

Dear Stockholders,

Nationstar had a strong year in 2017. We welcomed over one million new customers, launched new production channels, and expanded our third-party client base at Xome®. In February, we announced our agreement to merge with WMIH Corp., and we are both committed to continuing and accelerating our growth and leveraging our best-in-class integrated servicing and originations platform. We have taken considerable steps to make homeownership more rewarding for our 3.3 million customers, and we look forward to identifying additional opportunities to enhance value for the combined company's stockholders.



WMIH MERGER

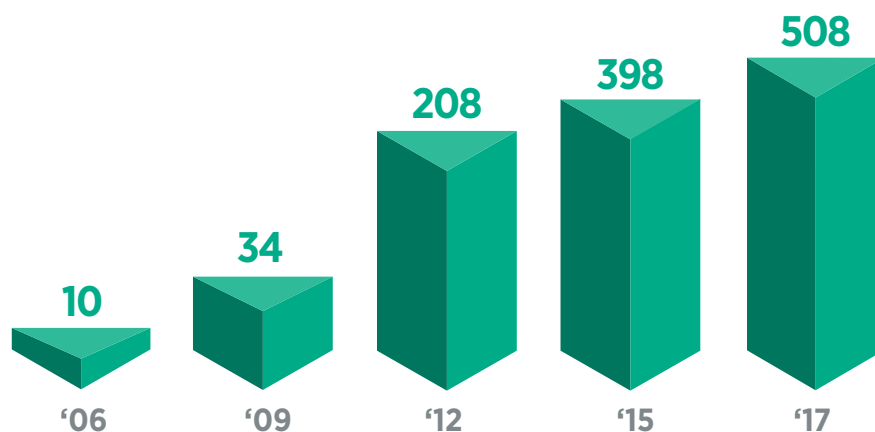
The transaction provides near-term liquidity to stockholders electing cash while preserving long-term value for those stockholders electing stock. Stockholders electing stock benefit from an increase in ownership of 14% and accretion to cash EPS of approximately 20% through the use of the net operating loss carryforward of WMIH. In addition, stockholders stand to benefit from a company with increased public float through diversified ownership. We believe that we will be a better positioned business with additional free cash flow created by the cash tax savings. We plan to utilize this increased cash flow for continued investments and deleveraging. We firmly believe that this transaction creates value for all stockholders and we look forward to the closing in the second half of this year, subject to approvals and closing conditions.

SERVICING

Well positioned for the current rising rate environment.

The solid 2017 performance was led by Servicing which generated nearly 5.0 basis points of adjusted servicing profitability. Our servicing portfolio ended with \$508 billion and 3.3 million customers, making us the third largest servicer in the country with an unmatched, irreplaceable set of assets.

Since the fourth quarter of 2017, rates have begun to rise, and the business has benefitted from reduced prepayment speeds and improved efficiency and scale as the platform grows. As interest rates continue to rise, prepayment speeds decline, which increases the value of our portfolio and improves our financial results. We are beginning to see a much lower CPR environment – the portfolio experienced prepayment speeds, net of recapture, of 11% for the fourth quarter, and we expect to sustain that level throughout 2018.



ENDING UPB (\$ in billions)

The 2017 average portfolio was 24% higher than 2016, from \$406 billion to \$505 billion, yet our direct costs were relatively flat at \$424 million. A unique attribute of our scale is a self-sustaining portfolio, meaning current levels of prepayments can be largely offset by expected levels of origination, subservicing flow, and MSR flow volumes from existing partners. New subservicing clients and MSR acquisitions can provide incremental growth and larger, strategic acquisition opportunities provide additional upside. Our platform is scaled to take on additional growth through more subservicing wins, organic replenishment, and continued acquisitions, and we expect the portfolio to grow by at least 5% this year.

“ At our core, Nationstar is a non-bank servicer that benefits from a gradually rising rate environment—the precise economic environment we are entering. ”

In the servicing segment, we plan to exceed 6.0 basis points of adjusted profitability in 2018. This improvement will be driven by a low prepayment environment complemented by cost savings. We believe there is more opportunity to improve the customer experience while increasing efficiency and have begun a servicing transformation initiative designed to give our customers even more control over their home loan experience through self-service, to optimize customer contact points, and to improve automation, thereby reducing costs.

ORIGINATIONS

Organic acquisition of servicing customers at attractive returns.

Our originations segment allows us to recapture our existing customers and gain new customers at attractive returns. Originations funded \$19 billion annually and ended the year as a top 20 mortgage originator.

Like the rest of industry, we anticipate our refinance volumes to decline given the increase in interest rates, so we have executed several initiatives to drive diversified organic growth, including new customer acquisition opportunities, purchase, and correspondent lending channels which give us more flexibility to take advantage of market conditions.

We also are uniquely positioned to help existing and new customers lower their monthly debt payments through debt consolidation. U.S. consumer debt load is at an all-time high and is creating financial stress for some customers. Yet, the mortgage market is healthy, with low default rates and home equity at record highs. In fact, our portfolio includes over \$400 billion in home equity, and the average Mr. Cooper® customer has \$100,000 of home equity available.



There is a tremendous opportunity to shift the conversation and offer new products and services that could fundamentally change what it means to own a home.



