New Residential Investment Corp.
Form 424B2
June 11, 2015
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SEC File No. 333-196060

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee
Common Stock, par value $0.01 per share	36,209,067(1)	$15.88	$574,999,983.96	$66,815.00(2)

(1) Includes 4,722,921 shares of Common Stock, par value $0.01 per share, that may be purchased by the underwriters upon exercise of the underwriters option to purchase additional shares.
(2) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act of 1933, as amended.

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Prospectus Supplement

(To Prospectus dated May 16, 2014)

31,486,146 Shares

New Residential Investment Corp.

Common Stock

We are offering 27,935,389 shares of our common stock, $0.01 par value per share, and an affiliate of FIG LLC (our Manager) and certain employees of our Manager (collectively, the Selling Stockholders) are offering 3,550,757 shares of our common stock, by this prospectus supplement and the accompanying prospectus. All of the shares of our common stock being sold by the Selling Stockholders will be acquired through the exercise of outstanding options (the Option Shares). We will not receive any proceeds from the sale of the shares of our common stock being sold by the Selling Stockholders.

Our common stock is listed on the New York Stock Exchange under the symbol NRZ. On June 9, 2015, the last reported sale price of our common stock was $16.63 per share. We have declared a dividend of $0.45 per share of common stock payable to holders of record on May 26, 2015. Purchasers of shares in this offering will not be entitled to receive this dividend.

Investing in our common stock involves a high degree of risk. Before making a decision to invest in our common stock, you should read the discussion of material risks of investing in our common stock in Risk Factors beginning on page S-17 of this prospectus supplement and the Risk Factors section of our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2015, each of which has been filed with the Securities and Exchange Commission and is incorporated by reference in this prospectus supplement and the accompanying prospectus.

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

The underwriters have agreed to purchase common stock from us and from the Selling Stockholders at a price of $15.88 per share, which will result in approximately $443.6 million of proceeds to us and approximately $56.4 million of proceeds to the Selling Stockholders, before expenses. The underwriters may offer our common stock in transactions on the New York Stock Exchange, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. One of our officers has agreed to purchase 9,100 shares of our common stock from the underwriters in this offering.

The underwriters may also purchase up to an additional 4,722,921 shares of our common stock from us at $15.88 per share within 30 days from the date of this prospectus supplement. If the underwriters exercise the option to purchase additional shares of our common stock from us, the total proceeds to us, before expenses, will be $518.6 million.

The underwriters are offering the shares of our common stock as set forth under Underwriting. Delivery of the shares of our common stock will be made on or about June 15, 2015.

Joint Book-Running Managers

BofA Merrill Lynch **Citigroup** **J.P. Morgan**

The date of this prospectus supplement is June 9, 2015.

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

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated and deemed incorporated herein and therein by reference contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, anticipate, estimate, overestimate, underestimate, believe, could, continue or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, cash flows or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

- changes in global, national and local economic conditions, including, but not limited to, a prolonged economic slowdown and a downturn in the real estate market;
- reductions in cash flows received from our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our investment in servicer advances;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar Mortgage LLC (Nationstar), Springleaf Holdings, Inc., Ocwen Loan Servicing, LLC (Ocwen) and other third parties;
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;

the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our excess mortgage servicing rights (Excess MSRs), servicer advances, residential mortgage backed securities (RMBS), residential mortgage loans and consumer loan portfolios;

our ability to generate positive returns by exercising clean-up call rights with respect to securitizations of non-agency securities;

the risks that default and recovery rates on our Excess MSRs, servicer advances, real estate securities, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;

changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our Excess MSRs and servicer advances;

the risk that projected recapture rates on the portfolios underlying our Excess MSRs are not achieved;

the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;

the relative spreads between the yield on the assets we invest in and the cost of financing;

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changes in economic conditions generally and the real estate and bond markets specifically;

adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all;

changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;

changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;

the impact of changes in interest rates on the potential returns we may be able to generate from the exercise of call rights with respect to securitizations of non-agency securities;

impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;

the availability and terms of capital for future investments;

competition within the finance and real estate industries;

the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to stabilize the economy, the federal conservatorship of Fannie Mae and Freddie Mac and legislation that permits modification of the terms of loans;

our ability to maintain our qualification as a real estate investment trust (REIT) for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;

the ability to favorably resolve the alleged events of default under the Sixth Amended and Restated Indenture, dated as of January 17, 2014, by and among HLSS Servicer Advance Receivables Trust, Deutsche Bank National Trust Company, HLSS Holdings, LLC (HLSS Holdings), Ocwen, Wells Fargo Securities, LLC and Credit Suisse AG, New York Branch;

- our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the Investment Company Act) and the fact that maintaining such exclusion imposes limits on our operations;

- the risks related to the Acquisition (as defined herein); and

- other risks detailed from time to time below, particularly under the heading Risk Factors, and in our other reports filed with or furnished to the Securities and Exchange Commission (the SEC).

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

We encourage you to read this prospectus supplement and the accompanying prospectus, as well as the information that is incorporated by reference in this prospectus supplement and the accompanying prospectus, in their entireties. In evaluating forward-looking statements, you should consider discussion regarding risks and uncertainties under Risk Factors of this prospectus supplement and in our reports filed with the SEC. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management s views only as of the date of this prospectus supplement. We are under no duty to update any of the forward-looking statements after the date of this prospectus supplement to conform these statements to actual results.

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All references to we, our, us, the Company and New Residential in this prospectus supplement and the accompa
prospectus mean New Residential Investment Corp. and its consolidated subsidiaries, except where it is made clear that the term means only the parent company. All references in this prospectus supplement to HLSS mean Home Loan Servicing Solutions, Ltd. All references in this prospectus to the Acquisition mean the acquisition by us of the assets and assumption of liabilities of HLSS, as described in Prospectus Supplement Summary Acquisition Agreement below.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, including our Current Reports on Form 8-K filed on April 7, 2015 and June 9, 2015 which include historical financial information of HLSS and our pro forma financial information, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and our consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

NEW RESIDENTIAL INVESTMENT CORP.

General

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. Our stock is traded on the New York Stock Exchange (NYSE) under the symbol NRZ. We are externally managed and advised by FIG, LLC, an affiliate of Fortress Investment Group LLC, pursuant to a management agreement.

Our goal is to drive strong risk-adjusted returns primarily through investments in mortgage servicing related assets and other related opportunistic investments. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation. We aim to generate attractive returns for our stockholders without the excessive use of financial leverage.

We currently conduct our business through the following segments:

Servicing Related Assets

Excess MSRs: We have acquired Excess MSRs on residential mortgage loans with an aggregate unpaid principal balance (UPB) as of March 31, 2015 of $247.6 billion. As of March 31, 2015, the carrying value of our Excess MSRs was approximately $751.8 million (and $1.6 billion as of March 31, 2015 after giving effect to the Acquisition), representing 10.1% of our total assets or 48.0% of our equity.

Servicer Advances: We have made investments in servicer advances, including the basic fee component of the related MSRs. Certain of these investments were made through a joint venture entity of which we are the managing member (the Buyer), and which we consolidate in our financial statements. As of March 31, 2015, the carrying value of our servicer advances, including the basic fee component of the related MSRs, was approximately $3.2 billion (and $8.4 billion as of March 31, 2015 after giving effect to the Acquisition), representing 43.5% of our total assets, or 7.9% of our equity, net of financing and interests held by third party investors in the Buyer.

Residential Securities and Loans

Real Estate Securities: We acquire and manage a diversified portfolio of credit sensitive real estate securities, including Non-Agency and Agency RMBS. As of March 31, 2015, the carrying value of our real estate securities was approximately $2.4 billion ($1.7 billion for Agency RMBS and $0.7 billion for Non-Agency RMBS), representing 31.1% of our total assets, or 12.8% of our equity, net of financing.

Real Estate Loans: We have acquired residential mortgage loans, including performing, nonperforming, re-performing, reverse mortgage loans and Government National Mortgage Association (GNMA) buy-out (EBO) loans. As of March 31, 2015, the carrying value of our

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residential mortgage loans (including loans on which the borrower has defaulted and the lender has foreclosed on the underlying property) was \$581.0 million (and \$712.7 million as of March 31, 2015 after giving effect to the Acquisition), representing 7.8% of our total assets, or 9.4% of our equity, net of financing.

Other Investments

Consumer Loans: In April 2013, we acquired an interest in a pool of consumer loans, including unsecured and homeowner loans, held in an unconsolidated entity. In October 2014, this entity was refinanced and we received a distribution in excess of our basis such that, as of March 31, 2015, the carrying value of our investment in consumer loans had been reduced to zero. We continue to own an interest in this entity, from which we expect to receive significant future cash flows.

In addition, as of March 31, 2015, we had cash and cash equivalents, restricted cash, derivative assets, and other assets of \$564.4 million, representing 7.5% of our total assets, or 21.9% of our equity, net of dividends and other payables.

Recent Developments

HLSS Acquisition Agreement

On April 6, 2015, the Company entered into a Share and Asset Purchase Agreement (the Acquisition Agreement) with HLSS, HLSS Advances Acquisition Corp., a Delaware corporation and wholly owned subsidiary of the Company (HLSS Advances), and HLSS MSR-EBO Acquisition LLC, a Delaware limited liability company and wholly owned subsidiary of the Company (together with HLSS Advances, the Buyers). Pursuant to the Acquisition Agreement, the Buyers acquired from HLSS substantially all of the assets of HLSS (including all of the issued share capital of HLSS s first-tier subsidiaries) and assumed the liabilities of HLSS (together, the Acquisition) with the exception of the Senior Secured Term Loan Facility Agreement, dated as of June 27, 2013 (the Term Loan), which was paid off as described below, and the Retained Amount (as defined below). The aggregate consideration paid to HLSS (net of certain transaction expenses being reimbursed by HLSS), consisted of approximately \$1.0 billion in cash and 28,286,980 shares of the Company s common stock, par value \$0.01 per share (representing 19.9% of the number of shares outstanding immediately prior to issuance) (Company Common Stock), and was delivered to HLSS in a private placement. The closing of the Acquisition (the Acquisition Closing) occurred simultaneously with the execution of the Acquisition Agreement. The Term Loan was paid off prior to closing the Acquisition. The Acquisition Agreement was entered into concurrently with the termination of the Company s Agreement and Plan of Merger (the Initial Merger Agreement) among the Company, HLSS and Hexagon Merger Sub, Ltd., a Cayman Islands exempted company and a wholly owned subsidiary of the Company (Merger Sub). For more information, please refer to the Company s Current Report on Form 8-K filed on April 7, 2015 which is incorporated by reference in this prospectus supplement.

The Acquisition Agreement includes certain customary post-closing covenants of the Company, the Buyers and HLSS. In addition, in connection with the Acquisition, the Board of Directors of HLSS also approved a wind down plan (the Distribution and Liquidation Plan), pursuant to which HLSS sold the shares of Company Common Stock received in the Acquisition in an underwritten offering (as described in more detail below) and distributed to HLSS shareholders the cash consideration from the Acquisition and the cash proceeds from the sale of shares of Company Common Stock; under the terms of the Distribution and Liquidation Plan, HLSS retained \$50.0 million of cash (the Retained Amount) for wind down costs.

Registration Rights Agreement

At the Acquisition Closing, the Company entered into a Registration Rights Agreement, dated as of April 6, 2015, with HLSS (the Registration Rights Agreement) providing HLSS with certain customary demand and piggyback registration rights in respect of Company Common Stock. Pursuant to the Registration Rights Agreement, HLSS exercised certain piggyback registration rights pursuant to which the Company registered the 28,286,980 shares of Company Common Stock held by HLSS. On April 13, 2015, the Company completed a public offering of 57.5 million of its shares of common stock. 29,213,020 shares were sold by the Company (including 7,500,000 shares pursuant to the exercise of the underwriters option to purchase additional shares) and 28,286,980 shares were sold by HLSS, at a price of $15.25 per share. Following completion of that offering, HLSS no longer owned any shares of our common stock.

Services Agreement

At the Acquisition Closing, HLSS Advances entered into a Services Agreement, dated as of April 6, 2015, with HLSS (the Services Agreement). Pursuant to the Services Agreement, HLSS Advances has agreed to manage the assets and affairs of HLSS in accordance with terms and conditions set forth therein and, in all cases, in accordance with the Distribution and Liquidation Plan. The Services Agreement provides that HLSS Advances will be responsible for the operations of HLSS and will perform (or cause to be performed) such services and activities relating to the assets and operations of HLSS as may be appropriate, including, among other things, administering the Distribution and Liquidation Plan and handling all claims, disputes or controversies in which HLSS is a party or may otherwise be involved. HLSS Advances will not be compensated by HLSS for its services under the Services Agreement but will be reimbursed by HLSS for expenses incurred on behalf of HLSS. The Services Agreement provides for an initial one-year term and, unless terminated, will be deemed renewed automatically on each anniversary of the Acquisition Closing for successive one-year periods. HLSS Advances may elect not to renew the Services Agreement upon written notice at least 60 days prior to an anniversary date of the Services Agreement. HLSS may terminate the Services Agreement upon 30 days written notice to HLSS Advances in the event of any act of fraud, misappropriation of funds, or embezzlement against HLSS or other willful violation of the Services Agreement by HLSS Advances or in the event of any gross negligence on the part of HLSS Advances in the performance of its duties thereunder.

New Merger Agreement

At the Acquisition Closing, the Company and Merger Sub entered into an Agreement and Plan of Merger, dated April 6, 2015, with HLSS (the New Merger Agreement), pursuant to which, upon the terms and subject to the conditions set forth therein (including the approval of HLSS s shareholders), HLSS will merge with and into Merger Sub, with Merger Sub continuing as the surviving company and a wholly owned subsidiary of the Company (the New Merger).

Pursuant to the New Merger Agreement, and upon the terms and conditions set forth therein, at the effective time of the New Merger (the Effective Time), each ordinary share of HLSS, par value $0.01 per share, issued and outstanding immediately prior to the Effective Time, (other than those shares of HLSS owned by the Company or any direct or indirect wholly-owned subsidiary of the Company and shares of HLSS as to which dissenters rights have been properly exercised), will be automatically converted into the right to receive $0.704059 per share in cash, without interest.

The New Merger Agreement contains certain customary representations and warranties made by each party, which in the case of HLSS are qualified by the confidential disclosures provided to the Company in connection with the New Merger Agreement, as well as matters included in HLSS s reports filed with the SEC prior to the date of the New Merger Agreement. The Company and HLSS have agreed to various covenants regarding the conduct of HLSS s business prior to the closing of the New Merger (the New Merger Closing), including covenants that HLSS shall not conduct any business except (i) as required by applicable law, (ii) as expressly required by the Distribution and Liquidation Plan consistent with the Services Agreement or (iii) as required to comply with its obligations pursuant to the Acquisition Agreement.

The New Merger does not require the approval of the Company s shareholders and is not conditioned on the receipt of financing by the Company. However, consummation of the New Merger is subject to, among other things: (i) approval of the New Merger by the requisite vote of HLSS s shareholders (the HLSS Shareholder Approval), (ii) not more than 10% of HLSS s issued and outstanding shares properly exercise appraisal rights as of the time immediately before the New Merger Closing and (iii) certain other customary closing conditions. Moreover, each party s obligation to consummate the New Merger is subject to certain other conditions, including without limitation, (i) the accuracy of the other party s representations and warranties and (ii) the other party s compliance with its covenants and agreements contained in the New Merger Agreement (in each case subject to customary materiality qualifiers). In addition, the obligations of the Company and Merger Sub to consummate the New Merger are subject to the absence of any Company Material Adverse Effect (as defined in the New Merger Agreement). On May 1, 2015, HLSS filed a preliminary proxy statement with the SEC relating to HLSS s extraordinary general meeting to consider and vote on the New Merger.

The New Merger Agreement may be terminated by either party under certain circumstances, including, among others: (i) if the New Merger Closing has not occurred by the nine-month anniversary of the New Merger Agreement; (ii) if a court or other governmental entity has issued a final and non-appealable order prohibiting the New Merger Closing; (iii) if HLSS fails to obtain the HLSS Shareholder Approval; or (iv) upon a material uncured breach by the other party that would result in a failure of the conditions to the New Merger Closing to be satisfied.

Description of the Assets of HLSS We Acquired

Pursuant to the Acquisition Agreement, we, through certain of our subsidiaries, acquired all of HLSS s investments, including all of the issued share capital of HLSS s first tier subsidiaries, on April 6, 2015. These investments included (i) the rights to receive certain servicing fees and, subject to certain limitations, the rights to obtain the necessary third-party consents and become the named servicer of the related servicing agreements in exchange for assuming the obligation to buy servicer advances and other consideration, (ii) whole loans held-for-sale and (iii) other residential mortgage-related assets (collectively, Residential Mortgage Assets). As of March 31, 2015, HLSS s asset base included interests in MSRs with respect to which HLSS was entitled to certain servicing fees with underlying UPB of $156.3 billion and servicer advances of $5.8 billion and whole loans held-for-sale of $421.3 million.

HLSS and its subsidiaries relied on third-party residential mortgage loan servicers, such as Ocwen, to service the loans underlying their investments. As of March 31, 2015, (i) all the MSRs with respect to which HLSS was entitled to the basic fee component and the excess servicing fee component had been acquired from, and all related loans were serviced by, Ocwen, and (ii) loans held-for-sale were serviced by Ocwen and PennyMac Loan Services, LLC (PennyMac). Ocwen and PennyMac have continued to act as servicers for the assets we acquired in the Acquisition. A subsidiary of HLSS that we acquired has the right but not the obligation to become the named servicer under the servicing agreements. We would need to obtain various licenses and third-party approvals to become a named servicer of residential mortgages. We have agreed with Ocwen not to become the named servicer in respect of any such servicing agreements before April 6, 2017, except in certain limited circumstances.

