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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	:
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WALTER INVESTMENT MANAGEMENT CORP.,	:
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Debtor.¹	:
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**Chapter 11
Case No. 17-[_____] (____)**

**DECLARATION OF DAVID COLES
PURSUANT TO RULE 1007-2 OF LOCAL BANKRUPTCY
RULES FOR SOUTHERN DISTRICT OF NEW YORK**

I, David Coles, make this declaration under 28 U.S.C. §1746.

1. I am a Managing Director with Alvarez & Marsal North America, LLC (“A&M”).² I have more than 25 years of financial restructuring and management consulting experience. I have been involved in all aspects of the reorganization process, including the development and evaluation of strategic business plans, the implementation of liquidity

¹ The Debtor’s federal tax identification number is 13-3950486. The Debtor’s mailing address is 1100 Virginia Drive, Suite 100, Fort Washington, PA 19034.

² Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such term in the Prepackaged Plan (as defined below) or the Disclosure Statement (as defined below), or as the context otherwise requires.

management strategies, and advising on numerous in and out-of-court restructurings, including chapter 11 proceedings.

2. On March 1, 2017, A&M was retained by Weil, Gotshal & Manges LLP (“**Weil**”) on behalf of Walter Investment Management Corp. (“**WIMC**”, and as debtor and debtor in possession in the above captioned case, the “**Debtor**” and, together with its non-Debtor affiliates, the “**Company**”) to, among other things, assist Weil in advising the Company in its negotiations with creditors and to provide the Company and its other professionals financial advisory services in connection with the Company’s evaluation and development of strategic alternatives to address its over-levered capital structure. On July 3, 2017, I was appointed a senior officer (“**Senior Officer**”) of WIMC, with authority to evaluate, implement, and manage (i) cost reduction measures and operational improvement measures necessary to preserve and maximize the value and efficiency of the Company under the direction and supervision of the Chief Executive Officer (“**CEO**”), and (ii) such other duties as designated by the CEO (the “**Restructuring Services**”). As a Senior Officer, I report and provide advice to the Company’s CEO and provide periodic updates to the Board on the Company’s restructuring initiative, of which this chapter 11 case (this “**Chapter 11 Case**”) is a key component.

3. On the date hereof (the “**Petition Date**”), WIMC commenced with this court (the “**Court**”) a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). I am knowledgeable and familiar with the Company’s day-to-day operations, business and financial affairs, books and records, and the circumstances leading to the commencement of this Chapter 11 Case.

4. Except as otherwise indicated herein, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided

to me by employees of A&M, the Company, or advisors and counsel to the Company, or my opinion based upon my experience, knowledge, and information concerning the Company. If called upon to testify, I would testify competently to the facts set forth in this Declaration.

5. This Declaration is submitted pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”) for the purpose of apprising the Court and parties in interest of the circumstances that led to the commencement of this Chapter 11 Case and in support of the motions and applications that the Debtor has filed with the Court, including the “first-day motions” (the “**First-Day Pleadings**”). I am authorized to submit this Declaration on behalf of the Debtor.

6. Section I provides an overview of this Chapter 11 Case. Section II describes the Company’s business. Section III describes the Company’s corporate and capital structure. Section IV describes the circumstances that led to the commencement of the Chapter 11 Case. Section V provides a summary of the First-Day Pleadings and the factual bases for the relief requested therein. Section VI identifies the attached schedules of information required by Local Rule 1007-2.

I. **Overview**

A. Prepackaged Plan.

7. The Debtor has commenced this prepackaged chapter 11 case with plan of reorganization that has been accepted by each class of voting creditors³, which will enable the Company to leave its business operations intact and substantially de-leveraged. Specifically, the *Prepackaged Chapter 11 Plan of Reorganization of Walter Investment Management Corp. and*

³ As set forth in the *Declaration of Christina Pullo of Prime Clerk LLC Regarding Solicitation of Votes and Tabulation of Ballots Cast on the Prepackaged Chapter 11 Plan of Reorganization of Walter Investment Management Corp. and the Affiliate Co-Plan Proponents*, filed contemporaneously herewith.

*the Affiliate Co-Plan Proponents*⁴ (the “**Prepackaged Plan**”), filed contemporaneously herewith, provides for a balance sheet restructuring (the “**Restructuring**”) of the Company. Through the Restructuring period (from July 31, 2017 through February 2018), the Company is committed to reduce its outstanding corporate debt by approximately \$806 million through a combination of cancelation of debt (\$531 million) and principal paydowns (\$275 million), extend the maturity of its Term Loan through June 2022, and enhance the Company’s financial flexibility as it continues the ongoing transformation of its business. The Prepackaged Plan provides for the payment in full, either upon the Effective Date or in the ordinary course, of general unsecured claims against the Debtor.

