progress of any remediation efforts, (iii) the Subservicer shall provide to the Owner/Servicer a summary and action-plan by the Subservicer detailing how such violation(s) or non-compliance will be remediated, (iv) to the extent permitted under the applicable Vendor contract or consented to by such Vendor, the Owner/Servicer may directly participate in cooperation with the Subservicer in any of the material activities described in this paragraph, and (v) the Subservicer shall provide to the Owner/Servicer, if applicable, a request in writing for an extension of the twenty-one (21) Business Day period. To the extent that any violation or non-compliance with Applicable Requirements by a Vendor relates to any Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, all notices by Subservicer, and all cooperation efforts, summaries, action plans and permitted extensions shall be done in coordination with such NRZ O/S Entity and those activities contemplated in Section 2.4(f) of such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall provide the Owner/Servicer with the Subservicer's then current third-party management policy or policies at the timing set forth in Exhibit E-1 in an acceptable searchable electronic format that allows for comparison of the current policies against the policies from the prior period and shall provide the Owner/Servicer with immediate written notice following the implementation of a material change to any such policy or policies, it being understood that to the extent Subservicer provides such policies to any NRZ O/S Entity pursuant to Section 2.4(f) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies shall be deemed to have been delivered hereunder.

(g) The Subservicer shall conduct periodic reviews of the Vendors, Off-shore Vendors and Default Firms that the Subservicer engages to perform under this Agreement in accordance with its third-party management policy and Vendor Oversight Guidance to confirm compliance, timeliness and completeness with respect to the terms of this Agreement and Applicable Requirements and that the Vendors, Off-shore Vendors and Default Firms are not subject to litigation or other enforcement actions that could have a material effect on such Vendor's, Off-shore Vendor's and/or Default Firm's financial viability or reputation.

At the timing set forth in Exhibit E-1, the Subservicer shall provide to the Owner/Servicer the results of all periodic reviews concluded by or on behalf of the Subservicer during the prior three (3) month period for any Critical Vendor in a manner consistent with Exhibit Q, which shall be in the form of performance scorecards, risk rating and risk-tier assignment system, in each case, in a format reasonably acceptable to the Owner/Servicer. During each such quarterly update, the Subservicer shall notify the Owner/Servicer of any changes to the Subservicer's scorecard, risk-rating, or risk-tiering methodology, to the extent such information is available or obtainable for each Vendor, Off-shore Vendor and Default Firm. To the extent that Subservicer provides such quarterly reviews or notices to any NRZ O/S Entity pursuant to Section 2.4(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reviews and notices shall be deemed to have been delivered hereunder.

(h) In accordance with the terms and conditions of the Subservicer's agreement with the applicable Vendor, Off-shore Vendor and/or Default Firm, the Subservicer shall satisfy in a timely manner its financial obligations to the Vendors, Off-shore Vendors and Default Firms providing services with respect to this Agreement. The Subservicer shall maintain appropriate controls to ensure that (i) compensation paid to the Vendors, Off-shore Vendors and Default Firms on the Vendor List providing foreclosure services with respect to the Mortgage Loans is based on a method that is consistent with Applicable Requirements and considers the accuracy, completeness and legal compliance of foreclosure filings and (ii) that such services are provided only as frequently as reasonably necessary in light of the circumstances, and, in the case of both (i) and (ii) above, is not based solely on increased foreclosure volume or meeting processing timelines.

(i) The Subservicer shall maintain a third-party risk management program to monitor the Vendors, Off-shore Vendors and Default Firms. This program will include evaluating Default Firms used by the Subservicer for compliance with Applicable Requirements, including verification of all documents filed or otherwise utilized by such firms in any foreclosure or bankruptcy proceeding or other foreclosure-related litigation and that all compensation arrangements with such Default Firms are consistent with this Agreement and Applicable Requirements.

(j) Subject to Section 10.17, if reasonably necessary for the Owner/Servicer to comply with the requirements of any Governmental Authority that exercises authority over the Owner/Servicer, the Subservicer shall, at the request of the Owner/Servicer, make available to the Owner/Servicer copies of any contracts electronically through an electronic portal, ftp site, or otherwise, by or with any Vendors, Off-shore Vendors and/or Default Firms on the Vendor List and any reports, audits, evaluations, reviews or assessments with respect to such contractors, it being understood that to the extent such contracts have been made available to any NRZ O/S Entity pursuant to Section 2.4(j) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such contracts shall be deemed to have been made available hereunder. Subject to Section 10.17, in the event the Subservicer is not able to make available copies contracts, reports, evaluations, reviews or assessments with respect to any Vendors, Off-shore Vendors or Default Firms that are

required to be made available to the Owner/Servicer under this Section 2.4 or are otherwise reasonably requested by the Owner/Servicer in order for it to comply with Applicable Requirements because such materials are subject to confidentiality or other non-disclosure restrictions that would prevent disclosing such materials, (i) the Subservicer shall make reasonable efforts to obtain consent to disclosure from the related Vendors, Off-shore Vendors or Default Firms, with the understanding that pricing or other confidential business terms may be redacted and (ii) the Subservicer shall provide the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited.

(k) Upon Owner/Servicer's request, to the extent Substitute Vendor is reasonably acceptable to Subservicer, the Subservicer shall reasonably cooperate with Substitute Vendor as contractually engaged by Owner/Servicer [***].

(l) [***]

Section 2.5. Establishment and Maintenance of Custodial and Escrow Accounts.

(a) Pending disbursement, the Subservicer shall segregate and deposit Custodial Funds and Escrow Payments collected in one or more Custodial Accounts or Escrow Accounts, as applicable. The Subservicer at the direction of the Owner/Servicer, or the Owner/Servicer itself, shall establish such Custodial Accounts and Escrow Accounts at a Qualified Depository provided that in each case, such accounts shall be owned by the Owner/Servicer. Such Custodial Accounts and Escrow Accounts shall be established for each Investor in such manner as to show the custodial nature thereof, and so that each Investor and each separate Mortgagor whose funds have been deposited into such account or accounts will be individually insured under the rules of the FDIC. The Subservicer's records shall show the respective interest of each Investor and each Mortgagor in all such Custodial Accounts and Escrow Accounts. All Custodial Accounts and Escrow Accounts shall be maintained at the applicable insured financial institution in the name of Owner/Servicer as "trustee" for the Owner/Servicer and/or Investors and/or Mortgagors, with reference to the Subservicer as servicer for Owner/Servicer, except as may otherwise be required by Applicable Requirements. To the extent any Custodial Accounts and/or Escrow Accounts are prohibited (or otherwise not permitted) by Applicable Requirements to be in the name of Owner/Servicer, the Subservicer shall identify such accounts to the Owner/Servicer (i) on or before the date hereof and (ii) from time to time following the request of the Owner/Servicer.

(b) Amounts on deposit in the Custodial Accounts may at the option of the Owner/Servicer be invested in accordance with Applicable Requirements. Any such investment shall mature no later than one day prior to the Remittance Date in each month; provided, however, that if such investment is an obligation of a Qualified Depository that maintains the Custodial Account, then such investment must mature on the related Remittance Date. Any losses incurred in respect of any such investment shall be deposited in the Custodial Account, by the Owner/Servicer out of its own funds prior to the subsequent Remittance Date.

(c) The Owner/Servicer shall not withdraw any funds from the Custodial Accounts or Escrow Accounts except to pay itself any Float Benefit pursuant to Section 4.1.

(d) All suspense, clearing and disbursement accounts in which funds relating to the Mortgage Loans and REO Properties are deposited shall be established and owned by the Subservicer with a Qualified Depository, in a manner which shall provide maximum available insurance thereunder.

(e) The Subservicer shall have full access rights to the Custodial Accounts and Escrow Accounts for the purposes of performing its duties as described in this Agreement. Owner/Servicer shall ensure that Subservicer is provided with on-line access to the Custodial Accounts and Escrow Accounts and bank statements, subject to the terms of the account agreement with the applicable bank that may permit such bank to suspend or cease to provide such access; provided that if any such bank ceases to provide such online access, the Owner/Servicer shall use commercially reasonable efforts to move the affected accounts to a banking institution that will provide such access as soon as reasonably practicable, subject to Section 2.5(f). Subservicer shall notify Owner/Servicer of each individual with access rights to access any of the Custodial Accounts or Escrow Accounts and of any such individual that either ceases to be employed by the Subservicer or ceases performing functions that require such access, in each case not later than three (3) Business Days following the date on which such individual ceases employment or ceases performing such functions; provided, that Subservicer shall cause at least two (2) individuals to have access rights to such Custodial Accounts or Escrow Accounts at all times other than the three (3) Business Days following the date on which such individual ceases employment or ceases performing such functions.

(f) The Owner/Servicer may at its sole cost and expense, change Qualified Depositories by providing to the Subservicer thirty (30) days prior written notice for up to 100 accounts and sixty (60) days prior written notice for all accounts. The Subservicer shall cooperate with the Owner/Servicer to effectuate any such changes.

Section 2.6. Other Services.

Subject to Applicable Requirements, the Subservicer shall be responsible for further safeguarding the applicable Investor's interest in each Mortgaged Property as follows:

(a) Each party shall identify a relationship manager with respect to the Mortgage Loans, who shall serve as the principal point of contact for the other party for purposes of answering questions with respect to the Subservicing pursuant to this Agreement, it being understood that, to the extent that either party has identified a relationship manager under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such person shall also serve as the relationship manager and point of contact for such party hereunder. Each party will provide prompt notice to the relationship manager of the other party if a change occurs with the relationship manager;

(b) Subject to Section 10.17, the Subservicer shall (i) notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days from the

Subservicer's or the Corporate Parent's receipt from any Insurer (as determined by the login information pursuant to Subservicer's intake procedures), Investor or Governmental Authority of any written notice or inquiry relating to an alleged violation or non-compliance of Applicable Requirements with respect to any Mortgage Loans that would reasonably be expected to result in a sanction, fee or other liability to the Owner/Servicer (including, but not limited to, termination under the applicable Servicing Agreement(s)), the Corporate Parent or otherwise materially adversely affect the Owner/Servicer or the Subservicer's ability to perform its obligations under this Agreement, including, but not limited to, any allegations of discrimination by the Subservicer or the Corporate Parent and any civil investigative demand or request for information, and shall promptly provide a copy of any such notice, allegation, demand or inquiry to the Owner/Servicer, it being understood that to the extent such a notice is delivered to any NRZ O/S Entity pursuant to Section 2.6(b) of the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder, and (ii) cooperate fully with the Owner/Servicer to respond promptly and completely to any such allegations or inquiries and similarly to any such allegations or inquiries received by the Owner/Servicer, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent similar responses are required under any NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement. Subject to Section 10.17, the Subservicer shall notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days of learning (as determined by the login information pursuant to Subservicer's intake procedures) that an investigation of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority has determined that material deficiencies in servicing performance or a material violation or non-compliance of Applicable Requirements has occurred; provided, however, that the Subservicer shall provide prompt notice but in no event later than ten (10) Business Days to the Owner/Servicer if (i) the Subservicer reasonably believes that a Governmental Authority is reasonably likely to suspend, revoke or limit any license or approval necessary for the Subservicer to service the Mortgage Loans in accordance with the terms of this Agreement, (ii) any notice from Fannie Mae, Freddie Mac or HUD regarding the termination or potential termination of the Subservicer as an eligible servicer for Fannie Mae, Freddie Mac or HUD, as applicable, (iii) any downgrade or actual notice of any anticipated downgrade of the Subservicer's servicer ratings, if any, with any Rating Agency or (iv) a special investigation or non-routine exam of the Subservicer or the Corporate Parent commenced by a Governmental Authority is reasonably likely to result in a Material Adverse Effect with respect to the Servicing Rights, it being understood that to the extent such a notice is delivered to an NRZ O/S Entity pursuant to Section 2.6(b) of an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder. The Subservicer shall then periodically, as often as the Owner/Servicer may reasonably request, confer with the Owner/Servicer to advise the Owner/Servicer of the status of any such investigation, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent applicable on all such requests. In addition, subject to Section 10.17, within ten (10) Business Days of the Subservicer's or the Corporate Parent's receipt (as determined by the login information pursuant to Subservicer's or Corporate Parent's intake procedures, as applicable), the

Subservicer shall deliver to the Owner/Servicer (x) any reports and/or findings with respect to such investigation relating to any material deficiencies in servicing performance or material violations or non-compliance with Applicable Requirements and (y) any consent decree terms and/or any proposed consent decree terms in connection with any investigation or settlement negotiations of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority that would materially affect the servicing activities hereunder or that would result in a Material Adverse Effect with respect to the Servicing Rights or the Owner/Servicer, it being understood that any such reports, findings, consent decrees and/or proposed consent terms delivered by any NRZ O/S Entity pursuant to Section 2.6(b) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder. In the event the Subservicer is prohibited under applicable rules of privilege and confidentiality based upon the express advice of counsel from providing specific information or documentation under this Section 2.6, the Subservicer shall provide (and to the extent prohibited, the Subservicer shall provide to the maximum extent possible the information that is not prohibited from being disclosed) the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited under such rules, it being understood that to the extent Subservicer has provided such information to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such information shall be deemed to have been provided hereunder. Any report made pursuant to this Section 2.6 related to regulatory investigation or other regulatory contact with the Subservicer and/or Corporate Parent, shall be at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report;

(c) The Subservicer shall maintain a log of all "qualified written requests" (as such term is used in the Real Estate Settlement Procedures Act) relating to the Mortgage Loans and a log of all escalated telephone complaints related to the Mortgage Loans. The Subservicer shall (i) provide copies of such logs the following month no later than the Reporting Date (or promptly upon the request by the Owner/Servicer) and (ii) make copies of any correspondence or documentation relating to any items included in such logs available electronically or on the Subservicer's systems for access to data and reports. The Subservicer shall provide basic complaint reporting and an Escalated Complaint Case Data Report, at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report, respectively, and a Notice of Error and Request for Information Report, in each case, at the timing set forth in Exhibit E and in the format set forth in the related Formatted Servicing Report. For the purpose of this Section 2.6(c), the Subservicer may provide combined reports and other materials concerning the Mortgage Loans serviced or subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans subserviced hereunder, and the delivery of such combined reports and materials to any NRZ O/S Entity shall be deemed to constitute delivery hereunder. The Subservicer shall handle all complaints received by the Subservicer in accordance with Applicable Requirements, and shall:

(i) Maintain an internal procedure to provide for the management, acknowledgment, response, tracking, and reporting of written and telephonic

complaints made to, or received by, the Subservicer in accordance with Applicable Requirements. The Subservicer shall provide the Owner/Servicer with a copy of such procedures and any material changes to such procedures at the timing set forth in Exhibit E-1. For the avoidance of doubt, for any purposes under this Agreement, written complaints include any complaints delivered in hard copy or in electronic form, including as obtained electronically through the CFPB or other regulatory portals.

(ii) The Subservicer shall make available promptly upon request of the Owner/Servicer with copies of a written complaint or transcripts of any telephonic complaints with respect to a Mortgage Loan (whether by or on behalf of Mortgagors or any third party), and any ongoing correspondence related thereto and the final written response to such complaint, and other reasonably related documents or information, upon request of the Owner/Servicer.

(iii) The Subservicer also shall include in its complaint monitoring, handling, and response activities any complaints and requests regarding the services provided by the Subservicer hereunder initially received by the Owner/Servicer and forwarded to the Subservicer for review and response.

(d) The Subservicer shall keep accessible and retrievable, and shall transmit or make available to the Owner/Servicer upon request, copies of all records relating to the Subservicing, including records related to foreclosure that the Subservicer has produced, or has received from a prior subservicer; and

(e) Subject to Section 10.17, the Subservicer shall maintain policies and procedures designed to comply with all MERS requirements and shall be a member of MERS in good standing throughout the duration of this Agreement. At the timing set forth in Exhibit E-1, the Subservicer shall provide such policies and procedures in accordance with Exhibit Q, it being understood that to the extent such policies and procedures are provided to any NRZ O/S Entity in accordance with any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies and procedures shall be deemed to have been delivered hereunder. The Subservicer agrees to cooperate in good faith in addressing any questions or concerns of the Owner/Servicer regarding any material modification to such policies. The Subservicer shall cooperate with any audit by the Owner/Servicer with respect to any Mortgage Loan registered with MERS and compliance with the MERS requirements, including providing access to any relevant documentation or information in connection therewith, it being understood that Owner/Servicer shall coordinate with each NRZ O/S Entity regarding such audits, to the extent applicable.

Section 2.7. Service Level Agreements.

(a) The Subservicer shall comply with the Service Level Agreements ("SLAs") as set forth from time to time on Exhibit F, or as modified pursuant to this Section 2.7; provided, however, that the Subservicer will not be responsible for delays, errors or omissions

caused by the Owner/Servicer or any NRZ O/S Entity or any verifiable factors outside of the Subservicer's control.

(b) No later than the applicable reporting schedule or deadline as set forth in any SLA, the Subservicer shall provide to the Owner/Servicer a report that sets forth the Subservicer's actual results with respect to such SLA for the applicable prior reporting period. In the event the Subservicer fails to comply with any SLA for a particular reporting period, the Subservicer shall provide to the Owner/Servicer in either the same reporting period or the immediately subsequent reporting period an explanation in writing of the reasons for failing to comply with each SLA and the proposed actions that the Subservicer shall undertake to address such failure. To the extent that Subservicer provides such reports and/or explanations to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, such reports and/or explanations shall be deemed to have been provided hereunder. The Owner/Servicer and the Subservicer shall cooperate in good faith to resolve any questions or issues regarding the SLAs and the Subservicer's performance with respect to such SLAs and Owner/Servicer shall coordinate with each NRZ O/S Entity regarding any such issues to the extent applicable under the related NRZ Servicing/Subservicing Agreement.

(c) At either party's request, the Owner/Servicer and the Subservicer shall review the SLAs and any proposed modifications to the SLAs (including the related tools and methodologies for measuring or calculating compliance with such SLAs). Such modifications shall be implemented and shall become effective when such modification is acknowledged in writing and signed by both parties. The parties agree that, to the extent applicable, the Owner/Servicer and Subservicer shall use commercially reasonable efforts to reconcile any modifications to the SLAs under and as defined in the NRM PLS Subservicing Agreement and any modifications to the SLAs hereunder.

(d) The financial penalties or bonuses relating to the SLAs set forth in Exhibit F shall be included in the calculation of the Owner/Servicer Economics or Subservicer Economics, as applicable, in such other manner as agreed by the parties.

Section 2.8. Accounting, Reporting and Remittances.

Subject to Applicable Requirements, including without limitation the applicable Servicing Agreement:

(a) On the applicable Remittance Date, the Subservicer shall remit to each Investor all principal, interest and any other amounts due to such Investor by Owner/Servicer.

(b) The Subservicer shall prepare and submit all reports to Investors as required by the applicable Servicing Agreement and make such reports available concurrently to Owner/Servicer. The Subservicer shall maintain an online portal accessible to the general public, to which it will post publically available data within the timeframes and containing the information, in each case, consistent with its practices prior to the Effective Date.

(c) The Subservicer shall provide the Owner/Servicer with the daily and monthly servicing reports in accordance with the timing set forth in Exhibit E-1 or otherwise required under this Agreement, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under the NRM PLS Subservicing Agreement. The monthly servicing reports shall be delivered no later than the Reporting Date, unless otherwise set forth in Exhibit E-1 or agreed by the parties. Such reports shall be delivered electronically in a manner acceptable to the Owner/Servicer or made accessible to the Owner/Servicer on the Subservicer's reporting website (as described in Section 2.11(c)) and shall be in a format substantially in the forms attached to Exhibit E-2 (each, a "Formatted Servicing Report"), as applicable, or in such other format mutually agreed by the parties. In addition, upon request, the Subservicer shall provide the Owner/Servicer with a loan-level download (in a format reasonably requested by the Owner/Servicer) of servicing system collection comments within fifteen (15) calendar days of such request for up to [***] Mortgage Loans per quarter, or such longer period of time as the parties reasonably agree for more than [***] Mortgage Loans per quarter, unless the volume of loans requires a longer time period as determined in good faith by Subservicer in which case parties shall agree upon a reasonable timeframe to provide such comments. The Subservicer also shall cooperate in good faith with the Owner/Servicer to provide any additional reports or data as may be reasonably requested from time to time, including but not limited to any Owner/Servicer Regulatory Report subject to the process set forth in Section 2.3, it being understood that to the extent such a report is delivered to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such report shall be deemed to have been delivered hereunder.

(d) The Subservicer shall provide the Owner/Servicer in an electronic format, with a month end collection and delinquency report set forth in the related Formatted Servicing Report identifying on a loan-level basis the status of any Delinquent Mortgage Loans, and any Loss Mitigation efforts, including, but not limited to, loan modifications and forbearances, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery of such report to the applicable NRZ O/S Entity in accordance with the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder. Loan-level monthly reports shall be properly coded by the Subservicer to identify Mortgage Loans affected by Loss Mitigation efforts or other changes in payment terms and such reports shall reflect such pending payment terms. In the event a Governmental Authority or an Investor requests a report or delivery of data or information, the Subservicer and the Owner/Servicer shall follow the process set forth in Section 2.3.

(e) The Subservicer shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage Loans. In addition, the Subservicer shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a

form to be reasonably agreed upon by the parties. The Subservicer's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Subservicer shall promptly provide to the Owner/Servicer copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The parties hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section 2.8(e) are delivered by Subservicer to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Subservicer may deliver combined reports covering Mortgage Loans subserviced under such NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and under this Agreement, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Subservicer may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Owner/Servicer under Section 2.8(e) of the NRM PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Subservicer shall cooperate in good faith with any requests or instructions from the Owner/Servicer regarding such litigation and related proceedings, and Owner/Servicer shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

(f) On each Business Day, no later than two (2) Business Days after receipt thereof, the Subservicer shall remit to the Owner/Servicer the applicable Owner/Servicer Economics with respect to the Mortgage Loans pursuant to Section 4.1; provided, however, the Subservicer shall promptly notify the Owner/Servicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation until resolved in a mutually acceptable fashion pursuant to Section 4.3. The Subservicer shall provide the Owner/Servicer with the Reconciliation Report (as defined in Section 4.1) to confirm and reconcile the calculation of the Owner/Servicer Economics and the Subservicer Economics each month, including the appropriate breakdown and support of the various components of the daily Owner/Servicer Economics and monthly Owner/Servicer Economics and Subservicer Economics (on a loan-by-loan basis) and reflecting all applicable fees payable to the Owner/Servicer and to the Subservicer. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any such reporting with the reporting provided to the NRZ O/S Entities under Section 2.8(f) of the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement and delivery of such reporting under the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement shall be deemed to constitute deliver hereunder.

(g) The Subservicer shall promptly deliver to the Owner/Servicer any notice received by the Subservicer from an Investor that instructs the Subservicer to transfer servicing of any Mortgage Loan. In the event of a conflict between the Investor instructions and instructions by the Owner/Servicer, the Owner/Servicer and the Subservicer agree to work with such Investor and each other in good faith to resolve the conflict.

(h) Except as otherwise required by Applicable Requirements, all Float Benefit shall be payable to the Owner/Servicer, which amounts shall be included in the calculation of the Owner/Servicer Economics in accordance with Section 4.1. The Owner/Servicer shall be responsible for interest payments to Mortgagors, and Subservicer shall invoice such net amount as an Owner/Servicer Expense in accordance with Section 4.1. The Owner/Servicer shall be responsible for all fees and charges associated with maintaining any Custodial Account or Escrow Account.

(i) Subject to the Subservicer's obligations set forth in Section 2.13(d), the Owner/Servicer shall pay the amount necessary to cover any Compensating Interest, which amount will be invoiced as an Owner/Servicer Expense. Following receipt of such invoice, the Owner/Servicer shall notify the Subservicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation of Owner/Servicer Expense until resolved in a mutually acceptable fashion pursuant to Section 4.3.

(j) [Reserved.]

(k) The Subservicer shall cause an independent certified public accountant selected and employed by it to provide the Owner/Servicer not later than March 15th (or such earlier date required under the applicable Servicing Agreement) of each calendar year to furnish a statement to the effect that such firm has examined certain documents and records relating to the servicing of assets similar in nature to the Mortgage Loans and that such firm is of the opinion that the provisions of this Agreement or similar agreements have been complied with, and that, on the basis of such examination conducted substantially in compliance with the Uniform Single Attestation Program for Mortgage Bankers, nothing has come to their attention which would indicate that such servicing has not been conducted in compliance therewith, except for (i) such exceptions as such firm shall believe to be immaterial, and (ii) such other exceptions as shall be set forth in such statement. The parties agree that Subservicer may combine any such accountant statement with the similar accountant statements to be provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and that delivery of such combined statement shall be deemed to have been provided hereunder.

(l) In the event any items of material noncompliance with Applicable Requirements are discovered, or are specifically noted in connection with any audit or examination of the Corporate Parent or the Subservicer's servicing of any of the Mortgage Loans, the Subservicer shall promptly address and resolve such items and report the status, findings and resolution of such items in a timely manner to the Owner/Servicer and as otherwise required under Applicable Requirements, it being understood that to the extent such reports are provided to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to be provided hereunder.

(m) The Subservicer shall promptly notify the Owner/Servicer if it becomes aware of any repurchase claim against the Owner/Servicer or that would result in a Loss to Owner/Servicer by the applicable Investor with respect to any Mortgage Loan and shall

cooperate with any reasonable requests of the Owner/Servicer for information with respect to such Mortgage Loan and in connection with coordinating the repurchase claim (including, but not limited to, providing copies of related collection system comments) and delivery of the applicable Mortgage Loan file and related documents to the Owner/Servicer or its designee with respect to such repurchase transaction.

Section 2.9. Delinquency Control.