There are currently 60 million outstanding mortgages in the U.S. and approximately 19 million, or 30% of these customers, have substantial home equity combined with high interest rate consumer debt. We can provide products to these customers to save at least \$500 per month. Our data-driven solutions are tailored to present homeowners with custom products and solutions that will enable them to consolidate their debt and improve their household financial situation.

With the expanded channel investments, we are expecting increased volume but at lower than historical margins given the channel mix. Our target for 2018 is \$140 million pretax income, which will be fueled by new customer acquisition, our purchase and correspondent channels, and the existing portfolio opportunity.

*“Millions of Americans
can reduce their debt burden
by tapping home equity.”*



CUSTOMER:
SCOTT*

FICO SCORE:

657

HOME EQUITY: **\$125,259** HOME VALUE: **\$289,220**

LOAN BALANCE:
\$163,961 @ 4.5%

CREDIT CARD DEBT:
\$12,000 @ ~18%

SAVINGS WORKSHEET

USE HOME EQUITY
TO PAY OFF CREDIT CARDS **\$361** A MONTH

LOWER RATE
ON MORTGAGE (4%) **\$180** A MONTH

BETTER RATE ON
HOMEOWNER'S INSURANCE **\$31** A MONTH

TOTAL MONTHLY SAVINGS \$572 A MONTH

**THERE ARE OVER
19M “SCOTTS” IN THE U.S.
THAT CAN SAVE AT LEAST
\$500 PER MONTH.**

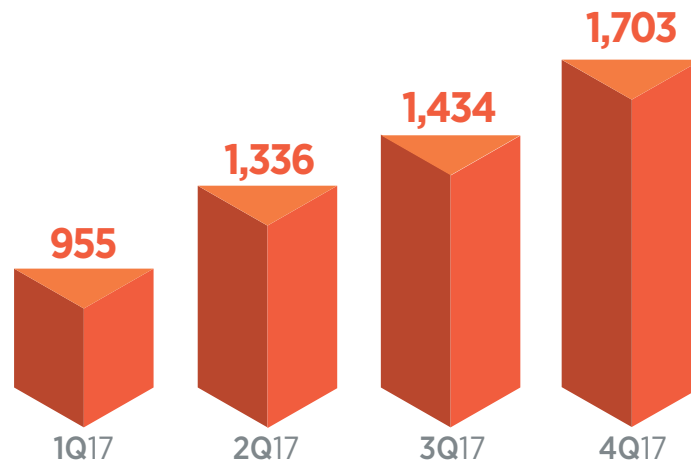
*Actual customer acquired in June 2012. Image is actor portrayal.

XOME

Increasing third-party revenue and launching field services business.

Xome serves as both a strong complement to our business and an integral part of our unique home loan experience. In 2017, Xome sold approximately 12,000 properties and executed 423,000 orders while inventory remained flat from increasing third-party inflows. We are excited by the team's traction with third-party clients across the segments.

This month we began orders for our field services business, which includes the fulfillment of property inspection and preservation orders. This opportunity is expected to be incremental for earnings and over time Xome expects to capture a significant portion of our \$185 million third-party spend.



3RD PARTY INFLOWS (property listings)

We anticipate \$60 million in pretax income for Xome in 2018, driven by continued increases in third-party volume and our re-entry into field services. We believe that Xome's unique collection of real estate solutions offers a strong value proposition for customers and third-parties, and we look forward to the segment's expansion in 2018.



A DIGITAL FUTURE FOR HOMEOWNERSHIP

The dream of owning a home is still top-of-mind for many Americans. And we've learned that a mortgage often feels like a necessary evil—a process that is filled with intimidating terms, complex math, stressful decisions, and moments that can make one feel taken advantage of. Our transition to Mr. Cooper signified a commitment to redefine the homeownership experience, and we have the technology, scale, infrastructure and commitment to make that vision a reality. In short, our goal is to make our customers feel like capable, intelligent homeowners. We are transitioning into a digital-first company by making key investments in innovative technologies that place the home, not the loan, at the center of the mortgage process. The Mr. Cooper digital platform will help build positive relationships with customers through proactive, intelligent recommendations on topics such as debt consolidation and improving household cash flow. This year, as a first step forward, we will launch an enhanced mobile experience, designed to help Mr. Cooper customers to truly “own intelligently.”

mr.
cooper[®]
CHANGING THE FACE OF HOME LOANS

OUR CULTURE

At Nationstar, we believe great companies are built from the inside-out and we have spent the past 3 years transforming our culture to become customer-focused with great (and measurable) success. We want to emphasize the hard work, dedication and resiliency of our team members who made the company what it is today. We just received Fannie Mae's highest level of performance recognition – the Five STAR designation – for the fourth year running thanks to their dedication and this award is yet another reflection of our employees' complete dedication, to providing an impressive customer experience.

“... we believe great companies are built from the inside-out.”

LOOKING AHEAD

Building on Financial and Operational Strength.

As we look to 2018 and beyond, we do so from a position of financial and operational strength. We have achieved tremendous scale through our over 1,000 servicing transfers, and we believe there is a compelling opportunity for significant cost savings across the platform in the next two years. Coupled with the benefit of a rising rate environment and an enhanced free cash flow profile bolstered by cash tax savings from the merger, we will continue to build value for our stockholders.

We thank you for your partnership,



Jay Bray