8. More specifically, the Prepackaged Plan provides for, among other things, the following:

- The Prepetition Credit Agreement will be amended and restated to extend the maturity thereunder from December 2020 to June 2022, thereby giving the Company additional time to implement its turnaround business plan in an effort to maximize value for all stakeholders. In exchange, the Company will make certain principal payments to the Term Lenders based on an agreed amortization schedule. By the end of the first quarter of 2018, the principal balance of the Term Loan is projected to be \$1.1 billion. As of September 30, 2017, the aggregate outstanding principal balance of the Term Loan was \$1.3 billion.
- In exchange for the cancellation of the Senior Notes, holders of Senior Notes Claims will receive their respective pro rata share of (i) the New Second Lien Notes in the face amount of \$250 million, which will be secured on a second-lien basis by the assets that will secure the Amended and Restated Credit Agreement of the Debtor and its affiliates that are currently guarantors under the Prepetition Credit Agreement (*i.e.* the Affiliate Co-Plan Proponents), and (ii) the Mandatorily Convertible Preferred Stock having an aggregate liquidation preference of \$100 million and which is convertible into 73% of the total number of issued

⁴ The Affiliate Co-Plan Proponents are Ditech (as defined herein), DF Insurance Agency LLC, Green Tree Credit LLC, Green Tree Credit Solutions LLC, Green Tree Insurance Agency of Nevada, Inc., Green Tree Investment Holdings III LLC, Walter Management Holding Company LLC, Green Tree Servicing Corp., Mortgage Asset Systems, LLC, REO Management Solutions, LLC, RMS (as defined herein), and Walter Reverse Acquisition LLC

outstanding shares of New Common Stock as of the Effective Date (subject to dilution by shares of New Common Stock issued or issuable pursuant to the Management Incentive Plan and by shares of New Common Stock issued after the Effective Date, including shares of New Common Stock issuable pursuant to the New Warrants (if issued)). As of September 30, 2017, the aggregate outstanding principal amount of the Senior Notes was \$538.7 million.

- In addition, notwithstanding the fact that the current value of the Company is insufficient to support a distribution to holders of Convertible Notes Claims, the remaining portion of the value that would have been distributable to holders of Allowed Senior Notes Claims will instead, and with the consent of the holders of Senior Notes Claims, be distributed to junior constituencies if the Allowed Convertible Notes Claims Class vote to accept the Prepackaged Plan, which has occurred. Specifically, the New Common Stock, which represents the remaining 27% of the reorganized equity value of the Debtor, and the New Warrants will be equally distributed to holders of Allowed Convertible Notes Claims and Allowed Existing Equity Interests.
- All DIP Claims, Warehouse and Repurchase Facility Claims, Other Priority Claims, Priority Tax Claims, Other Secured Claims, Revolving Loan Claims, and General Unsecured Creditors (as each of those terms are defined in the Prepackaged Plan) are unimpaired by the Prepackaged Plan and will be satisfied in full in the ordinary course of business. This includes, but is not limited to, the claims of contract counterparties, GSEs (as defined herein), warehouse lenders, and employees.

9. The Restructuring is expected to enhance the Company's long-term growth prospects and to allow the Company's management team to increase its focus on operational performance and value creation.

B. Restructuring Support Agreements.

10. The Prepackaged Plan is the product of months of robust, good-faith negotiations between the Debtor and an informal ad hoc group of holders of Term Loans (the "**Term Lender AHG**") and an informal ad hoc group of holders of Senior Notes (the "**Senior Noteholder AHG**"), and together with the Term Lender AHG, the "**Ad Hoc Groups**").

11. On July 31, 2017, the Debtor entered into a Restructuring Support Agreement (the "**Original Term Loan RSA**") with Term Lenders holding, as of July 31, 2017,

more than 50% of the term loans and commitments outstanding under the Prepetition Credit Agreement. Pursuant to the terms of the Original Term Loan RSA, on the dates specified therein, the Company was obligated to purchase at par (or in certain limited circumstances, voluntarily prepay) the term loans of the lenders that became party to the Original Term Loan RSA in an aggregate principal amount of \$100 million. During this time, negotiations continued with the Ad Hoc Groups on the terms of a global restructuring.

12. Following extensive negotiations with the Ad Hoc Groups, on October 20, 2017, the Debtor entered into (i) an Amended and Restated Restructuring Support Agreement with Term Lenders holding approximately 48% of the aggregate outstanding principal amount of the Term Loan Claims (the “**Term Lender RSA**”), and (ii) a Restructuring Support Agreement with Senior Noteholders holding more than 50% of the aggregate outstanding principal amount of the Senior Notes Claims (the “**Senior Notes RSA**”, and together with the Term Lender RSA, the “**Restructuring Support Agreements**”). The Restructuring Support Agreements became effective when holders of more than 66 2/3% in the aggregate of Senior Notes and Terms Loans became party to the applicable Restructuring Support Agreement (the “**Support Effective Date**”). The Support Effective Date occurred on October 25, 2017, and, as of that date, Consenting Term Lenders collectively holding more than 95% of all Term Loans Claims and Consenting Senior Noteholders collectively holding more than 85% of all Senior Notes Claims, committed to support the Restructuring. In consultation with the Consenting Term Lenders and Consenting Senior Noteholders (together, the “**Consenting Creditors**”), the Debtor developed the Prepackaged Plan.

7. On November 6, 2017, the Debtor launched solicitation of the Prepackaged Plan (the “**Solicitation Date**”), soliciting votes from holders of Term Loan Claims,

Senior Notes Claims, and Convertible Notes Claims. Voting concluded on November 28, 2017 (unless extended by the Debtor). The Prepackaged Plan has received the overwhelming support of all voting classes. Specifically, as of the voting deadline, the Debtor received acceptances of the Prepackaged Plan in accordance with the requirements of section 1126 of the Bankruptcy Code from each voting class of impaired creditors—Class 4 (Term Loan Claims), Class 5 (Senior Notes Claims) and Class 6 (Convertible Notes Claims). Specifically, of the creditors who voted in such classes, the Prepackaged Plan was accepted as follows:

Class	% Amount Accepted	% Number Accepting
Class 4 (Term Loan Claims)	100%	100%
Class 5 (Senior Notes Claims)	99.24%	96.84%
Class 6 (Convertible Notes Claims)	99.99%	96.67%

C. DIP Financing.

13. As part of the Restructuring, the Company has secured a commitment to refinance all of its prepetition warehouse advance, buy-out, and similar financing facilities by entering into DIP Warehouse Facilities, to be guaranteed by the Debtor, which will provide up to \$1.9 billion to Ditech Financial, LLC (“**Ditech**”) and Reverse Mortgage Solutions, Inc. (“**RMS**”), the primary operating subsidiaries of the Company. The DIP Warehouse Facilities will be converted to exit facilities upon the Effective Date of the Prepackaged Plan, which will support the Company’s operational needs upon the Debtor’s emergence from chapter 11.