The Subservicer shall, in accordance with and subject to Applicable Requirements, including without limitation the applicable Servicing Agreement:

(a) Maintain a delinquent mortgage servicing program that shall include an adequate accounting system that indicates the existence of Delinquent Mortgage Loans, a procedure that provides for sending delinquent notices, assessing late charges, and returning inadequate payments, and a procedure for the individual analysis of distressed or chronically delinquent Mortgage Loans;

(b) Maintain a collection department and an on-line automated collection system that complies in all material respects with Applicable Requirements and the Servicing Procedures;

(c) Conduct property inspections with respect to defaulted Mortgage Loans and REO Properties in accordance with Applicable Requirements, including without limitation the terms of the applicable Servicing Agreement and the Servicing Procedures.

(d) In accordance with Applicable Requirements, administer the foreclosure or other acquisition of the Mortgaged Property relating to any Mortgage Loan in the name of the applicable Investor, process claims for any applicable insurance and until the transfer of such Mortgaged Property to the Investor or a private mortgage Insurer, if applicable, protect such property from waste and vandalism. In no event shall the Subservicer have title to a Mortgaged Property conveyed in the name of the Owner/Servicer without the Owner/Servicer’s prior written consent not to be unreasonably withheld or delayed.

(e) The Subservicer shall take appropriate measures to ensure, on an ongoing basis, the accuracy of all documents filed or otherwise utilized by the Subservicer or its Vendors, Off-shore Vendors and/or Default Firms in any judicial or non-judicial foreclosure proceeding, related bankruptcy proceeding or in other foreclosure-related litigation, including but not limited to, documentation sufficient to establish ownership of the Mortgage Loan by the related Investor or the Owner/Servicer (if the Owner/Servicer is the Investor with respect to such Mortgage Loan) and the right to foreclose at the time the foreclosure action is commenced in the name of the Investor. The Subservicer shall be required to maintain, and to cause its Vendors, Off-shore Vendors and Default Firms to maintain, current and accurate records relating to any foreclosure or related bankruptcy proceedings or related litigation, with a clear auditable trail of documentation capable of validating foreclosure that the Subservicer has produced, or has received from a prior subservicer, and shall cause its Vendors, Off-shore Vendors and Default Firms to do the same. In connection with any

foreclosure proceeding, the Subservicer shall handle such foreclosure proceedings in the name of the Investor, unless otherwise set forth pursuant to the Applicable Requirements, and the Subservicer shall comply with all Applicable Requirements; provided that, in no event shall the Subservicer (i) foreclose on the related Mortgaged Property in the name of the Owner/Servicer or (ii) have title to the Mortgaged Property conveyed in the name of the Owner/Servicer, in each case, without the Owner/Servicer's prior written consent not to be unreasonably withheld or delayed.

(f) With respect to any second lien Mortgage Loan, if the Subservicer is notified that any superior lienholder has accelerated or intends to accelerate the obligations secured by the Superior Lien, or has declared or intends to declare a default under the mortgage or the promissory note secured thereby, or has filed or intends to file an election to have the Mortgaged Property sold or foreclosed, the Subservicer shall take, whatever actions are necessary to protect the interests of the Investor consistent with Applicable Requirements; provided that such expense is treated as a reimbursable advance from the Investor.

(g) The Subservicer shall comply with the Applicable Requirements, including without limitation the applicable Servicing Agreement, and the Servicing Procedures in connection with procedures and requirements relating to Charged-off Loans and shall include in its monthly reporting to the Owner/Servicer when any such Mortgage Loans become Charged-off Loans. The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under Section 2.9(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. Unless otherwise required under Applicable Requirements, the Subservicer shall not make any Servicing Advances or P&I Advances with respect to Charged-off Loans and shall not be entitled to any Servicing Fees or other compensation with respect to Charged-off Loans. To the extent consistent with Subservicer's Servicing Procedures and in accordance with Section 2.4, Subservicer may utilize a Vendor for recovery collection on such Charged-off Loans.

Section 2.10. REO Properties.

(a) In the event that title to a Mortgaged Property is acquired in foreclosure, redemption, ratification or by deed in lieu of foreclosure, the deed or certificate of sale shall be taken in the name of the Investor, or its designee (or as otherwise required by the applicable Servicing Agreement); provided that, in no event shall the Subservicer have title to the Mortgaged Property conveyed in the name of the Owner/Servicer without the Owner/Servicer's prior written consent not to be unreasonably withheld or delayed.

(b) Notwithstanding anything to the contrary in this Agreement, (i) the Subservicer shall not engage any Vendor to perform any form of REO Disposition Services on any REO Property subserviced hereunder unless the Owner/Servicer has directed the Subservicer in writing to engage a Vendor to perform REO Disposition Servicers and any such Vendor shall be approved in writing by the Owner/Servicer in its sole discretion and subject to the Owner/Servicer approving the terms and conditions of the arrangement with such Vendor, provided that Subservicer's Vendors performing REO Disposition Services

and identified on Exhibit I-2 (each a "Critical REO Disposition Vendor") shall be deemed to have been approved by Owner/Servicer until otherwise directed by Owner/Servicer, (ii) the Owner/Servicer shall engage any third party having all qualifications, licenses and/or approvals necessary to perform REO Disposition Services in accordance with the terms of this Agreement and otherwise acceptable to the Owner/Servicer (each an "Approved Party") to perform REO Disposition Services on any REO Property subserviced hereunder; provided that the Owner/Servicer may, in its sole discretion, consult the Subservicer for its opinion regarding particular third party's competence to perform REO Disposition Services, (iii) the Subservicer shall cooperate with such Approved Party in connection with it providing REO Disposition Services, including but not limited to, responding to inquiries regarding any REO Property and providing information and data regarding the REO Properties to the Approved Party as required by such Approved Party, (iv) the Subservicer shall (x) review any reporting and/or data provided by such Approved Party, (y) incorporate such information to Subservicer's servicing systems and (z) report such information to the applicable Investors in accordance with the applicable Servicing Agreement, (v) the Owner/Servicer shall be entitled to any and all Downstream Ancillary Income, (vi) the Subservicer shall be responsible for any and all costs associated with terminating Critical REO Disposition Vendors, including the costs, expenses, termination fees, or other amounts payable, if any, under its existing arrangements with such Critical REO Disposition Vendors, and (vii) the Owner/Servicer shall be responsible for any and all costs and expenses incurred by the Owner/Servicer for engaging any third- party to assist the Owner/Servicer in oversight of this Agreement (except as set forth in Section 2.11(a)).

(c) To the extent the ongoing internal costs and expenses related to the Subservicer's interaction and/or cooperation with any Approved Party materially exceeds the costs Subservicer had previously experienced with respect to REO Disposition Services (the "Internal Cost Variance"), the Owner/Servicer shall reimburse the Subservicer the documented incremental costs and incremental expenses incurred by Subservicer with respect to interaction and cooperation with any Approved Party that exceeds the Subservicer's prior costs related thereto; provided that (i) the Subservicer shall use commercially reasonable efforts to minimize such incurred costs and expenses and (ii) the Owner/Servicer shall have no obligation to reimburse the Subservicer for any costs and expenses related to changes in Subservicer's servicing systems, technology systems, servicing processes and/or training/re-training employees, in each case, in connection with the initial implementation and on-boarding. The Subservicer shall provide the Owner/Servicer any and all supporting documentation reasonably necessary to review the Internal Cost Variance asserted by Subservicer (supporting documentation may include invoices, reports and any other documentation or evidence which reasonably substantiates the alleged Internal Cost Variance) and the Owner/Servicer must reasonably agree with such Internal Cost Variance prior to the Owner/Servicer reimbursing the applicable incremental costs and incremental expenses as set forth above. The Owner/Servicer shall be reasonable with respect to any requests to change any Approved Party or Critical REO Disposition Vendor. In connection with the foregoing, the parties hereby agree that it would not be "reasonable" [***]; it being understood, that the limitation on the number of Approved Parties engaged pursuant to this clause (c) by Owner/Servicer shall apply to all "Approved

Parties" engaged by any NRZ/OS Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. Any Approved Party shall be onboarded in accordance with and subject to the provisions in Section 2.3(f) of this Agreement.

(d) Subject to the terms of the Subservicer's existing contracts, as soon as reasonably practicable and in no event later than ninety (90) calendar days after the date hereof, the Subservicer shall not sign any new property-level listing agreements which cannot be terminated within sixty (60) calendar days after the applicable Transfer Date.

(e) To the extent that the Owner/Servicer does not engage an Approved Party and directs the Subservicer in writing to either (i) engage a vendor to perform REO Disposition Services (which such vendor shall be approved by the Owner/Servicer in its sole discretion and subject to the Owner/Servicer approving the terms and conditions of the arrangement with such vendor) or (ii) utilize the Critical REO Disposition Vendor(s), in each case, the Subservicer shall comply with all Applicable Requirements related to the maintenance of REO Property, including without limitation all requirements set forth in the applicable Servicing Agreement. The Subservicer shall maintain on each REO Property monthly fire, hazard and, to the extent required and available under the national flood insurance program, flood insurance, all in the amounts and with such coverage as required under Applicable Requirements.

(f) In addition to the Subservicer's indemnification obligations set forth in Section 8.2, the Subservicer hereby agrees to indemnify and hold the Owner/Servicer harmless against any and all Losses resulting from or arising out of Subservicer [***].

(g) The Owner/Servicer shall be responsible for obtaining and maintaining any liability coverage insuring the Owner/Servicer.

Section 2.11. Books and Records; Access to Facilities.

(a) Subject to Section 10.17, the Subservicer shall keep accessible and retrievable, and make available to the Owner/Servicer upon the Owner/Servicer's reasonable request, copies of all records relating to the Subservicing of the Mortgage Loans under this Agreement, including records related to foreclosure and Loss Mitigation. The Owner/Servicer shall have the right to examine, audit or conduct diligence on the Subservicer and the Servicing Rights, Mortgage Loans; provided that the Owner/Servicer agrees to coordinate examinations, audits, reviews or diligence pursuant to this Section 2.11(a) with any examinations, audits, reviews or diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. In such reviews, the Subservicer will allow the Owner/Servicer, its Affiliates, and its Representatives (other than Representatives that are business competitors of Subservicer), during normal business hours and upon reasonable notice and provided that such review shall not unduly or unreasonably interrupt the Subservicer's business operations, to, at any time and from time to time, access to review all of Subservicer's origination and servicing platform, the Mortgage Files, facilities, employees, servicing files, servicing documents, servicing records, data tapes, computer records, servicing systems, and other computer and

technology systems or other information pertaining to this Agreement, any Servicing Agreement, the Servicing Rights, the Mortgage Loans, P&I Advances, the Servicing Advances and the Subservicer's general servicing practices and procedures. The Subservicer may require that any Persons performing such due diligence on behalf of the Owner/Servicer agree to the same non-disclosure and confidentiality agreements set forth in Section 10.12. In furtherance thereof, the Subservicer shall provide such information, data and materials as reasonably requested by the Owner/Servicer in furtherance of this Section 2.11; provided that Owner/Servicer agrees to coordinate any requests with any such requests made by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Owner/Servicer shall pay its own expenses in connection with any such examination; provided further, to the extent the Owner/Servicer reasonably determines that additional diligence is necessary as a result of (x) incorrect or inaccurate information provided to Owner/Servicer by Subservicer or (y) the Subservicer's (actual or reasonably alleged) failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement (including errors in judgment), in each case, the Subservicer shall reimburse the Owner/Servicer up to $500,000.00 per year for the incremental costs and expenses of conducting such additional diligence, it being understood that the maximum amount of $500,000 per year shall apply to all diligence conducted by Owner/Servicer hereunder and any diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. With respect to any reviews under this clause (a) and under Section 2.11(a) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement that exceed one (1) review in any three-month period (absent an event occurring under Section 5.3), the out-of-pocket and internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such additional review shall be at the Owner/Servicer's expense as further set forth in Section 2.3(d). In addition, upon Owner/Servicer's request, which request shall be made in coordination with any similar request by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, the Subservicer shall make its chief financial officer, treasurer or other senior executive that is both authorized and sufficiently well-informed to speak to Subservicer's financial condition, available to discuss Subservicer's financial condition, including its current liquidity, promptly but no less than two (2) Business Days after such request.

(b) The Subservicer shall cooperate in good faith with the Owner/Servicer and it Representatives and regulators in responding to any reasonable inquiries regarding the Subservicer's Subservicing of the Mortgage Loans and the Subservicer's compliance with, and ability to perform its obligations under, the provisions of this Agreement and Applicable Requirements, including without limitation inquiries regarding the Subservicer's qualifications, expertise, capacity and staffing levels, training programs, work quality and workload balance, reputation (including complaints), information security, document custody practices, business continuity and financial viability, monitoring and oversight of the Vendors, Off-shore Vendors and Default Firms as well as the current accuracy of the representations and warranties made by the Subservicer in Article VII, it being understood that Owner/Servicer shall coordinate all such requests with the requests made by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency

Subservicing Agreement. The Subservicer shall reasonably cooperate to provide to the regulatory authorities supervising Owner/Servicer or its Affiliates and the examiners and supervisory agents of such authorities, access to the documentation required by applicable regulations of such authorities supervising Owner/Servicer or its Affiliates with respect to the Mortgage Loans. The Owner/Servicer may request, in concert with any such request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and the Subservicer shall cooperate with, reasonable periodic reviews of the Subservicer's performance and competence under this Agreement to confirm timeliness, completeness, and compliance with all Applicable Requirements and the provisions of this Agreement, and to confirm that foreclosures are conducted in a manner consistent with Applicable Requirements and any regulatory orders, directives or guidance applicable to the Owner/Servicer, the Subservicer, or their Affiliates. The Subservicer shall provide the Owner/Servicer with at least ninety (90) days' prior written notice if it intends to discontinue or change its current servicing system of record, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder.

(c) The Subservicer shall provide the Owner/Servicer and its Representatives with access to its systems for access to data and reports to allow the Owner/Servicer to monitor the Mortgage Loans. Owner/Servicer shall not have any limitations on the amount of access to such systems and shall not have any limitation on "page views" or downloading therein. Through such access to systems, the Owner/Servicer shall be provided with unlimited access on demand to certain reports and data referenced in this Agreement. Such access to systems shall have targeted availability of twenty-four hours a day, three-hundred sixty-five (365) days per calendar year with a targeted uptime of ninety-eight percent (98%) per month not to include scheduled maintenance. The Subservicer shall provide the Owner/Servicer at least five (5) Business Days' notice prior to any scheduled maintenance or other scheduled access interruption of such access to systems, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder; provided that the Subservicer shall immediately notify the Owner/Servicer of any unscheduled access interruptions, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. The Subservicer shall use commercially reasonable efforts to address any access or availability issues on the same Business Day on which such issues arises. During any such unscheduled access interruptions, the Subservicer shall use commercially reasonable efforts to provide the Owner/Servicer certain reports and data in an alternative medium, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer's access to systems shall allow access to the following data and documents: (i) imaged Mortgage Loan Documents and Mortgage Servicing Files in Subservicer's possession or

control; (ii) imaged copies of all Mortgagor communications; (iii) records of all Mortgagor communications; (iv) imaged copies of all litigation, bankruptcy, foreclosure related filings and related documentation solely to each Mortgage Loan (for the avoidance of doubt, such imaged copies of litigation, bankruptcy and foreclosure filings and related documentation will not include those unrelated to the Mortgage Loans); (v) current commentary regarding all Mortgagor communications and all activity related to each Mortgage Loan with sufficient detail to understand the status of any issues; (vi) an identifier of the Default Firm(s) engaged relating to the Mortgage Loan, if applicable; (vii) call transcripts; (viii) call recordings (unless call recordings are otherwise electronically made available to the Owner/Servicer, (ix) insurance, including [***], if applicable, and hazard and flood insurance; (x) single point of contact; and (xi) the documents and materials described in Section 2.18(e).

(d) Subject to Section 10.17, the Subservicer shall deliver to the Owner/Servicer the results of any and all reviews or audits conducted by or obtained by the Corporate Parent, the Subservicer, its Vendors, Off-shore Vendors, Default Firms, agents or representatives (including internal and external auditors) to the extent set forth in Exhibit Q hereto, it being understood that to the extent such results or reports are delivered to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such results or reports shall be deemed to have been delivered hereunder. To the extent the Subservicer is prohibited from delivering such results to the Owner/Servicer, the Owner/Servicer and the Subservicer agree that such reporting may be conducted onsite at the Subservicer's location, or may be accomplished via secure electronic means, to the extent such onsite or electronic diligence is otherwise permitted. The Subservicer and the Owner/Servicer acknowledge that the availability of certain information from the Subservicer's Vendors, Off-shore Vendors, Default Firms and/or other agents and representatives is subject to the requirements and limitations of the contractual relationship between the Subservicer and that party.

(e) For critical systems relied upon by the Subservicer in connection with its obligations under this Agreement, the Subservicer shall, for each year starting the year in which the Effective Date occurs and for so long as Subservicer performs the Subservicing under this Agreement and in accordance with the delivery timing set forth in Exhibit E-1, provide (i) the Owner/Servicer with a copy of the SOC 1 Type II report applicable to the services or products (or equivalent report(s), solely to the extent Subservicer proposes such equivalent report(s) in advance to Owner/Servicer and are reasonably satisfactory to Owner/Servicer) of Subservicer's data processing environment and internal controls related to the obligations or services under this Agreement, as well as (ii) copies of each SOC report or equivalent report(s) applicable to the services or products provided by the Critical Vendors. Each report described in clauses (i) and (ii) above must be performed by a nationally recognized independent audit firm (provided that Subservicer's current audit firm shall be deemed acceptable) and shall be substantially consistent with the scope and form provided to New Residential Mortgage LLC in the report related to the period from October 1, 2015 to September 30, 2016, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer

provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. Any requests by the Owner/Servicer to expand the scope of such reports shall be made in coordination with any such request by each NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement and shall be subject to Section 2.3. To the extent any such SOC 1 Type II attestation (or permitted equivalent report(s)) described in clause (i) or (ii) above results in findings, the Subservicer shall make commercially reasonable efforts to remediate and respond promptly to any reasonable inquiries regarding any such findings from the Owner/Servicer and its external auditor, it being understood that the Owner/Servicer shall coordinate any such inquiries with any inquiries made in accordance with Section 2.11(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and, to the extent applicable, any response provided by Subservicer to such inquiries under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. Subject to Section 10.17, in the event the Subservicer is prohibited from providing any of the reports or reviews required under this Section 2.11(e) to the Owner/Servicer, the Subservicer shall cooperate with the Owner/Servicer and use commercially reasonable efforts to obtain the necessary consents to provide such reports or reviews to the Owner/Servicer.

(f) The Subservicer shall promptly upon written request provide to the Owner/Servicer and any Master Servicer, or any Depositor (or any designee of the Depositor, such as an administrator) if a Master Servicer has not been identified under the applicable Servicing Agreement, a written description (in form and substance reasonably satisfactory to the Owner/Servicer) of the role and function of each Vendor utilized by the Subservicer, specifying (i) the identity of each such Vendor, (ii) which (if any) of such Vendors are "participating in the servicing function" within the meaning of Item 1122 of Regulation AB and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Vendor identified pursuant to clause (ii) of this Section 2.11(f), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer shall cause any Vendor determined by the Subservicer in its commercially reasonable discretion, applying substantially the same criteria in its determination as applied in the Subservicer's 2016 Regulation AB reporting, to be "participating in the servicing function" used by the Subservicer to comply with the provisions of Section 2.11(g) of this Agreement to the same extent as if such Vendor were the Subservicer.

(g) Each calendar year, on or before five (5) Business Days prior to the earliest due date under any Servicing Agreement applicable to Subservicer in its role as Master Servicer or any Servicing Agreement applicable to Subservicer in its role as subservicer, the Subservicer shall (to the extent provided for under the applicable Servicing Agreement) with respect to each Investor:

(i) deliver to the Owner/Servicer a report regarding the Subservicer's assessment of compliance during the immediately preceding calendar year substantially in the form of the Subservicer's 2016 Regulation AB reports as primary servicer and master servicer (or as otherwise specified in the applicable Servicing Agreement), as required under Rules 13a-18(c) and 15d-18(c) of the Exchange Act and Item 1122(b) of Regulation AB. Such report shall be signed by an authorized officer of the Subservicer;

(ii) deliver to the Owner/Servicer a report of a nationally recognized independent audit firm that attests to, and reports on, the assessment of compliance made by the Subservicer and delivered pursuant to Section 2.11(g)(i). Such attestation shall be in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act;

(iii) cause each Vendor determined by the Subservicer pursuant to Section 2.11(f) to be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, to deliver to the Subservicer, an assessment of compliance and accountants' attestation as and when provided in this Section 2.11(g), which shall be delivered with the Subservicer's report as provided in 2.3(g)(i);

(iv) if required by the Servicing Agreement, deliver, and cause each Vendor described in Section 2.11(g)(iii) to deliver, to the Owner/Servicer, and any other Person that will be responsible for signing the certification (a "Sarbanes Certification") required by Rules 13a-14(d) and 15d-14(d) under the Exchange Act (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002) on behalf of an asset-backed issuer with respect to a securitization transaction a certification, signed by the appropriate officer of the Subservicer, in the form set forth in the applicable Servicing Agreement; and

(v) deliver to the Owner/Servicer a statement of compliance addressed to the Owner/Servicer and such Depositor and signed by an authorized officer of the Subservicer, to the effect that (A) a review of the Subservicer's activities during the immediately preceding calendar year (or applicable portion thereof) and of its performance under this Agreement (which shall be delivered as a separate statement to the Owner/Servicer only) and any applicable Servicing Agreement during such period has been made under such officer's supervision, and (B) to the best of such officers' knowledge, based on such review, the Subservicer has fulfilled all of its obligations under this Agreement and any applicable Servicing Agreement in all material respects throughout such calendar year (or applicable portion thereof) or, if there has been a failure to fulfill any such obligation in any material respect, specifically identifying each such failure known to such officer and the nature and the status thereof.

The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides

such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder.

Section 2.12. Insurance.

The Subservicer shall maintain, at its own expense, a blanket fidelity bond and an errors and omissions insurance policy (collectively, the "Fidelity and Errors and Omissions Insurance"), with broad coverage on all officers, employees or other Persons acting in any capacity with regard to the Mortgage Loans to handle funds, money, documents and papers relating to the Mortgage Loans. The Fidelity and Errors and Omissions Insurance shall be underwritten by an Insurer that has a current rating acceptable under Fannie Mae and Freddie Mac requirements and the applicable Servicing Agreement. The Fidelity and Errors and Omissions Insurance shall protect and insure the Subservicer against Losses, including forgery, theft, embezzlement, errors and omissions, negligent and fraudulent acts of such Persons. The Fidelity and Errors and Omissions Insurance shall also protect and insure the Subservicer against Losses in connection with the failure to maintain any insurance policies required pursuant to this Agreement and Applicable Requirements and the release or satisfaction of a Mortgage Loan without having obtained payment in full of the indebtedness secured thereby.

No provision of this Section 2.12 requiring the Fidelity and Errors and Omissions Insurance shall diminish or relieve the Subservicer from its duties and obligations as set forth in this Agreement. The minimum coverage under any such Fidelity and Errors and Omissions Insurance shall be at least equal to the greater of (i) the corresponding amounts required pursuant to the Fannie Mae Guides or as otherwise waived or permitted by Fannie Mae, (ii) the corresponding amounts required by Applicable Requirements or (iii) such other amount required under the applicable Servicing Agreement. Promptly following request of the Owner/Servicer or the Investor, the Subservicer shall cause to be delivered proof of coverage of the Fidelity and Errors and Omissions Insurance. At the timing set forth in Exhibit E-1, the Subservicer will deliver or make available its then-current Fidelity and Errors and Omissions Insurance and will notify the Owner/Servicer promptly if such Fidelity and Errors and Omissions Insurance is terminated without replacement, it being understood that to the extent Subservicer delivers or makes available to any NRZ O/S Entity such proof or notifies any NRZ O/S Entity of any such termination, Subservicer shall be deemed to have provided such proof or notice to Owner/Servicer hereunder.

Section 2.13. Advances.

(a) Servicing Advances.

The Subservicer shall, from time to time during the term of this Agreement, make Servicing Advances as required under the applicable Servicing Agreement and Applicable Requirements, provided, however, that such Servicing Advances shall be made in compliance with the Advance Policy. For the avoidance of doubt, the Advance Policy, as it relates to the making of Servicing Advances, does not apply to any Servicing Advance made prior to the applicable Transfer Date.

The Subservicer shall not make any Servicing Advance unless such Servicing Advance is in compliance with the Advance Policy unless otherwise expressly directed by Owner/Servicer in writing to make such Servicing Advance in accordance with Section 2.3 of this Agreement.

The Subservicer shall not have any obligation to notify the Owner/Servicer before making any Servicing Advances that are permitted under the Advance Policy and the applicable Servicing Agreement.

The Subservicer shall provide the Owner/Servicer such loan-level detail and advance-level detail information regarding Servicing Advances made in the format and timing set forth in Exhibit E-1. On an as-needed basis, the Subservicer shall identify any outstanding Servicing Advances which the Subservicer has determined are not recoverable and the specific reason why such Servicing Advances are not recoverable and whether such Servicing Advance, if made by the Subservicer, complied with the Advance Policy. For the avoidance of doubt, the Subservicer shall make any advance necessary as required by all federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances).

(b) P&I Advances.

The Subservicer shall, from time to time during the term of this Agreement, make P&I Advances as required under the applicable Servicing Agreement and Applicable Requirements, provided, however, that such P&I Advances shall be made in compliance with the Advance Policy.

The Subservicer shall not make any P&I Advance unless such P&I Advance is in compliance with the Advance Policy unless otherwise expressly directed in writing by Owner/Servicer to make such P&I Advance in accordance with Section 2.3 of this Agreement.