With respect to the Ocwen MSRs with respect to which we are entitled to certain serving fees we have acquired, prior to the transfer of legal ownership of the underlying MSRs to us, Ocwen remains obligated to service the underlying residential mortgage loans and remit to us the servicing fees collected each month (Ocwen retains certain ancillary income such as late charges, modification fees, etc.). In the event of transfer of legal ownership of any MSRs to us, Ocwen will sub-service the underlying mortgage loans on our behalf and we will receive the servicing fees (excluding certain ancillary income).

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As compensation for its servicing activities, Ocwen receives from us a monthly base fee equal to 12% of such servicing fees collected each month. Ocwen also earns a monthly performance-based incentive fee that fluctuates based on collections and excess servicer advance reduction criteria with respect to the underlying mortgage loans. The method used to calculate the fees that we are required to pay to Ocwen with respect to the MSRs with respect to which we are entitled to certain servicing fees is the same as the method used to calculate the fees that we would pay to Ocwen under a subservicing agreement with respect to any MSRs should we subsequently directly acquire legal ownership of the MSRs. As a result, the compensation to be paid to Ocwen would not vary based on whether Ocwen or we hold legal title to the underlying MSRs.

HLSS recorded the purchase price paid to Ocwen for the MSRs with respect to which it is entitled to the basic fee component as Notes receivable Rights to MSRs. Interest income on such Notes receivable Rights to MSRs is the primary source of income on the assets HLSS acquired from Ocwen. The retained fee negotiated by HLSS with Ocwen on the Notes receivable Rights to MSRs we acquired ranges from 13.0 to 32.5 basis points in accordance with a pre-determined schedule set forth in the applicable Sale Supplement (as defined below).

Substantially all of the Ocwen MSRs with respect to which we are entitled to certain servicing fees and related servicer advances we acquired relate to subprime and Alt-A mortgage loans. The prepayment rate on subprime and Alt-A mortgage loans has demonstrated little correlation with interest rates in recent years.

Servicer advances were HLSS s largest asset class and comprised 78.1% of its total assets as of March 31, 2015. Servicer advances are relatively low risk assets because they are generally reimbursed out of the proceeds from the underlying mortgage loans and are recoverable from the related loan and, in many cases, from proceeds from other loans in the same pool of serviced loans. Servicer advances were 3.72% of the UPB of the underlying mortgage loans as of March 31, 2015.

Notes receivable Rights to MSRs comprised 8.0% of HLSS s total assets as of March 31, 2015. Notes receivable Rights to MSRs are valued, in part, based on the expected life of the pool of mortgage loans underlying these assets.

GNMA EBO loans were recorded by HLSS at the purchase price and carried at amortized cost, HLSS accrued interest income on these loans at the amount that they were guaranteed to receive under either the related purchase agreement or by the Federal Housing Administration (FHA). FHA guarantees 100% on the UPB and a portion of the interest receivable. As of March 31, 2015, the GNMA EBO loans were classified by HLSS as held-for-sale and carried at the lesser of amortized cost or fair value. In addition, HLSS s other assets included claims receivable from FHA of $98.7 million as a result of its GNMA EBO loans. HLSS also received a portion of the GNMA incentives provided to its servicers for successful loan modifications that are re-securitized in a GNMA securitization.

Because servicer advances are non-interest bearing and the interest expense to finance servicer advances is one of the largest expenses related to the assets we acquired, the agreements with Ocwen provide for a reduction in the fees payable to Ocwen in any month if the advance ratio exceeds a predetermined level for that month. If we do not receive an amount equal to the retained fee in any given month, as expressed in terms of basis points of the average UPB of the mortgage loans serviced, a shortfall in the retained fee is created. Ocwen does not earn the full amount of its fees for any month that there is such a shortfall, or in any subsequent month, until we have recovered all shortfalls in the retained fee.

Description of the Purchase Agreement

HLSS and HLSS Holdings, LLC (a subsidiary of HLSS acquired by us in the Acquisition) entered into a mortgage servicing rights purchase agreement with Ocwen (the Purchase Agreement), which remains in effect following the

Acquisition. Pursuant to the Purchase Agreement, HLSS and HLSS Holdings purchased, among other things, the rights to certain servicing fees under MSRs in respect of private label securitization transactions, associated servicer advances and other related assets from Ocwen from time to time. The specific terms of any acquisition of such assets are documented pursuant to separate sale supplements to the Purchase Agreement executed by the parties from time to time (each a Sale Supplement and together, the Sale Supplements). As of March 31, 2015, the UPB of the mortgage loans in respect of the related MSRs equaled $156.3 billion. Ocwen consented to HLSS s assignment of its rights and interests in connection with the Acquisition.

Because Ocwen is the servicer of the loans underlying the MSRs related to the transactions contemplated by the Purchase Agreement, as also described above, we will pay Ocwen a monthly base fee pursuant to the applicable Sale Supplement relating to the applicable MSRs equal to 12% of the servicing fees collected thereon in any given month. This monthly base fee payable to Ocwen is expressed as a percentage of the servicing fees actually collected in any given month, which varies from month to month based on the level of collections of principal and interest for the mortgage loans serviced.

As described above, Ocwen also receives a performance-based incentive fee to the extent the servicing fee revenue that it collects for any given month exceeds the sum of the monthly base fee and the retained fee. The performance-based incentive fee payable in any month is reduced if the advance ratio exceeds a predetermined level for that month. If the advance ratio is exceeded in any month, any performance-based incentive fee payable for such month will be reduced by 1-month LIBOR plus 2.75% (or 275 basis points) per annum of the amount of any such excess servicer advances.

The specific terms of the fee arrangements with respect to each pool of mortgage loans may be documented pursuant to the Sale Supplements in each case having up to an eight year term (commencing on the date of the applicable Sale Supplement). If Ocwen and we do not agree to revised fee arrangements at the end of such term, we may direct Ocwen to transfer servicing to a third party, and we may keep any proceeds of such transfer.

The Purchase Agreement provides that we will purchase from Ocwen servicer advances arising under specified servicing agreements as the servicer advances arise. The purchase price payable by us for such servicer advances is equal to the outstanding balance thereof. As of March 31, 2015, the outstanding balance of servicer advances acquired from Ocwen equaled $5.8 billion.

In addition, the Purchase Agreement contemplates that we may cause Ocwen to use commercially reasonable efforts to transfer servicing of the related mortgage loans to a third-party servicer upon the occurrence of various termination events. Certain termination events may have occurred under the Purchase Agreement because of downgrades in certain of Ocwen s servicer ratings but we have agreed, subject to certain limitations, not to cause Ocwen to use commercially reasonable efforts to transfer servicing of the related mortgage loans to a third-party servicer with respect to such downgrades before April 6, 2017.

The Purchase Agreement and Sale Supplements include various Ocwen warranties, representations and indemnifications relating to Ocwen s performance of its duties as servicer.

Description of Ocwen Amendment and Consent

Pursuant to an amendment to the Purchase Agreement executed in connection with the consummation of the Acquisition, such Purchase Agreement and the related Sale Supplements were amended, among other things, to (i) obtain Ocwen s consent to the assignment by HLSS of its interest under the Purchase Agreement and each sale supplement thereto, (ii) provide that HLSS Holdings will not direct the replacement of Ocwen as servicer before April 6, 2017 except under the circumstances described in the amendment, (iii) extend the scheduled term of Ocwen s servicing appointment under each sale supplement until the earlier of 8 years from the date of the related sale supplement and April 30, 2020 (subject to an agreement to commence negotiating in good faith for an extension of the contract term no later than six months prior to the end of the applicable term), and (iv) provide that Ocwen will reimburse HLSS Holdings, subject to specified limits, in the event that HLSS

Holdings incurs for certain increased financing costs resulting from a further S&P servicer rating downgrades of Ocwen. In addition, pursuant to such amendment Ocwen agreed to sell to us the economic beneficial rights to any right of optional termination or clean-up call of any trust related to any servicing agreement in respect of certain servicing fees we acquired from HLSS and to exercise such rights only at our direction.

In connection with a typical optional termination or clean-up call in respect of a residential mortgage servicing agreement, the exercising party (or its designee) will generally purchase all of the outstanding serviced mortgage loans at a purchase price equal to the sum of (i) outstanding balance of such serviced loans, (ii) the fair market value of any serviced real estate owned (REO) properties, (iii) the outstanding related servicer advances and (iv) certain other costs and expenses. We agreed to pay to Ocwen a fee in an amount equal to 0.50% of the outstanding balance of the performing mortgage loans purchased in connection with any such exercise and to pay costs and expenses of Ocwen in connection with any such exercise. Optional termination or clean up call rights generally may not be exercised until the outstanding principal balance of serviced loans is reduced to a specified balance.

We currently own call rights with respect to securitizations collateralized by mortgage loans with an estimated UPB of approximately $200.0 billion, including the call rights acquired from Ocwen. We continue to evaluate the call rights we received from Ocwen as our ability to exercise such rights and realize the benefits therefrom, as well the call rights we previously owned, are subject to a number of risks. See Risk Factors Risks Related to the Acquisition Our ability to exercise our cleanup call rights may be limited or delayed if a third party contests our ability to exercise our cleanup call rights, if the related securitization trustee refuses to permit the exercise of such rights, or if a related party is subject to bankruptcy proceedings. The actual UPB that we can successfully exercise call rights on and realize the benefits therefrom may differ materially.

Description of the Subservicing Agreement

HLSS Holdings entered into a subservicing agreement with Ocwen, which remains in effect following the Acquisition (the Subservicing Agreement). Pursuant to the Subservicing Agreement, HLSS Holdings engaged Ocwen to act as the subservicer of the pools of residential mortgage loans underlying the MSRs related to the transactions contemplated by the Purchase Agreement that we acquired in the Acquisition if HLSS Holdings becomes the named servicer in respect of such loans. The specific terms of each subservicing arrangement with respect to each pool of mortgage loans may be documented pursuant to separate subservicing supplements to the Subservicing Agreement in each case having up to an eight year term from the date of the related Sale Supplement.

HLSS Holdings has entered into separate subservicing supplements to the Subservicing Agreement with Ocwen pursuant to which Ocwen has agreed to act as subservicer of the mortgage loans underlying MSRs on the terms described below effective upon HLSS Holdings becoming the named servicer in respect of the related mortgage loans. As of March 31, 2015, HLSS Holdings has not become the named servicer in respect of any mortgage loans and Ocwen remains obligated to service such mortgage loans.

The method used to calculate the fees that are payable to Ocwen with respect to MSRs subserviced by Ocwen is the same as the method used to calculate the fees to Ocwen as servicer under the Purchase Agreement.

Description of the Ocwen Professional Services Agreement

HLSS Management, LLC (HLSS Management) (a subsidiary of HLSS acquired by us in the Acquisition) has a professional services agreement with Ocwen that enables HLSS to provide certain services to Ocwen and for Ocwen to provide certain services to HLSS Management which remains in effect following the Acquisition. Services provided by us under this agreement may include valuation and analysis of MSRs, capital markets

activities, advance financing management, treasury management, legal services and other similar services. Services provided by Ocwen under this agreement may include business strategy, legal, tax, licensing and regulatory compliance support services, risk management services and other similar services.

The services provided by the parties under this agreement are on an as-needed basis, and the fees represent actual costs incurred plus an additional markup of 15%.

Description of the Altisource Administrative Services Agreement

HLSS Management has an administrative services agreement with Altisource Portfolio Solutions S.A. (Altisource) that enables Altisource to provide certain administrative services to HLSS Management, which remains in effect following the Acquisition. Services provided to us under this agreement may include human resources administration (benefit plan design, recruiting, hiring and training and compliance support), legal and regulatory compliance support services, general business consulting, corporate services (facilities management, security and travel services), finance and accounting support services (financial analysis, financial reporting and tax services), risk management services, vendor management and other related services. The services Altisource may provide to us under this agreement are on an as-needed basis, and the fees we pay Altisource are based on the actual costs incurred by them plus an additional markup of 15%.

Assumption of HLSS Financing Arrangements

In connection with the Acquisition, NRZ assumed primarily all of the obligations of HLSS (with the exception of the Term Loan which was paid off prior to closing the Acquisition), contingent and other corporate liabilities.

We assumed from HLSS two servicer advance financing facilities, a master repurchase facility to finance EBO loans and a note facility to finance a note issued under the HSART facility (as defined below).

Servicer Advance Financing Facilities

One servicer advance financing facility, the HSART master trust servicer financing facility (the HSART facility), is a master trust financing facility with three series of outstanding variable funding notes and eight series of outstanding term notes. As of March 31, 2015, the aggregate outstanding principal balance of term notes was $2.9 billion. Subject to limitations on the outstanding note principal balance based on the amount of eligible collateral in the HSART facility, the aggregate principal balance that could be drawn on the variable funding notes issued under the HSART facility was equal to $2.4 billion as of March 31, 2015. If there is not sufficient outstanding collateral to support the outstanding term notes under the HSART facility, collections on the collateral securing the HSART facility may be required to cash collateralize the term notes prior to the date on which the term notes may be repaid or redeemed.

The variable funding notes issued under the HSART facility revolve until April 4, 2016 and will then become due and payable on the next payment date under the HSART facility unless extended. The outstanding term notes have differing terms and dates on which principal amounts are required to be paid. Those payment dates (the expected repayment dates) range from October 15, 2015 at the earliest (and then only for certain notes) to June 15, 2018 at the latest (and then only for certain notes).

The term notes are generally not permitted to be redeemed prior to their expected repayment dates unless an event of default, facility early amortization event or target amortization event applicable to those notes occurs. The variable funding notes are provided by Wells Fargo Bank, N.A., Credit Suisse and Barclays Bank PLC. The notes issued under the HSART facility can become due and payable prior to their related expected repayment

dates and/or maturity dates if any event of default, target amortization event or facility early amortization event occurs. As of March 31, 2015, the outstanding obligations under the HSART facility equaled approximately $4.8 billion. The weighted average interest rate of the notes under the HSART facility as of March 31, 2015 was equal to 1.80%.

The other servicer advance facility (the HSART II facility) is a bilateral financing facility provided by Barclays Bank PLC. Subject to limitations on the outstanding note principal balances based on the amount of eligible collateral in the HSART II facility, the aggregate maximum principal balance that could be drawn on the variable funding notes issued under the HSART II facility was equal to $525.0 million as of March 31, 2015. The variable funding notes issued under the HSART II facility revolve until December 3, 2015 and will then become due and payable on the next payment date under the HSART II facility unless extended. The notes issued under the HSART II facility can become due and payable prior to their related expected repayment dates and/or maturity dates if any event of default, target amortization event or facility early amortization event occurs. As of March 31, 2015, the outstanding obligations under the HSART II facility equaled approximately $525.0 million. The weighted average interest rate of the notes under the HSART II facility as of March 31, 2015 was equal to 1.78%.

The collateral securing the HSART and HSART II facilities consists of rights to reimbursement for servicer advances and certain deferred servicing fees in respect of mortgage loans for which HLSS Holdings has acquired interests in MSRs from Ocwen. The maximum amount that may be outstanding under the HSART and HSART II facilities is subject to a borrowing base which is determined based on advance rates for the particular types of collateral and concentration limits.

EBO Facility

A subsidiary of HLSS acquired by us in the Acquisition finances certain of its GNMA EBO loans under a master repurchase agreement (the EBO facility) with Barclays Bank PLC and/or affiliates of Barclays Bank PLC. The obligations thereunder will become due and payable on January 4, 2016 unless extended. As of March 31, 2015, the outstanding obligations under the master repurchase agreement equaled approximately $486.8 million and the weighted average interest rate thereunder was equal to 2.95% per annum.

Note Facility

HLSS Holdings entered into a financing arrangement with Credit Suisse for one of the notes issued under the HSART facility that is retained by HLSS Holdings. As of March 31, 2015, the outstanding obligations under such facility equaled approximately $25.6 million and the weighted average interest rate thereunder was equal to 1.32%. We guarantee all the obligations under this facility.

Financing Update

Since the Acquisition Closing, we have redeemed $350.0 million of the Series 2013-T2 Notes issued pursuant to the HSART facility in accordance with the terms of the HSART facility and increased borrowing capacity of the variable funding notes issued under the HSART and HSART II facilities to $4.4 billion and $625.0 million, respectively. In addition, we entered into a revolving variable funding note securitization facility with Morgan Stanley Bank, N.A. to finance servicer advances arising under certain of the MSRs related to the transactions contemplated by the Purchase Agreement. The aggregate commitments in respect of the variable funding notes issued under such facility equal $400.0 million.

In addition, we issued a $219.4 million secured corporate note maturing in April 2017. The loan bears interest equal to the sum of (i) a floating rate index rate equal to one-month LIBOR and (ii) a margin of 5.25% until May 2016, after which the loan bears interest equal to the sum of (i) a floating rate index rate equal to one-month LIBOR and (ii) a margin of 7.25%. The loan contains customary covenants and event of default provisions.

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We are currently in discussions with noteholders under our HSART and HSART II facilities to increase advance rates under such facilities. There can be no assurance that we will be successful in reaching an agreement with the noteholders of one or more of the facilities.

