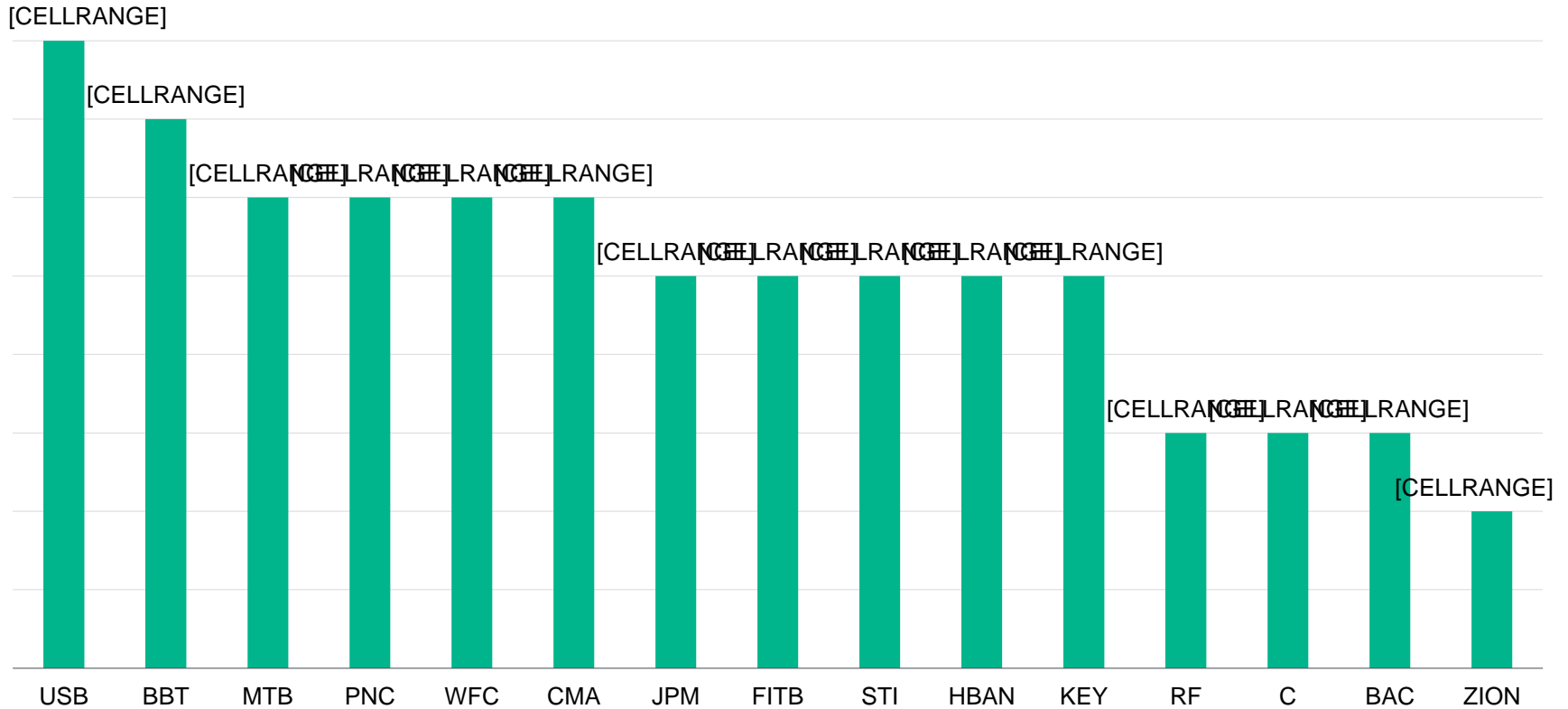


Mortgage Companies

GNMA Conference on Managing Value and Liquidity in Mortgage Servicing, June 24, 2016