14. Pursuant to the DIP Guaranties, the Debtor will guaranty Ditech’s and RMS’ obligations under each DIP Warehouse Facility Agreements on an unsecured basis and will seek to grant superpriority status to the DIP Lenders’ Claims under the DIP Guaranties.

Upon the occurrence of the Effective Date and satisfaction of certain conditions precedent set forth in the exit facility documents, the DIP Warehouse Facilities will convert into the Exit Warehouse Facilities.

15. The DIP Warehouse Facilities will provide Ditech and RMS the flexibility to use the commitment amount in the manner that best suits their capital needs. Specifically, during the Chapter 11 Case, (i) up to \$750 million will be available to fund Ditech's origination business, (ii) up to \$800 million will be available to RMS, and (iii) up to \$550 million will be available to finance the advance receivables related to Ditech's servicing activities. In addition, the lenders under the DIP Warehouse Facilities have agreed to provide Ditech up to \$1.35 billion in trading capacity required by Ditech to hedge its interest rate exposure with respect to the loans in Ditech's origination pipeline, as well as those loans that will be subject to repurchase obligations with the DIP Warehouse Facilities lenders prior to being securitized.

D. Cash Collateral and Adequate Protection.

16. In addition, the Debtor will seek authorization to consensually use the cash collateral of the Prepetition Lenders for the duration of the Chapter 11 Case. In exchange, the Debtor will seek to provide the Term Lenders, with the consent of the Prepetition Administrative Agent, acting at the direction of the Requisite Term Lenders, certain protections, including the following:

- Adequate Protection Lien. The Prepetition Administrative Agent (on behalf of itself and the Term Lenders) shall receive a replacement security interest in and lien on all assets and property of the Debtor, whether arising prepetition or postpetition of any nature whatsoever, which liens and security interests shall be subordinate only to Permitted Liens (as defined in the Prepetition Credit Agreement) to the extent any such Permitted Liens are senior in priority under applicable non-bankruptcy law to the liens securing the obligations under the Prepetition Credit Agreement, and a customary professional fee "carve-out" in an amount to be agreed upon by the Company and the Requisite Term Lenders (the

“**Carve Out**”). The adequate protection liens shall not be (i) subject, or junior to, any lien or security interest that is avoided and preserved for the benefit of the Debtor’s estate under section 551 of the Bankruptcy Code or (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise, except as expressly provided in the DIP Orders.

- 507(b) Claim. The Prepetition Administrative Agent (on behalf of itself and the Term Lenders) shall receive an administrative expense claim pursuant to Bankruptcy Code section 507(b) with priority over all other administrative expenses, subject to the Carve Out.
- Adequate Protection Payments. The Debtor’s prompt payment of, whether incurred prior to or following the Commencement Date, (i) all reasonable fees and expenses of the Prepetition Administrative Agent (in accordance with the Prepetition Credit Agreement), (ii) the advisors to a group of Consenting Term Lenders, and (iii) of accrued interest at the non-default rate.

E. The Effect of the Restructuring.

17. The effect of the Restructuring on the Company’s capital structure is summarized as follows:

<u>pre-Restructuring</u>	<u>post-Restructuring⁵</u>
Term Loan Claims: \$1,395 million	Term Loan Claims: \$1,120 million
Senior Note Claims: \$538.7 million	New Second Lien Notes: \$250.0 million
Convertible Notes Claims: \$242.5 million	Convertible Notes Claims: cancelled (converted into 13.5% of reorganized equity) and receive 50% of the New Warrants
Total Current Corporate Funded Debt = \$2,176 million	Total Reorganized Corporate Funded Debt = \$1,370 million
Originations, Reverse and Servicing Advance Financing	Proposed DIP / Exit Financing
Existing Equity Interests: 100%	Existing Equity Interests: 13.5% of the reorganized equity and receive 50% of the New Warrants
General Unsecured Claims	Unimpaired

F. Proposed Timeline.

18. The Debtor believes that, to be successful, this Chapter 11 Case must proceed in the most expeditious manner permitted by the Bankruptcy Code. The terms of the Restructuring Support Agreements and the DIP Documents reflect that belief. Among other milestones contained in the Restructuring Support Agreements is a deadline for entry of an order by the Bankruptcy Court approving the Disclosure Statement and solicitation procedures and confirming the Prepackaged Plan by January 31, 2018. To meet this deadline, the Debtor has proposed the following timeline for the Chapter 11 Case (subject to Court approval):

⁵ Inclusive of (i) pre-petition term loan paydowns in 2H 2017 of (x) \$138 million mandatory RSA paydowns and (y) \$28 million asset sale proceeds paydown and (ii) contemplated post-petition term loan paydowns of (x) \$38 million mandatory RSA paydown and (y) \$72 million asset sale proceeds paydown.