1940 Act Exclusion

We treat our wholly-owned subsidiary that acquired substantially all of the assets of HLSS as an operating company because it is engaged primarily in the business of acquiring interests in MSRs and funding associated servicing advances. and overseeing one or more high-quality residential mortgage loan servicers to service the mortgage loans underlying the MSRs that it acquires.

Our Corporate Information

We were formed as NIC MSR LLC, a Delaware limited liability company, in September 2011 and were a wholly owned subsidiary of Newcastle Investment Corp. (Newcastle). We converted to a Delaware corporation and changed our name to New Residential Investment Corp. in December 2012. On May 15, 2013, we separated from Newcastle through the distribution of our shares of common stock to the stockholders of Newcastle and became a stand-alone publicly traded company. Our principal executive offices are located at 1345 Avenue of the Americas, New York, New York 10105, c/o New Residential Investment Corp. Our telephone number is 212-479-3150. Our web address is www.newresi.com. The information on or otherwise accessible through our web site does not constitute a part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference into this prospectus supplement, accompanying prospectus or any other report or document we file with or furnish to the SEC.

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THE OFFERING

Common stock offered:	
By us	27,935,389 shares (or 32,658,310 shares if the underwriters exercise their option to purchase additional shares of our common stock in full).
By the Selling Stockholders	3,550,757 shares of our common stock.
Common stock to be outstanding after the offering	230,421,051 shares, including the shares of our common stock sold by the Selling Stockholders which will be issued pursuant to the exercise of outstanding options concurrently with this offering (or 235,143,972 shares if the underwriters exercise their option to purchase additional shares of our common stock in full).
NYSE symbol	NRZ.
Risk factors	Investing in our common stock involves certain risks, which are described under Risk Factors on page S-17 of this prospectus supplement and in our reports filed with the SEC.
Use of proceeds	We estimate that the net proceeds from our sale of common stock in this offering will be approximately $442.5 million (or $517.5 million if the underwriters exercise their option to purchase additional shares of our common stock in full), after deducting our expenses of this offering. We intend to use the net proceeds from our sale of common stock in this offering for general corporate purposes, including to make a variety of investments, which may include, but are not limited to, investments in Excess MSRs, servicer advances, real estate securities and real estate related loans. We will not receive any proceeds from the sale of the Option Shares by the Selling Stockholders.

The number of shares of our common stock that will be outstanding after this offering is based on 198,934,905 shares of our common stock outstanding as of June 5, 2015, and excludes:

(i) options relating to an aggregate of 8,107,761 shares of our common stock held by an affiliate of our Manager, after giving effect to the options exercised in connection with this offering by the Selling Stockholders;

(ii) options relating to an aggregate of 1,449,807 shares of our common stock assigned to employees of affiliates of our Manager, after giving effect to the options exercised in connection with this offering by the Selling Stockholders;

(iii) options relating to an aggregate of 5,000 shares of our common stock held by our directors; and

(iv) options relating to 2,793,539 shares of our common stock at an exercise price per share equal to the public offering price, representing 10% of the number of shares of our common stock being offered by us, that have been approved by the Compensation Committee of our Board of Directors to be granted pursuant to and in accordance with the terms of our Nonqualified Stock Option and Incentive Award Plan to an affiliate of our Manager in connection with this offering, and subject to adjustment if the underwriters exercise their option to purchase additional shares of our common stock. The options are fully vested as of the date of grant, become exercisable as to 1/30 of the shares to which it is subject on the first day of each of the 30 calendar months following the first month after the date of the grant and expire on the tenth anniversary of the date of grant.

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SUMMARY HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

The following table presents our summary historical financial information as of and for the quarter ended March 31, 2015 and the years ended December 31, 2014, 2013 and 2012 and pro forma financial information as of and for the quarter ended March 31, 2015 and the year ended December 31, 2014.

The summary historical consolidated statements of income for the years ended December 31, 2014, 2013 and 2012 and the summary historical consolidated balance sheets as of December 31, 2014 and 2013 have been derived from our audited financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheet as of December 31, 2012 has been derived from our audited financial statements not included or incorporated by reference in this prospectus supplement. The unaudited summary historical condensed consolidated statement of income for the three months ended March 31, 2015 and 2014 and the unaudited summary historical condensed consolidated balance sheet as of March 31, 2015 have been derived from our unaudited consolidated financial statements incorporated by reference into this prospectus supplement.

The unaudited pro forma combined financial information presented below was derived from the application of pro forma adjustments to our consolidated financial statements. The summary historical and pro forma financial information should be read in conjunction with our consolidated financial statements and the notes thereto and Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q for these periods, and in our Current Reports on Form 8-K filed on April 7, 2015 and June 9, 2015, which include the historical financial statements of HLSS. See Unaudited Pro Forma Combined Financial Information in this prospectus supplement.

The unaudited pro forma information set forth below reflects our historical information with certain adjustments. The unaudited pro forma combined balance sheet as of March 31, 2015 gives effect to the Pro Forma Transactions (as defined below) as if the Pro Forma Transactions had occurred on March 31, 2015. The unaudited pro forma combined statements of income for the year ended December 31, 2014 and for the three months ended March 31, 2015 give effect to the Pro Forma Transactions as if they had occurred on January 1, 2014.

Our acquisition of substantially all of the assets and assumption of the related liabilities from HLSS including all of the issued share capital of HLSS s first-tier subsidiaries (the Acquisition);

Consideration for the Acquisition consisting of the following: the issuance by us of approximately 28,286,980 shares of common stock of the Company at a price of $15.346 per share to HLSS, cash consideration paid of $622.0 million, HLSS seller financing of $385.2 million, and contingent cash consideration for the potential future acquisition of Hexagon Merger Sub Ltd. pursuant to the Share and Asset Purchase Agreement, dated April 6, 2015 (the APA), of $50.0 million;

The completion of sales of certain residential mortgage loan portfolios and new indebtedness by the Company in contemplation of the Acquisition, and the use of the proceeds from the Company s loan sales and new indebtedness to fund the Acquisition;

The refinancing of certain liabilities assumed in the Acquisition with the existing lenders of such liabilities, as well as repayment of the HLSS senior secured term loan facility on April 6, 2015 prior to consummation of the Acquisition; and

Following the foregoing (collectively, the Pro Forma Transactions), the management fee and the incentive compensation fee payable to the Manager by the Company.

The public offering of common stock completed on April 13, 2015 and the offering of common stock pursuant to this prospectus supplement are not included as part of the Pro Forma Transactions.

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

Further, the historical financial information presented herein has been adjusted to give pro forma effect to events that we believe are directly attributable to the Acquisition, factually supportable and which are expected to have a continuing impact on our results. However, such adjustments are estimates and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. See Risk Factors and Cautionary Statements Regarding Forward-Looking Statements.

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

(in thousands, except share and per share data)

	Pro Forma for the Three Months Ended March 31, 2015	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014	Pro Forma for the Year Ended December 31, 2014	Year Ended December 31, 2014	2013	2012
Statement of Income Data							
Interest income	$ 173,757	$ 84,373	$ 71,490	$ 746,157	$ 346,857	$ 87,567	$ 33,759
Interest expense	75,425	33,979	38,997	328,304	140,708	15,024	704
Net Interest Income	98,332	50,394	32,493	417,853	206,149	72,543	33,055
Impairment	2,048	2,048	492	11,282	11,282	5,454	
Net interest income after impairment	96,284	48,346	32,001	406,571	194,867	67,089	33,055
Other Income	(4,175)	12,295	35,050	379,123	375,088	241,008	17,423
Operating Expenses	31,512	22,270	9,899	164,395	104,899	42,474	9,231
Income Before Income Taxes	60,597	38,371	57,152	621,299	465,056	265,623	41,247
Income tax expense (benefit)	(3,422)	(3,427)	287	23,593	22,957		

Net Income	$ 64,019	$ 41,798	$ 56,865	$ 597,706	$ 442,099	$ 265,623	$ 41,247
Noncontrolling Interests in Income of Consolidated Subsidiaries	$ 5,823	$ 5,823	$ 8,093	$ 89,222	$ 89,222	$ (326)	$
Net Income Attributable to Common Stockholders	$ 58,196	$ 35,975	$ 48,772	$ 508,484	$ 352,877	$ 265,949	$ 41,247
Net Income per Share of Common Stock, Basic	$ 0.34	$ 0.25	$ 0.39	$ 3.09	$ 2.59	$ 2.10	$ 0.33
Net Income per Share of Common Stock, Diluted	$ 0.34	$ 0.25	$ 0.38	$ 3.03	$ 2.53	$ 2.07	$ 0.33
Weighted Average Number of Shares of Common Stock Outstanding, Basic	169,721,885	141,434,905	126,604,510	164,759,845	136,472,865	126,539,024	126,512,823
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	173,198,289	144,911,309	129,919,967	167,852,689	139,565,709	128,684,128	126,512,823

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	Pro Forma as of March 31, 2015	March 31, 2015	2014	December 31, 2013	2012
Balance Sheet Data					
Investments in:					
Excess mortgage servicing rights, at fair value	$ 1,356,648	$ 526,662	$ 417,733	$ 324,151	$ 245,036
Excess mortgage servicing rights, equity method investees, at fair value	225,111	225,111	330,876	352,766	
Servicer advances, at fair value	8,497,047	3,245,457	3,270,839	2,665,551	
Real estate securities, available-for-sale	2,324,915	2,324,915	2,463,163	1,973,189	289,756
Residential mortgage loans, held-for-investment	44,967	44,967	47,838	33,539	
Residential mortgage loans, held-for-sale	631,839	500,174	1,126,439		
Real estate owned	35,905	35,905	61,933		
Consumer loans, equity method investees				215,062	
Cash and cash equivalents	246,287	459,334	212,985	271,994	
Total assets	14,077,120	7,467,622	8,093,690	5,958,658	534,876
Total debt	11,392,300	5,338,807	6,062,299	4,109,329	150,922
Total liabilities	11,813,698	5,653,208	6,243,765	4,445,583	156,520
Total New Residential stockholders equity	2,016,524	1,567,515	1,596,089	1,265,850	378,356
Noncontrolling interests in equity of consolidated subsidiaries	246,899	246,899	253,836	247,225	
Total equity	2,263,423	1,814,414	1,849,925	1,513,075	378,356
Supplemental Balance Sheet Data					
Common shares outstanding	169,721,885	141,434,905	141,434,905	126,598,987	
Book value per share of common stock	$ 11.88	$ 11.08	$ 11.28	$ 10.00	
Other Data					
Core earnings(A)	$ 103,099	$ 63,465	$ 219,261	$ 129,997	$ 29,054

(A) We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense incurred under the debt incurred to finance our investments, (iii) our operating expenses and (iv) our realized and unrealized gain or losses, including any impairment and deferred tax, on our investments. Core earnings is a non-Generally Accepted Accounting Principles (GAAP) measure of our operating performance excluding the fourth variable above and adjusting the earnings from the consumer loan investment to a level yield basis. It is used by management to gauge our current performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are only a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; and (iii) non-capitalized transaction-related expenses.

While incentive compensation paid to our Manager may be a material operating expense, we exclude it from core earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from core earnings, and (ii) it is impractical to determine the portion of the expense related to core earnings and non-core earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to core earnings, we note that, as an example, in a given period, we may have core earnings in excess of the incentive compensation threshold but incur losses (which are excluded from core earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to core earnings, even though core earnings exceeded the incentive compensation threshold, or (b) assign a pro forma amount of incentive compensation expense to core earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-core earnings.

With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses. These costs are recorded as General and administrative expenses in our Condensed Consolidated Statements of Income.

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

Management believes that the adjustments to compute core earnings specified above allow investors and analysts to readily identify the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current performance using the same measure that management uses to operate the business.

The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments) and (ii) non-capitalized transaction-related expenses. Both are excluded from core earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike core earnings, our incentive compensation measure is intended to reflect all realized results of operations.

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Core earnings does not represent cash generated from operating activities in accordance with GAAP and therefore should not be considered an alternative to net income as an indicator of our operating performance or as an alternative to cash flow as a measure of our liquidity and is not necessarily indicative of cash available to fund cash needs. For a further description of the difference between cash flow provided by operations and net income, see Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources in our Annual Report on Form 10-K and Quarterly Report on Form 10-Q, each of which is incorporated by reference in this prospectus supplement. Our calculation of core earnings may be different from the calculation used by other companies and, therefore, comparability may be limited. Set forth below is a reconciliation of core earnings to the most directly comparable GAAP financial measure (dollars in thousands):

	Pro Forma for the Year Ended December 31,	Year Ended December 31,		
	2014	2014	2013	2012
Net income (loss) attributable to common stockholders	$ 508,484	$ 352,877	$ 265,949	$ 41,247
Impairment	11,282	11,282	5,454	
Other Income adjustments:				
Other Income	(376,878)	(375,088)	(241,008)	(17,423)
Other Income attributable to non-controlling interests	45,578	45,578		
Deferred taxes attributable to Other Income, net of non-controlling interests	15,804	15,804		
Total Other Income Adjustments	(315,496)	(313,706)	(241,008)	(17,423)
Incentive compensation to affiliate	91,758	54,334	16,847	
Non capitalized transaction-related expenses	10,281	10,281	5,698	5,230
Core earnings of equity method investees:				
Excess mortgage servicing rights	33,799	33,799	23,361	
Consumer loans	70,394	70,394	53,696	
Core Earnings	$ 410,502	$ 219,261	$ 129,997	$ 29,054

	Pro Forma for the Three Months Ended March 31,	Three Months Ended March 31,	
	2015	2015	2014
Net income (loss) attributable to common stockholders	$ 58,196	$ 35,975	$ 48,772
Impairment	2,048	2,048	492
Other Income adjustments:			
Other Income	5,665	(12,295)	(35,050)
Other Income attributable to non-controlling interests	(5,146)	(5,146)	
Deferred taxes attributable to Other Income, net of non-controlling interests	(2,390)	(2,390)	
Total Other Income Adjustments	(1,871)	(19,831)	(35,050)

Incentive compensation to affiliate	7,571	3,693	3,338
Non capitalized transaction-related expenses	1,124	5,549	
Interest income on residential mortgage loans held-for-sale	13,435	13,435	
Core earnings of equity method investees:			
Excess mortgage servicing rights	5,838	5,838	9,225
Consumer loans	16,758	16,758	14,987
Core Earnings	$ 103,099	$ 63,465	$ 41,764

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RISK FACTORS

Investing in our common stock involves risks. Please see the risk factors related to the Acquisition and other risks described in our most recent Annual Report on Form 10-K for the year ended December 31, 2014 and our most recent Quarterly Report on Form 10-Q for the three months ended March 31, 2015, filed with the SEC, each of which is incorporated by reference in this prospectus supplement and the accompanying prospectus, as the same may be amended, supplemented or superseded from time to time by our filings made prior to the completion of this offering under Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act). Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Any of these risks, as well as other risks and uncertainties, could materially harm our business, financial condition, results of operations and liquidity and our ability to make distributions to our shareholders. In that case, the value or trading price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to the Acquisition

The integration of acquired assets and assumed liabilities may place a significant burden on management and internal resources.

Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect our financial results and could limit us from pursuing attractive business opportunities and making other changes to our business.

We have incurred and will incur substantial transaction fees and costs in connection with the Acquisition.

We have incurred, and expect to continue to incur, a significant amount of non-recurring expenses in connection with the Acquisition, including legal, accounting and other expenses. Additional unanticipated costs may be incurred in the course of our integration of HLSS s assets, including relating to the liabilities we agreed to assume in connection with the Acquisition. We cannot be certain that the benefits of the Acquisition will offset the transaction and integration costs and any contingent costs in the near term, or at all.

Stockholder or other litigation against HLSS and/or us could result in the payment of damages and/or may materially and adversely affect our business, financial condition results of operations and liquidity.

Transactions such as the Acquisition often give rise to lawsuits by stockholders or other third parties. Stockholders may, among other things, assert claims relating to the parties mutual agreement to terminate the Initial Merger Agreement. Stockholders may also assert claims relating to the fact that HLSS no longer owns any significant assets other than the cash received from us in the Acquisition and any cash proceeds it received pursuant to its sale of our common stock. The defense or settlement of any lawsuit or claim regarding the Acquisition may materially and adversely affect our business, financial condition, results of operations and liquidity. Further, such litigation could be costly and could divert our time and attention from the operation of the business.

On May 22, 2015, a purported stockholder of the Company, Chester County Employees Retirement Fund, filed a class action and derivative action in the Delaware Court of Chancery purportedly on behalf of all stockholders and the Company entitled Chester County Employees Retirement Fund v. New Residential Investment Corp. C.A. No. 11058-VCP (Del. Ch. filed May 22, 2015) . The lawsuit names the Company, its directors, our Manager, Fortress, and HLSS and accuses the Company s directors, our Manager, and Fortress of breach of fiduciary duties in connection with the Acquisition, accuses all defendants of violating Section 312 of the NYSE Listed Company Manual for allegedly issuing stock equal to or in excess of 20% of the Company without a vote of the Company s stockholders and for allegedly releasing claims of the Company s stockholders in connecting with the termination of the Initial Merger Agreement. The Complaint seeks declaratory relief, equitable relief, and damages. The Company intends to vigorously defend against the lawsuit.

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HLSS does not own any significant assets other than cash.