Warren Kornfeld, Senior Vice President – Financial Institutions Group

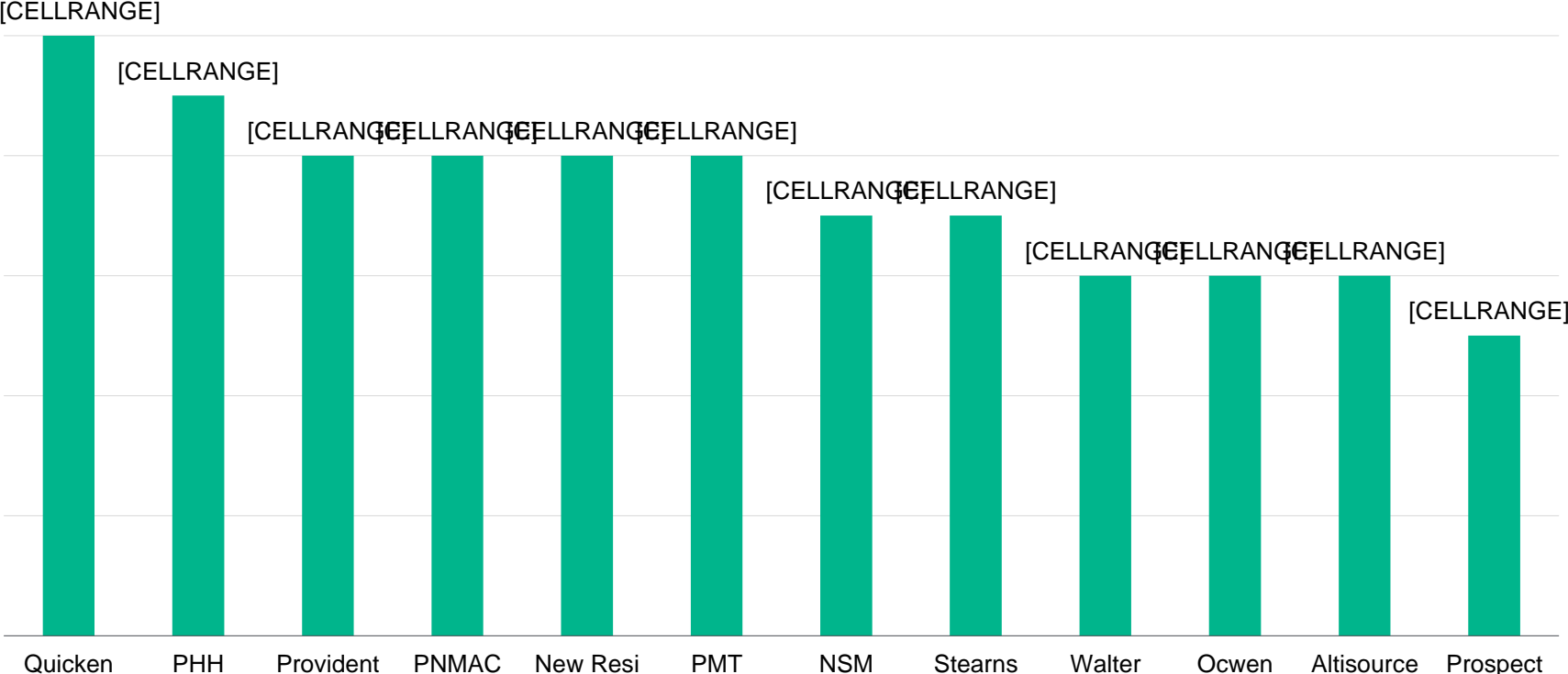
Moody's Stand Alone Credit Assessments of 15 Largest US Banks



*CMA's ratings have a negative outlook; KEY's ratings are on review for possible downgrade; Zion's ratings have a positive outlook

