



Asset Purchase Agreements FAQ

1. What are the “Asset Purchase Agreements”?

- Ditech Holding Corporation ("Ditech Holding" or, together with its subsidiaries, the "Company") announced that it has entered into an asset purchase agreement with New Residential Investment Corp. ("New Residential") and a stock and asset purchase agreement with Mortgage Assets Management, LLC and its affiliate (collectively, "Mortgage Assets") pursuant to which, if consummated:
 - New Residential will acquire the assets of the Company's forward mortgage servicing and originations business, Ditech Financial LLC.
 - Mortgage Assets will acquire the stock and assets of the Company's reverse mortgage business, Reverse Mortgage Solutions, Inc.
- Under the terms of each of the agreements, New Residential and Mortgage Assets will serve as “stalking horse bidders” in court-supervised sale processes. Accordingly, the agreements are each subject to higher or otherwise better offers, among other conditions.
- As we move through this process, the Company's operations are expected to continue as normal.

2. Why is the Company selling itself?

- Since we completed a recapitalization last February, we have made important progress on our strategic initiatives and our expense management efforts.
- However, as a result of market challenges that have continued to accelerate and pressure our business, we must take further action.
- These agreements follow our comprehensive strategic review process with the assistance of our outside advisors.

3. What is a “stalking horse”?

- The “stalking horse bid” sets the floor for other potential bids in the auction process. New Residential is the proposed stalking horse bidder for Ditech Financial, and Mortgage Assets is the proposed stalking horse bidder for RMS.

4. What will happen to RMS and Ditech Financial?

- Under the terms of the agreements with New Residential and Mortgage Assets, New Residential will acquire the assets of Ditech Financial LLC, and Mortgage Assets will acquire the stock and assets of RMS.
- During the court-supervised sale processes, we expect to continue operating as normal.



5. How will new ownership affect day-to-day operations?

- Under the agreements, New Residential and Mortgage Assets would acquire the assets of our businesses.
- During the sale process, the Company and its subsidiaries are expected to continue operating as normal.

6. How will this process affect Ditech Financial customers?

- During the sale process, we expect to continue operating as normal, as we have been throughout the Chapter 11 cases.
- If you have a pending mortgage application with Ditech, this process should not affect your pending applications or existing commitment letters or rate lock agreement. The Company expects to continue to process your application and to fund and close approved loans in the ordinary course of business.
- For Ditech customers with existing mortgages, this process has not changed your obligations under your loan agreements. The amount of your mortgage payment, the due date of your mortgage payment, and where you send those payments are unchanged. You should continue to make your mortgage payments, including the escrow portion of those payments, on time and in full. Escrow accounts are protected, and payments for taxes and insurance will be made as they come due.
- The Company is focused on serving customers as we move through the sale process.

7. How will this process affect RMS customers?

- During the sale process, we expect to continue operating as normal, as we have been throughout the Chapter 11 cases.
- This process has not changed your reverse mortgage, and should not change the scheduled or unscheduled draw process.
- The Company is focused on providing you with the same high-quality service as we move through the sale process.

8. What does this mean for escrow deposits of taxes or insurance?

- You should continue to make your mortgage payments, including the escrow portion of those payments, on time and in full.
- Escrow accounts are protected, and payments for taxes, insurance, etc. will be made as they come due.



9. Why should I continue to do business with the Company?

- We are focused serving customers as we move through the sale process.
- We appreciate your business and remain committed to delivering exceptional service and exceeding your expectations.

10. Will you be able to meet your customer obligations throughout this process?

- Yes. We are continuing our relentless focus on the customer experience as we move through the sale process.

11. What does it mean that the sales to New Residential and Mortgage Assets are subject to higher or otherwise better offers?

- The agreements, which are known as “stalking horse bids,” are the first step in the court-supervised sale processes.
- As part of these processes, other potential strategic or financial buyers will have an opportunity to submit bids for the business in an auction or auctions scheduled to take place in the near future.
- The winning bids will be those that are determined to be the highest or otherwise best, subject to bankruptcy court approval.

12. What are the next steps? When will the auctions take place?

- The deadline for submitting bids is currently scheduled for July 8, 2019. If qualified bids are submitted, an auction or auctions would be scheduled to be held beginning at 10:00 a.m. (ET) on July 11, 2019. A hearing on confirmation of our plan of reorganization and to approve the sales is currently scheduled to begin on August 7, 2019.