Following the Acquisition, HLSS does not own any significant assets. Stockholders and other third parties that otherwise would have filed lawsuits against HLSS are likely to file lawsuits against us. These lawsuits could result in substantial costs, and the defense or settlement of any lawsuits or claims may materially and adversely affect our business, financial condition, results of operations and cash flows. In addition, we may face a claim that the transfer of assets in the Acquisition violated a fraudulent transfer law.

Failure to complete the New Merger may materially and adversely affect our financial condition, results of operations, cash flow and our expected benefits from the Acquisition.

The completion of the New Merger with HLSS, is subject to the approval of the holders of a majority of HLSS s ordinary shares outstanding at the time and HLSS filed a preliminary proxy statement on May 1, 2015 in connection with the New Merger. Any delay of or failure to complete such merger may materially and adversely affect our business, financial condition, results of operations or cash flows, as we have agreed with HLSS to be responsible for certain post-closing expenses and liabilities. If the New Merger is not completed, HLSS may remain in existence for a significant period of time and our reimbursement obligations may be significant, which may adversely affect the expected benefits from the Acquisition.

We may be unable to successfully integrate the acquired assets and assumed liabilities.

Achieving the anticipated benefits of the Acquisition is subject to a number of uncertainties, including, without limitation, whether we are able to integrate HLSS s assets and manage the assumed liabilities efficiently. HLSS depends on Ocwen for significant accounting and operational support, which could exacerbate the difficulties associated with acquiring these assets and impair our ability to produce accurate financial information on a timely basis, as required by the SEC. It is possible that the integration process could take longer than anticipated and could result in the loss of valuable employees, additional and unforeseen expenses, the disruption of our ongoing business, processes and systems, or inconsistencies in standards, controls, procedures, practices and policies, any of which could adversely affect our ability to achieve the anticipated benefits of the Acquisition. There may be increased risk due to integrating the assets into our financial reporting and internal control systems. Difficulties in adding the assets into our business could also result in the loss of contract counterparties or other persons with whom we or HLSS conduct business and potential disputes or litigation with contract counterparties or other persons with whom we or HLSS conduct business. We could also be adversely affected by any issues attributable to either company s operations that arise or are based on events or actions that occurred prior to the closing of the Acquisition. The integration process is subject to a number of uncertainties, and no assurance can be given that the anticipated benefits will be realized in their entirety or at all or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect our future business, financial condition, operating results and cash flows.

We are responsible for certain of HLSS s contingent and other corporate liabilities.

Under the Acquisition Agreement, we have assumed and are responsible for the payment of HLSS s contingent and other corporate liabilities of: (i) liabilities for litigation relating to, arising out of or resulting from certain lawsuits in which HLSS is named as the defendant, (ii) HLSS s tax liabilities, (iii) HLSS s corporate liabilities, (iv) generally any actions with respect to the Acquisition brought by any third party and (v) payments under contracts. We currently cannot estimate the amount we may ultimately be responsible for as a result of assuming substantially all of HLSS s contingent and other corporate liabilities. The amount for which we are ultimately responsible may be material and have a material adverse effect on our business, financial condition, results of operations and liquidity. In addition, certain claims and lawsuits may require significant costs to defend and resolve and may divert management s attention away from other aspects of operating and managing our business, each of which could materially and adversely affect our business, financial condition, results of operations and liquidity.

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In August 2014, HLSS restated its consolidated financial statements for the quarter ended March 31, 2014, and for the years ended December 31, 2013 and 2012, including the quarterly periods within those years, to correct the valuation and the related effect on amortization of its notes receivable Rights to MSRs that resulted from a material weakness in its internal control over financial reporting.

On September 15, 2014, HLSS received a subpoena from the SEC requesting that it provide certain information related to its prior accounting conventions for and valuation of its notes receivable Rights to MSRs that resulted in the restatement.

On December 22, 2014, HLSS received a supplemental subpoena from the SEC requesting that it provide information related to certain governance documents and transactions and select communications in respect of the same.

On March 23, 2015, HLSS received a subpoena from the SEC requesting that it provide information concerning communications between HLSS and certain investment advisors and hedge funds. The SEC also requested documents relating to HLSS s structure, certain governance documents and any investigations or complaints connected to trading in the HLSS s securities.

Two shareholder derivative actions have been filed purportedly on behalf of Ocwen naming as defendants HLSS and certain current and former directors and officers of Ocwen, including former HLSS Chairman William C. Erbey, entitled (i) *Sokolowski v. Erbey, et al.*, No. 9:14-CV-81601 (S.D. Fla.), filed on December 24, 2014 (the Sokolowski Action), and (ii) *Moncavage v. Faris, et al.*, No. 2015CA003244 (Fla. Palm Beach Cty. Ct.), filed on March 20, 2015 (collectively, with the Sokolowski Action, the Ocwen Derivative Actions). The original complaint in the Sokolowski Action named as defendants certain current and former directors and officers of Ocwen, including former HLSS Chairman William C. Erbey. On February 11, 2015, plaintiff in the Sokolowski Action filed an amended complaint naming additional defendants, including HLSS. The Ocwen Derivative Actions assert a cause of action for aiding and abetting certain alleged breaches of fiduciary duty under Florida law against HLSS and others, and claim that HLSS (i) substantially assisted Ocwen s alleged wrongful conduct by purchasing Ocwen s MSRs and (ii) received improper benefits as a result of its business dealings with Ocwen due to Mr. Erbey s purported control over both HLSS and Ocwen. Additionally, the Sokolowski Action asserts a cause of action for unjust enrichment against HLSS and others. Ocwen has filed motions to stay both of the Ocwen Derivative Actions. We intend to vigorously defend against these lawsuits.

On January 29, 2015, plaintiff Adam Oliveira filed a putative shareholder class action entitled *Oliveira v. Home Loan Servicing Solutions, Ltd.*, No. 1:15-cv-00652 (S.D.N.Y. filed Jan. 29, 2015) (the Oliveira Action). The lawsuit asserts federal securities fraud claims against HLSS, William Erbey, John P. Van Vlack and James E. Lauter. On February 9, 2015, plaintiff Norvell Berglan filed a virtually identical putative shareholder class action against the same defendants entitled *Berglan v. Home Loan Servicing Solutions, Ltd.*, No. 1:15-cv-00947 (S.D.N.Y. filed Feb. 9, 2015). These actions allege that HLSS misled investors by failing to disclose, among other things, the extent of HLSS s dependence on Ocwen, information regarding governmental investigations of Ocwen s business practices, and HLSS s own purportedly inadequate internal controls. On February 13, 2015, plaintiff West Palm Beach Police Pension Fund filed another similar putative shareholder class action against the same defendants entitled *West Palm Beach Police Pension Fund v. Home Loan Servicing Solutions, Ltd., No. 15-cv-01063 (S.D.N.Y. filed Feb. 13, 2015).* These actions were consolidated by a court order dated April 2, 2015, with the Oliveira Action designated as the lead case. On April 28, 2015, lead plaintiff, lead counsel and liaison counsel were appointed in this action. Lead plaintiff s counsel has indicated that they intend to file a consolidated amended complaint. We intend to vigorously defend against this lawsuit.

On March 11, 2015, plaintiff David Rattner filed a derivative action in Florida state court purportedly on behalf of HLSS entitled *Rattner v. Van Vlack*, No. 2015CA002833 (Fla. Cir. Ct. filed Mar. 11, 2015). The lawsuit names HLSS, its directors and others and accuses HLSS directors of breach of fiduciary duties in connection with the transaction contemplated by the Initial Merger Agreement and seeks to enjoin such merger or, in the alternative, damages. The lawsuit also names the Company and Hexagon Merger Sub, Ltd., a wholly owned subsidiary of the Company, as defendants, and claims that they aided and abetted the HLSS directors breach of their fiduciary duties. Plaintiff and certain defendants have entered into a stipulation whereby HLSS and the individual defendants time to answer or move with regard to the complaint is extended indefinitely. We intend to vigorously defend against this lawsuit.

On May 22, 2015, a purported stockholder of the Company, Chester County Employees Retirement Fund, filed a class action and derivative action in the Delaware Court of Chancery purportedly on behalf of all stockholders and the Company, entitled Chester County Employees Retirement Fund v. New Residential Investment Corp. C.A. No. 11058-VCP (Del. Ch. filed May 22, 2015) . The lawsuit names the Company, its directors, our Manager, Fortress, and HLSS and accuses the Company s directors, our Manager, and Fortress of breach of fiduciary duties in connection with the Acquisition, accuses all defendants of violating Section 312 of the NYSE Listed Company Manual for allegedly issuing stock equal to or in excess of 20% of the Company without a vote of the Company s stockholders and for allegedly releasing claims of the Company s stockholders in connecting with the termination of the Initial Merger Agreement. The Complaint seeks declaratory relief, equitable relief, and damages. The Company intends to vigorously defend against the lawsuit.

We cannot guarantee that we will not receive further regulatory inquiries or be subject to litigation regarding the subject matter of the subpoenas or matters relating thereto, or that existing inquires, or, should they occur, any future regulatory inquiries or litigation, will not consume internal resources, result in additional legal and consulting costs or negatively impact our stock price.

We could be materially and adversely affected by events, conditions or actions that might occur at HLSS or Ocwen.

The HLSS acquired assets and assumed liabilities could be adversely affected as a result of events or conditions that occurred or existed before the closing of the Acquisition.

Adverse changes in the assets or liabilities we have acquired or assumed, respectively, as part of the Acquisition, could occur or arise as a result of actions by HLSS or Ocwen, legal or regulatory developments, including the emergence or unfavorable resolution of pre-acquisition loss contingencies, deteriorating general business, market, industry or economic conditions, and other factors both within and beyond the control of HLSS or Ocwen.

We are subject to a variety of risks as a result of our dependence on mortgage servicers such as Nationstar and Ocwen, including, without limitation, the potential loss of all of the value of our Excess MSRs in the event that the servicer of the underlying loans is terminated by the mortgage loan owner or RMBS bondholders. A significant decline in the value of the HLSS assets or a significant increase in HLSS liabilities we have acquired could adversely affect our future business, financial condition, cash flows and results of operations. HLSS is subject to a number of other risks and uncertainties, as outlined in its periodic reports filed with the SEC, including regulatory investigations and legal proceedings against HLSS, and others with whom HLSS conducted and conducts business. Moreover, any insurance proceeds received with respect to such matters may be inadequate to cover the associated losses.

Ocwen disclosed in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 that it received a subpoena from the SEC requesting production of various documents relating to its business dealings from Altisource Portfolio Solutions, S.A., HLSS, Altisource Asset Management Corporation and Altisource Residential Corporation and the interests of its directors and executive officers in these companies. Ocwen subsequently disclosed in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2014 that it received an additional subpoena from the SEC related to an amendment to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2014. Ocwen subsequently disclosed in its Annual Report on Form 10-K for the year ended December 31, 2014 that it received a further subpoena from the SEC requesting certain documents related to Ocwen s agreement with Southwest Business Corporation and related to former HLSS and Ocwen Chairman William C. Erbey s approvals for specifically enumerated board actions, and that it received a letter from the SEC staff dated

February 10, 2015 informing it that the SEC was conducting an investigation relating to mortgage loan servicer use of collection agents and requesting voluntary production of documents and information.

Adverse developments at Ocwen, including liquidity issues, ratings downgrades, defaults under debt agreements, servicer rating downgrades, failure to comply with the terms of PSAs, termination under PSAs, Ocwen bankruptcy proceedings and additional regulatory issues and settlements, could have a material adverse effect on us.

A bankruptcy of Ocwen could materially and adversely affect us.

If Ocwen becomes subject to a bankruptcy proceeding, we could be materially and adversely affected, and you could suffer losses.

A sale of Residential Mortgage Assets or other assets could be re-characterized as a pledge of such assets in a bankruptcy proceeding. We believe that Ocwen s transfer to us of Residential Mortgage Assets and any other asset transferred pursuant to the Purchase Agreement constitutes a sale of such assets, in which case such assets would not be part of Ocwen s bankruptcy estate. Ocwen (as debtor-in-possession in the bankruptcy proceeding), a bankruptcy trustee appointed in Ocwen s bankruptcy proceeding, or any other party in interest, however, might assert in a bankruptcy proceeding that Residential Mortgage Assets or any other assets transferred to us pursuant to the Purchase Agreement were not sold to us but were instead pledged to us as security for Ocwen s obligation to repay amounts paid by us to Ocwen pursuant to the Purchase Agreement. If such assertion were successful, all or part of the Residential Mortgage Assets or any other asset transferred to us pursuant to the Purchase Agreement would constitute property of the bankruptcy estate of Ocwen, and our rights against Ocwen would be those of a secured creditor with a lien on such assets. Under such circumstances, cash proceeds generated from our collateral would constitute cash collateral under the provisions of the U.S. bankruptcy laws. Under U.S. bankruptcy laws, Ocwen could not use our cash collateral without either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under the U.S. bankruptcy laws. In addition, under such circumstances, an issue could arise as to whether certain of these assets generated after the commencement of the bankruptcy proceeding would constitute after-acquired property excluded from our lien pursuant to the U.S. bankruptcy laws.

If such a recharacterization occurs, the validity or priority of our security interest in the Residential Mortgage Assets or other assets could be challenged in a bankruptcy proceeding of Ocwen. If the purchases pursuant to the Purchase Agreement are recharacterized as secured financings as set forth above, HLSS and HLSS Holdings nevertheless created and perfected security interests with respect to the Residential Mortgage Assets and other assets that HLSS purchased from Ocwen, and we acquired in the Acquisition, by including a pledge of collateral in the Purchase Agreement and filing financing statements in appropriate jurisdictions. We will undertake to properly create and perfect security interests in any additional Residential Mortgage Assets and other assets that we may purchase from Ocwen in the future. Nonetheless, our security interests may be challenged and ruled unenforceable, ineffective or subordinated by a bankruptcy court. If this were to occur, then Ocwen s obligations to us with respect to purchased Residential Mortgage Assets and other assets would be deemed unsecured obligations, payable from unencumbered assets to be shared among all of Ocwen s unsecured creditors. In addition, even if the security interests are found to be valid and enforceable, if a bankruptcy court determines that the value of the collateral is less than Ocwen s underlying obligations to us, the difference between such value and the total amount of such obligations will be deemed an unsecured deficiency claim and the same result will occur with respect to such unsecured claim.

In addition, even if the security interest is found to be valid and enforceable, Ocwen would have the right to use the proceeds of our collateral subject to either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under U.S. bankruptcy laws. Ocwen also would have the ability to confirm a chapter 11 plan over our objections if the plan complied with the cramdown requirements under U.S. bankruptcy laws.

Payments made by Ocwen to us could be voided by a court under federal or state preference laws. If Ocwen were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code or similar state insolvency laws, and our security interest is declared unenforceable, ineffective or subordinated, payments previously made by Ocwen to us pursuant to the Purchase Agreement may be recoverable on behalf of the bankruptcy estate as preferential transfers. A payment could constitute a preferential transfer if a court were to find that the payment was a transfer of an interest of property of Ocwen that:

- Was made to or for the benefit of a creditor;
- Was for or on account of an antecedent debt owed by Ocwen before that transfer was made;
- Was made while Ocwen was insolvent (a company is presumed to have been insolvent on and during the 90 days preceding the date the company s bankruptcy petition was filed);
- Was made on or within 90 days (or if we are determined to be a statutory insider, on or within one year) before Ocwen s bankruptcy filing;
- Permitted us to receive more than we would have received in a chapter 7 liquidation case of Ocwen under U.S. bankruptcy laws; and
- Was a payment as to which none of the statutory defenses to a preference action apply.

If the court were to determine that any payments were avoidable as preferential transfers, we would be required to return such payments to Ocwen s bankruptcy estate and would have an unsecured claim against Ocwen with respect to such returned amounts.

Payments made to us by Ocwen, or obligations incurred by it, could be voided by a court under federal or state fraudulent conveyance laws. Ocwen (as debtor-in-possession in the bankruptcy proceeding), a bankruptcy trustee appointed in Ocwen s bankruptcy proceeding, or another party in interest could also claim that Ocwen s transfer to us of Residential Mortgage Assets or other assets or Ocwen s agreement to incur obligations to us under the Purchase Agreement was a fraudulent conveyance. Under U.S. bankruptcy laws and similar state insolvency laws, transfers made or obligations incurred could be voided if Ocwen, at the time it made such transfers or incurred such obligations: (a) received less than reasonably equivalent value or fair consideration for such transfer or incurrence and (b) either (i) was insolvent at the time of, or was rendered insolvent by reason of, such transfer or incurrence; (ii) was engaged in, or was about to engage in, a business or transaction for which the assets remaining with Ocwen were an unreasonably small capital; or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature. If any transfer or incurrence is determined to be a fraudulent conveyance, Ocwen (as debtor-in-possession in the bankruptcy proceeding) or a bankruptcy trustee on Ocwen s behalf would be entitled to recover such transfer or to avoid the obligation previously incurred.

The Purchase Agreement could be rejected in an Ocwen bankruptcy proceeding. Ocwen (as debtor-in-possession in the bankruptcy proceeding) or a bankruptcy trustee appointed in Ocwen s bankruptcy proceeding could seek to reject the Purchase Agreement and thereby terminate Ocwen s obligation to service the Residential Mortgage Assets and any other asset transferred pursuant to the Purchase Agreement, and terminate our right to acquire additional assets under the Purchase Agreement and our right to require Ocwen to use commercially reasonable efforts to transfer servicing. If the bankruptcy court approved the rejection, we would have a claim against Ocwen for any damages from the rejection.