<u>Proposed Timeline</u>	
Voting Record Date	November 1, 2017
Distribution of Solicitation Packages	November 6, 2017
Plan Voting Deadline	November 28, 2017, at 5:00 p.m. (Prevailing Eastern Time)
Petition Date	November 30, 2017
Mailing of Combined Notice	Within two (2) days of entry of the Scheduling Order
Plan Supplement Filing Deadline	December 20, 2017
Plan Objection Deadline	December 29, 2017, at 4:00 p.m. (Prevailing Eastern Time)
Reply Deadline	January 8, 2018, at 12:00 p.m. (Prevailing Eastern Time)
Combined Hearing	January 9, 2018
341 Meeting/SOAL/SOFA Deadline	January 29, 2018 (waived if Prepackaged Plan is confirmed)

20. The Debtor believes that an expeditious Chapter 11 Case is essential to maximizing value and successfully reorganizing the Company. The Company's stakeholders have supported the Company's business leading up to the filing in anticipation of an expeditious balance sheet restructuring that seeks to avoid negative impact to the Company's operations, customers, the GSEs, Ginnie Mae, warehouse lenders, or employees. To ensure that result, the Debtor negotiated a favorable transaction with the Consenting Creditors. In exchange, the Consenting Creditors have consented to a Prepackaged Plan that can be implemented in an expeditious fashion with as few costs as feasible and with minimal disruption to operations or diminution of value to the Company's enterprise.

G. Holdco-only Chapter 11.

21. As explained more fully herein and in the *Motion for Limited Extension of the Automatic Stay to Affiliate Co-Plan Proponents Pursuant to 11 U.S.C. §§105(a) and 362(a)*, filed contemporaneously herewith, after careful and extensive evaluation, the Company determined not to file the Affiliate Co-Plan Proponents for chapter 11 along with the Debtor

because it could significantly deplete value of the Company to the detriment of all parties. It is the Company's intention to implement the Restructuring and then emerge from this Chapter 11 Case as a going concern. If the Affiliate Co-Plan Proponents had to commence their own chapter 11 cases, there would be a substantial risk to the value of the Company.

22. Filing a chapter 11 case for each of the Affiliate Co-Plan Proponents would likely cause significant disruption to the Company's operations and a significant diminution in enterprise value because an expanded filing would likely have the following additional effects:

- Potentially limiting the Company's ability to obtain DIP financing under the currently contemplated terms, which are favorable to the Company, and which would negatively impact the Company's operations and jeopardize the source of funding for the Prepackaged Plan;
- Additional expense, complexity, and duration of the cases, resulting in a significant (and potentially unsustainable) strain on the continued operations of the Company;
- Increased risk that the counterparties to the Affiliate Co-Plan Proponents' servicing agreements would seek to transfer their subservicing rights to another servicer, jeopardizing the Company's platform value;
- Significantly harming Ditech's business because (i) Ditech is a consumer-facing operation that could lose refinancing and purchase money originations volume as consumers become aware of the filing by Ditech and are aggressively pursued by Ditech's competitors, and (ii) Ditech's lenders could ascribe additional credit risk to Ditech, further depressing the Company's originations volumes and imperil the profitability and longer term viability of the Company; and
- Potentially ending the critically important Restructuring Support Agreements, because the Consenting Term Lenders and Consenting Senior Noteholders may claim that an expanded filing is inconsistent with those agreements.

H. Matters of Non-Debtor Affiliates.

23. The Debtor is a direct or indirect parent of 22 non-Debtor affiliates, none of which are expected to file for chapter 11, attached hereto as Annex "1" is the corporate organizational chart of the Company. To effectuate the Restructuring, the Debtor will be seeking

a release of the Affiliate Co-Plan Proponents' guarantees under the Prepetition Credit Agreement and Prepetition Senior Notes Indenture. In exchange, as described below, the Affiliate Co-Plan Proponents will make substantial contributions to the Debtor and its stakeholders to allow the Plan to be implemented.

24. Specific to the Prepackaged Plan, consistent with the Company's historical practices, the Affiliate Co-Plan Proponents will make or fund all payments required to be paid by the Debtor on account of any Allowed Claims. Furthermore, the Affiliate Co-Plan Proponents also agree to not have Intercompany Claims (including administrative claims) paid in cash by the Debtor. All of the payments under the Prepackaged Plan are generated by the Affiliate Co-Plan Proponents. In addition, with respect to the Amended and Restated Credit Facility, the Affiliate Co-Plan Proponents have agreed (i) to provide guarantees in support of the Debtor's obligations under such agreement and (ii) in support thereof, to grant Liens over their assets subject to the Liens of the Exit Warehouse Facilities Lenders. The Affiliate Co-Plan Proponents have also agreed to guarantee the Debtor's obligations under the New Second Lien Notes Indenture and to grant Liens over their assets subject to the liens of the Amended and Restated Credit Facility Agent and other senior liens. The grant of the security to the holders of the Senior Notes Claims is of particular importance because of their previously unsecured position.

25. As discussed above, the non-Debtor affiliates generate the Company's revenue. With respect to the day-to-day operations, the Company shares integral resources and employees in operating its businesses through the non-Debtor affiliates. Without the combined efforts of the Debtor and the Affiliate Co-Plan Proponents, the Debtor would be unable to satisfy its obligations under the Prepackaged Plan.