If the Subservicer reasonably determines that on any Remittance Date for an Investor there will not be adequate Custodial Funds in the related Custodial Account to be remitted for payment to an Investor, then the Subservicer shall provide the Owner/Servicer written notice of the amount required to be deposited in such Custodial Account pursuant to the applicable Servicing Agreement so that the Custodial Account will have funds on deposit at least equal to the amount required to be remitted to the applicable Investor. The Subservicer shall provide the Owner/Servicer and the Owner/Servicer's lender(s) (as identified to the Subservicer by the Owner/Servicer) such written notice no later than 1:00 p.m. New York City time on the first (1st) Business Day prior to the date on which the respective Custodial Accounts are required to be funded with regard to the respective Remittance Date which notice shall contain an estimate of the P&I Advance required to be advanced by the Owner/Servicer. Subject to resolution of any obvious or manifest errors in such estimate, on such date, the Owner/Servicer shall fund (or cause to be funded) the amount set forth in the written notice provided by the Subservicer (or such lesser amount as reasonably determined by the Subservicer) via wire transfer into the applicable Custodial Account or such other aggregation account as directed by the Subservicer. To the extent the amounts that the Owner/Servicer (or its lender(s)) fund exceed the amounts required to be remitted to the applicable Investor on the applicable Remittance Date, the Subservicer shall remit such excess funds to the Owner/Servicer or lender(s), as applicable, no later than two (2) Business Days after such Remittance Date (or netted against the next Business Days' advance reimbursements if mutually agreed by the parties).

(c) Reimbursement of Servicing Advances.

(i) The Subservicer shall cooperate with the Owner/Servicer, Owner/Servicer's lender(s) and any Rating Agency or other third party in connection with the Owner/Servicer's financing of any Servicing Advances.

(ii) The Subservicer shall be entitled to be reimbursed for all Servicing Advances made by the Subservicer in accordance with this Agreement on a daily basis as further described in this Section 2.13(c). Each Business Day, the Subservicer shall provide the Owner/Servicer and the Owner/Servicer's lender(s) (as identified to the Subservicer by the Owner/Servicer) with a report as set forth on Exhibit E-1 evidencing Servicing Advances made by the Subservicer in the previous Business Day. For the avoidance of doubt, images of invoices will not be required for purposes of reimbursement pursuant to this Section 2.13(c)(ii).

(iii) Promptly upon Owner/Servicer's lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Reimbursement Date"), subject to resolution of any obvious or manifest errors, the Owner/Servicer shall remit (or cause to be remitted) the amount set forth in the written invoice or other customary documentation provided by the Subservicer for all such Servicing Advances (or such lesser amount as reasonably determined by the Subservicer) via wire transfer to the Subservicer on such Servicing Advances Reimbursement Date. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall not be responsible for any PMI Proceeding Advances and in no event shall the Subservicer be reimbursed by the Owner/Servicer for any PMI Proceeding Advances.

(iv) Except with respect to obvious or manifest errors, Subservicer and Owner/Servicer shall resolve any disputes regarding Servicing Advances in accordance with Section 2.13(e).

(v) Notwithstanding any provision in this Agreement to the contrary, the Subservicer shall reimburse the Owner/Servicer for any Servicing Advances (as part of the daily remittance of the Owner/Servicer Economics) made by the Subservicer and reimbursed by the Owner/Servicer in the event (x) the applicable Investor declines to reimburse such Servicing Advance as a result of the failure of the Subservicer to service the related Mortgage Loan in accordance with Applicable Requirements or (y) it is determined that such Servicing Advance is not eligible for reimbursement under the applicable Servicing Agreement (unless such Servicing Advance is permitted to be made under the Advance Policy and in accordance with Section 2.13(a).

(d) Recovery of P&I Advances and Servicing Advances from Mortgagors.

The Subservicer shall use commercially reasonable efforts to collect and recover from the related Mortgagors, Investors, or Insurers in accordance with Applicable Requirements and the

Advance Policy, all P&I Advances, Owner/Servicer Expenses (to the extent applicable) and Servicing Advances made by the Subservicer or any prior servicer or subservicer.

The Subservicer shall withdraw funds from the Custodial Accounts to reimburse any Servicing Advances, Owner/Servicer Expenses and/or P&I Advances as soon as possible as permitted under the related Servicing Agreements and the Advance Policy; provided that, the Advance Policy shall allow for certain delays related to the protection of investment grade bonds. Any reimbursements of Servicing Advances and/or P&I Advances shall be deposited to the Subservicer's clearing account within one (1) Business Day after its receipt thereof. The Subservicer shall then remit any such reimbursements to such account or accounts designated in writing from time to time by the Owner/Servicer (or any transferee of the rights to reimbursement therefor) no later than two (2) Business Days after such amounts are deposited into the clearing account.

To the extent any Servicing Agreement does not have provisions or otherwise contemplate the prioritization for recovery of Servicing Advances, Servicing Fees and/or P&I Advances, the Subservicer shall calculate any loss at liquidation associated with nonrecoverable advances in a manner that minimizes such loss to the Owner/Servicer (i.e., utilizing loan-level proceeds to reduce items which do not benefit from a general collections backstop before items which may be reimbursed on a pool-level basis).

The Subservicer shall cooperate in good faith with the Owner/Servicer to pursue full reimbursement of outstanding P&I Advances, Owner/Servicer Expense and Servicing Advances and shall indicate in the monthly reporting if it determines the recoverability of any such P&I Advances or Servicing Advances is at risk, it being understood that Subservicer may combine any such reporting with the reporting provided to Owner/Servicer under the NRM PLS Subservicing Agreement and delivery of such reporting under such NRZ Subservicing Agreement(s) shall be deemed to constitute delivery hereunder.

In the event a P&I Advance or a Servicing Advance is determined to be nonrecoverable under the applicable Servicing Agreement as a result of the Subservicer's failure to comply with the Advance Policy (other than as a result of Subservicer's compliance with the instruction of Owner/Servicer in accordance with Section 2.3), the Subservicer shall be required to reimburse the Owner/Servicer for the amount of any such advance that was funded or reimbursed by the Owner/Servicer within ten (10) Business Days following the determination that such advance was nonrecoverable.

(e) Advance Dispute Resolution.

Except with respect to obvious and manifest errors otherwise resolved by the parties, disputes regarding P&I Advances or Servicing Advances shall be resolved in the manner set forth in Schedule 2.13(e).

Section 2.14. Solicitation.

Except as otherwise permitted under Exhibit B of this Agreement, the Subservicer, the Corporate Parent, their respective Affiliates, agents and representatives shall not, without the prior written consent of the Owner/Servicer, solicit Mortgagors for a refinance of the Mortgage Loans,

or for accident, health, life, property and casualty insurance, or any other non-mortgage related products or services, except for products or processes that facilitate normal servicing activities, such as "speedpay" or automatic payment plans. Only upon receipt of the prior written consent of the Owner/Servicer and in accordance with Applicable Requirements, shall the Subservicer be entitled to solicit individual Mortgagors for accident, health, life, property and casualty insurance and any other mortgage refinancing or non-mortgage related products or services that the Subservicer and the Owner/Servicer deem appropriate. The Subservicer shall retain any resulting commission or other income in such amounts not to exceed those approved by the Owner/Servicer. The Subservicer covenants to the Owner/Servicer that it shall not solicit any Mortgagor for prepaid single-premium credit life, credit disability, credit unemployment, credit property, accident or health insurance, or any other single-premium insurance product. For the avoidance of doubt, it is understood and agreed that advertising and promotions undertaken by the Subservicer or any Affiliate of the Subservicer which are directed to the general public at large or segments thereof that do not target the Mortgagors, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio, television advertisements and advertisements and offers appearing to the general public on Subservicer's website, which may also appear on Subservicer's webpages following log-in by consumers (provided such advertisements are not targeted to such consumers), shall not constitute solicitation under this Section 2.14.

Section 2.15. HAMP.

The Subservicer acknowledges that the Mortgage Loans may include mortgage loans modified under HAMP and Mortgage Loans that may now or in the future be subject to other local, state or federal government mortgage-related programs that currently exist or may exist in the future. The Subservicer confirms that it is aware of the special requirements for such Mortgage Loans that currently exist or may exist in the future and the Subservicer agrees to assume the additional responsibilities associated with servicing such Mortgage Loans and to take such actions as are necessary to comply with such programs. With respect to each Mortgage Loan subject to a trial payment period pursuant to HAMP as of the related Transfer Date, the Subservicer shall take all actions required of a servicer participating in HAMP to complete such trial payment period and implement the related loan modification. The Subservicer will cooperate in good faith in connection with any audit, inspection, review, or investigation of the Subservicer's compliance with or reporting under HAMP or other government program related to the Mortgage Loans.

The Owner/Servicer shall take all commercially reasonable actions necessary to enable HAMP fees to be paid to Subservicer.

Section 2.16. Purchase Agreement Obligations.

From time to time during the term of this Agreement, the Owner/Servicer may enter (or has already entered) into certain mortgage servicing rights purchase agreements or similar agreements other than the Transfer Agreement (each such other agreement, an "MSRPA" and collectively, the "MSRPAs") which set forth conditions, qualifications and covenants, and servicing, cooperation, reporting, servicing transfer and qualification requirements that the Owner/Servicer is obligated to meet or obligated to cause its subservicer to meet (the "MSRPA Requirements"). To the extent the Owner/Servicer anticipates utilizing the Subservicer as the subservicer pursuant to this Agreement

for servicing rights purchased pursuant to an MSRPA, the Owner/Servicer shall provide the Subservicer with a copy of the current draft or executed version, as applicable, of such MSRPA (redacted for confidential information) for the Subservicer's review and approval. If (i) the Subservicer notifies the Owner/Servicer of its approval of any such MSRPA (which may be delivered via e-mail), and (ii) solely with respect to MSRPA which have not been executed prior to the Effective Date, the Owner/Servicer executes the same, such MSRPA shall be included as part of Exhibit L to this Agreement, containing all operative MSRPAs relevant hereto. By its approval of any MSRPA, the Subservicer shall be obligated hereunder to perform the obligations of the Owner/Servicer under such MSRPA to the extent necessary to satisfy any such MSRPA Requirements. The Owner/Servicer and the Subservicer shall consider whether such additional MSRPA obligations or loan-level characteristics require revision to the Performance Triggers and shall reflect any agreed upon adjustments in the related Acknowledgment Agreement or other documentation acceptable to the parties.

Section 2.17. Pending and Completed Loss Mitigation.

With respect to the Mortgage Loans, the Subservicer shall (a) accept and continue processing any loan modification, deed in lieu, short sale, or other Loss Mitigation requests pending at the time of the applicable Transfer Date in accordance with Applicable Requirements, (b) honor outstanding trial and permanent loan modification, deeds in lieu, short sales, or other Loss Mitigation agreements in accordance with Applicable Requirements, including without limitation, any trial or permanent loan modifications made under HAMP, and (c) correctly apply payments with respect to Mortgage Loans for which the related Mortgagor is a debtor in a case under Chapter 13 of the United States Bankruptcy Code of 1986, as amended, at the time of the applicable Transfer Date. Owner/Servicer and Subservicer acknowledge and agree that the Mortgagors under the Mortgage Loans subject to any of the modification or loss mitigation actions described in the preceding sentence shall be third party beneficiaries of the obligations in the preceding sentence.

Section 2.18. Disaster Recovery Plan.

The Subservicer shall maintain its current business continuity plan ("BCP") that addresses the continuation of services if an incident (act or omission) impairs or disrupts the Subservicer's obligation to provide the services contemplated under this Agreement, as may be modified from time to time. The Subservicer agrees to provide the Owner/Servicer (and any applicable regulatory agencies having jurisdiction over the Owner/Servicer) with a copy of its entire BCP promptly following the Owner/Servicer's request. The Subservicer warrants that the BCP conforms to Applicable Requirements and generally accepted industry standards for business continuity planning (collectively, the "BCP Standards"), which include, but are not limited to, recovery strategy, loss of critical personnel, restoring access to documents and data to the Owner/Servicer, documented recovery plans covering all areas of operations pursuant to this Agreement, vital records protection, and testing plans. The Subservicer will maintain and test the BCP at regular intervals (no less frequently than annually) to ensure that the BCP complies with BCP Standards and shall provide reporting of the test results to the Owner/Servicer upon request. The Subservicer will comply with the BCP during the term of this Agreement. The Subservicer shall notify the Owner/Servicer promptly of any material modifications to the BCP. To the extent that Subservicer provides such

BCP reporting of test results or notices of material modifications to such BCP to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such BCP reporting of test results or notices of material modifications to such BCP shall be deemed to have been delivered hereunder.

The Subservicer shall provide disaster recovery and backup capabilities and facilities through which it will be able to perform its obligations under this Agreement with minimal disruptions or delays. The recovery strategy shall, at a minimum, provide for recovery after short and long term disruptions in facilities, environmental support, workforce availability and data processing equipment. If requested by the Owner/Servicer, the Subservicer must provide evidence of its capability to meet any applicable regulatory requirement concerning business continuity applicable to the Owner/Servicer or the Subservicer, it being understood that to the extent Subservicer has provided such evidence to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such evidence shall be deemed to have been provided hereunder. The Subservicer shall notify the Owner/Servicer immediately (and in any event, within twelve (12) hours) of the occurrence of any catastrophic event that affects or could affect the Subservicer's performance of the services contemplated under this Agreement.

The BCP shall include appropriate provisions to ensure the continued availability of critical third-party services and to ensure an orderly transition to new service providers should that become necessary. The Subservicer shall comply with the Vendor Oversight Guidance with respect to business continuity plans of Vendors. Subject to Sections 10.17 and 2.4, the Subservicer shall require that any of its Vendors, Off-shore Vendors and Default Firms providing critical services with respect to this Agreement provide copies of their own business continuity plans to the Subservicer and the Subservicer shall make such plans available to the extent set forth in Exhibit Q, it being understood that to the extent Subservicer has provided such plans to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such plans shall be deemed to have been provided hereunder.

Section 2.19. Subservicer Performance Standards.

The Subservicer shall perform its obligations under this Agreement in accordance with the following standards:

(a) The Subservicer shall (i) develop and maintain client management protocols (escalation procedures to be utilized by Owner/Servicer, if needed) as set forth in Exhibit N and (ii) dedicate to its relationship with Owner/Servicer two (2) fulltime employees, who will be available to Owner/Servicer during normal business hours to answer questions, handle requests for information, coordinate change requests, monitor reporting timelines, and to schedule calls with business units in accordance with such protocols, it being understood that Owner/Servicer will coordinate with each NRZ O/S Entity, to the extent possible, in all such interactions with Subservicer and the protocol and dedicated employees applicable to the NRZ O/S Entity relationship under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be applicable to the relationship between Owner/Servicer and Subservicer hereunder.

(b) The Subservicer shall use commercially reasonable efforts to resolve to the reasonable satisfaction of the Owner/Servicer any instances of failure to service the Mortgage Loans in accordance with Applicable Requirements or this Agreement identified by the Owner/Servicer within a reasonable and mutually agreed upon timeframe.

(c) The Subservicer will maintain adequate staffing, training and procedures in fulfillment, collections, Loss Mitigation, customer service, customer complaint, foreclosure, REO and bankruptcy departments in accordance with Applicable Requirements, including without limitation guidance provided by the CFPB and other Governmental Authorities.

(d) The Subservicer will maintain adequate foreclosure/bankruptcy staffing to address market conditions and heightened industry focus on current mortgage servicing issues as it relates to defaulted loans and ownership.

(e) The Subservicer shall input all material information concerning each Mortgage Loan into the Subservicer's servicing system of record and shall image and maintain all correspondence and Subservicing documents it prepares or obtains relating to the Mortgage Loans.

(f) All data and information provided by the Subservicer to the Owner/Servicer or an Investor, or to any other third party at the request or on behalf of the Owner/Servicer pursuant to this Agreement, shall be true, accurate and complete in all material respects; provided, that, the Subservicer shall not be liable for inaccurate information that is based on information provided by the Owner/Servicer, an originator, or a prior servicer (other than the Subservicer or an Affiliate of the Subservicer) unless the Subservicer knew of such inaccuracy or reasonably should have known of such inaccuracy pursuant to Applicable Requirements.

(g) Unless otherwise agreed to by the Subservicer and the Owner/Servicer in a SLA attached hereto, no later than forty-five (45) calendar days after the end of each calendar quarter, the Subservicer shall deliver to the Owner/Servicer the following platform-wide customer service statistics (or such other statistics reasonably requested by the Owner/Servicer): (i) staffing numbers changes, including turnover numbers and outsourced vs. internal; (ii) staffing location changes, including off-shore moves; (iii) advance notice of any outsourcing of consumer-facing staff; (iv) changes to staff scoring methodology; (v) changes to training programs; (vi) numbers of calls/month; (vii) numbers of calls monitored each month; (viii) changes to credit-reporting practice; and (ix) answer times, hold times and other measurements of consumer call performance as reasonably requested by the Owner/Servicer, it being understood that to the extent such statistics have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such statistics shall be deemed to have been provided hereunder.

Section 2.20. Sanction Lists; Suspicious Activity Reports.

(a) The Subservicer represents, warrants and covenants that it has, and shall maintain, policies and internal controls reasonably designed to comply with the economic sanctions (the "Sanction Lists") administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") and the requirements of this Section 2.20(a). The Subservicer shall screen all existing Mortgagors and related mortgage participants monthly against the Sanction Lists. The Subservicer's policies shall detail steps (i) to identify and resolve potential matches against the Sanction Lists, and (ii) required for record retention in accordance with regulatory requirements. The Subservicer shall promptly notify the Owner/Servicer of any unresolved potential matches against the Sanction Lists.

(b) The Subservicer represents, warrants and covenants that is has, and shall maintain, policies, training and internal controls reasonably designed to detect and investigate potential suspicious activity and fraud by Mortgagors and related mortgage participants in compliance with the requirements of this Section 2.20(b). The Subservicer will promptly disclose to the Owner/Servicer potentially suspicious or unusual activity detected as part of the services performed on behalf of the Owner/Servicer. The Subservicer represents and warrants that it has processes in place for such escalation and disclosure process. The Subservicer represents that it will coordinate the filing of any necessary Suspicious Activity Reports ("SARs") with respect to the Mortgagors and related mortgage participants with a designated representative of the Owner/Servicer, if appropriate, and will maintain records of all such SARs filed and investigations performed in accordance with regulatory requirements. The Subservicer further represents, warrants and covenants that it has, and shall maintain, policies regarding (i) conducting investigations in a timely manner that is consistent with regulatory expectations and requirements, (ii) maintaining appropriate records for reviews, investigations and escalations, and (iii) if applicable, reviewing requests made pursuant to Section 314(a) of the USA PATRIOT ACT through the Financial Crimes Enforcement Network.

Section 2.21. Litigation Management.

Any litigation related solely to a single Mortgage Loan and incidental to the Subservicer's servicing obligations hereunder (other than litigation between or among the Owner/Servicer, on the one hand, and the Subservicer, on the other hand) shall be managed by the Subservicer or its counsel on behalf of the Owner/Servicer or the Investor, as applicable, such as foreclosure, evictions, quiet title and bankruptcy filings, at the Subservicer's internal expense with respect to administration of such litigation (excluding, however, third party costs such as reasonable out-of-pocket attorneys' fees and expenses for which the Owner/Servicer shall remain responsible and which shall be a Servicing Advance hereunder) unless reimbursed from a third party pursuant to Applicable Requirements. Any and all such proceedings described in this paragraph shall be taken by the Subservicer in its own name on behalf of the Owner/Servicer or the Investor, as applicable.

At any time subsequent to the Effective Date, the parties may mutually agree to specific litigation protocols for the purpose of managing litigation relating to the Mortgage Loans.

Section 2.22. Financial Covenants and Information; Covenant Compliance Reporting; [***].

(a) The Subservicer shall at all times comply with all (i) financial requirements set forth in the applicable Servicing Agreement [***].

(b) On a monthly basis, the Subservicer shall provide the Owner/Servicer with sufficient supporting documentation and backup that will allow the Owner/Servicer to verify and validate that the Subservicer is in compliance with the financial requirements set forth in the applicable Servicing Agreement [***]. No later than the last day of the month (or if such day is not a Business Day, the next succeeding Business Day) after the end of each month, the Subservicer shall provide the Owner/Servicer with a certificate, signed by the chief financial officer of the Subservicer and the Corporate Parent, in the form attached hereto as Exhibit H (the "Monthly Financial Covenant Certification"), with supporting documentation and backup (including but not limited to any interim and audited financial statements prepared by the Subservicer, Corporate Parent's and any accountant engaged by the Subservicer or Corporate Parent) that will allow the Owner/Servicer to verify, validate and corroborate the certifications made in each Monthly Financial Covenant Certification, it being understood that to the extent such a monthly Financial Covenant Certification and supporting documentation have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such a monthly Financial Covenant Certification and supporting documentation shall be deemed to have been provided hereunder.

(c) [***]

Section 2.23. PMI Litigation.

The parties agree that Subservicer has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Subservicer on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Subservicer has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Subservicer, or by assisting the Subservicer in obtaining a ratification, consent or authorization from a trustee, to permit Subservicer to act or continue acting on behalf of Owner/Servicer if Subservicer's authority to proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall the Owner/Servicer be obligated to provide any records, materials and/or information which was previously provided to the Owner/Servicer by the Subservicer and (ii) the Owner/Servicer shall have no obligation to provide any witness to

the extent any witness under the Subservicer's control can provide similar information/testimony. In no event shall the Subservicer make any admissions of liability on the part of the Owner/Servicer.

On a monthly basis and/or as otherwise reasonably requested by Owner/Servicer, the Subservicer shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Subservicer shall promptly notify the Owner/Servicer in writing of any material developments or changes in the status of any PMI Proceeding.

ARTICLE III
AGREEMENTS OF THE OWNER/SERVICER

Section 3.1. Transfers to Subservicer.

(a) With respect to any Transfer Date and solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, the Owner/Servicer shall deliver the Servicing Transfer In Procedures to the prior subservicer and shall request that such subservicer comply with the Servicing Transfer In Procedures in all material respects. The Subservicer shall work in good faith with prior servicers or subservicers and the Owner/Servicer to finalize and effectuate the Servicing Transfer In Procedures. The Subservicer and the Owner/Servicer shall comply with all Applicable Requirements with respect to servicing transfers, including the CFPB's rules and/or guidelines with respect to servicing transfers, including without limitation its Bulletin 2014-1 issued on August 19, 2014, which may be amended or updated from time to time. The Subservicer and the Owner/Servicer shall provide all reasonable cooperation and assistance as may be requested by the other party in connection with compliance with such requirements, rules and/or guidelines. The Subservicer and the Owner/Servicer shall cooperate after the applicable Transfer Date to promptly resolve all customer complaints, disputes and inquiries related to activities that occurred prior to such Transfer Date or in connection with the transfer of servicing.

(b) With respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, pursuant to the Servicing Transfer In Procedures and Applicable Requirements, prior to each Transfer Date, the Subservicer shall use commercially reasonable efforts to obtain the Servicer Transfer Data and the Mortgage Servicing Files from the prior subservicer. The Subservicer may undertake an audit of a sampling of the Servicer Transfer Data and the Mortgage Servicing Files to determine the existence therein of any materially inaccurate or incomplete or missing data, information or documents. If the Subservicer determines, in its reasonable discretion, that there are deficiencies in Servicer Transfer Data or in the related Mortgage Servicing File, the Owner/Servicer and the Subservicer shall cooperate in good faith to cure or correct such deficiencies reasonably necessary for the Subservicer to service the related Mortgage Loans pursuant to this Agreement, subject to reimbursement from Owner/Servicer as set forth in this Section 3.1(b).

(i) For any Mortgage Loan which is not a Prior Ocwen Serviced Loan, the Owner/Servicer may elect to (a) cure or correct any material deficiencies in the Servicer Transfer Data or the related Mortgage Servicing Files, at the expense of the

Owner/Servicer or (b) request that the Subservicer cure or correct such items, in which case the reasonable, actual and documented out-of-pocket costs and expenses or the reasonable, actual and documented internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such cure or correction shall be reimbursed by the Owner/Servicer pursuant to Section 2.3(d). To the extent the Owner/Servicer request the Subservicer to cure or correct such items, the Subservicer shall promptly cure or correct such items.

(ii) [Reserved]

(iii) Solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, to the extent the Owner/Servicer declines to cure or correct any material deficiencies in the Servicer Transfer Data or the related Mortgage Servicing Files or declines to engage the Subservicer to do so on its behalf or, upon reasonable effort, such deficiencies are not able to be cured or corrected and are reasonably necessary to be cured or corrected for the Subservicer to service the related Mortgage Loans pursuant to this Agreement, then the Subservicer will have the right to reject the obligation to subservice the related Mortgage Loan by providing Owner/Servicer written notice of such rejection within fifteen (15) Business Days after Owner/Servicer declines to cure or correct such deficiencies.

(c) The Owner/Servicer shall cooperate and shall use reasonable efforts to cause the prior subservicer to cooperate with the Subservicer in providing timely responses to inquiries from Mortgagors to the extent information provided with respect to the Mortgage Loans is insufficient to allow the Subservicer to adequately respond without such cooperation.

(d) The Subservicer shall provide the Owner/Servicer with any proposed changes to the Servicing Transfer In Procedures at least sixty (60) days prior to boarding any Mortgage Loans under this Agreement which the Subservicer is not already servicing or subservicing, it being understood that to the extent Subservicer has provided such proposed changes to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such proposed changes shall be deemed to have been provided hereunder. The Subservicer and the Owner/Servicer shall cooperate in good faith to reach agreement on any proposed changes to the Servicing Transfer In Procedures.

Section 3.2. Pay-off of Mortgage Loan; Release of Mortgage Loan Documents.

(a) Upon pay-off of a Mortgage Loan, the Subservicer will request the applicable Mortgage Loan Documents from the Custodian or the applicable Investor, as the case may be, and upon receipt of same will prepare the appropriate discharge/satisfaction documents, and shall request execution of any document necessary to satisfy the Mortgage Loan or shall execute such document pursuant to a limited power of attorney to be provided by the applicable Investor or shall request such document to be executed by the applicable Investor. The Subservicer shall prepare, execute, and record all satisfactions and releases in

accordance with the timeframes and requirements of all Applicable Requirements, and the Subservicer shall reimburse the Owner/Servicer for any and all documented Losses it may incur as a result of the Subservicer's failure to act in accordance with such Applicable Requirements.