Source: Moody's

Moody's Corporate Family Ratings of Rated Mortgage Companies

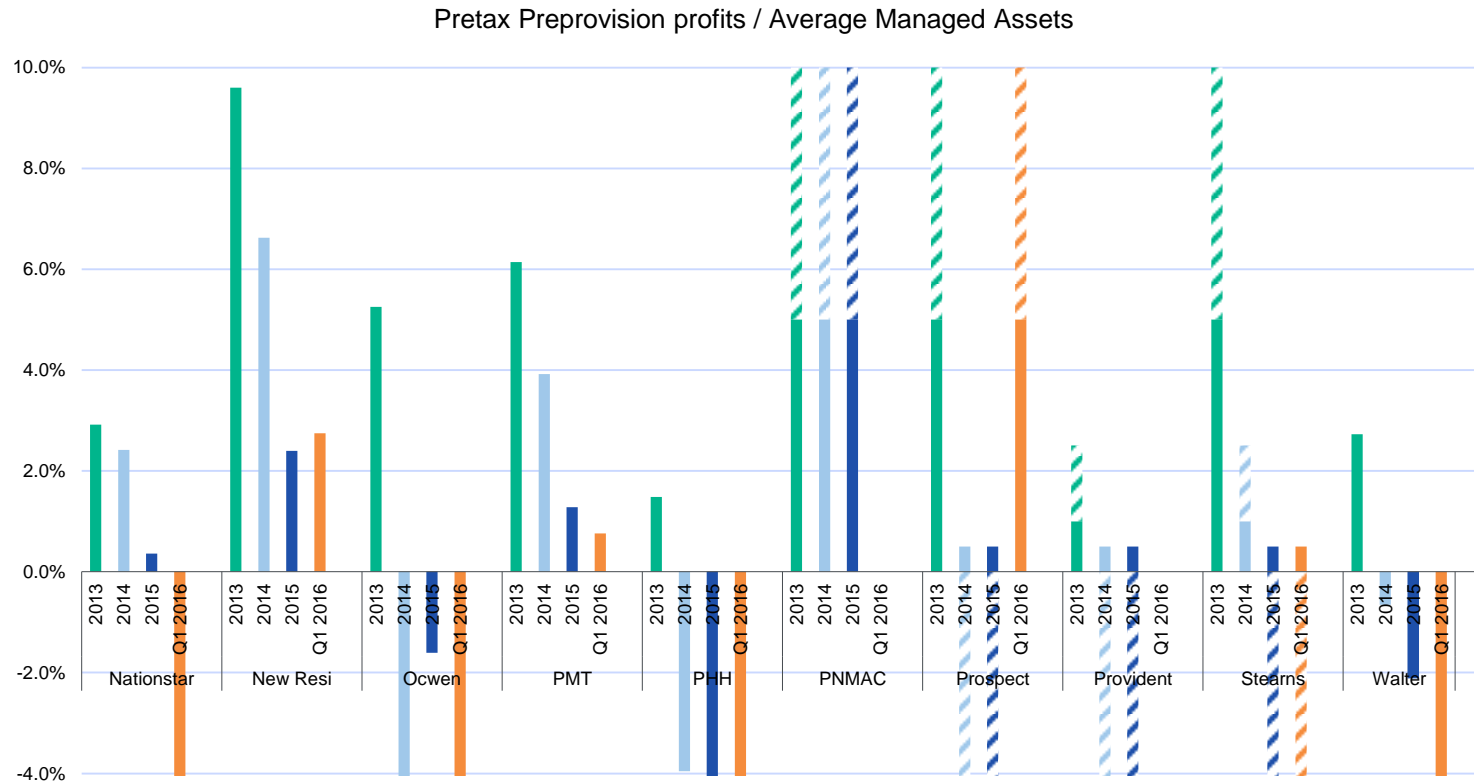


*PHH's ratings are on review for possible downgrade; PMT's, Ocwen's and Altisource's ratings have a negative outlook