I. GSE, Ginnie Mae, and Regulator Communications.

26. As described in the Disclosure Statement and below, the ongoing support of the GSEs, Ginnie Mae, and the Company's regulators is critical to its ability to continue to operate as a going concern. Accordingly, throughout its Restructuring process, the Company has kept a constant and open line of communication with the GSEs, Ginnie Mae, and its regulators, apprising them of its Restructuring endeavors. The Debtor does not believe that such parties are opposed to the Restructuring or this Chapter 11 Case provided that it is consummated expeditiously and without prejudice to their rights or disruption to the business of the non-Debtor affiliates, in particular Ditech and RMS.

II.

The Company's Business

27. The Company's businesses are comprised of three primary segments: (i) forward mortgage originations; (ii) forward mortgage servicing; and (iii) reverse mortgage servicing, as set out in more detail below.

A. Forward Mortgage Origination Business (Ditech).

28. The Company originates forward mortgage loans exclusively through Ditech, an indirect wholly owned subsidiary of the Debtor. Beginning in 2016, the Company combined the consumer retention and consumer direct call centers to pursue a more streamlined consumer lending process. In January 2016, the Company exited activities associated with the consumer retail channel, which originated mortgage loans through loan officers. Virtually all of the loans that Ditech originates are conventional conforming loans eligible for securitization by

government-sponsored enterprises, such as Fannie Mae and Freddie Mac,⁶ or eligible for guarantees by government agencies, such as Ginnie Mae MBSs.⁷ Ditech sells substantially all of the mortgage loans it originates into Fannie Mae- and Freddie Mac-sponsored securitizations or into mortgage pools insured by Ginnie Mae. Ditech originates or acquires mortgage loans through the following channels:

- Consumer Originations – is comprised of (i) originations primarily through the use of a centralized call center based on leads generated through solicitations of consumers in Ditech’s existing servicing portfolio and through referrals from Ditech’s servicing call centers and (ii) originations primarily through the use of a centralized call center based on leads generated through direct mail, internet, telephone, and general advertising campaign solicitations of consumers, some of whom are not currently in Ditech’s existing servicing portfolio;
- Correspondent Lending – purchases of closed mortgage loans from a network of lenders in the marketplace; and
- Wholesale Lending – originates mortgage loans through a network of approved brokers. Ditech reentered this origination segment in the third quarter of 2016.

29. Beginning in 2016, the Company combined the consumer retention and consumer direct call centers to pursue a more streamlined consumer lending process. In January 2016, the Company exited activities associated with the consumer retail channel. The Company’s consumer retail channel originated \$551.3 million in mortgage loans during the year ended December 31, 2015.

⁶ As used herein, “**Fannie Mae**” means the Federal National Mortgage Association, and “**Freddie Mac**” means the Federal Home Loan Mortgage Corporation. Fannie Mae and Freddie Mac are government-sponsored enterprises (each a “**GSE**” and collectively the “**GSEs**”) chartered by Congress that buy and securitize mortgage loans originated by mortgage lenders, enabling the lenders quick access to liquidity fueled by the market demand for residential mortgage backed securities.

⁷ As used herein, “**Ginnie Mae**” means the Government National Mortgage Association. Ginnie Mae is a federal corporation within the Department of Housing and Urban Development (“**HUD**”), a federal agency, that guarantees investors the timely payment of principal and interest on RMBS backed by federally insured or guaranteed loans, primarily loans insured by the Federal Housing Administration (“**FHA**”) or guaranteed by the Department of Veterans Affairs (“**VA**”) or the Department of Agriculture (“**USDA**”).

30. The Company's consumer originations operations currently offer a range of home purchase and refinance mortgage loan options, including fixed and adjustable rate conventional conforming, Ginnie Mae, FHA, VA, and USDA products. A conventional conforming loan is a mortgage loan that conforms to GSE or Ginnie Mae guidelines, which include, but are not limited to, limits on loan amount, loan-to-value ratios, debt-to-income ratios, and minimum credit scores. The Company's product offerings include special financing programs such as HARP, which feature expanded loan-to-value limits for qualified applicants as compared to conventional conforming loans. The mortgage loans the Company funds are generally eligible for sale to GSEs or insured by government agencies.

31. The Company underwrites the mortgage loans it originates generally to secondary market standards, including the standards set by Fannie Mae, Freddie Mac, Ginnie Mae, the FHA, the USDA, and the VA programs. Loans are reviewed by the Company's underwriters in an attempt to ensure each mortgage loan is documented according to, and its terms comply with, the applicable secondary market standard. The Company's underwriters determine loan eligibility based on specific loan product requirements, such as loan-to-value, FICO, or maximum loan amount. Third-party diligence tools are utilized by the Company's underwriters to validate data supplied by the potential borrower and to uncover potential discrepancies. The Company conducts audits on its underwriters to confirm proper adherence to its internal guidelines and policies, which audits are in addition to the Company's standard quality control review. These audits are designed to provide an additional layer of internal review in an attempt to further mitigate quality defects and repurchase risk in the originations process.

32. Within the Company's correspondent lending channel, the Company generally purchases the same types of loans that the Company originates in its consumer originations channel, although the mix varies among these channels. Correspondent lenders with which the Company does business agree to comply with the Company's client guide, which sets forth the terms and conditions for selling loans to the Company and generally governs the business relationship. The Company monitors and attempts to mitigate counterparty risk related to loans that the Company acquires through its correspondent lending channel by conducting quality control reviews of correspondent lenders, reviewing compliance by correspondent lenders with applicable underwriting standards and the Company's client guide, and evaluating the credit worthiness of correspondent lenders on a periodic basis. In 2016, the Company correspondent lending channel purchased loans from 502 lenders in the marketplace, of which 45 accounted for approximately half of the Company's purchases.