A bankruptcy court could stay a transfer of servicing to another servicer. Our ability to require Ocwen to use commercially reasonable efforts to transfer servicing rights to a new servicer would be subject to the automatic stay in Ocwen s bankruptcy proceeding. To enforce this right, we would have to seek relief from the bankruptcy court to lift such stay, and there is no assurance that the bankruptcy court would grant this relief.

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

Ocwen could discontinue servicing. If Ocwen were to file or to become the subject of a bankruptcy proceeding under the United States Bankruptcy Code, Ocwen could be terminated as servicer (with bankruptcy court approval) or could discontinue servicing, in which case there is no assurance that we would be able to continue receiving payments and transfers in respect of the Residential Mortgage Assets and other assets purchased under the Purchase Agreement. Even if we were able to obtain the servicing rights, because we do not and in the future may not have the employees, servicing platforms, or technical resources necessary to service mortgage loans, we would need to engage an alternate subservicer (which may not be readily available on acceptable terms or at all) or negotiate a new subservicing agreement with Ocwen, which presumably would be on less favorable terms to us. Any engagement of an alternate subservicer by us would require the approval of the related RMBS trustees.

The automatic stay under the United States Bankruptcy Code may prevent the ongoing receipt of servicing fees or other amounts due. Even if we are successful in arguing that we own Residential Mortgage Assets and other assets purchased under the Purchase Agreement, we may need to seek relief in the bankruptcy court to obtain turnover and payment of amounts relating to such assets, and there may be difficulty in recovering payments in respect of such assets that may have been commingled with other funds of Ocwen.

The HSART facility has cross default provisions to Ocwen s senior secured term facility, and an event of default may occur under Ocwen s senior secured debt facility. A default under the HSART facility could then cross-default the EBO facility.

A bankruptcy of Ocwen defaults our advance financing facilities and negatively impacts our ability to continue to purchase servicer advances. If Ocwen were to file or to become the subject of a bankruptcy proceeding, it will result in an event of default under certain of our advance financing facilities that would terminate the revolving period of such facilities. In this scenario, our advance financing facilities would not have the ability to continue funding the purchase of servicer advances under the Purchase Agreement. Notwithstanding this inability to fund, Ocwen may try to force us to continue making such purchases. If it is determined that we are in breach of our obligation to purchase servicer advances, any claims that we may have against Ocwen may be subject to offset against claims Ocwen may have against us by reason of this breach.

We do not have legal ownership of our acquired mortgage servicing rights.

We do not have legal ownership of the MSRs related to the transactions contemplated by the Purchase Agreement, and are subject to increased risks as a result of the servicer continuing to own the mortgage servicing rights. The validity or priority of our interest in the underlying mortgage servicing could be challenged in a bankruptcy proceeding of the servicer, and the related purchase agreement could be rejected in such proceeding.

Any of the foregoing events might have a material adverse effect on our business, financial condition, results of operations and liquidity.

HLSS failed to timely file its Annual Report on Form 10-K for the year ended December 31, 2014.

On March 3, 2015, HLSS filed a Form 12b-25 with the SEC, stating that HLSS required additional time to complete its Annual Report in order to complete an assessment of recent events related to HLSS s business and determine the impact on HLSS s financial statements and related disclosures. In this filing, HLSS also stated that it expected to file the Annual Report within the fifteen (15) day extension period under Rule 12b-25(b)(ii) of the Exchange Act, or by March 18, 2015. HLSS filed its Annual Report on Form 10-K for the year ended December 31, 2014 on April 6, 2015.

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On March 18, 2015, HLSS filed a Current Report on Form 8-K with the SEC that disclosed that HLSS would need additional time to complete its Annual Report to prepare information relating to its ability to operate as a going concern. Also on March 18, 2015, The Nasdaq Stock Market LLC notified HLSS that it was no longer in compliance with Nasdaq Listing Rule 5250(c)(1) for continued listing because of the failure to timely file its Annual Report, and HLSS was given until May 18, 2015 to submit a plan to regain compliance. On April 20, 2015, HLSS filed a Current Report on Form 8-K with the SEC that disclosed that HLSS had received a letter from The NASDAQ Stock Market LLC notifying HLSS that it would be delisted pursuant to Listing Rule 5101. HLSS did not appeal this decision and was delisted on April 29, 2015.

On March 20, 2015, HLSS entered into an amendment to the Term Loan in order to extend to April 10, 2015 the deadline thereunder for HLSS to furnish its annual financial statements, and to amend certain terms of the cross-default to HLSS s advance financing facilities. In addition, consent was granted thereunder to permit certain amendments to the Ocwen Subservicing Agreement.

We cannot guarantee that we will not receive further inquiries or be subject to litigation regarding HLSS s failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2014 or that any future inquiries or litigation will not consume internal resources, result in significant legal and consulting costs or negatively impact our stock price.

Failure to favorably resolve alleged events of default by BlueMountain may have a material adverse effect on our business, financial condition, liquidity and results of operations.

On January 23, 2015, counsel for BlueMountain Capital Management, LLC (BlueMountain), the purported investment manager to certain owners of the HSART facility term notes, sent a letter to HLSS Holdings, HLSS Servicing Advance Receivables Trust, as issuer and Deutsche Bank, as among other things indenture trustee, alleging certain events of default had occurred and were continuing under the Sixth Amended and Restated Indenture, dated as of January 17, 2014, by and among HLSS Servicer Advance Receivables Trust, Deutsche Bank National Trust Company, HLSS Holdings, Ocwen, Wells Fargo Securities, LLC and Credit Suisse AG, New York Branch, which governs HLSS s notes issued by the HLSS Servicer Advance Receivables Trust (the HSART Trust). On February 17, 2015, HLSS Holdings and HSART Trust entered an agreement (the February 2015 HSART Agreement) with Deutsche Bank National Trust Company (the Indenture Trustee) that it would not commence a judicial proceeding to seek judicial guidance regarding the allegations made in the BlueMountain letter before April 16, 2015. Further, HLSS Holdings has agreed to allow the Indenture Trustee to withhold from distribution certain excess funds that would otherwise be distributable to HSART Trust in an amount up to the Interest Accrual Differential (as defined in the February 2015 HSART Agreement) (or similar amount). The effect of this agreement will be to increase the amount deposited and held in debt service accounts by approximately $10.5 million per month. The parties subsequently amended the February 2015 HSART Agreement and extended such standstill to July 15, 2015.

On February 20, 2015, counsel to BlueMountain sent another letter alleging that additional events of default under the indenture governing notes issued by the HSART Trust had occurred and were continuing since its previous letter on January 23, 2015. Our inability to resolve these issues favorably could result in a prolonged withholding of the excess funds by the Indenture Trustee, the forfeiture of such funds, our inability to purchase required servicer advances from Ocwen with funds from the HSART facility or otherwise, and an increase in any replacement debt incurred to purchase such servicer advances, any of which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Cooperation from Ocwen is critical to our business.

Ocwen is a party to substantially all financing agreements with subsidiaries of HLSS acquired by us in the Acquisition (including the servicer advance facilities). Our ability to obtain financing for the assets of those acquired subsidiaries is dependent on Ocwen s agreement to be a party to its financing agreements. If Ocwen does not agree to be a party to these financing agreements for any reason, we may not be able to obtain financing on favorable terms or at all.

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Breaches and other events with respect to Ocwen (including, without limitation, failure of Ocwen to satisfy certain financial tests, cross-default to other Ocwen indebtedness, Ocwen insolvency, Ocwen change of control and/or Ocwen judgment default) could cause certain or all of the financing, in respect of assets acquired from HLSS to become due and payable prior to maturity. Our ability to obtain financing on such assets is dependent on Ocwen s ability to satisfy various tests under such financing arrangements. We will be dependent on Ocwen as the servicer of the mortgage loans with respect to which we are entitled to the basic fee component, and Ocwen s servicing practices may impact the value of certain of our assets. We may be adversely impacted:

- By regulatory actions taken against Ocwen;
- By a default by Ocwen under its debt agreements;
- By further downgrades in Ocwen s servicer rating;
- If Ocwen fails to ensure its servicer advances comply with the terms of its PSAs;
- If Ocwen were terminated as servicer under certain PSAs;
- If Ocwen becomes subject to a bankruptcy proceeding; or
- If Ocwen fails to meet its obligations or is deemed to be in default under the indenture governing notes issued under the HSART facility, including the allegations of certain events of default related to the Ocwen servicer downgrade and other regulatory matters by BlueMountain.

If Ocwen fails to adequately perform its loss mitigation obligations, we could be required to make additional servicer advances, and the time period for collecting servicer advances may extend, adversely affecting our liquidity and earnings.

Ocwen is required to service the mortgage loans in accordance with specified standards and employ loss mitigation techniques to reduce the probability that borrowers will default on their loans and to minimize losses when defaults occur. These loss mitigation techniques may include the modification of mortgage loan rates, principal balances and maturities. If Ocwen fails to adequately perform its loss mitigation obligations under these agreements, we could be required to purchase or fund servicer advances in excess of those that we might otherwise have had to purchase or fund, and the time period for collecting servicer advances may extend. Any increase in servicer advances or material increase in the time to resolution of a defaulted loan could result in increased financing costs to us and adversely affect our liquidity and income.

Failure by Ocwen to ensure that servicer advances comply with the terms of the servicing agreements may have a material adverse effect on our business, financial condition, liquidity and results of operations.

Servicer advances that are improperly made by Ocwen may not be eligible for financing under our advance financing facilities and may not be reimbursable by the related securitization trusts or other owners of the mortgage loan, which would materially and adversely affect our business, financial condition, liquidity and results of operations. Ocwen may be unwilling or unable to make indemnification payments for any such losses we incur.

We may be unable to obtain sufficient or cost effective servicer advance financing necessary to meet the financing requirements of our business, which could adversely affect our liquidity position and result in a loss of servicing rights and have a material adverse effect on our business, financial condition, liquidity and results of operations.

If delinquencies increase with respect to the mortgage loans underlying MSRs related to the transactions contemplated by the Purchase Agreement, we will require more funding than we currently expect, which may not be available to us on favorable terms or at all. We currently meet our servicer advance financing requirements through our servicer advance facilities. Under normal market conditions, mortgage servicers typically have been able to renew or refinance liquidity facilities for MSRs. However, during the economic crisis that began in 2007, there were periods of time when some mortgage servicers were unable to renew these facilities. Borrowing conditions have improved since that time; however, market conditions or other factors, including legal or regulatory matters applicable to us or our servicers, at the time of any renewal or refinancing may prevent us from being able to renew or refinance our advance financing facilities or obtain additional facilities on favorable terms or at all. Ocwen may not have any obligation to us to fund any servicer advances that we are required to purchase or fund. Our inability to obtain adequate financing to fund servicer advances could result in the loss or impairment of our investment in the MSRs related to the Purchase Agreement and applicable Sale Supplement. If, for this reason, our investment related to the MSRs is lost or impaired, we will bear the full economic impact of this loss, which may have a material adverse effect on our business, financial condition, liquidity and operating results, and may not, in certain circumstances, have the right to seek indemnification from Ocwen.

Our ability to borrow may be adversely affected by the suspension or delay of the rating of the notes issued under the HSART facility and the existing HSART II facility or other future advance facilities by the credit agency providing the ratings.

All or substantially all of the notes issued under the HSART facility or the existing HSART II facility are rated by one rating agency. This agency may suspend rating notes backed by servicer advances at any time. Rating agency delays may result in our inability to obtain timely ratings on new notes, which could adversely impact the availability of borrowings or the interest rates, advance rates or other financing terms and adversely affect our results of operations and liquidity. Further, if we are unable to secure ratings from other agencies, limited investor demand for unrated notes could result in further adverse changes to our liquidity and profitability.

A downgrade of certain of the notes issued under the HSART and HSART II facilities would cause such notes to become due and payable prior to their expected repayment date/maturity date, which could have a material adverse effect on our business, financial condition, results of operations and liquidity.

A downgrade in our servicers or subservicers ratings could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Moody s Investors Service (Moody s), Standard & Poor s (S&P) and Fitch Ratings (Fitch) rate many mortgage servicers, including Ocwen. These ratings are subject to change in the future without notice. Servicer ratings are important to our ability to finance servicer advances.

On November 14, 2012, S&P placed its above average servicer rating on Ocwen on CreditWatch negative as opposed to stable . S&P stated that it took this action due to Ocwen s purchases of Homeward Residential Inc. (Homeward) (which has since been completed) and of the mortgage servicing platform of GMAC Mortgage LLC and Residential Capital LLC (which has since been completed). S&P also stated that it would continue to monitor the impact that these acquisitions have on Ocwen s servicing operations.

On August 28, 2014, Moody s downgraded Ocwen s servicer quality (SQ) assessments from SQ2- to SQ3+ as a primary servicer of subprime residential loans and as a special servicer of residential mortgage loans. Also, Moody s downgraded Ocwen s component assessment for loan administration from above average to average . Moody s stated that these downgrades were due to heightened regulatory scrutiny by the SEC and the New York Department of Financial Services (NY DFS), regulatory concerns regarding force-placed insurance fees, and concerns about Ocwen s challenges integrating acquired servicing platforms and managing the distressed loan portfolios.

On January 29, 2015, Moody s downgraded Ocwen s SQ assessment from SQ3+ to SQ3- as a primary servicer of subprime residential loans and as a special servicer of residential mortgage loans.

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During February of 2015, Fitch downgraded Ocwen s residential primary servicer rating for subprime products from RPS3 to RPS4 and Morningstar downgraded its rating to MOR RS3 .

During February and March 2015, Ocwen received two notices of servicer termination affecting four separate residential mortgage servicing agreements (PSAs) underlying HLSS s Notes receivable Rights to MSRs due to servicer rating downgrades.

On June 4, 2015, S&P placed Ocwen s servicer rating on downgrade watch.

Certain of our financing facilities require that our servicers or subservicers maintain specified servicer ratings, and failure by our servicers or subservicers to maintain the minimum rating could result in adverse adjustments to our advance rates, liquidity and profitability. In addition, some PSAs may also require that the servicer or subservicer maintain specified servicer ratings. Failure to maintain such specified rating may result in the termination of the servicer under such PSAs. Any such downgrade could have a material adverse effect on our business, financing activities, financial condition, results of operations and liquidity.

Regulatory scrutiny regarding foreclosure processes could lengthen foreclosure timelines, which could increase advances and materially and adversely affect our business, financial condition, results of operations and liquidity.

When a mortgage loan is in foreclosure, the servicer is generally required to continue to advance delinquent principal and interest to the securitization trust and to also make advances for delinquent taxes and insurance and foreclosure costs and the upkeep of vacant property in foreclosure to the extent we determine that such amounts are recoverable. These servicer advances are generally recovered when the delinquency is resolved. Foreclosure moratoria or other actions that lengthen the foreclosure process increase the amount of servicer advances, lengthen the time it takes for reimbursement of such advances and increase the costs incurred during the foreclosure process. In addition, advance financing facilities generally contain provisions that limit the eligibility of servicer advances to be financed based on the length of time that servicer advances are outstanding, and, as a result, an increase in foreclosure timelines could further increase the amount of servicer advances that need to be funded from the servicer s own capital. Such increases in foreclosure timelines could increase the need for capital to fund servicer advances, which would increase our interest expense, delay the collection of interest income or servicing fee revenue until the foreclosure has been resolved and, therefore, reduce the cash that we have available to pay our operating expenses or to pay dividends.

According to Ocwen s public disclosure, on April 28, 2014, Ocwen received a letter from the staff of the New York Regional Office of the SEC informing Ocwen that the SEC was conducting an investigation relating to Ocwen and making a request for voluntary production of documents and information relating to the April 22, 2014 surrender of certain options to purchase its common stock by Mr. Erbey, its former Executive Chairman, including the 2007 Equity Incentive Plan and the related option grant and surrender documents. On June 12, 2014, Ocwen received a subpoena from the SEC requesting production of various documents relating to its business dealings with HLSS, Altisource, Altisource Asset Management Corporation and Altisource Residential Corporation and the interests of its directors and executive officers in these companies. Ocwen has also disclosed that it received an additional subpoena from the SEC related to its amendments to its Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2014. Ocwen subsequently disclosed in its Annual Report on Form 10-K for the year ended December 31, 2014 that it received a further subpoena from the SEC requesting certain documents related to Ocwen s agreement with Southwest Business Corporation and related to former HLSS and Ocwen Chairman William C. Erbey s approvals for specifically enumerated board actions, and that it received a letter from the SEC staff dated February 10, 2015 informing it that the SEC was conducting an investigation relating to mortgage loan servicer use of collection agents and requesting voluntary production of documents and information.

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Ocwen has been and is subject to certain federal and state regulatory matters.

Ocwen has publicly announced that, on December 19, 2013, Ocwen reached an agreement, which was approved by consent judgment by the U.S. District Court for the District of Columbia on February 26, 2014, involving the Consumer Financial Protection Bureau, various state attorneys general and other agencies that regulate the mortgage servicing industry. According to Ocwen s disclosure, the key elements of the settlement are as follows:

- A commitment by Ocwen to service loans in accordance with specified servicing guidelines and to be subject to oversight by an independent national monitor for three years;

- A payment of $127.3 million to a consumer relief fund to be disbursed by an independent administrator to eligible borrowers. In May 2014, Ocwen satisfied this obligation with regard to the consumer relief fund, $60.4 million of which is the responsibility of former owners of certain servicing portfolios acquired by Ocwen, pursuant to indemnification and loss sharing provisions in the applicable agreements; and

- A commitment by Ocwen to continue its principal forgiveness modification programs to delinquent and underwater borrowers, including underwater borrowers at imminent risk of default, in an aggregate amount of at least $2.0 billion over three years.