Source: Moody's

Constrained Profitability

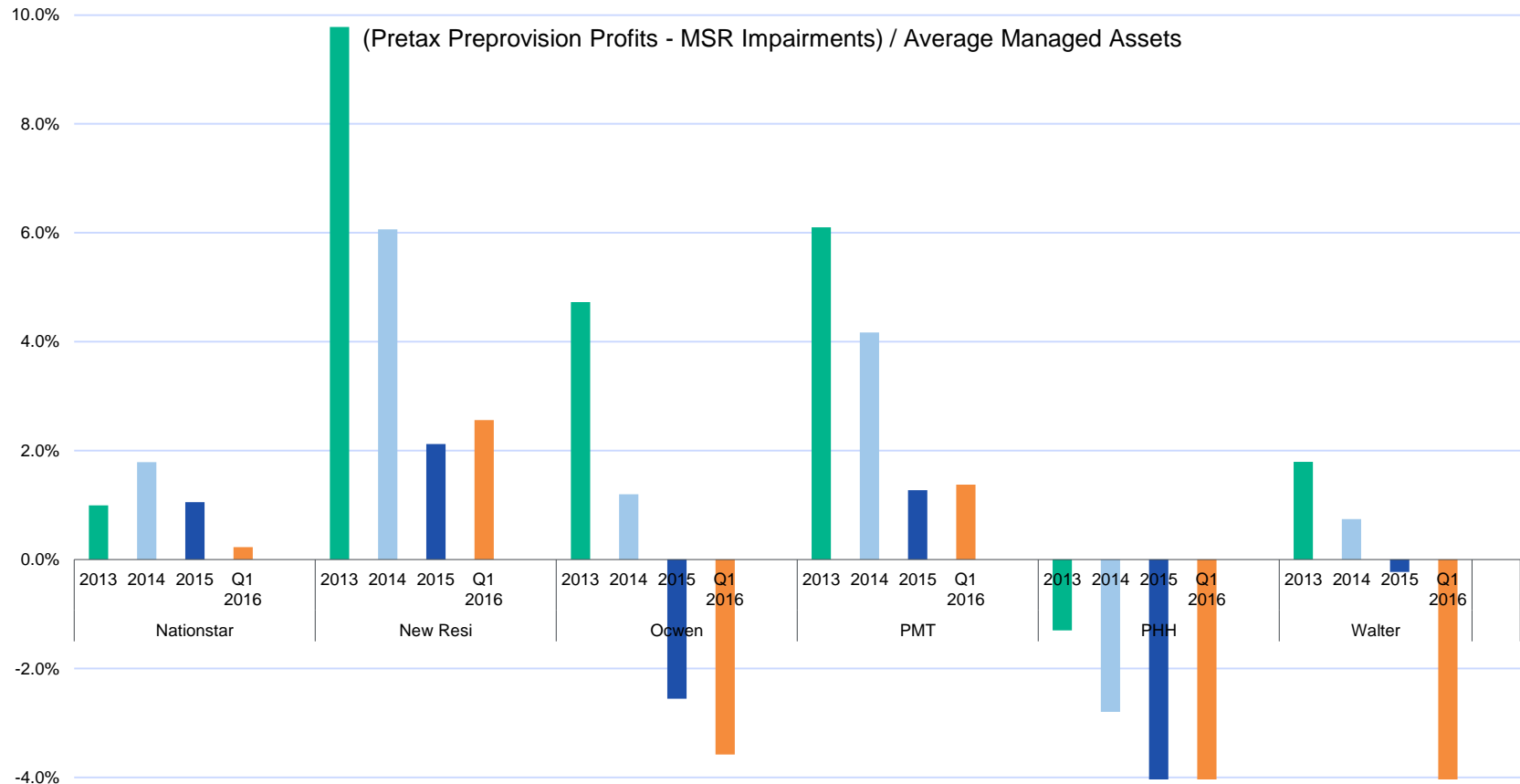
Only 5 out of 12 of rated mortgage companies have Net Income / Assets above 1%