(b) In the event the Subservicer prepares a satisfaction or release of a Mortgage without having obtained payment in full (excluding payments in full or other satisfactions as provided for in a Loss Mitigation plan permitted under Applicable Requirements) of the indebtedness secured by the Mortgage or should it otherwise prejudice any enforcement right the related Investor may have under the mortgage instruments, the Subservicer, upon written demand, shall (i) use commercially reasonable efforts to expunge such satisfaction or release or (ii) if such satisfaction or release cannot be expunged by the Subservicer in such timeframe required under Applicable Requirements, the Subservicer shall remit to the Investor, or indemnify and reimburse the Owner/Servicer for, all amounts required to be paid by the Owner/Servicer under Applicable Requirements as a result of such satisfaction or release.

(c) From time to time and as appropriate for the Subservicing (including, without limitation, insurance claims) or foreclosure of each Mortgage Loan, the Owner/Servicer shall cause the Custodian to, upon request of the Subservicer and only upon delivery to the Custodian of an acceptable servicing receipt signed by an authorized employee of the Subservicer, release the portion of the Mortgage Loan Documents held by the Custodian to the Subservicer. If any Mortgage Loan Documents are to be released to a third-party attorney for purposes of facilitating foreclosure, bankruptcy, or litigation proceedings on behalf of the Subservicer or the Investor, the Subservicer must obtain a commercially acceptable attorney bailee agreement from such attorney, a copy which shall be provided to the Custodian on an as-needed basis.

(d) The Subservicer shall return the related Mortgage Loan Documents to the Custodian within a timeframe consistent with applicable industry standards following the time such documents are no longer needed by the Subservicer, unless the Mortgage Loan has been liquidated and the liquidation proceeds relating to the Mortgage Loan have been deposited in the related Custodial Account. The Subservicer shall indemnify the Owner/Servicer pursuant to Section 8.2 for any loss or damage of such Mortgage Loan Documents by the Subservicer or its agents, Vendors, Off-shore Vendors or Default Firms.

Section 3.3. Notices.

(a) With respect to Mortgage Loans that are not Prior Ocwen Serviced Loans, the Owner/Servicer shall cause to be provided servicing transfer notices to the related Mortgagors in a timely manner as may be required under Applicable Requirements, including the Real Estate Settlement Procedures Act, as amended, and CFPB Bulletin 2014-1 issued on August 19, 2014. Within fifteen (15) days following each Transfer Date to the extent required pursuant to the Applicable Requirements, the Subservicer shall deliver to each related Mortgagor a "Welcome Letter" in accordance with Applicable Requirements. Notwithstanding the above, the Owner/Servicer, the Subservicer, and the prior servicer or

subservicer may agree to send in accordance with Applicable Requirements a joint notification to the related Mortgagors regarding the transfer of the servicing function to the Subservicer. The Subservicer and the Owner/Servicer agree that the form of any notice sent to Mortgagors under this Section 3.3(a) shall be subject to approval by the Owner/Servicer and the Subservicer, not to be unreasonably withheld or delayed.

(b) The Subservicer shall furnish to each Mortgagor each notice (including all required privacy notices, cover letters or other related correspondence) that the Owner/Servicer determines is required to be provided to such Mortgagors in accordance with, and in a form consistent with, Applicable Requirements. In the event the Owner/Servicer requests that the Subservicer provide the annual privacy notice on the Owner/Servicer's behalf, the Owner/Servicer shall provide the Subservicer with its form notice (and related correspondence for privacy notices) to be furnished to each Mortgagor and reimburse Subservicer for the incremental out-of-pocket printing and mailing expense, provided that Subservicer shall provide Owner/Servicer with a good faith estimate of such expense prior to commencing such mailing. The Subservicer shall not make any material changes to the forms of privacy notice or other related correspondence for privacy notices without the prior approval of the Owner/Servicer. The Subservicer shall comply with all applicable federal and state requirements relating to privacy notices and shall provide the Owner/Servicer upon request with its policies and procedures for complying with Applicable Requirements relating to privacy notices. Any Subservicer privacy notice sent pursuant to this Agreement shall be at the sole cost and expense of the Subservicer without reimbursement. Solely with respect to any relationship letter the Owner/Servicer requests be mailed, which may be effectuated through a stand-alone mailing or via insertion in any Mortgagor's monthly statement, the Owner/Servicer shall pay the incremental costs incurred by the Subservicer with respect to the creation of such letter and the mailing and/or insertion of such letter in the applicable monthly statement. The Subservicer shall track and provide quarterly reporting to the Owner/Servicer regarding privacy notices on a loan level basis, including (i) the date the initial and annual privacy notices are mailed to each Mortgagor and (ii) relevant data and information regarding opt-out and opt-in states and elections made by the related Mortgagors.

(c) The Subservicer shall include in the related Mortgage Servicing File a copy of each notice furnished to a Mortgagor pursuant to this Section 3.3.

Section 3.4. Mortgagor Requests.

The Subservicer shall process requests for partial releases, easements, substitutions, division, subordination, alterations, waivers of security instrument terms, or similar matters in accordance with Applicable Requirements and the Subservicer shall provide a monthly report identifying such processed requests (other than partial releases), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery of such reporting to such NRZ O/S Entity under such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder.

Section 3.5. Power of Attorney.

The Subservicer shall prepare and request the applicable Investors to execute limited powers of attorney that are reasonably necessary in connection with the Subservicing of the Mortgage Loans under the applicable Servicing Agreement. The Owner/Servicer shall cooperate with the Subservicer as necessary to obtain such limited powers of attorney from the applicable Investors. Upon request of Subservicer, the Owner/Servicer shall execute a mutually agreed upon number of limited powers of attorney substantially in the form set forth in Exhibit M hereto and provide such original executed limited powers of attorney to the Subservicer for use in connection with the servicing activities contemplated in this Agreement. The Owner/Servicer agrees to provide additional original executed limited powers of attorney as may be requested by the Subservicer from time to time.

Section 3.6. Affiliated Transactions.

The Owner/Servicer shall comply with its internal policies and procedures concerning transactions with affiliates and related parties in connection with the transactions hereunder.

ARTICLE IV
COMPENSATION

Section 4.1. Subservicing Compensation.

On or prior to each Reporting Date, the Subservicer shall provide the Owner/Servicer, in an electronic format, a monthly report containing data elements detailing all the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics (the "Reconciliation Report") as set forth in the related Formatted Servicing Report; it being understood that the amounts described in clauses (iv) and (v) of Owner/Servicer Economics, and Owner/Servicer Expenses, may relate to prior periods. Pursuant to Section 2.8(f), the Subservicer shall provide the Owner/Servicer with sufficient information to reflect the calculation (daily and monthly, as applicable) of the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics, including the fees payable to the Subservicer by the Owner/Servicer under this Agreement. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine the Reconciliation Report and any supporting materials required to be delivered hereunder with the "Reconciliation Report" and supporting materials as defined in and delivered pursuant to the relevant NRZ Servicing/Subservicing Agreements. or the NRM Agency Subservicing Agreement

The Owner/Servicer shall pay all non-disputed amounts of the Subservicer Economics and all non-disputed amounts of Owner/Servicer Expenses on a monthly basis, in arrears, on the later of the last Business Day of each month and five (5) Business Days following receipt of the Reconciliation Report, and if reasonably necessary, additional information to confirm and reconcile the Owner/Servicer Economics, Owner/Servicer Expenses and the Subservicer Economics relating to the applicable periods included in the Reconciliation Report, subject to Section 4.3. To the extent (i) the Owner/Servicer does not pay all non-disputed amounts of the Subservicer Economics within the applicable timeframe set forth in the prior sentence or any amounts owed to the Subservicer hereunder within the timeframe set forth herein (or if not set forth, within two (2) Business Days of Subservicer notifying Owner/Servicer of such amounts being owed) and (ii) the Subservicer

provided the Owner/Servicer at least two (2) Business Days' prior notice of its intention to net such non-disputed amounts, the Subservicer is entitled net and retain all such non-disputed amounts of the Subservicer Economics from the applicable remittance Subservicer makes to the Owner/Servicer pursuant to Section 2.8(f); provided, further, that the Subservicer may not net or set-off against any portion from the applicable remittance Subservicer makes to the Owner/Servicer pursuant to Section 2.8(f) that have been sold and/or pledged by the Owner/Servicer in connection with a financing or securitization involving such remittance, including, without, limitation any servicing advance facility or servicing rights financing, in each case except as expressly permitted in writing by the applicable transaction agreements or the applicable purchaser, lender or secured party.

With respect to disputed amounts of the Subservicer Economics, the parties shall follow the procedures set forth in Section 4.3 for resolution of disputes to the extent not otherwise resolved.

The Subservicer shall be entitled to all amounts, to the extent paid, allowed to a servicer from time to time by any governmental or quasi-governmental programs or PMI Companies, as applicable, for engaging in Loss Mitigation with respect to the Mortgage Loans. The Owner/Servicer shall be entitled to the Float Benefit, which amounts (i) shall be remitted by the Subservicer to the Owner/Servicer as part of the Owner/Servicer Economics pursuant to Section 2.8(f) to the extent the applicable Custodial Account(s) or Escrow Account(s) are not in the name of the Owner/Servicer and (ii) Owner/Servicer shall withdraw directly from the applicable Custodial Account(s) or Escrow Account(s) to the extent the applicable Custodial Account(s) or Escrow Account(s) are in the name of the Owner/Servicer. The Subservicer shall be entitled to Ancillary Income and, pursuant to its reporting obligations hereunder, provide to the Owner/Servicer information and data related to the Ancillary Income received and/or paid to the Subservicer. The Subservicer shall provide or make available to the Owner/Servicer its schedule of Ancillary Income charged to the Mortgagors on a quarterly basis in an acceptable searchable electronic format that allows for comparison of the current schedule of Ancillary Income against the schedule of Ancillary Income from the prior quarterly period. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any reporting with respect to Ancillary Income required to be delivered hereunder with the reports it delivers to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

Except as otherwise set forth in this Agreement, the Subservicer and the Owner/Servicer shall each be required to pay all expenses incurred by each, respectively, in connection with their respective performance of obligations hereunder, including but not limited to their respective overhead costs and employee salaries.

Section 4.2. Due Date of Payments; Penalties.

In the event either party fails to make a required payment under this Agreement to the other party, the owing party shall be required to pay the other party a finance charge on such amount for each day such payment is delinquent at an annual rate equal to one percent (1%) over the Prime Rate, but in no event greater than the amount permitted by applicable law. Such interest shall be paid by the applicable party on the date such late payment is made and shall cover the period commencing with the day following the Business Day on which such payment was due and ending with the Business Day on which such payment is made, both inclusive. The payment by Subservicer

of any such interest shall not be deemed an extension of time for payment or a waiver of any rights the Owner/Servicer has under this Agreement. Subservicer shall be responsible for late payment interest or penalties incurred as a result of any late remittances made by Subservicer with respect to any of the Servicing Agreements, provided that the late remittance was not the result of the Owner/Servicer failing to timely make any required payments under this Agreement.

Section 4.3. Resolution of Disputes and Monetary Errors.

In the event either party, in good faith, disputes any sum the other party contends are due and payable hereunder, such disputing party shall deliver to the contending party a written notice explaining the justification for such dispute in sufficient detail to permit the contending party to evaluate and respond to such dispute, together with any documentation available to such disputing party to support such dispute. All sums that are not disputed shall be paid as and when due under this Agreement. If the contending party demonstrates that the disputed amount is properly due and payable, including by providing supporting documentation and/or analysis, the disputing party shall pay such amount within five (5) Business Days after receipt of such documentation. If the disputing party continues to dispute all or any portion of such amount and the parties cannot thereafter reconcile such dispute within a reasonable period of time not to exceed thirty (30) days, the contending party shall be entitled, upon ten (10) days' written notice to the disputing party, to submit such matter to a dispute resolution process (other than litigation) and if such amounts are subsequently determined to be proper, contending party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim with interest on the disputed amount at an annual rate of five percent (5%) over the Prime Rate, but in no event greater than the amount permitted by applicable law. If such disputed amounts are subsequently determined not to be due and payable to the contending party, the disputing party shall be entitled to recover as part of its claim its reasonable out-of-pocket costs and expenses, including attorneys' fees, incurred in connection with prosecuting such claim.

ARTICLE V
TERM AND TERMINATION

Section 5.1. Term.

(a) The initial term of this Agreement shall be from the date hereof and shall expire on July 25, 2022 (the "Initial Term"). Except as otherwise set forth in this Section 5.1, Section 5.6 and Section 5.7(c), the Subservicer shall not be permitted to terminate this Agreement prior to the expiration of the Initial Term. If this Agreement has not otherwise been terminated pursuant to this Article V, then the term of this Agreement for the Subservicer shall automatically be renewed for successive one (1) year terms after the expiration of the Initial Term. The Subservicer shall not resign from the obligations and duties hereby imposed on it, except upon determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by Subservicer or the Owner/Servicer. If Subservicer terminates this Agreement pursuant to Section 5.6, such termination shall be treated as a termination without cause by Owner/Servicer under this Agreement. If Subservicer resigns, such resignation of the Subservicer shall be treated as a termination for cause by Owner/Servicer under this Agreement. Any such determination that Subservicer's

duties hereunder are no longer permissible under applicable law shall be evidenced by an opinion of counsel written by a law firm reasonably acceptable to Owner/Servicer to such effect in form and substance reasonably acceptable to Owner/Servicer.

(b) During the Initial Term, the Owner/Servicer may terminate this Agreement in whole, but not in part (unless otherwise expressly permitted pursuant to this Agreement) for convenience, by delivering written notice of such termination to the Subservicer. Following the Initial Term, the term of this Agreement may be extended by the Owner/Servicer for successive three (3) month renewal periods (which, if extended, shall commence on the expiration date of the then-current term and end on the calendar day that is the three (3) month anniversary of the preceding term's expiration date (or if such day is not a Business Day, on the first Business Day immediately following such day)), by delivering written notice of such three month extension (which may be by electronic mail). Such notice shall be delivered at least thirty (30) calendar days preceding such extension (or if such day is not a Business Day, the first Business Day immediately preceding such day), provided that any such extension notice that is delivered prior to the expiration of the then current term shall be effective. Unless earlier terminated pursuant to any other provision in this Article V, this Agreement shall terminate at the expiration of the then-current term if the Owner/Servicer fails to notify the Subservicer of a three (3) month extension prior to such expiration.

(c) The Subservicer may terminate this Agreement at the end of the Initial Term or at the end of any subsequent one year term, in whole but not in part upon written notice to the Owner/Servicer at least two-hundred twenty five (225) days prior to the end of the applicable term.

(d) Any Mortgage Loans removed from a Servicing Agreement pursuant to the exercise of an early termination or other reconstitution provision and (i) included in a Securitization Transaction (a "Resecuritized Transaction") where the applicable Securitization Servicing Agreement or Interim Servicing Agreement is reasonably acceptable to the Subservicer shall be removed from this Agreement and shall be serviced by the Subservicer pursuant to such Securitization Servicing Agreement or Interim Servicing Agreement, as applicable, or (ii) not included in the related Securitization Transaction shall be removed from this Agreement and shall be serviced by the Subservicer under an Interim Servicing Agreement. For the avoidance of doubt, no Termination Fee, deboarding fee or other compensation (other than accrued Subservicer Economics) shall be payable to Subservicer for a termination under this Section 5.1(d). The Subservicer shall use its best efforts to remain in good standing with the Rating Agencies and otherwise comply with the requirements of Rating Agencies. With respect to any Resecuritized Transaction in which the Subservicer has agreed to execute the applicable Securitization Servicing Agreement but is otherwise not permitted to service in such Resecuritized Transaction solely as a result of the requirement of the related Rating Agency (which is rating such Resecuritized Transaction) (in either case, a "Barred Transaction"), the Owner/Servicer shall use reasonable efforts to consult with the applicable Rating Agencies and reasonably advocate for the Subservicer's participation in such Barred Transaction (and such participation does not have, or result in, any adverse impact or effect on the Owner/Servicer, the related Barred

Transaction and/or the securities being issued thereunder). The Owner/Servicer shall not select any Rating Agency with the sole intention of excluding the Subservicer from participating in a Barred Transaction. If the Owner/Servicer determines, in the Owner/Servicer's reasonable discretion (as supported by reasonable documentation or analysis provided by the Owner/Servicer to Subservicer in writing), that retaining Subservicer to service loans in a Resecuritized Transaction could have a material adverse impact on the related Resecuritized Transaction and/or the securities being issued thereunder, then the Owner/Servicer shall not be obligated to utilize the Subservicer in such Resecuritized Transaction, in which event the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer. If the Owner/Servicer determines, in the Owner/Servicer's reasonable discretion, that retaining Subservicer to service loans in a Resecuritized Transaction does not have a material adverse impact on the related Resecuritized Transaction and/or the securities being issued thereunder and, accordingly, elects not to retain the Subservicer in such Resecuritized Transaction, (i) the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer and (ii) the Owner/Servicer shall pay the applicable Exit Fee on the date that the related transfer of servicing to the successor servicer is completed. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer may terminate this Agreement with respect to one or more Mortgage Loans which are not Prior Ocwen Serviced Loans, in which event the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer; provided that, the Owner/Servicer shall provide the Subservicer with at least forty five (45) days' written notice prior to such termination and transfer of servicing to a successor servicer.

(e) This Agreement shall otherwise terminate upon the earliest of (i) the distribution of the final payment on or liquidation of the last Mortgage Loan and REO Property subject to this Agreement or (ii) as otherwise set forth in this Article V.

Section 5.2. [Reserved].

Section 5.3. Termination with Cause.

(a) The Owner/Servicer may terminate this Agreement immediately for cause, in whole, but not in part (except with respect to clause (C) of Section 5.3(a)(xviii)), by providing written notice of its intent to terminate Subservicer based on any of the following events (each such event and any other event mutually agreed upon by the parties, a "Subservicer Termination Event"), which as of the date of such notice, shall not have been waived in writing:

(i) any failure by the Subservicer to remit the Owner/Servicer Economics or any other payment due the Owner/Servicer pursuant to this Agreement (including, but not limited to, any Average Third Party Mark Payment or any Investor payment with respect to the Mortgage Loans) not in dispute pursuant to Section 4.3, which failure continues unremedied for a period of two (2) Business Days after the

date on which such payment was required to be remitted under the terms of this Agreement or Applicable Requirements, as applicable;

(ii) any failure by the Subservicer to provide to the Owner/Servicer (1) any Critical Report unless such failure to deliver a Critical Report was a direct result of Owner/Servicer's or any NRZ O/S Entity's failure to provide material information (which was not in the possession or control of the Subservicer) necessary to complete such Critical Report, which failure continues unremedied for a period of five (5) Business Days following the date such Critical Report was due and/or (2) any Owner/Servicer Regulatory Reports, which failure continues unremedied for a period of five (5) Business Days following the date such Owner/Servicer Regulatory Report was due;

(iii) (A) [***] and/or (B) deliver the Monthly Financial Covenant Certification to the Owner/Servicer within the timeframes set forth in Section 2.22, which failure in the case of clause (B) continues unremedied for a period of five (5) Business Days;

(iv) any default and/or failure by Subservicer to duly observe or perform, in any material respect, any covenants, obligations or agreements of Subservicer set forth in this Agreement (including the Schedules and Exhibits hereto), to the extent such default or failure is susceptible of being cured, irrespective of the date on which the covenant or obligation was to be performed or observed, continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer;

(v) any representation or warranty made by the Subservicer hereunder shall prove to be untrue or incomplete in any material respect and such representation or warranty continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer;

(vi) the Subservicer shall fail to comply in any material respect with any audit procedures pursuant to Section 2.11(b) or (e) of this Agreement, which failure continues unremedied for a period of seven (7) Business Days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer and such failure to deliver could be reasonably expected to result in a material Loss by, or have a material adverse effect on, Owner/Servicer;

(vii) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Subservicer and/or the Corporate Parent

and such decree or order shall have remained in force, undischarged or unstayed for a period of forty-five (45) days;

(viii) the Subservicer and/or the Corporate Parent shall (i) consent to the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceedings of or relating to the Subservicer's and/or the Corporate Parent's property or relating to all or substantially all of the Subservicer's and/or the Corporate Parent's property or (ii) admit in writing its inability to pay its debt as it becomes due, admit in writing its intention not to perform any of its obligations, file a petition to take advantage of any applicable insolvency or bankruptcy statute, voluntarily suspend payment of any of its obligations, or make an assignment for the benefit of its creditors;

(ix) (A) the Subservicer shall cease being an approved subservicer/servicer in good standing with any Agency or Governmental Entity or a HUD approved mortgagee or (B) any Governmental Entity or HUD provides a written notice of termination to the Subservicer;

(x) Either (i) the occurrence and continuation of a default of any payment of any amounts due under any Material Debt Agreement (after any applicable grace period) or (ii) the occurrence and continuation of a default under a Material Debt Agreement resulting in the acceleration or prepayment thereof;

(xi) any admission by the Subservicer or the Corporate Parent or the final determination of material wrongdoing in connection with any regulatory action commenced by a Governmental Authority (i) that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights and/or the Servicing Advances and/or P&I Advances related thereto or (ii) in which any investor, lender or other counterparty to New Residential Investment Corp.'s financing or lending arrangement of Servicing Rights, "excess spread", Servicing Advances and/or P&I Advances makes a breach or default claim under such financing or lending arrangement in writing and such Person(s) have the sufficient right and/or own (or control) a sufficient portion of the investment under such arrangement to declare or direct another party to declare a default thereunder;

(xii) a Change of Control has occurred with respect to the Subservicer and/or the Corporate Parent, unless such change of control results from the acquisition of stock or voting interests by Owner/Servicer or any of its Affiliates;

(xiii) the Subservicer and/or Corporate Parent attempts to assign its rights to servicing compensation hereunder without the consent of the Owner/Servicer;

(xiv) any report required herein contains materially inaccurate data or information that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights, P&I Advances and/or the Servicing Advances; provided, that such inaccuracy is not the direct result of

inaccurate data or information provided to the Subservicer by any NRZ O/S Entity or New Residential Investment Corp., or a third party appointed by any NRZ O/S Entity or New Residential Investment Corp.;

(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating the Owner/Servicer, NRM and/or Subservicer in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of Owner/Servicer or NRM as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or NRM as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to

Terminate if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or NRM as servicer under the related Servicing Agreement;

(xvii) either (A) the publicly filed annual financial statements or the notes thereto or other opinions or conclusions stated therein of New Residential Investment Corp. or Owner/Servicer shall indicate that New Residential Investment Corp. or Owner/Servicer, as applicable, has a "material weakness" and/or "significant deficiency", or (B) if not publicly filed because not a publically registered entity, the annual financial statements or the notes thereto or other opinions or conclusions stated therein of New Residential Investment Corp. or Owner/Servicer, as applicable, shall indicate that New Residential Investment Corp. or Owner/Servicer has a "material weakness", which, in any such case is caused by either (i) inaccurate information provided by the Subservicer or Corporate Parent and relied upon by the Owner/Servicer or New Residential Investment Corp., as applicable, or (ii) the processes, practices or procedures of the Subservicer or the Corporate Parent;

(xviii) (A) the Owner/Servicer shall cease being an approved subservicer/servicer in good standing with any Agency or Governmental Entity or a HUD approved mortgagee and the applicable Agency or Governmental Entity or HUD identifies the Subservicer's or the Corporate Parent's acts, omissions, processes, practices and/or procedures as a basis from which such action resulted, arose out of or was related to; (B) any act or omission of the Subservicer or the servicing practices or procedures of Subservicer or the Corporate Parent results in any Agency or Governmental Entity or HUD providing a written notice of termination to the Owner/Servicer; or (C) any State Agency withdraws or causes Owner/Servicer to fail to maintain any required qualification, license or approval to do business, to service residential mortgage loans, or to otherwise collect debts or perform any activities relating to residential mortgage loans in any jurisdiction where such State Agency has jurisdiction, provided that, solely with respect to this clause (C), Owner/Servicer may terminate this Agreement pursuant to this clause (C) only with respect to the Mortgage Loans in the applicable state where such State Agency has jurisdiction;

(xix) the Subservicer's or Corporate Parent's management discloses in their respective quarterly or annual financial statements that there is substantial doubt about its ability to continue as a going concern; provided, however, that such substantial doubt is not based in material part on the potential early termination of any of the transactions contemplated by this Agreement, the NRM Agency Subservicing Agreement or by any NRZ Servicing/Subservicing Agreement;

(xx) failure of the Subservicer to maintain any required qualification, license or approval to do business, to service residential mortgage loans, or to otherwise collect debts or perform any activities relating to residential mortgage loans in any jurisdiction where the Mortgaged Properties are located, to the extent required under Applicable Requirements; provided that, Owner/Servicer may

terminate this Agreement pursuant to this Section 5.3(a)(xx) only with respect to the Mortgage Loans in the applicable state where the Subservicer failed to maintain such qualification, license or approval;

(xxi) the occurrence of a Performance Trigger;

(xxii) [***]; or

(xxiii) the occurrence of a Subservicer Termination Event or Seller Termination Event, in each case, as defined in the applicable NRZ Servicing/Subservicing Agreement, with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if Owner/Servicer exercises its right to terminate the NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Owner/Servicer shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, NRM exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) NRM does not exercise its remedies thereunder but an Investor terminates NRM as NRZ O/S Entity with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Owner/Servicer being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply.

provided, however, that notwithstanding the foregoing, if Subservicer has provided Owner/Servicer a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Subservicer's intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.6 thereof or Owner/Servicer has provided written notice of its intent to terminate this Agreement pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Subservicer of its intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.1(b) thereof, the Owner/Servicer may not terminate the Subservicer for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Subservicer Termination Event is cured or is no longer continuing, such event shall cease to be a Subservicer Termination Event upon the date that is six (6) months following the later of (i) the date such Subservicer Termination Event was cured or ceases to continue and (ii) the date Owner/Servicer received notice or otherwise became aware of such Subservicer Termination Event.

(b) If an NRZ O/S Entity terminates an NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the later of (i) the closing date of the acquisition of Owner/Servicer by New Residential Corp. or any of its Affiliates or (ii) the Effective Date, unless otherwise agreed to by Subservicer, Owner/Servicer shall concurrently terminate this Agreement for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement as permitted by Section 5.1(d) (and not with respect to all of the mortgage loans subserviced thereunder), this clause (b) shall not apply and the Agreement shall not be terminated.