On December 22, 2014, Ocwen announced that it had reached a settlement agreement with the NY DFS related to investigations into Ocwen s mortgage servicing practices in New York. According to Ocwen s disclosure, the key elements of the settlement are as follows:

- Payment of $100 million to the NY DFS to be used by the State of New York for housing, foreclosure relief and community redevelopment programs;

- Payment of $50 million as restitution to certain New York borrowers;

- Installation of a NY DFS Operations Monitor to monitor and assess the adequacy and effectiveness of Ocwen s operations for a period of two years, which may be extended another twelve months at the option of the NY DFS;

- Requirements that Ocwen will not share any common officers or employees with any related party and will not share risk, internal audit or vendor oversight functions with any related party;

- Requirements that certain Ocwen employees, officers and directors be recused from negotiating or voting to approve certain transactions with a related party;

- Resignation of Ocwen s Chairman of the Board from the Board of Directors of Ocwen and at related companies, including HLSS; and

- Restrictions on Ocwen s ability to acquire new MSRs.

On January 23, 2015, Ocwen announced that it had reached a settlement with the California Department of Business Oversight (the CA DBO) in relation to an administrative action dated October 3, 2014 in California. According to Ocwen s disclosure, the key elements of the settlement are as follows:

- Payment of $2.5 million;

- Engagement of an independent auditor to assess Ocwen s compliance with laws and regulations impacting California borrowers for a period of at least two years; and

- Prevention of Ocwen from acquiring additional MSRs for loans secured in the State of California until the CA DBO is satisfied that Ocwen can satisfactorily respond to the requests for information and documentation made in the course of a regulatory exam.

Regulatory action against Ocwen could increase our financing costs or operating expenses, reduce our revenues or otherwise materially adversely affect our business, financial condition, results of operations and liquidity.

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We are dependent on others to act as servicer with respect to our Residential Mortgage Assets.

We are dependent on the servicers (including Ocwen) we engage to service our Residential Mortgage Assets. A failure of a servicer to perform its servicing obligations under a related PSA could result in the termination of the servicer. If this occurs, we will only have recourse against the servicer, and if the servicer is unable to make any applicable indemnification payments owed to us, we could lose a portion or all of the value of the related Residential Mortgage Asset.

Ocwen has triggered termination events or events of default under some PSAs underlying the MSRs with respect to which we are entitled to the basic fee component or excess MSRs, and the parties to the related securitization transactions could enforce their rights against Ocwen as a result.

If a servicer termination event or event of default occurs under a PSA, the servicer may be terminated without any right to compensation for its loss from the trustee for the securitization trust, other than the right to be reimbursed for any outstanding servicer advances as the related loans are brought current, modified, liquidated or charged off. So long as we are in compliance with our obligations under our servicing agreements and purchase agreements, if Ocwen is terminated as servicer, we will have the right to receive an indemnification payment from Ocwen as servicer, even if such termination related to servicer termination events or events of default existing at the time of any transaction with Ocwen, including with respect to those servicer termination events or events of default that have been triggered in PSAs underlying the MSRs as of December 31, 2014. If Ocwen is terminated as servicer under a PSA, we will lose any investment related to such MSRs. If Ocwen is terminated as servicer with respect to a PSA and we are unable to enforce our contractual rights against Ocwen or Ocwen is unable to make any resulting indemnification payments to us, if any, it may have a material adverse effect on our financial condition, results of operations, ability to make distributions, liquidity and financing arrangements, including our advance financing facilities, and may make it more difficult for us to acquire additional MSRs in the future.

During February and March 2015, Ocwen received two notices of servicer termination affecting four separate PSAs related to MSRs related to the transactions contemplated by the Purchase Agreement. Ocwen could be subject to further terminations as a result of its failure to maintain required minimum servicer ratings, which could have an adverse effect on our business, financing activities, financial condition and results of operations.

On January 23, 2015, Gibbs & Bruns LLP, on behalf of its clients, issued a press release regarding the notices of nonperformance provided to various trustees in relation to Ocwen s servicing practices under 119 residential mortgage-backed securities trusts. Of these transactions, 90 relate to agreements for MSRs related to the transactions contemplated by the Purchase Agreement. It is possible that Ocwen could be terminated for other servicing agreements related to such MSRs.

On January 29, 2015, Moody s downgraded Ocwen s SQ assessment from SQ3+ to SQ3- as a primary servicer of subprime residential loans and as a special servicer of residential mortgage loans. During February 2015, Fitch Ratings downgraded Ocwen s residential primary servicer rating for subprime products from RPS3 to RPS4, and Morningstar downgraded its rating to MOR RS3.

The performance of loans that we acquired in the Acquisition may be adversely affected by the performance of parties who service or subservice these mortgage loans.

HLSS and its subsidiaries acquired by us in the Acquisition contracted with third parties for the servicing of the mortgage loans in its EBO portfolio. The performance of this portfolio and our ability to finance this portfolio are subject to risks associated with inadequate or untimely servicing. If our servicers or subservicers commit a material breach of their obligations as a servicer, we may be subject to damages if the breach is not cured within a specified period of time following notice. In addition, we may be required to indemnify an investor or our lenders against losses from any failure of our servicer or subservicer to perform the servicing obligations

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properly. Poor performance by a servicer or subservicer may result in greater than expected delinquencies and foreclosures and losses on our mortgage loans. A substantial increase in our delinquency or foreclosure rate or the inability to process claims in accordance with GNMA or FHA guidelines could adversely affect our ability to access the capital and secondary markets for our financing needs.

Servicing issues in the portfolio of loans that was acquired in the Acquisition could adversely impact our claims against FHA insurance and result in our reliance on servicer indemnifications which could increase losses.

We will rely on HLSS s servicers (including Ocwen) to service our GNMA EBO loans in a manner that supports our ability to make claims to the FHA for shortfalls on these loans. If servicing issues result in the curtailment of FHA insurance claims, we will only have recourse against the servicer for any shortfall. If the servicer is unable to make indemnification payments owed to us under this circumstance, we could incur losses.

Our borrowings collateralized by loans require that we make certain representations and warranties that, if determined to be inaccurate, could require us to repurchase loans or cover losses.

Our financing facilities require us to make certain representations and warranties regarding the loans that collateralize the borrowings. Although we perform due diligence on the loans that we acquire, certain representations and warranties that we make in respect of such loans may ultimately be determined to be inaccurate. In the event of a breach of a representation or warranty, we may be required to repurchase affected loans, make indemnification payments to certain indemnified parties or address any claims associated with such breach. Further, we may have limited or no recourse against the seller from whom we purchased the loans. Such recourse may be limited due to a variety of factors, including the absence of a representation or warranty from the seller corresponding to the representation provided by us or the contractual expiration thereof.

Representations and warranties made by us in our loan sale agreements may subject us to liability.

In March 2015, HLSS sold reperforming loans to an unrelated third party and transferred mortgages into a trust in exchange for cash. We may be liable to purchasers under the related sale agreement for any breaches of representations and warranties made by HLSS at the time the applicable loans are sold. Such representations and warranties may include, but are not limited to, issues such as the validity of the lien; the absence of delinquent taxes or other liens; the loans compliance with all local, state and federal laws and the delivery of all documents required to perfect title to the lien. If the purchaser is successful in asserting their claim for recourse, it could adversely affect the availability of financing under loan financing facilities or otherwise adversely impact our results of operations and liquidity.

Failure by Ocwen or our other servicers to comply with applicable laws and regulations may adversely affect our business.

The failure of Ocwen or our other servicers to comply with the laws and regulations in connection with servicing mortgage loans underlying our Residential Mortgage Assets could lead to civil and criminal liability, loss of licensing, damage to our reputation, fines and penalties, litigation, including class action lawsuits or administrative enforcement actions, and a loss or impairment of financing under our financing arrangements, including under our advance financing facilities.

Our ability to exercise our cleanup call rights may be limited or delayed if a third party contests our ability to exercise our cleanup call rights, if the related securitization trustee refuses to permit the exercise of such rights, or if a related party is subject to bankruptcy proceedings.

Certain servicing contracts permit more than one party to exercise a cleanup call meaning the right of a party to collapse a securitization trust by purchasing all of the remaining loans held by the securitization trust pursuant to the terms set forth in the applicable servicing agreement. While the servicers from which we acquired our cleanup call rights (or other servicers from which our servicers acquired MSRs) may be named as the party entitled to exercise such rights, certain third parties may also be permitted to exercise such rights. If any such third party exercises a cleanup call, we could lose our ability to exercise our cleanup call right and, as a result, lose the ability to generate positive returns with respect to the related securitization transaction. In addition, another party could impair our ability to exercise our cleanup call rights by contesting our rights (for example, by claiming that they hold the exclusive cleanup call right with respect to the applicable securitization trust). Moreover, because the ability to exercise a cleanup call right is governed by the terms of the applicable servicing agreement, any ambiguous or conflicting language regarding the exercise of such rights in the agreement may make it more difficult and costly to exercise a cleanup call right.

Furthermore, certain servicing contracts provide cleanup call rights to a servicer currently subject to bankruptcy proceedings from which our servicers have acquired MSRs. While, notwithstanding the related bankruptcy proceedings, is it possible that we will be able to exercise the related cleanup calls within our desired time frame, our ability to exercise such rights may be significantly delayed or impaired by the applicable securitization trustee or bankruptcy estate or any additional steps required because of the bankruptcy process.

Finally, many of our call rights are not currently exercisable and may not become exercisable for a period of years. As a result, our ability to realize the benefits from these rights will depend on a number of factors at the time they become exercisable many of which are outside our control, including interest rates, conditions in the capital markets and conditions in the residential mortgage market.

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USE OF PROCEEDS

We estimate that the net proceeds from our sale of common stock in this offering will be approximately $442.5 million (or $517.5 million if the underwriters exercise their option to purchase additional shares of our common stock in full), after deducting our expenses of this offering. We intend to use the net proceeds from our sale of common stock in this offering for general corporate purposes, including to make a variety of investments, which may include, but are not limited to, investments in Excess MSRs, servicer advances, real estate securities and real estate related loans. We will not receive any proceeds from the sale of the Option Shares by the Selling Stockholders.

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UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The following unaudited pro forma combined balance sheet as of March 31, 2015 and the unaudited pro forma combined statement of income for the three months ended March 31, 2015 are based on (i) the unaudited consolidated financial statements of New Residential Investment Corp., or the Company, as of and for the three months ended March 31, 2015 and (ii) the unaudited consolidated financial statements of Home Loan Servicing Solutions, Ltd., or HLSS, as of and for the three months ended March 31, 2015.

The following unaudited pro forma combined statement of income for the year ended December 31, 2014 is based on (i) the audited consolidated financial statements of the Company for the year ended December 31, 2014 and (ii) the audited consolidated financial statements of HLSS for the year ended December 31, 2014.

The unaudited pro forma combined balance sheet as of March 31, 2015 gives effect to the Pro Forma Transactions (as defined below) as if the Pro Forma Transactions had occurred on March 31, 2015. The unaudited pro forma combined statements of income for the year ended December 31, 2014 and for the three months ended March 31, 2015 give effect to the Pro Forma Transactions as if they had occurred on January 1, 2014.

The historical financial information has been adjusted in the unaudited pro forma combined financial information to give effect to pro forma events that are (i) directly attributable to the Pro Forma Transactions, (ii) factually supportable and, (iii) with respect to the unaudited pro forma combined statements of income, are expected to have a continuing impact on the combined results. However, such adjustments are estimates based on certain assumptions and may not prove to be accurate. Information regarding these adjustments is subject to risks and uncertainties that could cause actual results to differ materially from our unaudited pro forma combined financial information. The following pro formas reflect the Company s current estimates and assumptions, including information which became available after the completion of the Acquisition, such as information included in the unaudited interim condensed consolidated financial statements of HLSS for the period ended March 31, 2015.

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

- The Acquisition;

- Consideration for the Acquisition consisting of the following: the issuance by us of approximately 28,286,980 shares of common stock of the Company at a price of $15.346 per share to HLSS, cash consideration paid of $622.0 million, HLSS seller financing of $385.2 million, and contingent cash consideration for the potential future acquisition of Hexagon Merger Sub Ltd. pursuant to the APA of $50.0 million;

- The completion of sales of certain residential mortgage loan portfolios and new indebtedness by the Company in contemplation of the Acquisition, and the use of the proceeds from the Company s loan sales and new indebtedness to fund the Acquisition;

The refinancing of certain liabilities assumed in the Acquisition with the existing lenders of such liabilities, as well as repayment of the HLSS senior secured term loan facility on April 6, 2015 prior to consummation of the Acquisition; and

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

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

The unaudited pro forma combined financial information is provided for informational and illustrative purposes only and should be read in conjunction with the Notes thereto and with Management s Discussion and Analysis of Financial Condition and Results of Operations , our audited consolidated financial statements contained in our Annual Report on Form 10-K for the year ended December 31, 2014, the audited consolidated financial statements of HLSS filed as Exhibit 99.2 to Form 8-K filed on April 7, 2015, our unaudited consolidated financial statements filed on our Form 10-Q for the three months ended March 31, 2015, as well as the unaudited consolidated financial statements of HLSS filed on Form 10-Q for the three months ended March 31, 2015 filed as Exhibit 99.2 to our Current Report on Form 8-K filed on June 9, 2015. The unaudited pro forma combined financial information does not contain any significant commitments and contingencies, including litigation described elsewhere in this prospectus supplement, and does not purport to reflect our results of operations or financial condition had the Pro Forma Transactions occurred at an earlier date. The unaudited pro forma combined financial information also should not be considered representative of our future financial condition or results of operations.

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UNAUDITED PRO FORMA COMBINED BALANCE SHEET AS OF MARCH 31, 2015

(dollars in thousands, except share and per share data)

	Historical New Residential Investment Corp. As of March 31, 2015	Historical Home Loan Servicing Solutions, Ltd. As of March 31, 2015	Pro Forma Adjustments As of March 31, 2015	Note Reference	Pro Forma Combined As of March 31, 2015
Assets					
Investments in:					
Notes receivable - Rights to MSRs	$	$ 594,417	$ (594,417)	A	$
Match funded advances		5,808,796	(5,808,796)	A	
Excess mortgage servicing rights, at fair value	526,662		829,986	A	1,356,648
Excess mortgage servicing rights, equity method investees, at fair value	225,111				225,111
Servicer advances, at fair value	3,245,457		5,251,590	A	8,497,047
Real estate securities, available-for- sale	2,324,915				2,324,915
Residential mortgage loans, held-for-investment	44,967				44,967
Residential mortgage loans, held-for-sale	500,174	421,257	(289,592)	B	631,839
Real estate owned	35,905				35,905
Consumer loans, equity method investees					
Cash and cash equivalents	459,334	181,507	(394,554)	C	246,287
Restricted cash	28,325		50,000	A	78,325
Derivative assets	71				71
Related party receivables		185,067	(185,067)	A	
Deferred tax assets		996	(996)	A	
Other assets	76,701	244,483	314,821	D	636,005
	$ 7,467,622	$ 7,436,523	$ (827,025)		$ 14,077,120
Liabilities and Equity					
Liabilities					
Match funded liabilities	$	$ 5,274,318	$ (5,274,318)	A	$
Other borrowings		852,419	(852,419)	A	
Repurchase agreements	2,339,389		(227,671)	B	2,111,718
Notes payable	2,999,418		6,281,164	E	9,280,582

Trades payable	196,000				196,000
Due to affiliates	6,465				6,465
Dividends payable	53,745	12,783	(12,783)	A	53,745
Contingent consideration			50,000	A	50,000
Deferred tax liability	13,414	184	(995)	G	12,603
Income taxes payable		148	(148)	A	
Related party payables		8,835	(8,835)	A	
Accrued expenses and other liabilities	44,777	21,377	36,431	F	102,585
	$ 5,653,208	$ 6,170,064	$ (9,574)		$ 11,813,698
Commitments and Contingencies					
Equity					
Common stock, $0.01 par value; 2,000,000,000 shares authorized; 169,721,885 shares issued and outstanding on a pro forma basis	$ 1,414	$ 710	$ (427)	H,I	$ 1,697
Additional paid-in capital	1,328,587	1,210,171	(776,362)	H,I	1,762,396
Retained earnings	217,689	56,018	(41,101)	H	232,606
Accumulated other comprehensive income, net of tax	19,825	(440)	440	H	19,825
Total stockholders equity	1,567,515	1,266,459	(817,450)		2,016,524
Noncontrolling interests in equity of consolidated subsidiaries	246,899				246,899
Total equity	1,814,414	1,266,459	(817,450)		2,263,423
Total Liabilities and Equity	$ 7,467,622	$ 7,436,523	$ (827,025)		$ 14,077,120

See notes to unaudited pro forma combined financial information

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UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2014

(dollars in thousands, except share and per share data)