Source: Company Disclosures and Moody's

Profitability – Excluding MSR Impairments

Weak profitability driven largely by rising operating costs

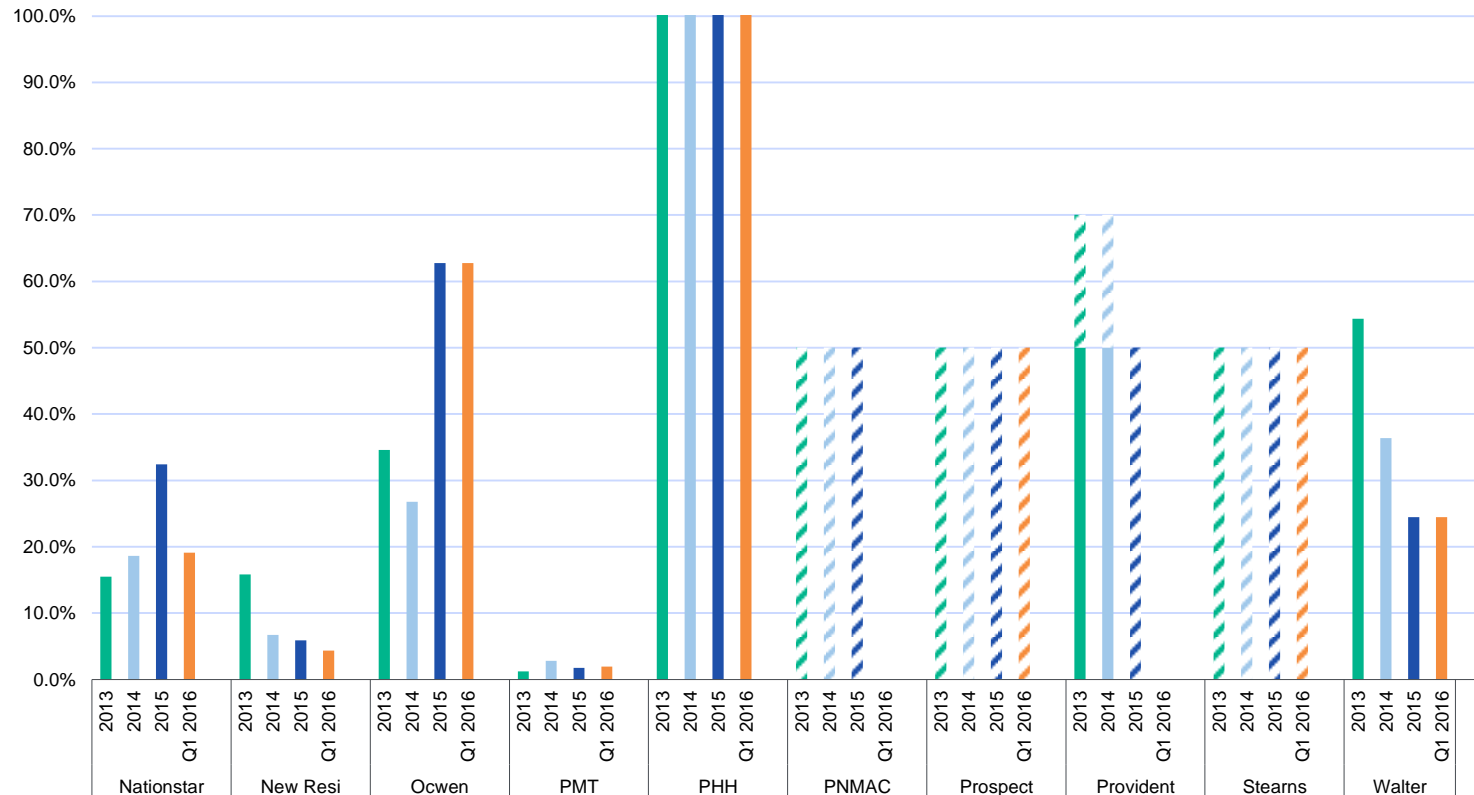


Source: Company Disclosures and Moody's

Weak Liquidity

Have low levels of liquidity versus facilities maturing over next two years as a result of reliance on 364 day warehouse facilities