(c) Each party shall promptly notify the other party in the event of any breach or anticipated breach by the notifying party of its obligations under this Agreement or any event of default or anticipated event of default or other termination event with respect to such party set forth in this Agreement.

(d) The rights of termination, as provided herein, are in addition to all other available rights and remedies, including the right to recover damages in respect of any breach.

Section 5.4. Reimbursement upon Expiration or Termination; Termination Assistance.

(a) If Owner/Servicer:

(i) terminates this Agreement "for cause" pursuant to Section 5.3, Subservicer (A) shall reimburse the Owner/Servicer for Owner/Servicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall reimburse the Owner/Servicer for any boarding fees of the subsequent servicer which shall be capped at $[***] per Mortgage Loan/REO Property and (C) shall not be entitled to any Termination Fee, deboarding fees or reimbursement of its Servicing Transfer Costs;

(ii) terminates this Agreement "for convenience" pursuant to Section 5.1(b), the Owner/Servicer shall remit to the Subservicer (A) solely if the Effective Date of Termination occurs during the Initial Term, an amount equal to the applicable Termination Fee and (B) irrespective of whether the Effective Date of Termination occurs during the Initial Term, the greater of $[***] per Mortgage Loan/REO Property and Subservicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer; or

(iii) does not extend the term of this Agreement at the end of the Initial Term or any three-month renewal term thereafter, (A) Owner/Servicer and Subservicer shall each pay 50% of the aggregate Servicing Transfer Costs incurred

by both parties in connection with transferring the servicing to a successor servicer or subservicer, (B) neither party shall be responsible for paying any deboarding or boarding fees, and (C) Subservicer shall not be entitled to any Termination Fee.

To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term.

In addition, in connection with any of the terminations described in this Section 5.4(a), Owner/Servicer shall pay to the Subservicer an amount equal to the sum of (i) all unreimbursed Servicing Advances and P&I Advances for which Subservicer is entitled to

reimbursement under this Agreement (other than any amounts being disputed in accordance with Section 4.3) and (ii) all unpaid Subservicer Economics which have accrued as of the date the servicing transfers to a successor servicer or subservicer ("Successor Transfer Date") (other than any amounts being disputed in accordance with Section 4.3). Other than with respect to the Termination Fee, if applicable, all amounts payable or reimbursable under this Section 5.4(a) shall be paid or reimbursed on the applicable Successor Transfer Date based on customary practices of estimation and true-up. To the extent that any such amounts are not known and/or invoiced by the party entitled to payment prior to the Successor Transfer Date, such amounts shall be paid or reimbursed to the party entitled to payment within ten (10) Business Days of the other party's receipt of an invoice therefore, together with any documentation required pursuant to this Agreement.

In addition, upon termination of this Agreement, subject to the foregoing, the Owner/Servicer and the Subservicer shall pay or reimburse the other party any other amounts due under this Agreement.

(b) If Subservicer:

(i) terminates this Agreement "for cause" pursuant to Section 5.6, Owner/Servicer (A) shall reimburse the Subservicer for Subservicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall pay Subservicer a deboarding fee equal to $[***] per Mortgage Loan/REO Property and (C) solely if the Effective Date of Termination occurs during the Initial Term, shall pay Subservicer an amount equal to the applicable Termination Fee;

(ii) resigns pursuant to Section 5.1(a), Subservicer (A) shall reimburse the Owner/Servicer for Owner/Servicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall reimburse the Owner/Servicer for any boarding fees of the subsequent servicer which shall be capped at $[***] per Mortgage Loan/REO Property and (C) shall not be entitled to any Termination Fee, deboarding fees or reimbursement of its Servicing Transfer Costs; or

(iii) terminates this Agreement at the end of the Initial Term pursuant to Section 5.1(c) or any renewal term thereafter, (A) Owner/Servicer and Subservicer shall each pay 50% of the aggregate Servicing Transfer Costs incurred by both parties in connection with transferring the servicing to a successor servicer or subservicer, (B) neither party shall be responsible for paying any deboarding or boarding fees, and (C) Subservicer shall not be entitled to any Termination Fee.

To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer

sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term.

In addition, in connection with any of the terminations described in this Section 5.4(b), Owner/Servicer shall pay to the Subservicer an amount equal to the sum of (i) all unreimbursed Servicing Advances and P&I Advances for which Subservicer is entitled to reimbursement under this Agreement (other than any amounts being disputed in accordance with Section 4.3) and (ii) all unpaid Subservicer Economics which have accrued as of the Successor Transfer Date (other than any amounts being disputed in accordance with Section 4.3). Other than with respect to the Termination Fee, if applicable, all amounts payable or reimbursable under this Section 5.4(b) shall be paid or reimbursed on the applicable Successor Transfer Date based on customary practices of estimation and true-up. To the extent that any such amounts are not known and/or invoiced by the party entitled to payment prior to the Successor Transfer Date, such amounts shall be paid or reimbursed to the party

entitled to payment within ten (10) Business Days of the other party's receipt of an invoice therefore, together with any documentation required pursuant to this Agreement.

In addition, upon termination of this Agreement, subject to the foregoing, the Owner/Servicer and the Subservicer shall pay or reimburse the other party any other amounts due under this Agreement.

(c) In connection with the termination of this Agreement with respect to some or all of the Mortgage Loans, the Subservicer and the Owner/Servicer shall use commercially reasonable efforts to ensure the prompt transfer of the servicing of such Mortgage Loans to a successor servicer or subservicer designated by the Owner/Servicer, including delivery of notices to the Mortgagors relating to the servicing transfer in accordance with Applicable Requirements.

(d) Notwithstanding any provision in this Agreement to the contrary, the termination of this Agreement shall not be effective until a successor servicer or subservicer has been appointed by the Owner/Servicer or an Investor, as applicable, and a servicing transfer of all the Mortgage Loans and REO Properties subserviced pursuant to this Agreement has been completed in accordance with Applicable Requirements, and the Subservicer shall not be relieved of its obligations under this Agreement until such time. If no successor servicer or subservicer shall have been so appointed and have taken steps toward becoming the successor within sixty (60) days after the giving of such notice or resignation, the Subservicer may petition any court of competent jurisdiction for the appointment of a successor servicer or subservicer. In addition, if (i) Owner/Servicer terminates for cause pursuant to Section 5.3 or does not renew this Agreement at the end of the Owner/Servicer's Initial Term or Subservicer terminates for cause pursuant to Section 5.6 or resigns pursuant to Section 5.1(a), then, if the days elapsed between the Effective Date of Termination and the Successor Transfer Date, (A) exceed 270 days but are less than 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period and (B) equal or exceed 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period or (ii) Owner/Servicer terminates for convenience pursuant to Section 5.1(b) or Subservicer terminates this Agreement at the end of the Subservicers Initial Term pursuant to Section 5.1(c), then, if the days elapsed between the Effective Date of Termination and the Successor Transfer Date, (A) exceed 180 days but are less than 365 days, the Subservicer Economics shall be to the applicable Step-up Fee for such period and (B) equal or exceed 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period; provided that no Step-up Fee shall be payable if the delay in transferring servicing is due to any matter(s) outside of the control of the Owner/Servicer or the successor servicer or subservicer selected by Owner/Servicer. The Owner/Servicer and the Subservicer shall discharge such duties and responsibilities during the period from the date each acquires knowledge of such termination until the effective date thereof with the same degree of diligence and prudence that it is obligated to exercise under this Agreement. In addition, (i) Subservicer and Owner/Servicer shall cooperate in good faith to comply with the Transfer Procedures set forth in Exhibit P-1 and Exhibit P-2 hereto and transfer servicing in accordance with industry standard transfer

procedures and (ii) Owner/Servicer shall use commercially reasonable efforts to require any successor servicer or subservicer to comply with the Transfer Procedures set forth in Exhibit P-1 and Exhibit P-2 hereto and transfer servicing in accordance with industry standard transfer procedures.

(e) In the event of a servicing transfer to a successor servicer or subservicer with respect to some or all of the Mortgage Loans, the Subservicer shall comply with all Applicable Requirements with respect to servicing transfers. In addition, the Subservicer shall comply with the CFPB's rules and/or guidelines with respect to servicing transfers, including without limitation its Bulletin 2014-1 issued on August 19, 2014, as may be amended or updated. The Subservicer and the Owner/Servicer shall provide all reasonable cooperation and assistance as may be requested by the other party in connection with compliance with such rules and/or guidelines.

(f) In addition, in connection with the servicing transfer to a successor servicer or subservicer with respect to some or all of the Mortgage Loans, the Subservicer shall (a) to the extent in Subservicer's possession or control, promptly forward to the Owner/Servicer's designee all Mortgage Servicing Files, data, Mortgage Loan Documents, files, data tapes and other information customarily delivered by a servicer upon transfer of servicing of mortgage loans, (b) comply in all material respects with the transfer instructions of the successor servicer or subservicer, (c) provide Owner/Servicer's designee accepted servicing industry documentation meeting all Applicable Requirements regarding outstanding Servicing Advances and P&I Advances related to the Mortgage Loans, (d) take appropriate actions and cooperate with any Investor approval process and in reflecting the servicing transfer on the MERS system for the related Mortgage Loans registered on MERS to the extent the Subservicer is authorized to do so with the MERS system and (e) cooperate with the document custodian recertification process, if any.

(g) Notwithstanding any provision in this Agreement to the contrary, in the event the Owner/Servicer terminates this Agreement with or without cause as to some but not all of the Mortgage Loans, the terms of the Agreement shall remain in full effect with respect to those Mortgage Loans that remain subject to this Agreement.

Section 5.5. Accounting/Records.

Upon expiration or termination of this Agreement and after the completed transfer of the servicing of the Mortgage Loans to a successor servicer or subservicer, the Subservicer will cease all Subservicing activities and account for and turn over to the successor servicer or subservicer, as applicable, all funds collected hereunder, less the compensation and other amounts then due to the Subservicer, and deliver to the successor servicer or subservicer, as applicable, all records and documents relating to each Mortgage Loan and will advise Mortgagors that their mortgages will henceforth be serviced by the successor servicer or subservicer, as applicable.

Section 5.6. Termination Right of the Subservicer.

The Subservicer may terminate this Agreement for cause, in whole but not in part, by providing written notice of its intent to terminate Owner/Servicer based on any of the following events (each such event and any other event mutually agreed upon by the parties, an "Owner/Servicer Termination Event"), which as of the date of such notice, shall have occurred, be continuing and shall not have been cured or otherwise waived:

(a) any failure by the Owner/Servicer to remit any payment not in dispute pursuant to Section 4.3 and due to the Subservicer pursuant to this Agreement, which failure continues unremedied for a period of five (5) Business Days after the date upon which such payment was required to be remitted under the terms of this Agreement except to the extent funds are available to net such payment in accordance with Section 4.1;

(b) Any failure by the Owner/Servicer to duly observe or perform, in any material respect, any other covenants, obligations or agreements of the Owner/Servicer set forth in this Agreement (including the Schedules and Exhibits hereto), which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Owner/Servicer by the Subservicer;

(c) A decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Owner/Servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) days;

(d) Any representation or warranty made by the Owner/Servicer hereunder shall prove to be untrue or incomplete in any material respect which is not caused by or results from the actions or inaction of the Subservicer, the Corporate Parent or their Affiliates, vendors (other than any Vendors or Approved Parties selected by Owner/Servicer after the Effective Date) or agents and, if such breach of a representation or warranty is capable of being cured, continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Owner/Servicer by the Subservicer.

(e) The occurrence of an Owner/Servicer Termination Event under any NRZ Servicing/Subservicing Agreement with respect to non-Agency Loans.

Notwithstanding anything to the contrary in this Agreement, for the avoidance of doubt to the extent the Subservicer terminates this Agreement pursuant to this Section 5.6, the Owner/Servicer shall remain the owner of the Servicing Rights and Subservicer shall have no right, title interest or claim to the Servicing Rights.

Section 5.7. Recognition of Rights of Investor to Terminate or Assume Agreement.

(a) Subject to Section 5.7(b), the parties hereto acknowledge that, in the event the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement,

the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer)), then one or more of the following rights may be exercised: (i) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the Owner/Servicer shall have the right to immediately terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement, (ii) if such right is required by the express provisions of the Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to immediately terminate this Agreement (subject to the receipt of such consents, if any, as may be required by such Servicing Agreement, and in accordance with the terms of such Servicing Agreement) solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which was terminated as servicer (or in similar capacity), or (iii) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to assume (or may be deemed to have assumed without act or deed on the part such Investor or its designee or any successor servicer) all of the rights and obligations of the Owner/Servicer under this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, if an Investor terminates both the Owner/Servicer and the Subservicer under the applicable Servicing Agreement, such termination would be treated as:

(i) a termination for cause for purposes of this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) if the Investor’s action is related to an act or omission of the Subservicer or the Corporate Parent, or the processes, practices and/or procedures of the Subservicer or the Corporate Parent (unless such act, omission or breach is related to Subservicer’s compliance with the Owner/Servicer’s written direction in accordance with Section 2.3) or in connection with a Subservicer Termination Event; provided, further, that this provision shall not protect the Subservicer from any liability for any breach of its covenants made herein, or failure to perform its obligations in compliance with the terms of this Agreement, including any standard of care set forth in this Agreement, or from any liability which would otherwise be imposed on the Subservicer or any of its directors, officers, agents or employees by reason of the Subservicer’s willful misfeasance, bad faith, fraud, or negligence in the performance of its duties hereunder or by reason of its negligent disregard of its obligations or duties hereunder), or

(ii) a termination without cause solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated if the Investor's action is (1) unrelated to (x) an act or omission of the Subservicer or the Corporate Parent, respectively, or (y) a Subservicer Termination Event, or (2) related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3.

(c) If an Investor assumes (or is deemed to have assumed) the obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, then the Subservicer shall have the right, upon not less than 90 days' prior written notice to the related Investor, to terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity). In addition to any rights and remedies under the applicable Servicing Agreement or this Agreement, in the event such Investor terminates the Subservicer following such assumption of this Agreement by such Investor and such termination by the Investor is unrelated to an act or omission of the Subservicer or the Corporate Parent, respectively, unrelated to a Subservicer Termination Event or related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3, and solely if the Effective Date of Termination occurs during the Initial Term, Investor (including without limitation, any trustee master servicer, back-up servicer, successor servicer, trust administrator, insurer or similar transaction party or any related securityholder) assuming the obligations of the Owner/Servicer shall reimburse the Subservicer in accordance with such termination without cause provisions. To the extent the Investor is obligated to pay the applicable Termination Fee as set forth in this Section 5.7(c), the Investor shall remit to the Subservicer one-hundred percent (100%) of the applicable Termination Fee (Investor) Deposit Amount (as defined and calculated in accordance with Exhibit C-2) on the related Effective Date of Termination. For the avoidance of doubt, the provisions relating to the Escrow Agent in Section 5.04 shall be inapplicable to the extent the related Investor is obligated to pay the Subservicer the applicable Termination Fee pursuant to this Section 5.7(c).

(d) Notwithstanding any provision of this Agreement to the contrary, the termination of this Agreement as to the related Mortgage Loans (subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity)) by the Subservicer in accordance with Section 5.7(c) above shall not be effective until a successor subservicer has been appointed by the related Investor and has assumed the duties of the Subservicer hereunder solely with respect to the related Mortgage Loans subject to the related Servicing Agreement which was terminated, and the Subservicer shall not be relieved of its obligations under this Agreement with respect to such Mortgage Loans until such time. If a successor subservicer has not assumed the duties of the Subservicer within one hundred and twenty (120) days of the Subservicer's notice of termination pursuant to Section 5.7(c), the Subservicer may, at the expense of the related Investor, petition a court with appropriate jurisdiction to appoint a successor subservicer.

(e) Unless expressly required pursuant to the terms of the applicable Servicing Agreement, with respect to any of the Mortgage Loans for which the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer), in the event that the related trustee or successor servicer assumes or (is deemed to have assumed) the rights and/or obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing shall not have any obligations as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption and shall not be liable to the Subservicer for any losses, liabilities, acts or omissions of Investor as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE OWNER/SERVICER

As of the date of this Agreement and as of each Transfer Date (or such other date as set forth below), the Owner/Servicer hereby represents, warrants and covenants to the Subservicer as follows:

Section 6.1. Authority.

The Owner/Servicer is a duly organized and validly existing limited liability company in good standing under the laws of its state of formation and has all requisite power and authority to enter into this Agreement and the Persons executing this Agreement on behalf of the Owner/Servicer are duly authorized to do so. The Owner/Servicer has all licenses necessary to carry on its business as now being conducted and is duly authorized and qualified to transact, in each state where a Mortgaged Property is located, any and all business contemplated by this Agreement, except where the failure of the Owner/Servicer to possess such qualifications or licenses would not be reasonably expected to have a Material Adverse Effect or where the Owner/Servicer is otherwise exempt under Applicable Requirements from such qualification, or is otherwise not required under Applicable Requirements to effect such qualification.

Section 6.2. Consents.

Except for approvals required from the applicable Investor or under the applicable Servicing Agreement in connection with any Transfer Date, no consent, approval or authorization of any Governmental Authority is required for the execution, delivery, and performance by the Owner/Servicer of or compliance by the Owner/Servicer with this Agreement or the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval, authorization, or order has been obtained except where failure to obtain would not reasonably be expected to have a Material Adverse Effect.

Section 6.3. Litigation.

There is no action, suit, proceeding, or investigation pending or, to its knowledge, threatened against the Owner/Servicer that, either in any one instance or in the aggregate, would draw into question the validity of this Agreement or of any action taken or to be contemplated herein, or would be reasonably likely to impair materially the ability of the Owner/Servicer to perform under the terms of this Agreement.

Section 6.4. Broker Fees.

The Owner/Servicer has not dealt with any broker or agent or anyone else who might be entitled to a fee or commission in connection with this transaction.

Section 6.5. Ownership.

Following the applicable Transfer Date, the Owner/Servicer is the sole owner of all right, title and interest in and to the Servicing Rights related to the Mortgage Loans.

Section 6.6. Ability to Perform.

The Owner/Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant applicable to it and contained in this Agreement.

Section 6.7. Accuracy of Information.

Solely with respect to each Mortgage Loan which is not a Prior Ocwen Serviced Loan, all information provided to Subservicer by Owner/Servicer required by the Subservicer to perform its obligations hereunder is true and correct in all material respects; provided that, the Owner/Servicer makes no representation, warranty or covenant relating to any information provided to Subservicer which is based on or derived from any information or data provided to the Owner/Servicer by the Subservicer or the Corporate Parent or their respective Affiliates, vendors (other than any Vendors or Approved Parties selected by Owner/Servicer after the Effective Date) or agents.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SUBSERVICER

As of the date of this Agreement and as of each Transfer Date (or such other date if set forth below), the Subservicer hereby represents, warrants and covenants to the Owner/Servicer as follows:

Section 7.1. Good Standing.

The Subservicer is an approved servicer for, and in good standing with, each Governmental Entity and a HUD approved mortgagee. No event has occurred, including but not limited to, a change in insurance coverage, that would make the Subservicer unable to comply with eligibility requirements of each Governmental Entity.

Section 7.2. Authority.

The Subservicer is a duly organized and validly existing limited liability company in good standing under the laws of the state of its formation and has all requisite power and authority to enter into this Agreement and the Persons executing this Agreement on behalf of the Subservicer are duly authorized so to do. The Subservicer has all licenses necessary to carry on its business as now being conducted and is duly authorized and qualified to transact, in each state where a Mortgaged Property is located, any and all business contemplated by this Agreement, except where the failure of the Subservicer to possess such qualifications or licenses would not be reasonably expected to have a Material Adverse Effect or where the Subservicer is otherwise exempt under Applicable Requirements from such qualification, or is otherwise not required under Applicable Requirements to effect such qualification.

Section 7.3. Consents.

Except for approvals required from the applicable Investor or under the applicable Servicing Agreement in connection with any Transfer Date, no consent, approval or authorization of any Governmental Authority is required for the execution, delivery, and performance by the Subservicer of or compliance by the Subservicer with this Agreement or the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval, authorization, or order has been obtained except where failure to obtain would not reasonably be expected to have a Material Adverse Effect.

Section 7.4. Litigation.

There is no action, suit, proceeding or investigation pending or, to its knowledge, threatened against the Subservicer that, either in any one instance or in the aggregate, would draw into question the validity of this Agreement or of any action taken or to be contemplated herein, or would be reasonably likely to impair materially the ability of the Subservicer to perform under the terms of this Agreement or Applicable Requirements.

Section 7.5. Accuracy of Information.

Information furnished to the Owner/Servicer or, any Investor by the Subservicer regarding its financial condition or its servicing operations is true and correct as of the date specified in such information or, if not specified, the date provided, in all material respects.

Section 7.6. Broker Fees.

The Subservicer has not dealt with any broker or agent or anyone else who might be entitled to a fee or commission in connection with this transaction.

Section 7.7. MERS.

The Subservicer is a member of MERS in good standing.

Section 7.8. Ability to Perform.

The Subservicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant applicable to it and contained in this Agreement.

Section 7.9. HAMP.

The Subservicer is participating in HAMP. The Subservicer has entered into a Servicer Participation Agreement ("SPA") with Fannie Mae, as financial agent of the United States, pursuant to HAMP. As such, the Subservicer: (a) has implemented HAMP as required by the SPA; (b) will report to Fannie Mae throughout the term of this Agreement the transfer of servicing of any Mortgage Loans that are "Eligible Loans" (as defined by the SPA) to extent required in order to ensure compliance with the SPA; and (c) will service any of the Mortgage Loans that are "Eligible Loans" in accordance with HAMP requirements throughout the term of this Agreement to the extent HAMP is still in effect or otherwise applicable.

Section 7.10. Eligibility under the Servicing Agreements.

The Subservicer satisfies all applicable eligibility and other requirements as subservicer to the Owner/Servicer to act as servicer (including master, special, primary or subservicer) under the applicable Servicing Agreements as of the applicable Transfer Date.

Section 7.11. Advances.

The representations and warranties set forth on Schedule 7.11 are true and correct with respect to the applicable P&I Advances and Servicing Advances as of the dates set forth in Schedule 7.11.

Section 7.12. [***]

[***]

ARTICLE VIII
INDEPENDENCE OF PARTIES; INDEMNIFICATION SURVIVAL

Section 8.1. Independence of Parties; Average Third-Party Mark Payment.

The Subservicer shall have the status of, and act as, an independent contractor. Nothing herein contained shall be construed to create a partnership or joint venture between the Owner/Servicer and the Subservicer.

Subservicer and Owner/Servicer will each promptly notify the other of any communication received in connection with a Servicing Agreement (and promptly deliver a copy of such communication to the other party) (i) from a trustee, master servicer (or other party entitled, or purporting to be entitled, to terminate) that is a solicitation of holders for a vote, or a request for direction regarding termination or (ii) from, or on behalf of, a trustee, master servicer (or other party entitled, or purporting to be entitled, to terminate) stating that such trustee, master servicer or other

party has an intention to terminate Owner/Servicer or Subservicer as servicer, subservicer or master servicer under such Servicing Agreement. The parties will fully cooperate to resolve any such matter to avoid termination. To the extent Subservicer or the Owner/Servicer is terminated under any Servicing Agreement related to any Mortgage Loan subserviced hereunder and either (x) the basis of such termination is resulting from, arising out of or related to any enumerated items set forth in Section 8.2 (other than as a result of any delinquency or loss triggers with respect to such Servicing Agreement) or (y) other than with respect to any Mortgage Loan with respect to which any optional termination or clean-up call right has been exercised pursuant to the related Servicing Agreement or any Mortgage Loan subject to the Servicing Agreements set forth in Schedule 8.1, such termination was "without cause," "for convenience" or on a similar basis and the related Servicing Agreement was terminable by the applicable Investor on such basis as of the Servicing Transfer Date, then, in each case, the Subservicer shall remit to the Owner/Servicer the Average Third Party Mark of the affected Servicing Rights within ten (10) Business Days following receipt of such Average Third Party Mark (the "Average Third Party Mark Payment"); provided that in the case of any termination described in clause (y) above, the Average Third Party Mark Payment will be reduced by any termination or similar payments received by the Owner/Servicer under the applicable Servicing Agreement in connection with such termination; provided, further, that if any such termination payments exceed the Average Third Party Mark of the affected Servicing Rights, the Owner/Servicer will pay such excess to the Subservicer.

Section 8.2. Indemnification by the Subservicer.

The Subservicer shall indemnify and hold the Owner/Servicer harmless against any and all Losses resulting from or arising out of:

(a) the Subservicer's failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement, including without limitation the failure to comply following the applicable Transfer Date with any provisions under any Servicing Agreement relating to the servicing or Subservicing of the related Mortgage Loans;

(b) the Subservicer's breach of its representations and warranties contained in this Agreement;

(c) any event of termination described in Section 5.3, other than Section 5.3(a)(xxiii);

(d) any claim, litigation or proceeding to which the Owner/Servicer is made a party in connection with Section 2.23, (ii) the Owner/Servicer's (and any Owner/Servicer's designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) the Owner/Servicer's cooperation with the Subservicer in connection with any PMI Proceeding;

(e) the matters set forth on Schedule 4.12.15 to the Transfer Agreement; provided that such Loss is incurred and/or is payable prior to the earliest of (i) the date New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing is terminated as Owner/Servicer and

(ii) the later of (x) the fifth anniversary of the Effective Date and (y) the two year anniversary of the termination of the Subservicer under this Agreement;

(f) any Compensatory Fees or other Governmental Entity-imposed fees, penalties or curtailments imposed on the Owner/Servicer related to (a) any Mortgage Loan foreclosures exceeding the applicable Governmental Entity's required timelines or (b) other servicing acts or omissions relating to the Mortgage Loans, in each case relating to or arising from the Subservicer's failure to meet a timeline or requirement under the applicable Governmental Entity Guidelines on or after the related Transfer Date, but only to the extent and amount such Compensatory Fee or other fee, penalty or curtailment is attributable to the Subservicer; or

(g) the matters for which Subservicer is required to indemnify the Owner/Servicer pursuant to Section 2.3;

provided, however, the Subservicer shall not be obligated to indemnify the Owner/Servicer (i) with respect to any liabilities, Claims, costs or expenses which are covered in Section 8.3 or (ii) to the extent such Loss is due to the willful misconduct, bad faith or gross negligence of the Owner/Servicer or any of its Affiliates or the Owner/Servicer's breach of this Agreement.