33. Within its wholesale lending channel, the Company originates loans through mortgage brokers. Loans sourced by mortgage brokers are underwritten and funded by the Company and generally close in the Company's name. Through the wholesale channel, the Company generally originates the same types of loans that the Company originates in its consumer originations channel, although the mix varies among these channels. The Company underwrites and processes all loan applications submitted by the mortgage brokers in a manner consistent with that described above for the consumer originations channel. Mortgage brokers with whom the Company does business agree to comply with its client guide, which sets forth the terms and conditions for brokering loans to the Company and generally governs the business relationship. The Company monitors and attempts to mitigate counterparty risk related to loans that the Company originates through its wholesale lending channel by conducting quality control

reviews of mortgage brokers, reviewing compliance by brokers with applicable underwriting standards and the Company's client guide, and evaluating the credit worthiness of brokers on a periodic basis.

34. The Company's capital markets group is responsible for pricing loans and managing the interest rate risk through the time a loan is sold to third parties and managing the risk (which the Company calls the "pull-through risk") that loans the Company has locked will not close in an attempt to maximize loan sale profitability through the Company's various originations channels. The capital markets group uses statistical models, analytics, and engages in hedging activities in an attempt to maximize profitability while minimizing the risks inherent in the originations business.

35. The Company's originations segment revenue, which is primarily net gains on sales of loans, is impacted by interest rates and the volume of loans locked. The margins earned by the Company's originations segment are impacted by its cost to originate the loans including underwriting, fulfillment, and lead costs. The Company has historically sold its originated and purchased mortgage loans to third parties while retaining the servicing rights. The Company's future strategy is to shift from retaining the servicing rights for mortgage loans sold to third parties in favor of subservicing. The Company initiated a Mortgage Servicing Right ("MSR") flow sale arrangement with a capital partner in 4Q2016 and has successfully flowed (sold) the majority of its GSE originations since that time. The Company is currently in discussions with additional capital partners to broaden its distribution channels and attempt to improve pricing execution. This expansion will allow the Company to more fully realize its strategy to focus on subservicing.

36. As a Fannie Mae- and Freddie Mac-approved seller/servicer of mortgages, Ditech is a party to certain agreements with each GSE, which agreements generally incorporates the applicable GSE selling and servicing guidelines (such agreements, together with the addenda and amendments thereto, respectively, the “**Fannie Agreements**” and “**Freddie Agreements**,” and collectively, the “**GSE Agreements**”). In general, when Ditech originates a mortgage loan it funds the loan utilizing borrowings under master repurchase agreements (“**MRAs**”), pledges the loan as security for such borrowings, subsequently sells the loans into a GSE-sponsored securitization, and uses the proceeds from the sale of the mortgage-backed securities to repay the borrowings under the MRAs.

37. As a Ginnie Mae issuer, Ditech pools and securitizes certain mortgage loans conforming to the requirements of the Ginnie Mae Mortgage-Backed Securities Guide and all special announcements, agreements, and other written communications made by Ginnie Mae to Ditech (collectively, the “**Ginnie Agreements**,” and together with the GSE Agreements, the “**GA Agreements**”). The Ginnie Agreements employ a custodial account mechanism whereby the issuer, such as Ditech, forwards to an eligible document custodian approved by Ginnie Mae all of the loan documentation. After the pool of mortgages is approved by a Ginnie Mae pool processing agent, it directs Ditech to issue MBSs to third-party investors. In connection with the approval process, Ditech remits guarantee fees to Ginnie Mae.

38. The Ginnie Agreements provide for continuing recourse obligations on Ginnie Mae-approved issuers, such as Ditech. Specifically, upon the discovery of a defective loan within four months after the mortgage origination date, the issuer is required to either cure the defect, purchase the loan from the mortgage pool, or substitute the mortgage.

39. Ditech uses the Prepetition Forward Facilities (as defined in the DIP Motion) to fund its origination pipeline. Ditech sells substantially all of the mortgage loans that it originates into Fannie Mae- and Freddie Mac-sponsored securitizations or transfers them into mortgage pools guaranteed by Ginnie Mae. Once the loans are securitized, Ditech uses the proceeds from the sale of the mortgage backed securities to repurchase the loans from the Prepetition Forward Facilities. It takes approximately 19 days between the time the loan is originated (and pledged to the lenders under the Prepetition Forward Facilities) and the time the loan is transferred into a securitization pool. As of the Petition Date, Ditech has approximately \$650 million in total commitments under the Prepetition Forward Facilities, of which approximately \$462.4 million has been utilized. Under the proposed DIP Warehouse Financing, the Prepetition Forward Facilities will be replaced with a new facility with a total commitment of up to \$750 million.

40. In the nine months ended September 30, 2017, Ditech funded mortgage loans of \$12.9 billion in unpaid principal balance (“**UPB**”), consisting of approximately (i) \$7.5 billion in Fannie Mae/Freddie Mac conventional conforming loans, (ii) \$5.3 billion of Ginnie Mae loans, and (iii) \$0.1 billion of jumbo and other loans. On average, Ditech sells or securitizes loans funded through warehouse borrowings approximately 20 days from the date of origination. As of September 30, 2017, the total UPB of the warehoused loans held by Ditech and awaiting securitization was approximately \$752.8 million.