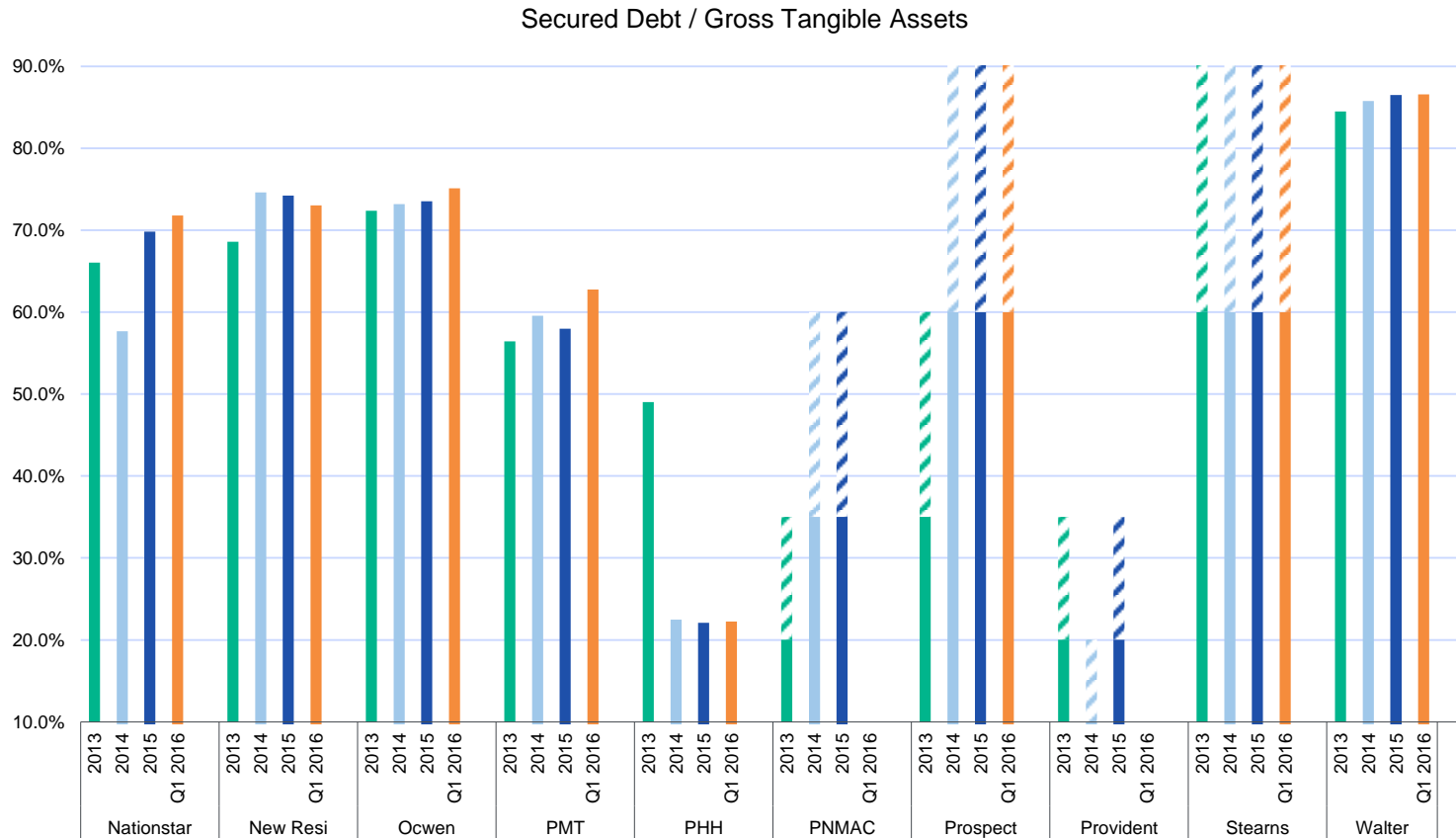
24 Month Coverage - (Cash divided by Debt Maturing within 2 years)