Section 8.3. Indemnification by the Owner/Servicer.

Except as otherwise stated herein, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of:

(a) the Owner/Servicer's failure to observe or perform any or all of the Owner/Servicer's covenants and obligations under this Agreement or breach of its representations and warranties contained in this Agreement;

(b) the matters for which the Owner/Servicer is required to indemnify the Subservicer pursuant to Section 2.3;

(c) any failure of any successor servicer or subservicer to service the Mortgage Loans in accordance with Applicable Requirements following the related transfer of servicing to such successor;

(d) any Claim that is brought against Subservicer after the relevant Transfer Date that relates to the Mortgage Loans and the Servicing Rights, except (i) to the extent Subservicer is otherwise liable therefor under this Agreement, the MSR Purchase Agreement, the Sale Supplements, the Transfer Agreement or any other agreement between the Owner/Servicer and the Subservicer or any Affiliate or (ii) solely with respect to Prior Ocwen Serviced Loans, to the extent such Claim results from or arises out of any matter related to the period prior to the applicable Transfer Date;

(e) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, any act or omission by any Person other than Corporate Parent, Subservicer or their respective Affiliates prior to the applicable Transfer Date unless (i) the Subservicer knew or reasonably should have known of such deficiencies or (ii) the Subservicer is curing or correcting such deficiencies; or

(f) any event of termination described in Section 5.6;

provided, however, the Owner/Servicer shall not be obligated to indemnify the Subservicer (i) with respect to any liabilities, Claims, costs or expenses which are covered in Section 8.2 or (ii) to the extent such Loss is due to the willful misconduct, bad faith or gross negligence of the Subservicer, Corporate Parent or any of their respective Affiliates or the Subservicer's breach of this Agreement.

Section 8.4. Indemnification Procedures.

Promptly after receipt by an indemnified party under Sections 8.2 or 8.3 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under Sections 8.2 or 8.3, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability that it may have to any indemnified party under Sections 8.2 or 8.3, except to the extent that it has been prejudiced in any material respect, or from any liability that it may have, otherwise than under Sections 8.2 or 8.3. The indemnifying party shall assume the defense of any such claim (provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party) and pay all expenses in connection therewith, including attorneys' fees, and promptly pay, discharge, and satisfy any judgment or decree that may be entered against it or the indemnified party in respect of such claim. The indemnifying party shall follow any reasonable written instructions received from the indemnified party in connection with such claim. The provisions of Sections 8.2 or 8.3 shall survive for five (5) years following termination of this Agreement. The Subservicer shall provide the Mortgagor Litigation Reports set forth in the related Formatted Servicing Report regarding legal action(s) by individual Mortgagor(s) relating to the Mortgage Loans and against the Subservicer or the Owner/Servicer, it being understood that the Subservicer may combine such reports with the reports required to be delivered under Section 8.4 of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery thereunder shall be deemed to constitute delivery hereunder. With respect to any third party claim subject to indemnification under this Agreement, the indemnified party agrees to reasonably cooperate and cause its Affiliates to reasonably cooperate in good faith with the indemnifying party in connection with the defense of any such claim. The indemnifying party shall pay the indemnified party any non-disputed Losses within thirty (30) days of the indemnifying party's receipt of an invoice therefor, together with reasonable supporting documentation.

Section 8.5. Mitigation.

Each party that is eligible for indemnification under Sections 8.2 or 8.3 for reimbursement for costs and expenses under this Agreement shall use its commercially reasonable efforts consistent

with requirements of Applicable Requirements with respect to mitigation of damages to mitigate such Loss and; provided, however, that the failure to mitigate by either party shall not affect the indemnifying party's obligation to indemnify the indemnified party except to the extent such failure to mitigate results in any material prejudice to the indemnifying party and then only to the extent of such material prejudice and a violation of requirements of Applicable Requirements with respect to mitigation of damages.

Section 8.6. Survival.

The representations, warranties, and indemnifications set forth in Article VII and this Article VIII shall survive for five (5) years following the termination of this Agreement.

Section 8.7. Limitation of Damages.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PARTIES AGREE THAT NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY PUNITIVE, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, WHATSOEVER, IN EACH CASE WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, EVEN IF APPRISED OF THE POSSIBILITY THEREOF; PROVIDED, HOWEVER, THAT SUCH LIMITATION WILL NOT BE APPLICABLE WITH RESPECT TO ANY SUCH DAMAGES PAID TO A THIRD PARTY AS A RESULT OF ANY THIRD PARTY CLAIMS MADE AGAINST A PARTY THAT IS SUBJECT TO AN INDEMNIFICATION OBLIGATION PROVIDED FOR UNDER SECTION 8.2 OR 8.3, AS APPLICABLE.

Section 8.8. Owner/Servicer's Direction

The Subservicer may rely in good faith on any document of any kind that, prima facie, is executed and submitted by any appropriate Person respecting any matters arising hereunder by or on behalf of Owner/Servicer. Notwithstanding anything in this Agreement to the contrary and for the avoidance of doubt, in no event shall the Subservicer be required to comply with any instruction by the Owner/Servicer that would violate any federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances); provided that the Subservicer shall address such conflict in accordance with the procedure set forth in Section 2.3(c).

ARTICLE IX
SECURITIZATION TRANSACTIONS

Section 9.1. Removal of Mortgage Loans from Inclusion Under This Agreement Upon a Securitization Transaction on One or More Reconstitution Dates.

To the extent some or all of the Mortgage Loans are removed from a Servicing Agreement pursuant to the exercise of an early termination or other reconstitution provision, the termination and subsequent servicing of such Mortgage Loans shall be addressed as set forth in Section 5.1(d).

ARTICLE X
MISCELLANEOUS

Section 10.1 Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) This Agreement may not be assigned or otherwise transferred by operation of law or otherwise by Owner/Servicer or Subservicer without the express written consent of the other, and any such assignment or attempted assignment without such consent shall be void; provided, however, that (i) Owner/Servicer may pledge its rights to any Person providing financing to Owner/Servicer or its Affiliates without the express written consent of Subservicer, (ii) without limiting any other transfers that otherwise do not require the consent of Subservicer, following a Transfer Date, Owner/Servicer or any assignee or transferee thereof may transfer all or any interest in the Rights to MSRs or any Transferred Receivables Assets (each as defined in the Transfer Agreement) to any Person without the express written consent of Subservicer, (iii) Owner/Servicer may assign or otherwise transfer any of its rights and obligations hereunder without the consent of Subservicer to any direct or indirect wholly-owned subsidiary of New Residential Investment Corp., provided that in each case such entity has been approved by and is in good standing with Fannie Mae, Freddie Mac and each applicable State Agency, as necessary, in order to acquire the Servicing Rights hereunder.

(c) This Agreement is otherwise solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

Section 10.2. Prior Agreements.

If any provision of this Agreement is inconsistent with any prior agreements between the parties, oral or written, with respect to the Mortgage Loans, the terms of this Agreement shall prevail, and after the Effective Date of this Agreement, the relationship and agreements between the Owner/Servicer and the Subservicer with respect to the Mortgage Loans shall be governed in accordance with the terms of this Agreement.

Section 10.3. Entire Agreement.

Except as otherwise set forth herein, this Agreement contains the entire agreement between the parties hereto and cannot be modified in any respect except by an amendment in writing signed by both parties.

Section 10.4. Invalidity.

Any part, provision, representation or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the

remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Mortgage Loan shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is as close as possible to the economic effect of this Agreement without regard to such invalidity.

Section 10.5. Governing Law; Jurisdiction.

THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

ANY LEGAL ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK, OR IN THE UNITED STATES COURTS FOR THE SOUTHERN DISTRICT OF NEW YORK. WITH RESPECT TO ANY SUCH PROCEEDING IN ANY SUCH COURT: (A) EACH PARTY GENERALLY AND UNCONDITIONALLY SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF SUCH COURT; AND (B) EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT HAS OR HEREAFTER MAY HAVE TO THE VENUE OF SUCH PROCEEDING, AS WELL AS ANY CLAIM IT HAS OR MAY HAVE THAT SUCH PROCEEDING IS IN AN INCONVENIENT FORUM.

Section 10.6. Waiver of Jury Trial.

EACH OF THE SUBSERVICER AND THE OWNER/SERVICER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OR ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT.

Section 10.7. Notices.

All communications, notices, consents, waivers, and other communications under this Agreement must be in writing and be given in person or by means of email (with request for assurance of receipt in a manner typical with respect to communications of that type), by overnight courier or by mail, and shall become effective: (a) on delivery if given in person; (b) on the date of transmission if sent email, except with respect to notices delivered pursuant to Article V which shall be confirmed by a similar mailed writing ; (c) one (1) Business Day after delivery to the overnight

service; or (d) four (4) Business Days after being mailed, with proper postage and documentation, for first-class registered or certified mail, prepaid.

(a) in the case of the Subservicer:

Ocwen Loan Servicing, LLC
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409
Attention: Secretary

with a copy (which shall not constitute notice) to:

Ocwen Loan Servicing LLC
(physical address)
Hamilton House, 56 King Street, 3rd Floor
Christiansted, St. Croix VI 00820

(mailing address)
1108 King Street
Christiansted, VI 00820

Attention: General Counsel

with a copy to:

[***]

(b) in the case of the Owner/Servicer:

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
c/o New Residential Mortgage LLC
1345 Avenue of the Americas, 26th Floor
New York, New York 10105
Attention: Operations
[***]

with a copy (which shall not constitute notice) to:

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
c/o New Residential Mortgage LLC
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Legal
[***]

with a copy (which shall not constitute notice) to:

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
55 Beattie Pl, Suite 500
Greenville, South Carolina 29601

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. (New York time) in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 10.8. Amendment, Modification and Waiver.

No amendment to this Agreement shall be effective unless it shall be in writing and signed by each party. Any failure of a party to comply with any obligation, covenant, agreement or condition contained in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument duly executed and delivered by the party granting such waiver, but such waiver or failure or delay to insist upon strict compliance with such obligation, covenant, agreement or condition or any waiver, failure or delay in exercising any right, power or privilege hereunder or any single or partial exercise thereof shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of compliance or preclude any other or further exercise thereof or any other right, power or privilege hereunder. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 10.9. Binding Effect.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

Section 10.10. Headings.

Headings of the Articles and Sections in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect.

Section 10.11. Force Majeure.

Each party will be excused from performance under this Agreement, except for any payment obligations for services that have been or are being performed hereunder, for any period and to the extent that it is prevented from performing, in whole or in part, as a result of delays caused by the other party or any act of God, war, civil disturbance, court order, labor dispute, or other cause beyond its reasonable control, including failure, fluctuations, or unavailability of heat, light, air conditioning, or telecommunications equipment (a "Force Majeure Event"). A party excused from performance pursuant to this Section 10.11 shall exercise commercially reasonable efforts to continue to perform its obligations hereunder and shall thereafter continue with reasonable due diligence and good faith to remedy its inability to so perform, except that nothing herein shall obligate either party to settle

a strike or labor dispute when it does not wish to do so. Such nonperformance will not be deemed a breach of this Agreement as long as the party affected by the Force Majeure Event uses commercially reasonable efforts to expeditiously remedy the problem causing such nonperformance and to execute its disaster recovery plan then in existence. If the failure of a party to perform under this Agreement as a result of a Force Majeure Event exceeds fifteen (15) days, the other party may terminate this Agreement immediately without liability and the parties shall cooperate in good faith to facilitate the transfer of servicing to a successor servicer or subservicer designated by the Owner/Servicer.

Section 10.12. Confidentiality; Security.

(a) Each party acknowledges that it may, in the course of performing its responsibilities under this Agreement, be exposed to or acquire Confidential Information that is proprietary to or confidential to the other party, its Affiliates, their respective clients and investors or to third parties to whom the other party owes a duty of confidentiality. The party providing Confidential Information in each case shall be called the "Disclosing Party" and the party receiving the Confidential Information shall be called the "Recipient". With respect to all such Confidential Information, the Recipient shall (i) act in accordance and comply with all Applicable Requirements (including, without limitation, security and privacy laws with respect to its use of such Confidential Information), (ii) maintain, and shall require all third parties that receive Confidential Information from the Recipient as permitted hereunder to maintain, effective information security measures to protect Confidential Information from unauthorized disclosure or use, and (iii) provide the Disclosing Party with information regarding such security measures upon the reasonable request of the Disclosing Party and promptly provide the Disclosing Party with information regarding any material failure of such security measures or any security breach relating to the Disclosing Party's Confidential Information. The Recipient shall hold the Disclosing Party's Confidential Information in strict confidence, exercising no less care with respect to such Confidential Information than the level of care exercised with respect to the Recipient's own similar Confidential Information and in no case less than a reasonable standard of care, and shall not copy, reproduce, summarize, quote, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties or use such information for any purposes other than the provision of the services to the Disclosing Party without the prior written authorization of the Disclosing Party. In addition, the Recipient shall not use the Confidential Information to make any contact with any of the parties identified in the Confidential Information without the prior authorization of the Disclosing Party, except in the course of performing its obligations under the terms of this Agreement.

(b) The Recipient may disclose the Disclosing Party's Confidential Information only (i) to its and its Affiliates' officers, directors, attorneys, accountants, employees, agents and representatives and, with respect to the Owner/Servicer only, Rating Agencies, consultants, bankers, financial advisors and potential financing sources (collectively, "Confidential Representatives") who need to know such Confidential Information and who are subject to a duty of confidentiality (contractual or otherwise) with respect to such

Confidential Information, (ii) to those Persons within the Recipient's organization directly involved in the transactions contemplated in this Agreement, and who are bound by confidentiality terms substantially similar to the terms set forth herein, (iii) to the Recipient's regulators and examiners, (iv) as required by Applicable Requirements, (v) to the extent such Recipient determines reasonably necessary or appropriate to defend itself in connection with a legal proceeding regarding the transactions contemplated in this Agreement; provided that Confidential Information may not be disclosed pursuant to this clause (v) without prior notice to the Disclosing Party and the Recipient shall use reasonable efforts to cooperate with the Disclosing Party's reasonable requests to protect and preserve the confidential nature of such Confidential Information, (vi) in the case of the Owner/Servicer, and subject to, and otherwise limited to the information provided pursuant to, Section 2.1(e), to a backup servicer and (vii) to any third party mutually agreed upon by the Owner/Servicer and Subservicer. The Recipient shall be liable for any breach of its confidentiality obligations and the confidentiality obligations of its Confidential Representatives.

(c) The parties shall not, without the other party's prior written authorization, publicize, disclose, or allow disclosure of any Confidential Information about the other party, its present or former partners, managing directors, directors, officers, employees, agents or clients, its or their business and financial affairs, personnel matters, operating procedures, organization responsibilities, marketing matters and policies or procedures, with any reporter, author, producer or similar Person or entity, or take any other action seeking to publicize or disclose any such information in any way likely to result in such information being made available to the general public in any form, including books, articles or writings of any other kind, as well as film, videotape, audiotape, or any other medium except as required by Applicable Requirements.

(d) The obligations under this Section 10.12 shall survive the termination of this Agreement.

(e) In addition to the foregoing, the parties agree that any information provided hereunder shall be subject to the terms of the Confidentiality Agreement; provided that if there exists any conflict between this Agreement and the terms of the Confidentiality Agreement, this Confidentiality Agreement shall control except as provided in Section 10.12(f) below). Furthermore, the parties agree that the Confidentiality Agreement shall be incorporated into this Agreement for purposes of confidentiality.

(f) Notwithstanding any contrary terms in the Confidentiality Agreement, the obligations under the Confidentiality Agreement shall survive indefinitely after the expiration or termination of the Sale Supplements (as defined in the New RMSR Agreement).

Section 10.13. Further Assurances.

Each of the Owner/Servicer and the Subservicer shall cooperate with and assist the other party as reasonably requested in connection with such other party's duties and obligations under this Agreement and in connection therewith shall execute and deliver all such papers, documents and instruments as may be necessary and appropriate in furtherance thereof.

The Subservicer shall reasonably cooperate with the Owner/Servicer, the Affiliates of Owner/Servicer, any third-party originator, servicer and/or other service provider engaged by the Owner/Servicer to provide portfolio defense services, any Rating Agency, any trustee, bond insurers, Owner/Servicer's lender(s), any agents or consultants of Owner/Servicer, any regulator of the Owner/Servicer, any third-party due diligence provider and/or any prospective purchaser(s), in each case, with respect to any proposed Securitization Transactions, any financings contemplated by the Owner/Servicer, and/or any other activity reasonably requested by the Owner/Servicer related to the Mortgage Loans, Servicing Rights, Servicing Advances or P&I Advances. The Owner/Servicer will pay Subservicer's reasonable and documented out-of-pocket costs related to such cooperation and, with respect to the servicing advance facilities, consistent with the caps and limitations set forth on Exhibit O attached hereto.

The Subservicer covenants and agrees to cooperate fully with its obligations under Section 5.4 of this Agreement and any reasonable written request of Owner/Servicer to protect and preserve the value of the Servicing Rights.

Section 10.14. Execution of Agreement.

This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. This Agreement shall be deemed binding when executed by both the Owner/Servicer and the Subservicer. Telecopy or electronically transmitted signatures shall be deemed valid and binding to the same extent as the original.

Section 10.15. Publicity.

The Subservicer and the Corporate Parent shall not issue any media releases, public announcements and public disclosures, relating to this Agreement or use the name or logo of the Owner/Servicer, including, without limitation, in promotional or marketing material or on a list of customers, without the prior written consent of the Owner/Servicer; provided, that nothing in this paragraph shall restrict compliance with this Agreement or any disclosure required by legal, accounting or regulatory requirements.

Section 10.16. Executory Contract.

Notwithstanding any provision in this Agreement to the contrary, the Subservicer acknowledges and agrees that, in the event it files bankruptcy under 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), this Agreement is an "executory contract" within the meaning of Section 365 of the Bankruptcy Code and, therefore, the Subservicer shall have no right to modify on any basis whatsoever (other than in accordance with the terms hereof), including without limitation Section 105 of the Bankruptcy Code, any of the terms, provisions or conditions of this Agreement in any such bankruptcy proceeding and hereby irrevocably waives any such right. Further, the Subservicer acknowledges and agrees that its services provided under this Agreement are essential and should the Subservicer fail to perform its obligations under this Agreement, the Owner/Servicer shall suffer irreparable harm and, consequently, the Owner/Servicer shall have the right to seek on an expedited basis an order from the bankruptcy court: (a) lifting the Section 362 automatic stay so as to permit

the Owner/Servicer to terminate this Agreement; and (b) compelling the Subservicer to immediately assume or reject this Agreement in accordance with the provisions of Section 365 of the Bankruptcy Code. In the event this Agreement is rejected under Section 365 of the Bankruptcy Code, this Agreement shall be terminated and the Subservicer agrees to immediately comply with its obligations under this Agreement with respect to termination of this Agreement in accordance with Section 5.4 hereof. Finally, the Subservicer acknowledges and agrees that Section 506(c) of the Bankruptcy Code has no application to this Agreement and, even if it did, the Subservicer hereby expressly waives any right to surcharge the Owner/Servicer under Section 506(c) of the Bankruptcy Code.

Section 10.17. Restrictions of Notices; Information and Disclosure.

Notwithstanding anything else herein, nothing in this Agreement shall require any party to provide any notice, information, investigation, audit, correspondence, and any other communication (collectively, "Information") to any other party (1) if providing such Information is prohibited by Applicable Requirements or any other contractual or legal obligation or legal restriction or (2) upon any advice of counsel (which may be internal counsel), if providing such Information may cause such party to lose attorney-client privilege, attorney work product privilege or other similar protections (governed by the applicable jurisdiction); provided that, in the case of clause (1), except with respect to any such prohibition imposed by a Governmental Authority, Freddie Mac or Fannie Mae, the disclosing party shall use commercially reasonable efforts to obtain consent to such disclosure from the applicable third party unless disclosing party reasonably believes that such consent will not be attainable.

[Signature Page Follows]

IN WITNESS WHEREOF, each party has caused this instrument to be signed in its corporate name on its behalf by its proper officials duly authorized as of the day, month and year first above written.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING

By: /s/ Nicola Santaoro, Jr.
Name: Nicola Santoro, Jr.
Title: Attorney-in-Fact, Agent and Authorized Signatory

OCWEN LOAN SERVICING, LLC

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

Acknowledged and Agreed to with respect to Exhibit B:

NEW RESIDENTIAL MORTGAGE LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

EXHIBIT A

FORM OF ACKNOWLEDGMENT AGREEMENT

On this _____ day of _____, 20___, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (the "Owner/Servicer") and Ocwen Loan Servicing, LLC (the "Subservicer"), hereby acknowledge that the Mortgage Loans listed on the Mortgage Loan Schedule attached hereto as Schedule I are subject to (a) that certain Subservicing Agreement, dated as of

August 17, 2018, by and between the Owner/Servicer and the Subservicer (the "Agreement") and (b) those certain servicing agreements (the "Underlying Servicing Agreements"), as listed on Schedule II attached hereto. Notwithstanding any provision to the contrary, the Owner/Servicer retains all rights and obligations to the Servicing Rights relating to the Mortgage Loans subject to the contractual provisions of the Agreement and the Underlying Servicing Agreements. The Subservicer hereby agrees to service such Mortgage Loans pursuant to the terms of the Agreement.

1. With respect to the Mortgage Loans made subject to the Agreement hereby, the Transfer Date shall be [_____].

2. With respect to the Mortgage Loans made subject to the Agreement hereby, the following terms shall apply:

[Insert any amendments to the Agreement, including any update Performance Triggers]

All other terms and conditions of this transaction shall be governed by the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

This Acknowledgment Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Telecopy or electronically transmitted signatures shall be deemed valid and binding to the same extent as the original.

IN WITNESS WHEREOF, the Owner/Servicer and the Subservicer have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

NEW PENN FINANCIAL, LLC,
D/B/A SHELLPOINT MORTGAGE SERVICING,
as the Owner/Servicer

By: _____

Name: _____

Title: _____

OCWEN LOAN SERVICING, LLC,
as the Subservicer

By: _____

Name: _____

Title: _____

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]
ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT C-1

TERMINATION FEE

For any Effective Date of Termination during the Initial Term, the Termination Fee shall be an amount equal to the sum of the amounts in each of the "Primary/Subservicing" and, if applicable, the "Master Servicing" columns opposite the applicable period in which such Effective Date of Termination occurs and calculated pursuant to Exhibit C-2.

Final

5 Years Ending July, 2022

Period	Primary	Master
Jul-17	[***]	[***]
Aug-17	[***]	[***]
Sep-17	[***]	[***]
Oct-17	[***]	[***]
Nov-17	[***]	[***]
Dec-17	[***]	[***]
Jan-18	[***]	[***]
Feb-18	[***]	[***]
Mar-18	[***]	[***]
Apr-18	[***]	[***]
May-18	[***]	[***]
Jun-18	[***]	[***]
Jul-18	[***]	[***]
Aug-18	[***]	[***]
Sep-18	[***]	[***]
Oct-18	[***]	[***]
Nov-18	[***]	[***]
Dec-18	[***]	[***]
Jan-19	[***]	[***]
Feb-19	[***]	[***]
Mar-19	[***]	[***]
Apr-19	[***]	[***]
May-19	[***]	[***]
Jun-19	[***]	[***]
Jul-19	[***]	[***]
Aug-19	[***]	[***]
Sep-19	[***]	[***]
Oct-19	[***]	[***]
Nov-19	[***]	[***]
Dec-19	[***]	[***]
Jan-20	[***]	[***]
Feb-20	[***]	[***]

Mar-20	[***]	[***]
Apr-20	[***]	[***]
May-20	[***]	[***]
Jun-20	[***]	[***]
Jul-20	[***]	[***]
Aug-20	[***]	[***]
Sep-20	[***]	[***]
Oct-20	[***]	[***]
Nov-20	[***]	[***]
Dec-20	[***]	[***]
Jan-21	[***]	[***]
Feb-21	[***]	[***]
Mar-21	[***]	[***]
Apr-21	[***]	[***]
May-21	[***]	[***]
Jun-21	[***]	[***]
Jul-21	[***]	[***]
Aug-21	[***]	[***]
Sep-21	[***]	[***]
Oct-21	[***]	[***]
Nov-21	[***]	[***]
Dec-21	[***]	[***]
Jan-22	[***]	[***]
Feb-22	[***]	[***]
Mar-22	[***]	[***]
Apr-22	[***]	[***]
May-22	[***]	[***]
Jun-22	[***]	[***]
Jul-22	[***]	[***]
Aug-22	-	-

EXHIBIT C-2

TERMINATION FEE CALCULATION

Definitions

Deal-Level UPB: By Ocwen investor code ("deal"), the unpaid principal balance of Mortgage Loans associated with each deal will be fixed for the purposes calculations under this Exhibit C-2 as of the month-end following Subservicer's receipt of notification of termination without cause. To the extent Mortgage Loans serviced under RMSR 2.0 are transferred to a third party while this Agreement is still in effect, Deal-Level UPB will be based on the month-end UPB immediately preceding such transfer date.

Investor Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement that with respect to which the subservicing or servicing is being terminated solely pursuant to Section 5.7(c) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

MSRPA Servicing Agreements: As defined in the Master Agreement.

Primary Mortgage Loans: As defined in the Master Agreement.

RMSR 2.0: The New RMSR Agreement (as defined in the Master Agreement).

Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement and serviced under RMSR 2.0 that with respect to which the subservicing or servicing is being terminated for any reason under this Agreement (other than Section 5.3 and Section 5.7) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

Termination Fee Deposit Amount: Except with respect to a termination of Subservicer by an Investor pursuant to Section 5.7(c), with respect to the termination of Subservicer under this Agreement or RMSR 2.0 transferred pursuant to a termination without cause or an RMSR 2.0 transfer to a third party during the Initial Term is calculated for each date on which subservicing or RMSR 2.0 is transferred by multiplying the Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

Termination Fee (Investor) Deposit Amount: Solely with respect to a termination without cause of Subservicer by an Investor pursuant to Section 5.7(c) prior to the expiration of the Initial Term is calculated for each date on which subservicing is transferred by multiplying the Investor Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

EXHIBIT D

EXIT FEE PERCENTAGE

Period	Exit Fee Percentage (basis points)
Jul-17	[***]
Aug-17	[***]
Sep-17	[***]
Oct-17	[***]
Nov-17	[***]
Dec-17	[***]
Jan-18	[***]
Feb-18	[***]
Mar-18	[***]
Apr-18	[***]
May-18	[***]
Jun-18	[***]
Jul-18	[***]
Aug-18	[***]
Sep-18	[***]
Oct-18	[***]
Nov-18	[***]
Dec-18	[***]
Jan-19	[***]
Feb-19	[***]
Mar-19	[***]
Apr-19	[***]
May-19	[***]
Jun-19	[***]
Jul-19	[***]

Aug-19	[***]
Sep-19	[***]
Oct-19	[***]
Nov-19	[***]
Dec-19	[***]
Jan-20	[***]
Feb-20	[***]
Mar-20	[***]
Apr-20	[***]
May-20	[***]
Jun-20	[***]
Jul-20	[***]
Aug-20	[***]
Sep-20	[***]
Oct-20	[***]
Nov-20	[***]
Dec-20	[***]
Jan-21	[***]
Feb-21	[***]
Mar-21	[***]
Apr-21	[***]
May-21	[***]
Jun-21	[***]
Jul-21	[***]
Aug-21	[***]
Sep-21	[***]
Oct-21	[***]
Nov-21	[***]
Dec-21	[***]
Jan-22	[***]
Feb-22	[***]
Mar-22	[***]
Apr-22	[***]
May-22	[***]
Jun-22	[***]
Jul-22	[***]

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day
Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.

No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-33	*	Annual (by 45th calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement

No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*	E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*	E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*	E-A8	No later than January 31

EXHIBIT E-2

FORMATTED SERVICING REPORTS

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT F

SERVICE LEVEL AGREEMENTS

The following constitute the SLAs with respect to primary and subservicing (the "SLAs"), as may be updated from time to time in accordance with the terms hereof:

[***]

Notes to Primary/Subservicing SLAs:

- As a reference population, "**Total Servicing Portfolio**" means, for any measurement period, all mortgage loans serviced by Subservicer, other than (1) mortgage loans with respect to which the Subservicer is solely performing master servicing functions, (2) reverse mortgage loans and (3) commercial mortgage loans. "**NRM Portfolio**" means, as of any date of determination, all mortgage loans serviced by Subservicer under any agreement between the Subservicer and the Owner/Servicer or any of its Affiliates, excluding (1) mortgage loans with respect to which the Subservicer is solely performing master servicing functions, (2) reverse mortgage loans and (3) commercial mortgage loans.

- The penalty amount is the baseline penalty assessed in case the penalty threshold is exceeded. This baseline value is subject to a multiplier of either two or three, depending on whether the double penalty threshold or the triple penalty threshold, respectively, is exceeded.

- In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change. The same applies to all relevant SLAs in case of major changes to a particular area of Subservicer's servicing (for example, foreclosure activities).

- Penalties can only be assessed for a particular frequency period if the penalty threshold was exceeded both in that frequency period and in the prior frequency period.

- Penalties for SLAs will be waived by mutual agreement of the parties on the basis of major events beyond Subservicer's control that could be reasonably expected to have a material impact on the NRM Portfolio, conflicts or issues with vendors selected by Owner/Servicer, regulatory changes, force majeure events, or events affecting the mortgage servicing industry as a whole and not specific to Subservicer. In these cases, the specific penalty and incentive thresholds and amounts may also be recalibrated on an ongoing basis or for a specific period of time upon mutual agreement. In addition, recalibrations of this sort will be mutually agreed to in case of changes to measurement methodologies and regulatory or investor requirements or requests.

- To the extent the parties do not mutually agree on the basis of any event or conditions giving rise to a waiver of all penalties, accelerated penalties or a recalibration of the penalty thresholds, the party requesting such waiver or recalibration shall provide a written justification for such request, with sufficient detail to permit the other party to evaluate and respond. If such party continues to dispute the basis of the requested waiver or recalibration, within a reasonable period of time not to exceed thirty (30) days, the parties shall submit such matter to a dispute resolution process (other than litigation). Upon resolution, the successful party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim. To the extent any unpaid amounts are determined to be payable, such amounts will be paid at an annual rate of five percent (5%) over the Prime Rate.

- For any SLA, if the total number of loans in the applicable population which serves as the denominator in the calculation falls below 100 for any month, (i) that month shall be excluded from monthly SLA calculations and (ii) such measurement period will increase from monthly to quarterly (or quarterly to annually, as applicable) so that there are 100 measurements.

- For each SLA, performance statistics will be calculated on the basis of reference data with a typical trailing period of one month but no more than two months, except in cases where the SLA metric indicates a longer moving average calculation.

- The maximum net penalty or incentive amount for all applicable SLAs in a given month is capped at 15% of the monthly base subservicing fee that Subservicer receives under the Subservicing Agreement, except during the 6 month period immediately following a major system change in which the maximum net penalty or incentive amount for all applicable SLAs in a given month for such 6-month period is then capped at 25% of the monthly base subservicing fee that Subservicer receives under the Subservicing Agreement.

- The SLA reporting will begin with the data collected during the measurement period beginning on October 1, 2017, and the first reports of SLA data will be provided in December 2017; provided that, to the extent sufficient data is available to calculate metrics or estimates, Subservicer shall provide interim reporting during the period prior to December 2017 for such SLAs.

- In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, Subservicer will report on SLA metrics and calculations in a format reasonably requested by the Owner/Servicer, and as described below. Subservicer will report these calculations within the first five business days of the month, and any exceptions to the timeline are to be reported as soon as possible, with the applicable reports delivered no later than the tenth business of the month.

    - With respect to monthly SLAs, on a monthly basis, taking into account a one- or two-month trailing period, the Subservicer will provide the Owner/Servicer a report setting forth the following:

        - the monthly performance metric for each monthly SLA and the monthly data that was used to calculate this metric or (i) notification of SLAs requiring a two-month trailing period and to be included on the following month's report or (ii) reclassification of any monthly SLA as a quarterly SLA due to the decreased volume of the applicable population;

        - any complete waivers or waivers of double or triple penalties for any SLAs;

        - the applicable penalty or incentive rates for each SLA; and

        - the penalty or incentive dollar amounts assessed for each SLA.

    - With respect to quarterly SLAs, in addition to monthly reports on the estimated performance metrics (to the extent available), on a quarterly basis, taking into account a one- or two-month trailing period, the Subservicer will provide the Owner/Servicer with a report setting forth the following:

        - the quarterly performance metric for each SLA and the relevant monthly data that was used to calculate this metric or (i) notification of SLAs requiring a two-month trailing period and to be included on the following month's report or (ii) reclassification of any quarterly SLA as an annual SLA due to the decreased volume of the applicable population;

        - any complete waivers or waivers of double or triple penalties for any SLAs for any month in the applicable quarter;

        - the penalty or incentive rates for each SLA in each month of the applicable quarter;

        - the penalty or incentive dollar amounts assessed for each SLA in each month of the applicable quarter; and

        - the total penalty or dollar amount assessed for the applicable quarter.

    - Reporting on annual SLAs (if applicable due to volume considerations) will be similar to the reporting for quarterly SLAs, with monthly estimates of performance metrics provided on a monthly basis (to the extent available) and

definitive reports provided on an annual basis.

The following constitute the service level agreements with respect to Master Servicing (the "Master Servicing SLAs"), as may be updated from time to time in accordance with the terms hereof:

[***]

Notes to Master Servicing SLAs:

- As a reference population, "**NRM Portfolio**" means, for any measurement period, all mortgage loans with respect to which the Subservicer is performing master servicing functions under any agreement between the Subservicer and the Owner/Servicer or any of its Affiliates. "**All Primary Servicers > 1,000 Loans**" means, for any measurement period, all primary servicers that are servicing more than 1,000 loans in the NRM Portfolio.

- All penalties and incentives for Master Servicing SLAs are calculated as a percentage of the monthly base subservicing fee that Subservicer receives for performing Master Servicing functions under the Subservicing Agreement (the "Monthly Sub-Master Servicing Fee").

- For each quarterly Master Servicing SLA, the Subservicer will assess performance during each of the three months of a given calendar quarter (with a trailing period of one month) and, when such performance assessments have been made for all three months of the quarter, the Subservicer will calculate the average of the monthly performance metrics, which will be the "quarterly performance metric" for such Master Servicing SLA.

- Penalty and incentive rates for each quarterly Master Servicing SLA will be assessed on a monthly basis by comparing the quarterly performance metric for the calendar quarter in which that month occurs with each of the penalty, exception and incentive thresholds that are applicable in that month.

- With respect to each quarterly Master Servicing SLA, the dollar amount of the penalty or incentive for each month is the product of the Monthly Sub-Master Servicing Fee and the penalty or incentive rate for that month. The dollar amount of the penalty or incentive for each calendar quarter is the sum of the penalties or incentives for each of the three months in that calendar quarter.

- Annual Master Servicing SLAs will be assessed in an analogous manner to quarterly Master Servicing SLAs, except that the adjustments to the monthly performance metric will be based on annual rather than quarterly adjustments.

- Penalties can only be assessed for a particular frequency period if the penalty threshold was exceeded both in that frequency period and in the prior frequency period.

- In the case of any system conversion relating to Master Servicing core systems (SBO2000, DDS, DMS), penalties will be assessed on the basis of the exception threshold instead of the penalty threshold. In addition, (a) for any Master Servicing SLA in the "Securities Administration" category, the exception threshold will apply in case either (i) the number of cleanup calls involving loans in the reference population in a given month exceeds twenty (20) or (ii) the number of new deals involving loans in the reference population in a given month is greater than or equal to five (5); and (b) for any Master Servicing SLA in the "Servicer Management" or "Loan Operations" categories, the exception threshold will apply in case of the addition of three (3) or more new primary servicers in a given month. Exception thresholds will apply for three (3) consecutive months including the month during which the exception event occurs.

- Penalties for Master Servicing SLAs may be waived by the parties on the basis of major events beyond Ocwen's control, conflicts or issues with vendors selected by NRM, regulatory changes, force majeure events, or events affecting the mortgage servicing industry as a whole and not specific to Ocwen. In these cases, the specific penalty and incentive thresholds and rates may also be recalibrated on an ongoing basis or for a specific period of time. In addition, recalibrations of this sort will be considered in case of changes to measurement methodologies and regulatory or investor requirements or requests.

- Any newly boarded loans will not be included in the referenced population for the purpose of calculations for a period of time agreed to by the parties, after which period the thresholds may be recalibrated by mutual agreement of the parties. In addition, any loans that are impacted by errors or delays caused by prior servicers will be excluded from the referenced population.

- If the total number of securitization trusts in the NRM Portfolio falls below 400, all Master Servicing SLAs will be recalibrated.

- To the extent the parties do not mutually agree on the basis of any event or conditions giving rise to a waiver of all

penalties, accelerated penalties or a recalibration of the penalty thresholds, the party requesting such waiver or recalibration shall provide a written justification for such request, with sufficient detail to permit the other party to evaluate and respond. If such party continues to dispute the basis of the requested waiver or recalibration, within a reasonable period of time not to exceed thirty (30) days, the parties shall submit such matter to a dispute resolution process (other than litigation). Upon resolution, the successful party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim. To the extent any unpaid amounts are determined to be payable, such amounts will be paid at an annual rate of five percent (5%) over the Prime Rate.

- The Master Servicing SLA reporting will begin with the data collected during the measurement period beginning on the later of (i) October 1, 2017 and (ii) the first of the month following the date on which Subservicer begins Master Servicing under this Agreement.

- In addition to reports on monthly estimates for Master Servicing SLA performance metrics, within the first five business days of the second month of each calendar quarter, Subservicer will provide Owner/Servicer with a report setting forth:

    - the quarterly performance metric for each of the Master Servicing SLAs from the prior calendar quarter and all monthly data that was used in the calculation of this metric;

    - any exception events that occurred in the prior calendar quarter and, for each Master Servicing SLA and each month of the prior calendar quarter, whether the exception threshold applied in that month;

    - the penalty or incentive rates for each Master Servicing SLA in each month of the prior calendar quarter;

    - the penalty or incentive dollar amounts assessed for each Master Servicing SLA in each month of the prior calendar quarter; and

    - the total penalty or incentive dollar amounts assessed for the prior calendar quarter.

- Reporting on annual Master Servicing SLAs will be similar to the reporting for quarterly SLAs, with monthly estimates of performance metrics provided on a monthly basis and definitive reports provided on an annual basis.

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT H

FORM OF MONTHLY FINANCIAL COVENANT CERTIFICATION

I, _____, chief financial officer of Ocwen Loan Servicing LLC ("Subservicer"), do hereby certify that:

(i) [***];

(ii) [***];

(iii) [***]; and

(iv) the attached supporting documentation and backup attached to this Monthly Financial Covenant Certification are true and correct.

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Subservicing Agreement, dated as of August 17, 2018 (the "Agreement"), between New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing and the Subservicer.

IN WITNESS WHEREOF, I have signed this certificate.

Date: _____, 20__

[_____]

By:_____,

_____
Name:
Title:

EXHIBIT I-1

CRITICAL VENDORS

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 2.0	Writes custom software code [***]	No
[***]	Tier 2.0	Providing image extraction services	No
[***]	Tier 2.0	Used to have [***] signed electronically	No
[***]	Tier 2.0	Optional [***] Product	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Print and Mail Services [***]	No
[***]	Tier 1.0	[***]	Yes
[***]	Tier 1.0	Collections [***]	Yes
[***]	Tier 1.0	Default software solutions for lenders, servicers, real estate agents and other mortgage and real estate industry professionals.	Yes
[***]	Tier 1.0	Title/Loss Mitigation [***]	Yes
[***]	Tier 1.0	[***] Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Property Preservation & Inspection [***]	Yes
[***]	Tier 1.0	[***] Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***] Short Sale Deed in Lieu	Yes
[***]	Tier 1.0	Loss Mitigation Title	Yes
[***]	Tier 1.0	Loss Mitigation Services	Yes
[***]	Tier 1.0	Valuations	Yes
[***]	Tier 1.0	Foreclosure, Bankruptcy & Closing or Trustee	No
[***]	Tier 1.0	Servicing platform	Yes
[***]	Tier 2.0	Document and title policy retrieval	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Software/call center. Acquires new hardware, software and/or maintenance and support.	No
[***]	Tier 1.0	[***] Flood, and Wind insurance vendor as well as Loss Draft claim processing	Yes
[***]	Tier 2.0	Provides Optional [***] products to Ocwen borrowers	No
[***]	Tier 2.0	[***]	Yes

[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	[***] Communications and Contact Center Solution.	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Online Credit Reports	No
Center for NYC Neighborhoods	Tier 2.1	Community Outreach	No
Citizen Action of New Jersey	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	[***] QA Review Process	No
[***]	Tier 2.0	Provider of Asset Disposal Services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Document Imaging and repository services	Yes
[***]	Tier 1.0	Flood insurance determinations & tracking [***] flood zone monitoring	Yes
[***]	Tier 1.0	Review of Real Estate Taxes Owed	Yes
[***]	Tier 1.0	[***] AVM	Yes
[***]	Tier 2.2	[***] Document Custodians	Yes
[***]	Tier 2.0	[***] claim recovery services	No
[***]	Tier 2.1	Nonprofit organization offering borrower outreach and housing counseling services.	No
[***]	Tier 2.0	[***] Credit Reports to Borrowers	No
[***]	Tier 2.0	IT Asset Recovery and disposal services	No
[***]	Tier 2.0	[***]	No
[***]	Tier 1.1	Services related to Deed in Lieu [***]	Yes
[***]	Tier 2.0	[***]	No
[***]	Tier 1.1	Verbal translation services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
H.E.L.P. Community Development Corporation	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No

HomeFree USA	Tier 2.1	Community Outreach	No
HomeFree USA	Tier 2.1	Community Outreach	No
Homeownership Preservation Foundation	Tier 1.1	Community Outreach	No
Hope Loan Port Inc.	Tier 2.0	Portal for modification submission	No
[***]	Tier 2.0	Platform that manages the borrower complaints	Yes
[***]	Tier 1.1	Lien Release, Assignment preparation and recording services	Yes
[***]	Tier 2.0	Software license agreement for MortgageRx cloud-based software. MortgageRx will be used by Ocwen Investor Services department for QA process compliance tests.	Yes
[***]	Tier 2.0	Document storage and shredding	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Document Storage	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	IT consulting service [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Maintains database [***]	No
[***]	Tier 2.0	[***] services and support	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Electronic payment provider	Yes
National Community Reinvestment Coalition (NCRC)	Tier 2.1	Community Outreach	No
National Council of LaRaza (NCRL)	Tier 2.1	Community Outreach	No
[***]	Tier 2.2	Mortgage Insurance company	No
Neighborhood Housing Services of Chicago Inc.	Tier 2.1	Community Outreach	No
Neighborhood Housing Services of Greater Cleveland	Tier 2.1	Community Outreach	No
Neighborhood Housing Services of New York City Inc.	Tier 2.1	Community Outreach	No

[***]	Tier 1.1	[***] Notary Services	No
[***]	Tier 2.0	[***] updating consumer data and processing [***]	Yes
[***]	Tier 1.0	Electronic payment provider [***]	No
[***]	Tier 1.1	Accounts Payable (AP) platform	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	[***]	No
[***]	Tier 1.0	Valuation [***]	No
[***]	Tier 1.1	Provides Security Services [***]	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	[***] data center, [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 2.0	[***] computer-assisted legal research.	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
Sacramento Neighborhood Housing Services, Inc. dba NeighborWorks HomeOwnership Center Sacramento Region	Tier 2.1	Community Outreach	No
[***]	Tier 1.0	Property Preservation and Inspection services [***]	No
[***]	Tier 2.0	Document redaction services [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Recording Services	No
[***]	Tier 2.0	Research Websites [***]	No
[***]	Tier 2.0	Provides Broker Price Opinion Valuation Services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1		No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No

[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
Springboard Non Profit Consumer Credit Management, Inc.	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***] print and mailing services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Credit Bureau. [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Print and Mailing services	No
[***]	Tier 1.0	Printing and Mailing Letters [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.0	Document Custodian	No
[***]	Tier 1.0	Electronic payment provider	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No

EXHIBIT I-2

CRITICAL REO DISPOSITION VENDORS

Vendor Name	Vendor Tier	Description	Offshore

	Final		
[***]	Tier 1.0	Real Estate Owned (REO) Management	Yes
[***]	Tier 2.0	REO Property Manager	No
[***]	Tier 2.0	REO management services	No

EXHIBIT J

PERFORMANCE TRIGGERS

A. **Initial Performance Triggers**

The following shall represent the applicable Performance Triggers, as may be modified from time to time in accordance with the terms hereof, and to be assessed on the basis of data collected from the first full Quarter following the Effective Date:

1. the Quarterly Average Delinquency Ratio exceeds [***] (the "Delinquency Trigger Event");

2. the Quarterly Average Foreclosure Sale Ratio falls below [***] (the "Foreclosure Sale Trigger") for two consecutive Quarters (the "Foreclosure Sale Trigger Event");

3. the Quarterly Average Workout Ratio falls below [***] (the "Workout Trigger") for two consecutive Quarters (the "Workout Trigger Event"); and

4. the Net SLA Monthly Penalty Amount exceeds [***] of the Monthly Fee Amount for such month (the "Excessive SLA Failure Trigger") in every month for two consecutive Quarters (the "Excessive SLA Failure Trigger Event").

Subject to the automatic modification of the Workout Trigger as set for in Section D below, any modifications to Performance Triggers shall be evidenced in writing and shall take effect in the Quarter during which such modifications were agreed to, unless the parties mutually agree otherwise. In addition to the specific provisions set forth in Sections B, C and D of this Exhibit J relating to the conditions under which a Performance Trigger may be modified, the Owner/Servicer and Subservicer agree to modify any of the above Performance Triggers from time to time in cases where there have been or will be material changes to the portfolio of Subject Loans constituting the reference class of the applicable Performance Trigger. Upon the occurrence of any Force Majeure Event, that has a material impact on the Subservicer's ability to service the Subject Loans pursuant to the Agreement, the parties will agree to waive any of the Performance Triggers to the extent affected.

B. **Delinquency Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree to a modification of the Delinquency Trigger under each of the following circumstances: (i) (x) in the event that the delinquency rate set forth in the "Seriously Delinquent As a % of Total Loans NSA" quarterly index from Mortgage Bankers Association (FORLTOSD Index on Bloomberg) (the "Index") increases by more than three percentage points from the rate set forth in such report for the month ending June 2017 and (y) thereafter, in the event of any subsequent material increase in such rate or (ii) to the extent that the Index does not capture the impact of industry-wide events which would materially impact delinquency rates (for example, industry-wide foreclosure holds imposed by states regulators).

C. **Foreclosure Sale Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree on a modification to the Foreclosure Sale Trigger in the event that one or more judicial rulings or state regulatory actions, decrees, interpretations or guidance occurs that impact more than [***] ([***]) of the total number of Subject Loans counted in the Subservicer's active foreclosure inventory on the date of such occurrence.

D. **Workout Trigger Resets**

(a) The Workout Trigger shall be modified, effective as of January 1, 2019, to an amount equal to [***] of the average monthly Workout Ratio for the calendar year of 2018 and, for each subsequent calendar year, effective as of January 1st of such year, the Workout Trigger shall be modified to an amount equal to [***] of the average monthly Workout Ratio of the prior calendar year; provided that, to the extent the Quarterly Average Workout Ratio falls below the Workout Trigger for the Quarter beginning in October and the Quarterly Average Workout Ratio is above the Workout Trigger for the following Quarter beginning in January solely as a result of the automatic modification of the Workout Trigger as set forth in this sentence, then the Workout Trigger for the Quarter beginning in January shall not be included for purposes of calculating the Workout Trigger Event and the parties agree to use the Workout Trigger for the Quarters beginning in October and April to determine if a Workout Trigger Event occurred. The parties agree that the Workout Trigger may be recalibrated after January 1, 2019 based on quarterly rather than annual averages in order to reflect seasonal fluctuations.

(b) The Subservicer and Owner/Servicer shall mutually agree on a modification to the existing (or automatically modified pursuant to clause (a) above) Workout Trigger under each of the following circumstances: (i) any regulatory changes that result in substantially lower modification rates on an industry-wide basis, (ii) the previously modified proportion of the portfolio of Subject Loans that are 60+ Day Delinquent increases to more than [***] ([***]), and thereafter, for each subsequent increase of [***] (iii) a decrease in modification eligibility of the Subject Loans due to substantial macroeconomic changes, including but not limited to, material changes in (x) home prices, (y) interest rates and/or (z) unemployment rates, and (iv) conditions materially affecting modification rates, including, for example, the availability and funding of governmental modification programs.

The Subservicer and Owner/Servicer shall mutually agree on a modification or reconstruction of the Workout Trigger to compare the Subservicer's loss mitigation performance against the performance of the mortgage servicing industry (in which the Subservicer would be expected to be within a range of average industry levels) to the extent a reliable industry benchmarking loss mitigation data has been introduced and is generally acceptable to the secondary mortgage market.

E. **Excessive SLA Failure Trigger Waivers and Applicability**

The SLAs used to calculate the Aggregate Net SLA Monthly Penalty Rate shall include all SLAs other than (i) any SLA identified as inapplicable to the Excessive SLA Failure Trigger on Exhibit F of the Agreement, as updated from time to time by mutual agreement of the parties and (ii) any SLAs that the Owner/Servicer and Subservicer have agreed to waive or exclude on the basis of major events beyond the Subservicer's control which materially and adversely affect the servicing of the Subject Loans under the Agreement, including, without limitation, conflicts or issues with Approved Parties, any "Approved Parties" (as defined herein), Vendors selected by the Owner/Servicer, HLSS or NRM, any NRZ REO Vendor (under and as defined in the Servicing Addendum) or any subcontractors or subvendors retained by any such NRZ REO Vendor, regulatory changes, Force Majeure Events or events affecting the mortgage servicing industry as a whole and not specific to Subservicer.

In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change.

F. **Definitions**

"**60+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered sixty (60) days or more contractually delinquent following the OTS Methodology.

"**90+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered ninety (90) days or more contractually delinquent following the OTS Methodology.

"**Affected SLA**": (i) In the event that there are major system changes impacting the Subservicer's servicing platform as a whole, for a period of six months following such changes or increase, all SLAs and (ii) in the event that there are major system changes impacting particular areas of the Subservicer's servicing activities, for a period of six months following such changes, all SLAs related to such areas.

For the avoidance of doubt, if there is a system change, the double and triple SLA penalties shall not count towards the Excessive SLA Failure Trigger. However, they shall count towards the Subservicer Economics and during the six month period reference above the 25% cap on adjustments to Subservicer Economics shall be in place.

"**Delinquency Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is the total unpaid principal balance of the Subject Loans which are 90+ Day Delinquent, including Subject Loans in foreclosure which are 90+ Day Delinquent, Subject Loans in bankruptcy which are 90+ Day Delinquent, plus the loan balance (prior to conversion to REO) of REO Properties, that were serviced or subserviced by the Subservicer during such month and (y) the denominator of which is the total unpaid principal balance of all Subject Loans.