B. Forward Mortgage Servicing Business

41. Ditech performs loan servicing of mortgage loans that fall into two categories: (i) mortgage loans for which Ditech owns the mortgage service rights (“**MSRs**”), and (ii) subservicing for third party owners of MSRs. With respect to mortgage loans for which

Ditech owns the MSRs, Ditech performs mortgage servicing primarily in accordance with Fannie Mae, Freddie Mac, and Ginnie Mae servicing guidelines, as applicable. Ditech typically originates the mortgage loans associated with such MSRs and sells them into securitization trusts owned by Fannie Mae or Freddie Mac or into mortgage pools insured by Ginnie Mae. The servicing segment also operates complementary businesses including a collections agency that performs collections of post charge-off deficiency balances for third parties and the Company. The subservicing contracts pursuant to which the Company is retained to subservice mortgage loans generally provide that the customer, the owner of the subserviced MSR, can terminate the Company as subservicer with or without cause. Each such subservicing contract has unique terms establishing the fees that the Company will be paid for the Company's work under the contract or upon the termination of the contract, if any. The standards of performance the Company is required to meet in servicing the relevant mortgage loans and the profitability of the subservicing activity may vary among different contracts.

42. As of September 30, 2017, Ditech serviced approximately 1.7 million residential loans with UPB of \$199.6 billion. Of those, Ditech was the subservicer for 0.7 million accounts with an unpaid principal loan balance of \$96.9 billion. These subserviced accounts represented approximately 44% of its total servicing portfolio based on unpaid principal loan balance at that date.

C. Reverse Mortgage Servicing Business

43. RMS, an indirect wholly owned subsidiary of the Debtor, primarily focuses on the servicing and subservicing of reverse mortgage loans insured by the Federal Housing Administration, also known as a home equity conversion mortgage ("HECM"). A reverse mortgage loan is a type of loan that allows a homeowner aged 62 or older to borrow

money against the equity value of his or her home. Unlike a traditional home equity loan, there is no fixed term, the balance increases over time as interest and other fees are added to the principal and it is non-recourse to the borrower. The loan becomes due and payable upon the death of the last remaining borrower or if the borrower fails to meet the obligations of the mortgage which include an occupancy requirement and payment of taxes and insurance. In addition to servicing reverse mortgage loans, RMS also performs subservicing for third-party reverse mortgage lenders and provides other complementary services, such as real estate owned property (“**REO Property**”) management and disposition for the reverse mortgage market for a fee. The average term of the reverse mortgage loans that RMS services is seven years.

44. Effective January 2017, the Company exited the reverse mortgage originations business and completed funding of loans remaining in the pipeline during the second quarter of 2017. RMS remains obligated, among other things, to fund draw requests from existing borrowers to the extent of the unfunded commitment on their loans. Previously, the consumer retail channel had originated reverse loans in 47 states and the District of Columbia through loan officers located in approximately 20 licensed locations throughout the U.S. The consumer direct channel had originated reverse loans through call centers with leads purchased from lead purveyors or generated via advertising campaigns. The wholesale channel had sourced reverse loans from a network of brokers. The correspondent channel had purchased reverse loans from a network of correspondents in the marketplace.

45. RMS is an issuer of Ginnie Mae-guaranteed HECM Mortgage Backed Securities (“**HMBS**”) and virtually all loans RMS originated were sold into HMBS. Under the HMBS program, RMS is required to repurchase loans from the securitization when the loans reach 98% of the maximum claim amount (which is established at origination to reflect the value

of the property subject to federal limits). Performing repurchased loans are conveyed to HUD and, following their review of the claim files payment is received from HUD. HUD's requirements in terms of documentation have been becoming more burdensome and this, together with increasing payment delays from HUD have resulted in increased working capital tied-up in buy outs and a resulting strain on liquidity. RMS typically files a claim with HUD for reimbursement of costs associated with nonperforming loans shortly after such sales occur, or, in any event, no later than approximately six months of foreclosing and obtaining marketable title on the property.

46. As of September 30, 2017, RMS serviced approximately 109,149 loans with a UPB of \$19.8 billion, of which approximately 41,385 accounts with UPB of \$8.1 billion were serviced by RMS as a subservicer for the MSR owner.

III. **CORPORATE AND CAPITAL STRUCTURE**

A. Corporate Structure

47. The Debtor's business was established in 1958 and operated as a captive financing business of Walter Energy, Inc. ("**Walter Energy**"), originating and purchasing residential loans and servicing these loans to maturity. In 1997, the Debtor was incorporated in Maryland. In April 2009, WIMC was spun off from Walter Energy; merged with Hanover Capital Mortgage Holdings, Inc.; qualified as a real estate investment trust; and began to operate as an independent, publicly traded company. After the spin-off, in 2010 the Debtor acquired Marix Servicing LLC, a high-touch specialty mortgage servicer, and, in 2011, WIMC acquired GTCS Holdings LLC ("**Green Tree**"), a leading independent mortgage loan servicer providing high-touch servicing of GSE, government agency, and third-party mortgage loans. As a result of the Green Tree acquisition, the Debtor no longer qualified as a real estate investment trust.