	Historical New Residential Investment Corp. For the year ended December 31, 2014	Historical Home Loan Servicing Solutions, Ltd. For the year ended December 31, 2014	Pro Forma Adjustments For the year ended December 31, 2014	Note Reference	Pro Forma Combined For the year ended December 31, 2014
Interest income	$ 346,857	$ 397,506	$ 1,794	J	$ 746,157
Interest expense	140,708	163,698	23,898	K	328,304
Net Interest Income	206,149	233,808	(22,104)		417,853
Impairment					
Other-than-temporary impairment (OTTI) on securities	1,391				1,391
Valuation provision on loans and real estate owned	9,891				9,891
	11,282				11,282
Net interest income after impairment	194,867	233,808	(22,104)		406,571
Other Income					
Related party revenue		1,843	(1,843)	L	
Other revenue		402	(402)	L	
Change in fair value of investments in excess mortgage servicing rights	41,615				41,615
Change in fair value of investments in excess mortgage servicing rights, equity method investees	57,280				57,280
Change in fair value of investments in servicer advances	84,217				84,217
Earnings from investments in consumer loans, equity method investees	53,840				53,840
	92,020				92,020

Gain on consumer loans investment									
Gain on settlement of investments, net		35,487							35,487
Other income, net		10,629				4,035	L		14,664
		375,088		2,245		1,790			379,123
Operating Expenses									
Compensation and benefits				6,351		(6,351)	L		
Related party expenses				2,349		(2,349)	L		
General and administrative expenses		27,001		9,753		7,717	L		44,471
Management fee to affiliate		19,651				6,333	M		25,984
Incentive compensation to affiliate		54,334				37,424	M		91,758
Loan servicing expense		3,913				(1,731)	L		2,182
		104,899		18,453		41,043			164,395
Income (Loss) Before Income Taxes		465,056		217,600		(61,357)			621,299
Income tax expense		22,957		636			O		23,593
Net Income (Loss)	$	442,099	$	216,964	$	(61,357)		$	597,706
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	$	89,222	$		$			$	89,222
Net Income (Loss) Attributable to Common Stockholders	$	352,877	$	216,964	$	(61,357)		$	508,484
Income Per Share of Common Stock									
Basic	$	2.59					P	$	3.09
Diluted	$	2.53					P	$	3.03
Weighted Average Number of Shares of Common Stock Outstanding									
Basic		136,472,865					P		164,759,845
Diluted		139,565,709					P		167,852,689

See notes to unaudited pro forma combined financial information

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UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2015

(dollars in thousands, except share and per share data)

	Historical New Residential Investment Corp. For the three months ended March 31, 2015	Historical Home Loan Servicing Solutions, Ltd. For the three months ended March 31, 2015	Pro Forma Adjustments For the three months ended March 31, 2015	Note Reference	Pro Forma Combined For the three months ended March 31, 2015
Interest income	$ 84,373	$ 80,682	$ 8,702	J	$ 173,757
Interest expense	33,979	40,813	633	K	75,425
Net Interest Income	50,394	39,869	8,069		98,332
Impairment					
Other-than-temporary impairment (OTTI) on securities	1,071				1,071
Valuation provision on loans and real estate owned	977				977
	2,048				2,048
Net interest income after impairment	48,346	39,869	8,069		96,284
Other Income					
Related party revenue		50	(50)	L	
Other revenue		1,440	(1,440)	L	
Change in fair value of investments in excess mortgage servicing rights	(1,761)				(1,761)
Change in fair value of investments in excess mortgage servicing rights, equity method investees	4,921				4,921
Change in fair value of investments in servicer advances	(7,669)				(7,669)
Earnings from investments in consumer loans, equity method					

investees					
Gain on settlement of investments, net	14,767		(18,100)	N	(3,333)
Other income, net	2,037		1,630	L	3,667
	12,295	1,490	(17,960)		(4,175)
Operating Expenses					
Compensation and benefits		2,078	(2,078)	L	
Related party expenses		76	(76)	L	
Unrealized loss on loans held for sale		7,654			7,654
General and administrative expenses	8,560	16,286	(17,281)	L	7,565
Management fee to affiliate	5,126		1,583	M	6,709
Incentive compensation to affiliate	3,693		3,878	M	7,571
Loan servicing expense	4,891		(2,878)	L	2,013
	22,270	26,094	(16,852)		31,512
Income (Loss) Before Income Taxes	38,371	15,265	6,961		60,597
Income tax (benefit) expense	(3,427)	5		O	(3,422)
Net Income (Loss)	$ 41,798	$ 15,260	$ 6,961		$ 64,019
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	$ 5,823	$	$		$ 5,823
Net Income (Loss) Attributable to Common Stockholders	$ 35,975	$ 15,260	$ 6,961		$ 58,196
Income Per Share of Common Stock					
Basic	$ 0.25			P	$ 0.34
Diluted	$ 0.25			P	$ 0.34
Weighted Average Number of Shares of Common Stock Outstanding					
Basic	141,434,905			P	169,721,885
Diluted	144,911,309			P	173,198,289

See notes to unaudited pro forma combined financial information

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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

HLSS Transaction

On April 6, 2015, the Company acquired substantially all of the assets and assumed the related liabilities of HLSS, including all of the issued share capital of HLSS s first-tier subsidiaries.

The purchase price allocation within this unaudited pro forma combined financial information is based upon a purchase price of $1,441.2 million, inclusive of fair value of the common stock issued of $434.1 million, cash consideration paid of $622.0 million, and HLSS seller financing of $385.2 million. The fair value of the common stock at the date of the acquisition was $15.346 (rounded to $15.35 below) per share which is the Company s volume weighted average share price on April 6, 2015. Additionally, the Company agreed to pay Acquisition related expenses of HLSS of $23.5 million and incurred a liability of $50.0 million related to contingent consideration for the acquisition of HLSS subject to HLSS shareholder and regulatory approval.

The total purchase consideration paid is summarized as follows:

The Company s volume weighted average price on April 6, 2015	$ 15.35
The Company s share issuance to HLSS	28,286,980
Share issuance consideration	$ 434,091,995
Cash consideration	$ 621,981,825
HLSS seller financing	$ 385,174,322
Total purchase consideration paid	$ 1,441,248,142

The unaudited pro forma combined financial information was prepared using the acquisition method of accounting and was based on the historical financial statements of the Company and HLSS. Accordingly, the assets acquired and liabilities assumed are recorded at their acquisition date fair values. Such acquisition value was not materially different from the purchase price paid in consideration of acquiring substantially all of the assets and assuming the related liabilities of HLSS in accordance with ASC 805.

The major assets acquired and liabilities assumed from HLSS include Excess MSRs, Servicer advances, Residential mortgage loans, held-for-sale and Notes payable. Their estimated acquisition date fair values are set forth below (in millions):

Excess mortgage servicing rights (Refer to note A)	$ 830.0
Servicer advances (Refer to note A)	$ 5,251.6
Residential mortgage loans, held-for-sale (Refer to note A)	$ 418.8
Notes payable (Refer to note E)(1)	$ 5,583.0

(1) The Notes payable consists of Match funded liabilities of $5,073.0 million plus the reclassification of the Other borrowings of $510.0 million.

The following sections provide further details on the major assets acquired, liabilities assumed, and aggregate consideration transferred to HLSS.

Excess MSRs

The fair value of Excess MSRs acquired of $830.0 million was estimated using a discounted cash flow model that includes assumptions that are inherently subjective and imprecise. Significant inputs used in the valuations include expectations of prepayment rates, the excess mortgage servicing amount of the underlying mortgage loans and discount rates that market participants would use in determining the fair values of Excess MSRs on similar pools of residential mortgage loans.

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The values of Excess MSRs are sensitive to changes in the discount rate and prepayment rate assumptions. The Company performed sensitivity analyses on the aforementioned assumptions as follows:

Discount rates

The Company valued the Excess MSRs with a discount rate of 12.0%. A 50 basis point increase/(decrease) in the discount rate assumption would result in an approximately $13.7 million (decrease)/increase in the value of the Excess MSRs, respectively. Such increase/(decrease) in the discount rate assumption would result in an approximately $2.0 million increase/(decrease) to annual interest income and approximately $0.5 million increase/(decrease) to three month interest income on the Excess MSRs, respectively, since a change in the initial discount rate would change the total amount of accretable yield on these Excess MSRs.

Prepayment rates

The Company valued the Excess MSRs with a conditional weighted average prepayment assumption of 10.5%. A 50 basis point increase/(decrease) in the prepayment rate assumption would result in an approximately $16.7 million (decrease)/increase in the value of the Excess MSRs, respectively. Such increase/(decrease) in the prepayment assumption would result in an approximately $2.0 million (decrease)/increase to annual interest income and approximately $0.5 million (decrease)/increase to three month interest income on the Excess MSRs, respectively.

Servicer advances

The fair value of Servicer advances, including the base component of the related mortgage servicing right, of $5,251.6 million was estimated based on a discounted cash flow model that includes assumptions that are inherently subjective and imprecise. The factors that most significantly impact the fair value include (i) the rate at which the Servicer advance balance changes over the term of the investment, (ii) the UPB of the underlying loans with respect to which the Company has the obligation to make advances and owns the base component of the related mortgage servicing right, which in turn is driven by prepayment speeds and (iii) the percentage of delinquent loans with respect to which the Company owns the base component of the mortgage servicing right. Significant inputs used in the valuation include the assumptions used to establish the aforementioned cash flows and discount rates that market participants would use in determining the fair values of Servicer advances on similar pools of residential mortgage loans.

The value of the Servicer advances is sensitive to changes in the discount rate and the assumption of the amount of outstanding advances in relation to the UPB of the underlying loans. The Company performed sensitivity analyses on the aforementioned assumptions as follows:

Discount rates

The Company valued the Servicer advances with a discount rate of 6.2%. A 20 basis point increase/(decrease) in the discount rate assumption would result in an approximately $41.0 million (decrease)/increase in the value of the Servicer advances, respectively. The increase/(decrease) in the discount rate assumption would result in an approximately $8.8 million increase/(decrease) to annual interest income and approximately $2.1 million increase/(decrease) to three month interest income on the Servicer advances, respectively, since a change in initial discount rate would change the total amount of accretable yield on these Servicer advances.

Servicer advances / UPB

The Company valued the Servicer advances with a weighted average ratio of outstanding Servicer advances to UPB of 3.0%. A 20 basis point increase/(decrease) in this assumption would result in an approximately $27.7 million (decrease)/increase in the value of the Servicer advances, respectively. Such increase/(decrease) would result in an approximately $0.6 million (decrease)/increase to annual interest income and approximately $0.2 million (decrease)/increase to the three month interest income on the Servicer advances, respectively.

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Residential mortgage loans held-for-sale

Residential mortgage loans, held-for-sale of $418.8 million represent GNMA EBO loans acquired from HLSS (EBO Loans). EBO Loans are guaranteed by the FHA and as such the fair value of the loans was estimated using a discounted cash flow model incorporating such guarantee. Other assets include Claims receivable from the FHA related to GNMA EBO loans for which foreclosure has been completed and for which claims have been made on the FHA guarantee of $98.7 million. The FHA receivable is short term in nature and the carrying value generally approximates fair value.

Notes payable

Match funded liabilities of $5,073.0 million include various series of notes, variable funding notes and other fixed rate liabilities. The fair value of these notes was estimated using broker quotes and discounted cash flow models.

Other borrowings represent Notes payable of $510.0 million including an EBO facility and a servicer advance note facility (the Note Facility). The EBO facility and Note Facility are short term in nature and the carrying values generally approximate fair value.

At this time the Company has not finalized a detailed valuation of the assets acquired and liabilities assumed as part of the Acquisition, and accordingly, the unaudited pro forma combined financial information was prepared using a preliminary allocation of the estimated or actual purchase prices based on assumptions and estimates, which are subject to change. The Acquisition accounting will be completed within the required measurement period in accordance with the accounting guidance on business combinations, but in no event later than one year following the completion of the Acquisition.

Upon completion of a final detailed valuation analysis, there may be additional increases or decreases to the recorded values of assets and liabilities associated with the Acquisition, including, but not limited to, commitments and contingencies that will give rise to future expenses that are not reflected in this unaudited pro forma combined financial information. Accordingly, once the necessary analyses are completed and the final purchase price and purchase price allocation is determined, actual results may differ materially from the information presented in this unaudited pro forma combined financial information.

The unaudited pro forma combined financial information does not contain any significant commitments and contingencies, including litigation described elsewhere in this prospectus supplement, based upon the preliminary valuation discussed therein. The results of any additional facts and circumstances that materialize subsequent to the preparation of this unaudited pro forma combined financial information may differ materially from the information presented herein.

Additionally, the unaudited pro forma combined statements of income do not reflect the cost of any integration activities or synergies that may be derived from any integration activities, both of which may have a material impact on the results of operations in periods following the completion of the Acquisition.

Conformity of Accounting Policies

Certain assets and liabilities and related processes of HLSS are expected to be integrated with those of the Company. This integration includes a review by the Company of HLSS s accounting policies. As a result of that review, the Company may identify differences between the accounting policies of the two companies that, when conformed, could have a material impact on the combined financial statements. At this time, the Company is not aware of any differences that would have a material impact on the combined financial statements that have not been adjusted for in the pro forma financial information (Refer to note A).

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Pro Forma Adjustments for the Unaudited Pro Forma Combined Balance Sheet as of March 31, 2015

A. In accordance with ASC 805 *Business Combinations*, Management has performed a preliminary allocation of the purchase price to HLSS s assets and liabilities in the accompanying unaudited pro forma combined financial information based on estimates. The final allocation of purchase price may differ materially from the pro forma amounts included herein. The preliminary allocation of the purchase consideration, following reclassifications to conform to the Company s presentation, is as follows (in $ millions):

$ millions	Historical Home Loan Servicing Solutions, Ltd. As of March 31, 2015	Movements between April 1 and April 6, 2015	Adjusted HLSS As of April 6, 2015	Reclassifications	Fair Value and Other Adjustments		Purchase Price Allocation As of April 6, 2015
Assets							
Notes receivable - Rights to MSRs	594.4	(1.1)	593.3	(593.3)			
Match funded advances	5,808.8	(221.1)	5,587.7	(5,587.7)			
Excess mortgage servicing rights, at fair value				843.6	(13.6)	a)	830.0
Servicer advances, at fair value				5,337.5	(85.9)	a)	5,251.6
Residential mortgage loans, held-for-sale	421.3	(3.7)	417.6		1.2		418.8
Cash and cash equivalents	181.5	24.1	205.6		(156.9)		48.7
Restricted cash					50.0	b)	50.0
Related party receivables	185.1	(47.1)	137.9	(137.9)			
Deferred tax assets	1.0		1.0	(1.0)			
Other assets	244.5	141.4	385.9	162.7	(16.3)		532.2
TOTAL	**7,436.6**	**(107.5)**	**7,329.0**	**23.9**	**(221.5)**		**7,131.3**
Liabilities							
Match funded liabilities	5,274.3	(201.4)	5,072.9	(5,072.9)			
Other borrowings	852.4	(2.4)	850.0	(850.0)			
Notes payable				5,922.9	(340.0)		5,583.0
Contingent consideration					50.0	b)	50.0
Dividends payable	12.8		12.8		(12.8)	c)	
Deferred tax liability	0.2	0.1	0.3	(1.0)			(0.7)
Income taxes payable	0.1		0.1	(0.1)			
Related party payables	8.8	(18.1)	(9.3)	9.3			
Accrued expenses and other liabilities	21.4	(0.9)	20.5	15.6	21.7		57.8

TOTAL	**6,170.0**	**(222.7)**	**5,947.3**	**23.8**	**(281.1)**	**5,690.1**
Estimate of Fair Value of Net Assets Acquired						**1,441.2**

a) The Match funded advances and the Notes receivable Rights to MSRs have been reclassified to Servicer advances, at fair value and Excess MSRs, at fair value. The Servicer advances and Excess MSRs were fair valued as a part of the preliminary allocation of purchase price for $5,251.6 million in Servicer advances, at fair value and for $830.0 million in Excess MSRs, at fair value. This results in a net fair value adjustment to Servicer advances, at fair value of $(85.9) million and a net fair value adjustment to Excess MSRs, at fair value of $(13.6) million reflected in note A.

b) Contingent consideration for the potential future acquisition of Hexagon Merger Sub Ltd. pursuant to the APA dated April 6, 2015 of $50.0 million.

c) Dividend payable was settled as part of closing the APA.

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B. Reflects the impact of sales of certain Residential mortgage loans, held-for-sale for $302.0 million by the Company subsequent to March 31, 2015 in contemplation of the Acquisition and the use of the resulting proceeds to fund the Acquisition. The carrying value of the Residential mortgage loans, held-for-sale was $287.1 million as of March 31, 2015 resulting in a gain of $14.9 million. The gain was not reflected in the unaudited pro forma combined statement of income as the gain is not recurring in nature. A reconciliation of the pro forma gain on sale is as follows (in millions):

Sales proceeds	$ 302.0
Total carrying value	(287.1)
Pro forma gain on sale	$ 14.9

The pro forma gain on sale has been calculated based on the historical carrying value of the Residential mortgage loans, held-for-sale as at March 31, 2015. When the actual sale was closed, the carrying value of the Residential mortgage loans, held-for-sale was not materially different and would not have resulted in a materially different gain/loss.

The sales proceeds were used for a Repurchase agreement pay down of $227.7 million resulting in a net cash increase of $74.3 million. These remaining proceeds were used for the Acquisition.