Source: Company Disclosures and Moody's

Liquidity

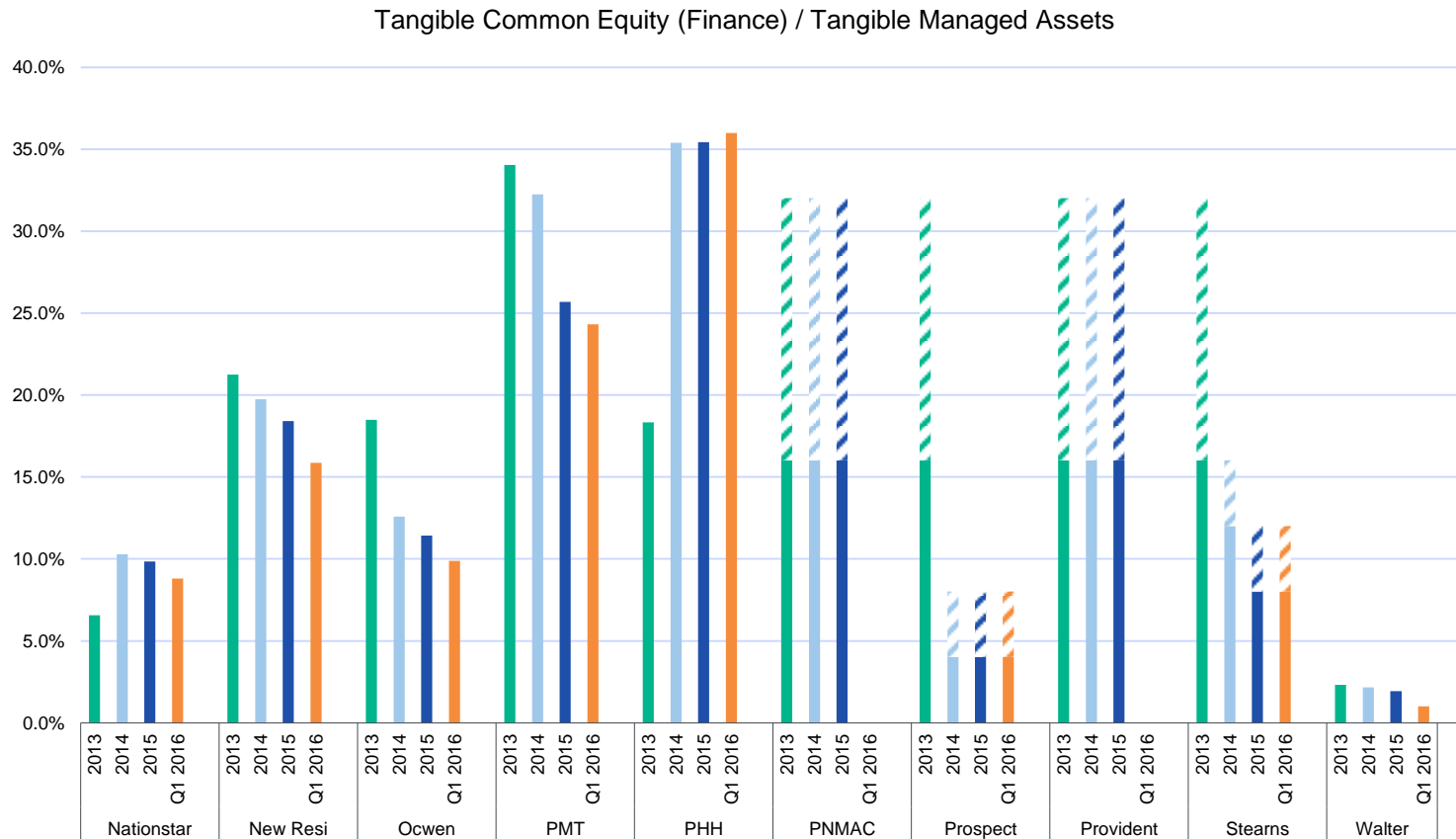
Warehouse facilities also result in high levels of secured debt



Source: Company Disclosures and Moody's

Capital

Capital Adequacy Ranges from Weak to Strong



Source: Company Disclosures and Moody's

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