"**Force Majeure Event**": Any event beyond the reasonable control of the Subservicer including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

"**Foreclosure Sale Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of Subject Loans with respect to which the foreclosure sale has been completed as of the end of the day on the last day of such calendar month, and (y) the denominator of which is the total number of Subject Loans counted in the Subservicer's foreclosure inventory (whether active or on hold) as of the end of the day on the last day of such calendar month.

"**Incentive Amount**": For each SLA, the amount computed pursuant to Exhibit F, if applicable.

"**Measurement Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any

mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

"**Monthly Fee Amount**": For each month, an amount equal to (A) the product of (i) [***] ([***]) and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans for which Subservicer is solely performing Master Servicing functions under this Agreement, (B) divided by 12.

"**Net SLA Monthly Penalty Amount**": For each month, the amount, if positive, equal to (A) the aggregate Penalty Amounts payable by the Subservicer, if any, with respect to the SLAs in such month minus (B)(i) if applicable, any such amounts paid as the result of a double or triple penalty multiplier for any Affected SLA and (ii) the aggregate Incentive Amounts payable to the Subservicer, if any, with respect to the SLAs in such month; provided that the amount to be included in clause (A) or (B) with respect to each Quarterly SLA shall be zero in each month prior to the initial calculation of such Quarterly SLA and for each month following such initial calculation shall be the Penalty Amount or Incentive Amount, if applicable, from the most recent calculation of such Quarterly SLA. For the avoidance of doubt penalties and incentives related to Master Servicing SLAs shall not count towards the calculation of the Net SLA Monthly Penalty Amount.

"**New Mortgage Loan**": With respect to any existing Mortgage Loan subject to this Agreement, the NRM PLS Subservicing Agreement or the Servicing Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to the Owner/Servicer or NRM pursuant to Exhibit B of this Agreement, the NRM PLS Subservicing Agreement or the Servicing Addendum.

"**OTS Methodology**": A method of calculating delinquency of a Subject Loan based upon The Office of Thrift Supervision method, under which method a Subject Loan is considered delinquent if the payment has not been received by the Subject Loan's next due date. For example, a Subject Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

"**Penalty Amount**": For each SLA, the amount computed pursuant to Exhibit F, including, without limitation, the application of any applicable double penalties, triple penalties or waivers and taking into account the consecutive failure requirement for a penalty to be assessed.

"**Quarter**": A period consisting of three consecutive calendar months and beginning with either January, April, July or October.

"**Quarterly Average Delinquency Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Delinquency Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Foreclosure Sale Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Foreclosure Sale Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Workout Ratio**": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Workout Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly SLAs**": Each SLA with a designated frequency of "quarterly" on Exhibit F.

"**Subject Loans**": Each of (i) the Measurement Loans and (ii) any Transferred-In Loans agreed upon by the parties; provided that (x) with respect to the calculation of the Foreclosure Sale Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed by the parties and (y) with respect to the calculation of the Workout Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed to by the parties.

"**Transferred-In Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions under any NRZ Servicing/Subservicing Agreement, each of (i) any New Mortgage Loans and (ii) any Mortgage Loans that become subject to any NRZ Servicing/Subservicing Agreement pursuant to an Acknowledgement Agreement with respect to which the Subservicer is not solely performing Master Servicing functions.

"**Workout Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of the Subject Loans with respect to which, during such month either a non-HAMP modification, a short-sale or a deed-in-lieu agreement, in each case, has been completed, and (y) the denominator of which is the total number of Subject Loans which are 60+ Day Delinquent, but excluding any Subject Loans for which the related Mortgaged Property has become an REO Property.

G. **Reporting**

In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, with respect to the Performance Triggers, the Subservicer will, in a format reasonably requested by the Owner/Servicer, report the following to the Owner/Servicer, it being understood that Subservicer may combine such reports with the reports required to be delivered under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery thereunder shall be deemed to constitute delivery hereunder:

a) With respect to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, (i) on a monthly basis, when available, but in no case later than ten Business Days after the end of the following month, the prior month's Delinquency Ratio, Foreclosure Sale Ratio and Workout Ratio, together with the relevant data used to calculate such ratios and (ii) on a quarterly basis, when available, but in no case later than ten Business Days after the end of the first month following the applicable quarter, the Quarterly Average Delinquency Ratio, the Quarterly Average Foreclosure Sale Ratio and the Quarterly Average Workout Ratio and a comparison of such ratios to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, respectively.

b) With respect to the Excessive SLA Failure Trigger, (i) on a monthly basis, when available, but in no case later than fifteen Business Days after the end of the following month, the Net SLA Monthly Penalty Amount for such month, which report shall include (i) a comparison to the Excessive SLA Failure Trigger, (ii) an identification of the applicable SLAs used to calculate the Net SLA Monthly Penalty Amount, (iii) any applicable Penalty Amount or Incentive Amount used to calculate the Net SLA Monthly Penalty Amount and (iv) any other relevant information (in addition to the previously delivered monthly and quarterly reports under Exhibit F to the Agreement).

EXHIBIT K

ADVANCE POLICY

THIS PAGE AND THE FOLLOWING FOUR PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT L

MSRPA SCHEDULE

MSRPA	(parties to add list of MSRPA provisions)

MSRPA	(parties to add MSRPA description)

MSRPA	(parties to add MSRPA description)

EXHIBIT M

FORM OF LIMITED POWER OF ATTORNEY

Document drafted by and
After Recording Return Document To:
Ocwen Loan Servicing, LLC
5720 Premier Park Drive, Building 3
West Palm Beach, Florida 33407
Attention: Record Services

LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing (the "Company"), having a place of business at 1345 Avenue of the Americas, 45th Floor, North Suite, New York, New York 10105, does hereby constitute and appoint Ocwen Loan Servicing, LLC a Delaware limited liability company ("Ocwen"), having an office at 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409, by and through its officers, its true and lawful Attorney-in-Fact, in its name, place and stead and for its benefit, in connection with mortgage loans serviced by Ocwen on behalf of the Company (the "Mortgage Loans") pursuant to and subject to the terms and conditions of that certain Subservicing Agreement, as described on Exhibit A between Ocwen and the Company (the "Subservicing Agreement") for the purpose of performing all acts and executing all documents in the name of the Company necessary and incidental to the servicing of the Mortgage Loans, including but not limited to:

1. Foreclosing delinquent Mortgage Loans or discontinuing such foreclosure proceedings, including, but not limited to, the execution of notices of default, notices of sale, assignments of bids, and assignments of deficiency judgments, and appearing in the prosecuting bankruptcy proceedings;

2. Selling, transferring or otherwise disposing of real property that is or becomes subject to the Subservicing Agreement, whether acquired through foreclosure or otherwise, including, but not limited to, executing all contracts, agreements, deeds, assignments or other instruments necessary to effect such sale, transfer or disposition, and receiving proceeds and endorsing checks made payable to the order of the Company from such proceedings;

3. Preparing, executing, and delivering satisfactions, cancellations, discharges or full or partial releases of lien, subordination agreements, modification agreements, assumption agreements, substitutions of trustees under deeds of trust, and UCC-3 Continuation Statements;

4. Endorsing promissory notes and executing assignments of mortgages, deeds of trust, deeds to secure debt, and other security instruments securing said promissory notes in connection with Mortgage Loans for which Ocwen has received full payment of all outstanding amounts due on behalf of the Company;

5. Endorsing insurance proceeds checks and mortgage payment checks to the order of the Company; and

6. Any and all such other acts of any kind and nature whatsoever that are necessary and prudent to service the Mortgage Loans, in each case, in accordance with the terms and conditions in the Subservicing Agreement.

The Company further grants to Ocwen full power and authority to do and perform all acts necessary for Ocwen to carry into effect the power or powers granted by or under this Limited Power of Attorney as fully as the Company might or could do with the same validity as if all and every such act had been herein particularly stated, expressed and especially provided for, and hereby ratifies and confirms all that Ocwen shall lawfully do by virtue of the powers and authority granted and contemplated hereby, and all that Ocwen has previously done pursuant to or in connection with the Subservicing Agreement or any Limited Power of Attorney previously granted by the Company to Ocwen. This Limited Power of Attorney shall be in full force and effect as of August 17, 2018 (Date) until the earlier of the date of termination of the Subservicing Agreement or the date the Company revokes or terminates this Limited Power of Attorney by written notice to Ocwen.

Nothing herein shall give the Attorney-in-Fact hereunder the right or power to negotiate or settle any suit, counterclaim or action against the Company. The Company shall have no obligation to inspect or review any agreement or other document or item executed by the Attorney-in-Fact hereunder on behalf of the Company pursuant to this Limited Power of Attorney and as such, the Attorney-in-Fact hereunder expressly acknowledges that the Company is relying upon such Attorney-in-Fact to undertake any and all necessary procedures to confirm the accuracy of any such agreement, document or other item. This Limited Power of Attorney and each grant of power and authority hereunder shall at all times be limited by and subject to the terms and conditions of the Subservicing Agreement.

Third parties without actual notice may rely upon the exercise of the power granted under this Limited Power of Attorney, and may be satisfied that this Limited Power of Attorney has not been revoked by the Company, unless a revocation has been recorded in the public records of the jurisdiction where this Limited Power of Attorney has been recorded, or unless such third party has received actual written notice of a revocation.

NEW PENN FINANCIAL, LLC D/B/A SHELLPOINTMORTGAGE SERVICING

(Company)

By: _____

Name: _____

Title: _____

_____

Witness – _____

_____

Witness – _____

STATE OF _____

COUNTY OF _____

On this ___ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State and County, personally appeared _____, personally known to me to be the person who executed the within instrument as _____, on behalf of New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, and he or she acknowledged that said instrument is the act and deed of said New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, and that he or she, being authorized to do so, executed and delivered said instrument for the purposes therein contained.

WITNESS by hand and official seal.

_____

Notary Public

[Seal]

_____

My Commission Expires

_____

My Commission Expires

Exhibit A

1. Subservicing Agreement, dated as of August 17, 2018, by and between New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing and Ocwen Loan Servicing, LLC

Exhibit M-4

EXHIBIT N

CLIENT MANAGEMENT PROTOCOLS

Subservicer's Client Management Protocols are comprised of five components (i) Client Relations/Issue Management, (ii) Client Integration, (iii) Change Management, (iv) Client Reporting and (v) Audit/Testing Management. The staff specifically dedicated to managing the relationship ("Client Relationship Managers" or "CRMs") shall utilize the protocols herein, as may be changed from time to time and mutually agreed by both parties, to coordinate the resources of Subservicer to address the requests of Owner/Servicer.

THE REMAINDER OF THIS PAGE AND THE FOLLOWING PAGE OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT O

ADVANCE FACILITY COOPERATION COSTS

1. [***] for amendments with no certificates or opinions
2. [***] for new facilities or amendments with opinions
3. [***] for public deals (which would include opinion and disclosure related work)

EXHIBIT P-1

TRANSFER PROCEDURES

(PRIMARY SERVICING)

THIS PAGE AND THE FOLLOWING 12 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT P-2

TRANSFER PROCEDURES

(MASTER SERVICING)

TO BE MUTUALLY AGREED UPON FOLLOWING THE EFFECTIVE DATE

EXHIBIT Q

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE AND THE FOLLOWING PAGE OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT R

MASTER SERVICING ADDENDUM

Section 2B.01

DEFINITIONS

Whenever used in this Exhibit R, the following words and phrases, unless the context requires otherwise, shall have the meanings specified below. Capitalized terms used in this Exhibit R but not otherwise defined shall have the meanings set forth in Article I of the Agreement (except to the extent modified pursuant to Section 2B.02 below).

Master Servicing Addendum: The rights and obligations specifically set forth in this Exhibit R.

Master Servicing Rights: The Servicing Rights identified as master servicing rights on Exhibit B of the Transfer Agreement.

Servicer Guide: The "Servicer Guide", as referenced or defined in the applicable Servicing Agreement and Client Contract.

Section 2B.02

The Owner/Servicer hereby agrees that Subservicer has full power and authority to enforce the Client Contracts and Servicer Guide on behalf of Owner/Servicer solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights.

The Owner/Servicer and Subservicer acknowledge and agree that the servicing function with respect to the Mortgage Loans related to the Master Servicing Rights is performed by various SBO Servicers (and may include the Subservicer in its capacity as a primary servicer).

The Owner/Servicer may amend any Client Contract pursuant to a Change Request and otherwise subject to the procedures set forth in Section 2.3 of the Agreement.

Solely with respect to the Mortgage Loans related to the Master Servicing Rights, the Subservicer hereby agrees to perform Master Servicing on behalf of the Owner/Servicer in accordance with the terms of (i) the Agreement (unless expressly set forth below) (ii) the applicable Servicing Agreement, (iii) applicable Client Contract, and (iv) the applicable Servicer Guide; provided that, with respect to any REO Disposition Services that are permitted under the related Servicing Agreement with respect to the Master Servicing Rights and referred to the Subservicer as an SBO Servicer, the Subservicer shall comply with Section 2.10 of the Agreement and the Owner/Servicer shall be entitled to all Downstream Ancillary Income in connection therewith. For the avoidance of doubt, solely with respect to the Mortgage Loans related to the Master Servicing Rights, the Subservicer shall have no obligation to perform any of the duties and obligations that are enumerated below; provided that nothing herein shall limit or constrain any obligation of the Subservicer in the Agreement related to Subservicer in its capacity as a primary servicer.

(a) No SBO Servicer shall be considered a "Vendor" as defined in Article I of the Agreement; provided that nothing herein shall limit or restrict any monitoring, oversight, audit rights or other obligations, in each case, the Subservicer has, on behalf of the Owner/Servicer as the owner of the Master Servicing Rights, under the applicable Servicing Agreement, the applicable Client Contract, and the applicable Servicer Guide.

(b) Section 2.1(f) shall not apply.

(c) Section 2.1(g) shall not apply.

(d) Section 2.2(a) shall not apply unless required by Applicable Requirements.

(e) Section 2.2(b) shall not apply unless required by Applicable Requirements.

(f) Section 2.5 shall not apply to (i) Escrow Accounts unless required by Applicable Requirements and (ii) notwithstanding anything set forth in clause (i), any Custodial Accounts or Escrow Accounts held by an SBO Servicer.

(g) Section 2.6(c) shall not apply unless required by Applicable Requirements.

(h) Section 2.6(d) shall apply to (i) records relating to Master Servicing and (ii) records relating to the Subservicing to the extent required by Applicable Requirements.

(i) Section 2.6(e) shall not apply unless required by Applicable Requirements.

(j) Section 2.8(a) and (b) shall only apply with respect reports and remittances the Subservicer makes to certificateholders as part of the Master Servicing obligations pursuant to Applicable Requirements.

(k) Sections 2.8(c) and (d) shall only apply with respect to reports relating to Master Servicing and any such report shall be separate and may differ from the reports provided by Subservicer in its capacity as subservicer. Notwithstanding the forgoing, the Subservicer shall provide access, either through an online portal or FTP, to the Owner/Servicer, upon reasonable request, for any other report(s), data or information that the Subservicer receives in its capacity as Master Servicer which the Subservicer is not otherwise required to deliver to the Owner/Servicer hereunder.

(l) Section 2.8(e) shall only apply with respect to reports related to (i) litigation for which the Subservicer (in its capacity as Master Servicer) is directly managing and (ii) litigation that names Subservicer as a party as Master Servicer on behalf of Owner/Servicer and any such report shall be separate and may differ from the reports provided by Subservicer in its capacity as subservicer; it being agreed that the Subservicer shall have no obligation to oversee foreclosure and bankruptcy attorneys in its Master Servicing role unless required by Applicable Requirements.

(m) Section 2.9 shall not apply.

(n) Section 2.15 shall not apply.

(o) Section 2.17 shall not apply.

(p) Section 2.20 shall not apply unless required by Applicable Requirements.

(q) Section 2.21 shall not apply unless required by Applicable Requirements.

(r) Section 3.1 shall not apply.

(s) Section 3.2 shall not apply.

(t) Section 3.3 shall not apply.

(u) Section 3.4 shall not apply.

(v) Articles VI and VII shall only apply with respect to the Master Servicing and Master Servicing Rights and shall not extend to SBO Servicers.

(w) Article VIII shall only apply with respect to the Master Servicing and Master Servicing Rights and shall not extend to SBO Servicers; provided that nothing herein shall limit, restrict or qualify the Owner/Servicer's rights to indemnification and remedies (as owner of the Master Servicing Rights) that are set forth in the applicable Servicing Agreement, the applicable Client Contract, and/or the applicable Servicer Guide.

(x) For the avoidance of doubt the following Exhibits shall not apply: B, C, D, P-1.

(y) The Service Level Agreements with respect to Master Servicing shall only be those specifically identified as "Master Servicing SLAs".

EXHIBIT S

TRANSFER MILESTONES

PART I
Requirements of Ocwen for NRZ to fund 100% of Termination Fee Deposit Amount to Escrow Account
[***]

PART II
Requirements of Ocwen for Escrow Agent to release Initial 50% of Termination Fee Deposit Amount
[***]

PART III
Requirements of Ocwen for Escrow Agent to release Second 50% of Termination Fee Deposit Amount
[***]

SCHEDULE 1.1

CHANGE OF CONTROL

Owner/Servicer hereby consents to a proposed transaction pursuant to which (x) Subservicer would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger, or (y) PMC would become the direct or indirect owner of the majority of the stock of the Subservicer and, in each case and such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement, to the extent applicable.

SCHEDULE 2.1(e)

BACK-UP SERVICING REPORTS

[***]

SCHEDULE 2.13(e)

ADVANCE DISPUTE RESOLUTION MECHANICS

THIS PAGE AND THE FOLLOWING TWO PAGES OF THIS SCHEDULE HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

SCHEDULE 7.11

REPRESENTATIONS REGARDING ADVANCES

Representations and Warranties:

As of each Advance Reimbursement Date (or such other date if set forth below), the Subservicer hereby represents and warrants to the Owner/Servicer that the following representations and warranties are true and correct with respect to the related Advances:

- Each Advance is an Eligible Advance and arising under a Servicing Agreement that is an Eligible Servicing Agreement and has been fully funded by the Subservicer using its own funds and/or Amounts Held for Future Distribution (to the extent

permitted under the related Eligible Servicing Agreement) and/or amounts received by the Subservicer from Owner/Servicer under this Agreement; provided, that notwithstanding the foregoing Subservicer makes no representation or warranty as to the status of title or any interest of a depositor, an issuer or an indenture trustee under a Servicing Agreement to or in any Advance.

- The Owner/Servicer is entitled to reimbursement for each Advance made pursuant the related Eligible Servicing Agreement.
- The Subservicer has no reason to believe that the related Advance will not be reimbursed or paid in full.
- Such Advance has not been identified by the Subservicer or reported to the Subservicer by the related trustee or Investor as having resulted from fraud perpetrated by any Person.
- Such Advance is not secured by real property and is not evidenced by an instrument.
- Such Advance is not due from the United States of America or any state or from any agency, department or instrumentality of the United States of America or any state thereof.

Definitions:

Whenever used in this Schedule 7.11, the following words and phrases, unless the context requires otherwise, shall have the meanings specified below. Capitalized terms used in this Schedule 7.11 but not otherwise defined shall have the meanings set forth in Article I of the Agreement.

Advance: Any P&I Advance or Servicing Advance.

Advance Reimbursement Date: Each date from which the Owner/Servicer paid and/or reimbursed the Subservicer for any Advances, in each case, pursuant to the terms of this Agreement.

Amounts Held for Future Distribution: To the extent permitted under the Eligible Servicing Agreement, the Owner/Servicer's right to remit amounts held for distribution to the related trustee or Investor in a future month on deposit in each Custodial Account, to the related trustee or Investor as part of the Owner/Servicer's monthly P&I Advances required under the related Eligible Servicing Agreement.

Eligible Advance: An Advance:

(i) which constitutes a "general intangible" or "payment intangible" within the meaning of Section 9-102(a)(42) (or the corresponding provision in effect in a particular jurisdiction) of the UCC as in effect in all applicable jurisdictions;

(ii) which is denominated and payable in United States dollars;

(iii) which arises under and pursuant to the terms of a Eligible Servicing Agreement and, at the time the related Advance was made or any deferred servicing fee accrued, (A) was determined by the Subservicer, in good faith to (1) be ultimately recoverable from the proceeds of the related Mortgage Loan, related liquidation proceeds or otherwise from the proceeds of or collections on the related Mortgage Loan and (2) comply with all requirements for reimbursement or payment under, the related Eligible Servicing Agreement and as to which the Subservicer has complied with all of the requirements for reimbursement under the related Eligible Servicing Agreement and, and (B) was authorized pursuant to the terms of the related Eligible Servicing Agreement; provided, that any mandatory Advances, including, without limitation, foreclosure litigation expenses or broker price opinion costs permitted or required under the related Servicing Agreement shall not be disqualified under this clause even if not recoverable from collections on or proceeds of the related Mortgage Loan if, and only if, they are recoverable from other collections with respect to the related pool of Mortgage Loans pursuant to the related Servicing Agreement and the Advance Policy and the Subservicer has determined in good faith to be ultimately recoverable from such funds;

(iv) with respect to which, as of the related Advance Reimbursement Date, the Subservicer had not (A) taken any action that would materially and adversely impair the right, title and interest of Owner/Servicer or any assignee of Owner/Servicer, or (B) failed to take any action that was necessary to avoid materially and adversely impairing the Owner/Servicer or Owner/Servicer's assignee right, title or interest therein;

(v) the Advance related to which has been fully funded by the Subservicer using its own funds and/or Amounts Held for Future Distribution (to the extent permitted under the related Eligible Servicing Agreement);

(vi) which, if arising under a Servicing Agreement which is not related to a closed-end securitization trust, provides for reimbursement or payment to the Owner/Servicer in respect of the related Advance in full at the time the servicing of such Mortgage Loan is transferred out of such Servicing Agreement such that it is no longer subject to such Servicing Agreement; and

(vii) made in accordance with the terms of the Agreement.

Eligible Servicing Agreement: As of any date of determination, any Servicing Agreement which meets the following criteria:

(i) pursuant to the terms of such Servicing Agreement:

(A) under such agreement, the Owner/Servicer is permitted to reimburse itself for the related Advance out of late collections of the amounts advanced, including from insurance proceeds and liquidation proceeds from the Mortgage Loan with respect to which such Advance was made, prior to any holders of any notes, certificates or other securities backed by the related mortgage loan pool or any other owner of or investor in the Mortgage Loan, and prior to payment of any party subrogated to the rights of the holders of such securities (such as a reimbursement right of a credit enhancer) or any hedge or derivative termination fees, or to any related Mortgage Pool or any related trustee, custodian, hedge counterparty or credit enhancer; provided, that reimbursement of any Advance with respect to a second lien Mortgage Loan shall be subject to any first lien on the related Mortgaged Property or REO Property, as applicable, under which such Advance arises;

(B) under such agreement, if the Owner/Servicer determines that an Advance will not be recoverable out of late collections of the amounts advanced or out of insurance proceeds or liquidation proceeds from the Mortgage Loan with respect to which the Advance was made, the Owner/Servicer has the right to reimburse or pay itself for such Advance out of any funds (other than prepayment charges) in the Custodial Account or out of general collections received by the Owner/Servicer or Subservicer on its behalf with respect to any Mortgage Loans serviced under the same Eligible Servicing Agreement, prior to any payment to any holders of any notes, certificates or other securities backed by the related mortgage loan pool or any other owner of or investor in the Mortgage Loan, and prior to payment of any party subrogated to the rights of the holders of such securities (such as a reimbursement right of a credit enhancer) or any hedge or derivative termination fees, or to the related Mortgage Pool or any related trustee, custodian or credit enhancer (a "*General Collections Backstop*"), except that this clause (i)(B) shall not apply to Loan-Level Advance;

(ii) all Advances arising under such Servicing Agreement are free and clear of any adverse claim in favor of any Person (other than the Owner/Servicer);

(iii) the Eligible Servicing Agreement is in full force and effect;

(iv) the Servicing Agreement arises under and is governed by the laws of the United States or a State within the United States; and

(v) The Subservicer has not voluntarily elected to change the reimbursement mechanics of Advances under such Servicing Agreement from a pool-level reimbursement mechanic or payment mechanic to a loan-level reimbursement mechanic or payment mechanic or from a loan-level reimbursement mechanic or payment mechanic to a pool-level reimbursement mechanic or payment mechanic without consent of Owner/Servicer.

Loan-Level Advance: An Advance that arises under a Eligible Servicing Agreement that does not provide that the related Advance is reimbursable from general collections and proceeds of the entire related mortgage pool if such Advance is determined to be a Nonrecoverable Advance.

Nonrecoverable Advance: An Advance that is determined to be "non-recoverable" from late collections or liquidation or other proceeds of the Mortgage Loan in respect of which such Advance was made.

SCHEDULE 8.1

SERVICING AGREEMENTS
WITH FOR CONVENIENCE TERMINATION

Inv #	Deal Name
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
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[***]	[***]
[***]	[***]
[***]	[***]

EXHIBIT 31.1

CERTIFICATIONS

I, Glen A. Messina, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Ocwen Financial Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and the other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

.

Date: November 5, 2018

/s/ Glen A. Messina

Glen A. Messina, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Catherine M. Dondzila, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Ocwen Financial Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and the other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2018

/s/ Catherine M. Dondzila

Catherine M. Dondzila, Senior Vice President and Chief Accounting Officer (principal financial officer)

EXHIBIT 32.1

CERTIFICATIONS

I, Glen A. Messina, state and attest that:

(1) I am the principal executive officer of Ocwen Financial Corporation (the "Registrant").

(2) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- the Quarterly Report on Form 10-Q of the Registrant for the quarter ended September 30, 2018 (the "periodic report") containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

- the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/ Glen A. Messina

Title: President and Chief Executive Officer

Date: November 5, 2018

EXHIBIT 32.2

CERTIFICATIONS

I, Catherine M. Dondzila, state and attest that:

(1) I am the principal financial officer of Ocwen Financial Corporation (the "Registrant").

(2) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- the Quarterly Report on Form 10-Q of the Registrant for the quarter ended September 30, 2018 (the "periodic report") containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

- the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/ Catherine M. Dondzila

Title: Senior Vice President and Chief Accounting Officer (principal financial officer)

Date: November 5, 2018