The pro forma adjustments in the Residential mortgage loans, held-for-sale can be summarized as follows (in millions):

Residential mortgage loans, held-for-sale	
Historical Residential mortgage loans of the Company as of March 31, 2015	$ 500.2
Historical Residential mortgage loans of HLSS as of March 31, 2015	421.3
Total Combined balance as of March 31, 2015	**$ 921.5**
Movement in HLSS balance between April 1 and April 6, 2015	(3.7)
Purchase Price Adjustments (Refer to note A)	
Fair value adjustments of acquired HLSS loans	1.2
Other adjustments	
Loan sale by the Company	(287.1)
Total pro forma adjustments	$ (289.6)
Pro Forma Combined as of March 31, 2015	**$ 631.9**

C. The movements in pro forma Cash and cash equivalents can be summarized as follows (in millions):

Cash and cash equivalents	
Historical Cash and cash equivalents of the Company as of March 31, 2015	$ 459.3
Historical Cash and cash equivalents of HLSS as of March 31, 2015	181.5

Total Combined balance as of March 31, 2015		**$ 640.8**
Movement in HLSS balance between April 1 and April 6, 2015		$ 24.1
Cash and cash equivalents movement as result of the Pro Forma Transaction		
HLSS Cash and cash equivalents not acquired in the Acquisition		$ (156.8)
Debt raised by the Company	a)	313.0
Cash consideration associated with the Acquisition	b)	(622.0)
HLSS seller financing	c)	385.2
Repayment of HLSS seller financing	c)	(385.2)
Payment of deferred financing costs	d)	(27.2)
Other movements between April 1 and April 6, 2015		
Proceeds from sale of Company loans		302.0
Pay-down of Company s repurchase agreements		$ (227.7)
Total pro forma adjustments		(394.6)
Pro Forma Combined as of March 31, 2015		**$ 246.2**

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a) Debt raised by the Company for financing of transaction
b) Includes $339.9 million used to repay secured loan note facility
c) NRZ raised the financing on HLSS assets upon acquisition of such assets and used the proceeds to pay HLSS post acquisition
d) Related to HLSS refinancing and the Company s new indebtedness.

D. The movement in Other assets can be summarized as follows (in millions):

Other Assets	
Historical Other assets of the Company as of March 31, 2015	$ 76.7
Historical Other assets of HLSS as of March 31, 2015	244.5
Total Combined balance as of March 31, 2015	**$ 321.2**
Movement in HLSS balance between April 1 and April 6, 2015	141.4
Purchase Price Adjustments (Refer to note A)	
Reclassification of Related party receivables	$ 137.9
Reclassification of Related party payables	24.7
Eliminate historical HLSS deferred financing costs with no value	(18.0)
Deferred costs	1.7
Other adjustments	
Deferred financing costs	27.2
Total pro forma adjustments	$ 314.9
Pro Forma Combined as of March 31, 2015	**$ 636.1**

E. Reflects the impact of the repayment of the HLSS Senior secured term loan facility in the amount of $339.9 million, debt issued by the Company to finance the Acquisition of $313.0 million, and HLSS seller financing of $385.2 million. The seller financing was repaid immediately following the Acquisition using $385.2 million of new indebtedness.

The following summarizes the components of pro forma adjustments to Notes payable (in millions):

Notes payable	
Historical Notes payable of the Company as of March 31, 2015	$ 2,999.4
Historical Notes payable of HLSS as of March 31, 2015	
Total Combined balance as of March 31, 2015	**$ 2,999.4**
Purchase Price Adjustments (Refer to note A)	
Reclassifications of Match funded liabilities	5,072.9
Reclassifications of Other borrowings	850.0
Repayment of HLSS senior term loan	(339.9)

	$ 5,583.0
Other adjustments	
HLSS seller financing	385.2
Debt issued by the Company to finance transaction	313.0
Total pro forma adjustments	$ 6,281.2
Pro Forma Combined as of March 31, 2015	**$ 9,280.6**

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F. The movement in Accrued expenses and other liabilities is as follows (in millions):

Accrued expenses and other liabilities	
Historical Accrued expenses and other liabilities of the Company as of March 31, 2015	$ 44.8
Historical Accrued expenses and other liabilities of HLSS as of March 31, 2015	21.4
Total Combined balance as of March 31, 2015	**$ 66.2**
Movement in HLSS balance between April 1 and April 6, 2015	(0.9)
Purchase Price Adjustments (Refer to note A)	
Reclassifications of Income taxes payable	0.1
Reclassifications of Related party payables	15.4
Accrued transaction costs	21.7
Total pro forma adjustments	$ 36.3
Pro Forma Combined as of March 31, 2015	**$ 102.5**

G. Deferred tax liability includes a reclassification of $1.0 million from Deferred tax assets.

H. Reflects the equity impact of the pro forma adjustments. Refer to the table below for a summary of the movements included in the Company s Equity:

(Millions of dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity	Noncontrolling interests in equity of consolidated subsidiaries	Total Equity
New Residential Investment Corp. historical equity as of March 31, 2015	$ 1.4	$ 1,328.6	$ 217.7	$ 19.8	$ 1,567.5	$ 246.9	$ 1,814.4
Addition of HLSS historical equity as of March 31, 2015	0.7	1,210.2	56.0	(0.4)	1,266.5		1,266.5
Elimination of HLSS historical equity	(0.7)	(1,210.2)	(56.0)	0.4	(1,266.5)		(1,266.5)
Net Movements in Common stock (Refer to note I)	0.3				0.3		0.3
Net Movements in Additional paid-in-capital (Refer to note I)		433.8			433.8		433.8
Net Movements in Retained earnings (Refer to note B)			14.9		14.9		14.9

Pro forma combined equity as of March 31, 2015	**$**	**1.7**	**$**	**1,762.4**	**$**	**232.6**	**$**	**19.8**	**$**	**2,016.5**	**$**	**246.9**	**$**	**2,263.4**

I. Reflects the issuance on April 6, 2015 of approximately 28,286,980 shares of common stock of the Company at a price of $15.346 per share to HLSS in consideration for the Acquisition with the par value of $0.3 million at $0.01 per share and $433.8 million additional paid-in capital. The fair value of the common stock was estimated using a value of $15.346 per share which was the Company s volume weighted average price per share on April 6, 2015.

On April 13, 2015, the Company issued 29,213,020 shares of its common stock in a public offering with net proceeds of approximately $436.1 million. This has not been reflected in the pro forma financial information.

In connection with the offering made hereby, the Company plans to issue an additional 27,935,389 shares of its common stock together with the secondary net settlement of options. This has not been reflected in the pro forma financial information.

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Pro Forma Adjustments for the Unaudited Pro Forma Combined Statements of Income for the year ended December 31, 2014 and the three months ended March 31, 2015

J. The adjustment to Interest income reflects the effective interest income earned on the portfolio of Excess MSRs of $88.5 million and $20.2 million and Servicer advances of $299.5 million and $69.4 million, each for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively, had the portfolios been acquired by the Company as of January 1, 2014 at their estimated fair market values.

Interest income also reflects, on a pro forma basis, the interest income of $22.9 million for the year ended December 31, 2014 that would have been earned on the EBO loans had they been acquired as of January 1, 2014. The pro forma net adjustment to record the additional interest income is $3.8 million for the year ended December 31, 2014.

Interest income was adjusted on a pro forma basis to reflect the reversal of Interest income that was related to the following sales of loan portfolios by the Company and HLSS prior to the close of the Acquisition:

Eliminate Interest income of $19.3 million and $8.1 million for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively, related to the sale of residential mortgage loans sold by the Company; and

Eliminate Interest income of $9.6 million and $1.6 million for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively, related to the February 2015 sale of HLSS s portfolio of RPLs.

The following summarizes the components of pro forma adjustments to Interest income (in millions):

Interest income adjustments	**For the year ended December 31, 2014**	**For the three months ended March 31, 2015**
Eliminate historical Interest income on the acquired EBO loans of HLSS	$ (19.1)	$
Add: Pro forma Interest income on acquired EBO loans of HLSS	22.9	
Eliminate Interest income related to the sale of residential mortgage loans sold by the Company	(19.3)	(8.1)
Eliminate Interest income related to the sale of HLSS s portfolio of RPLs	(9.6)	(1.6)
Eliminate historical Interest income HLSS	(361.1)	(71.2)
Add: HLSS Interest income based on the Company s projections	388.0	89.6
Total pro forma adjustments	**$ 1.8**	**$ 8.7**

K. The adjustment to Interest expense reflects the refinancing of the liabilities incurred in connection with the Acquisition and for which refinancing terms were agreed upon with the bank counterparties on April 6, 2015. In addition, the adjustment reflects the Interest expense on the new indebtedness of $698.2 million comprising the HLSS seller financing of $385.2 million and debt raised by the Company of $313.0 million in connection with the Acquisition (Refer to note E).

Interest expense is calculated as if the liabilities were assumed or outstanding at January 1, 2014 at their estimated fair values under the terms of the financing that would have been in place at that time and assumptions as to the amount of variable funding necessary over such period. Refer to the table below for a summary of the terms (in millions):

	Coupon	Principal	Weighted Average Interest Rate	Weighted Average Maturity
Term Loan Facility	Fixed	$ 1,800.0	2.03%	May 9, 2016
Variable Funding Notes	Floating (1M LIBOR + 2.65%)	4,228.6	2.82%	February 27, 2016
Total		$ 6,028.6	2.58%	

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All of the new indebtedness of $698.2 million is variable rate funding. The refinanced liabilities consist of the remaining variable rate funding of $3,530.4 million and the fixed term loan facility of $1,800.0 million.

The refinancing for purposes of the combined pro forma financial information was considered a modification with the existing lenders, and all historical deferred financing costs are eliminated in applying purchase price accounting as of the Acquisition date. As a result, the amortization of historical deferred financing costs is excluded from the unaudited pro forma combined statements of income for the year ended December 31, 2014 and for the three months ended March 31, 2015.

The Company refinanced the variable funding notes in the Match funded liabilities with a variable interest rate with the terms set out in the table above based on the terms agreed upon with the bank counterparties on April 6, 2015. A change of 1/8 percent in the interest rate associated with the variable rate borrowings would result in an additional annual interest expense of approximately $3.85 million (in the case of an increase in the rate) or an annual reduction of interest expense of approximately $(3.85) million (in the case of a decrease in the rate).

The additional Interest expense of $23.9 million for the year ended December 31, 2014 and $0.6 million for the three months ended March 31, 2015, represents the net interest expense and amortization of commitment fees on the refinancing and the new indebtedness incurred, as well as elimination of Interest expense related to the Term loan facility, RPL liability and related deferred financing costs and derivatives not assumed in the Acquisition, and elimination of historical NRZ interest expense related to financing for loans sold.

The following summarizes the pro forma adjustment in the Interest expense (in millions):

	For the year ended December 31, 2014	For the three months ended March 31, 2015
Elimination of historical HLSS interest expense related to the Match funded liabilities	$ (126.5)	$ (31.0)
Add: HLSS Interest expense for new indebtedness and refinancing	161.8	37.8
Add: Interest expense related to new indebtedness incurred by the Company for the Acquisition	12.5	2.1
Add: Deferred financing costs amortization on HLSS refinancing and the Company s new indebtedness	5.4	1.4
Total additional interest expense from refinancing and new indebtedness	$ 53.2	$ 10.3
Elimination of historical HLSS Interest expense due to the repayment of Term loan facility (Refer to note E)	(16.5)	(4.1)
Elimination of historical HLSS Interest expense related to the repaid RPL liability	(3.7)	(1.0)
Elimination of historical HLSS Interest expense related to deferred financing costs and derivatives	(3.4)	(0.5)
Elimination of historical NRZ interest expense related to financing for loans sold	(5.7)	(4.1)
Total eliminations of historical Interest expense	(29.3)	(9.7)

Total pro forma adjustments	**$**	**23.9**	**$**	**0.6**

L. Certain amounts in the historical statement of income of HLSS have been reclassified to conform to the Company s presentation. In addition, certain non-recurring costs of both the Company and HLSS have been removed from the historical statement of income. These reclassifications and adjustments are as follows:

Related party revenue of $1.8 million and $0.05 million and Other revenue of $0.4 million and $1.4 million, each for the year ended December 31, 2014 and three months ended March 31, 2015, respectively, to Other income, net.

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Compensation and benefits of $6.3 million and $2.1 million and Related party expenses of $2.3 million and $0.08 million, each for the year ended December 31, 2014 and three months ended March 31, 2015, respectively, to General and administrative expenses.

The Company and HLSS incurred $4.4 million and $13.1 million of transaction costs in relation to the Acquisition in the three months ended March 31, 2015, respectively. These transaction costs are non-recurring in nature and have been removed from General and administrative expenses in the pro forma financial information.

In addition, the following amounts in the statement of income of the Company were directly attributable to residential mortgage loans sold by the Company (Refer to note B) and therefore, have been eliminated:

Losses within Other income of $1.8 million and $0.1 million, each for the year ended December 31, 2014 and three months ended March 31, 2015, respectively;

General and administrative expenses of $0.9 million and $1.9 million, each for the year ended December 31, 2014 and three months ended March 31, 2015, respectively; and

Loan servicing expense of $1.7 million and $2.9 million, each for the year ended December 31, 2014 and the three months ended March 31, 2015, respectively.

M. Represents additional management fees as a result of the Acquisition pursuant to the management agreement, under which the Company pays 1.5% of its Gross Equity, as defined in the management agreement, assuming the underwriter does not exercise their option to purchase additional shares of our common stock.

Management Fee Adjustment

$ million	**Year ended December 31, 2014**	**Three Months Ended March 31, 2015**
Share issuance as consideration to HLSS, net of underwriter and other related fees	$ 422.2	$ 422.2
Base pro forma management fee of 1.5% of share issuance	$ 6.3	$ 1.6

Incentive Compensation Adjustment

Reflects an adjustment to the Incentive Compensation of $37.4 million and $3.9 million for the year ended December 31, 2014 and three months ended March 31, 2015, respectively, related to the pro forma adjustments to the statement of income and the impact of the share issuance by the Company to HLSS on the incentive compensation threshold.

N. In conjunction with the transaction the Company sold various pools of loans which were consummated prior to and subsequent to March 31, 2015 (Refer to note B for Pro forma Balance Sheet effect of loans sold subsequent to March 31, 2015). For loans sold prior to March 31, 2015, the Company recognized a gain of $18.1 million which was reflected in its historical financial statements. For the purposes of the pro forma financial information in this prospectus supplement, the gain has been removed as this represents a non-recurring event.

O. The Company intends to continue to qualify as a REIT under the requirements of the Internal Revenue Code, and as a result, the Company s direct income tax expense is expected to be minimal. Consequently, no additional adjustment to pro forma Income tax expense has been made with respect to the Acquisition. With respect to the Acquisition, the Company acquired the taxable subsidiaries of HLSS through the Company s taxable REIT subsidiaries and those subsidiaries are therefore subject to federal income taxes at corporate rates on the taxable basis carried over from HLSS. However, no pro forma adjustment for income tax expense has been reflected in the pro forma statement of income as incremental taxable income is projected to be minimal.

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P. Pro Forma Earnings (Loss) Per Share Attributable to Common Stockholders
Pro forma basic earnings (loss) per common share attributable to common stockholders has been calculated based on the number of shares assumed to be outstanding, assuming such shares were outstanding for the full period presented. The 29,213,020 shares of common stock issued on April 13, 2015 and the planned issuance of 27,935,389 shares pursuant to this prospectus supplement together with the secondary net settlement of options are not included in the pro forma weighted-average number of shares outstanding.

The following table sets forth the computation of unaudited pro forma basic and diluted earnings (loss) per share attributable to common stockholders (in thousands, except per share data):

	Year ended December 31, 2014		
	Net income	Shares	Per share amount
Earnings per share, basic	508,484	164,759,845	3.09
Earnings per share, diluted	508,484	167,852,689	3.03

	Three months ended March 31, 2015		
	Net income	Shares	Per share amount
Earnings per share, basic	58,196	169,721,885	0.34
Earnings per share, diluted	58,196	173,198,289	0.34

Shares utilized in the calculation of pro forma basic and diluted earnings (loss) per share attributable to common stockholders are as follows:

	As of December 31, 2014		
	Historical	**Shares issued in the transactions***	**Pro Forma Total**
Weighted-average shares outstanding, basic	136,472,865	28,286,980	164,759,845
Weighted-average shares outstanding, diluted	139,565,709	28,286,980	167,852,689

	As of March 31, 2015		
	Historical	**Shares issued in the transactions***	**Pro Forma Total**
Weighted-average shares outstanding, basic	141,434,905	28,260,980	169,721,885
Weighted-average shares outstanding, diluted	144,911,309	28,286,980	173,198,289

* The Company issued approximately 2.8 million options to the Manager pursuant to the management agreement in connection with this share issuance to HLSS. However, this does not impact diluted shares outstanding since the assumed strike price and the assumed market value for purposes of computing the treasury stock method are both equal to the share issue price.

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PRICE RANGE OF OUR COMMON STOCK

We have one class of common stock, which has been listed on the NYSE under the symbol NRZ since May 2, 2013 on a when issued basis, and has been traded since our spin-off from Newcastle on May 15, 2013 (the Spin-off). The following table sets forth, for the periods indicated, the high, low and last sale prices in U.S. dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated.

2015	High	Low	Last Sale	Distributions Declared
First Quarter	$ 15.61	$ 12.10	$ 15.01	$ 0.38
Second Quarter (through June 9, 2015)	$ 17.91	$ 14.98	$ 16.63	$ 0.45(C)

2014	High	Low	Last Sale	Distributions Declared
First Quarter	$ 13.72	$ 12.10	$ 12.94	$ 0.35
Second Quarter(A)	$ 13.32	$ 12.06	$ 12.60	$ 0.50
Third Quarter	$ 12.90	$ 11.66	$ 11.66	$ 0.35
Fourth Quarter	$ 13.64	$ 11.44	$ 12.77	$ 0.38

2013	High