48. The following table sets forth the names of the members of Debtor's current board of directors:

<u>Name</u>	<u>Director Since</u>	<u>Position</u>
<u>George M. Awad</u>	<u>June 2016</u>	<u>Chairman of the Board</u>
<u>Daniel G. Beltzman</u>	<u>December 2015</u>	<u>Director</u>
<u>Michael M. Bhaskaran</u>	<u>January 2017</u>	<u>Director</u>
<u>Neal P. Goldman</u>	<u>January 2017</u>	<u>Director</u>
<u>Alvaro G. de Molina</u>	<u>September 2012</u>	<u>Director</u>
<u>William J. Meurer</u>	<u>April 2009</u>	<u>Director</u>
<u>Vadim Perelman</u>	<u>December 2015</u>	<u>Director</u>
	<u>September 2016</u>	<u>CEO and President</u>
<u>Anthony N. Renzi</u>	<u>January 2017</u>	<u>Director</u>

49. The following table sets forth the names of the Debtor's current executive officers:

<u>Name</u>	<u>Position</u>
<u>Anthony N. Renzi</u>	<u>CEO and President</u>
<u>Gary L. Tillett</u>	<u>Executive Vice President and CFO</u>
	<u>General Counsel, Chief Legal Officer and</u>
<u>John J. Haas</u>	<u>Secretary</u>
	<u>Executive Vice President, Chief Risk and</u>
<u>Alfred W. Young, Jr.</u>	<u>Compliance Officer</u>
<u>Elizabeth F. Monahan</u>	<u>Chief Human Resources Officer</u>
<u>Jeffrey P. Baker</u>	<u>President of Reverse Mortgage Solutions, Inc.</u>

B. Capital Structure

50. Prepetition Credit Agreement. As of the Petition Date, the Debtor has outstanding secured debt obligations in the aggregate principal amount of approximately \$1.2 billion, which amount consists of secured term loan borrowings under the Prepetition Credit Agreement plus interest, fees and other expenses arising thereunder. In addition, under the

Prepetition Credit Agreement, the Debtor has \$20.0 million in aggregate commitments available under a revolving credit facility (undrawn except with respect to issued letters of credit in the amount of \$19.5 million). The Prepetition Credit Agreement is secured by a lien on substantially all the assets of the Debtor and the Affiliate Co-Plan Proponents

51. Prepetition Senior Notes Indenture. As of the Petition Date, the Debtor has outstanding unsecured note obligations consisting of \$538.7 million in aggregate outstanding principal of 7.875% Senior Notes due 2021 issued pursuant to that certain Senior Notes Indenture (as amended, restated, amended and restated, supplemented or otherwise modified from time to time) by and between the Debtor, the Affiliate Co-Plan Proponents as guarantors, and Wilmington Savings Fund Society, FSB, a national banking association, as successor trustee, dated as of December 17, 2013.

52. Prepetition Convertible Notes Indenture. As of the Petition Date, the Debtor has outstanding unsecured note obligations consisting of \$242.5 million in aggregate outstanding principal of 4.50% convertible senior subordinated notes due 2019 issued pursuant to that certain Subordinated Indenture, dated as of January 13, 2012, by and among the Debtor, as issuer, Wells Fargo Bank, National Association, as Trustee, and a Supplemental Indenture thereto, dated as of January 13, 2012. The Convertible Notes are not guaranteed.

53. General Unsecured Claims. General Unsecured Claims consist of any claim against the Debtor (other than the Senior Unsecured Note Claims, the Convertible Notes Claims or any Intercompany Claims) as of the Commencement Date that is neither secured by collateral nor entitled to priority under the Bankruptcy Code or any order of the Bankruptcy Court.

54. Warehouse Facilities and Financing Arrangements. Immediately before the Petition Date, the Non-Debtor Affiliates entered into the following agreements with respect to the following facilities, certain of which have been guaranteed by WIMC on an unsecured basis:

A. Mortgage Loan Warehouse Facilities:

- Amended and Restated Master Repurchase Agreement, dated as of November 18, 2016, between Credit Suisse AG, as purchaser, and Ditech, as seller; and
- Amended and Restated Master Repurchase Agreement, dated as of April 23, 2015, between Barclays Bank PLC, as purchaser and Ditech as seller.

B. Reverse Mortgage Facilities:

- Amended and Restated Master Repurchase Agreement, dated as of February 21, 2017, between Credit Suisse First Boston Mortgage Capital LLC, as purchaser, and RMS, as seller; and
- Amended and Restated Master Repurchase Agreement, dated as of May 22, 2017, between Barclays Bank PLC, as purchase and RMS, as seller.

C. Mortgage Loan Servicing Facilities:

- Series 2016-T1 Advance Receivable Backed Notes (the “**GTA AFT Term Notes**”) and Series 2014-VF2 Variable Funding Notes (the “**GTA AFT VFN**”) issued pursuant to that certain indenture (as supplemented from time to time) between Green Tree Agency Advance Funding Trust I (“**GTA AFT**”), as issuer, Green Tree Advance Receivables III LLC, as depositor, Wells Fargo Bank N.A, as indenture trustee, Ditech, as servicer, and Barclays Bank PLC, as administrative agent (collectively, the “**GTA AFT Facilities**”);
- Wells Fargo-GTAR II A&R Receivables Loan Agreement, dated as of May 2, 2012, between Green Tree Advance Receivables II LLC (“**GTAR II**”), as borrower, Green Tree Servicing LLC, as administrator, Wells Fargo Capital Finance, as agent (the “**Wells Fargo PLS Facility**”);
- Master Revolving Credit Agreement, dated as of December 18, 2013, between Flagstar Bank, as lender, and Ditech, as borrower (the “**Flagstar Facility**”) and, collectively with the GTA AFT Facilities and the Wells Fargo PLS Facility, the “**Prepetition Servicing Advance Facilities**”); and

- Early Advance Reimbursement Agreement, dated as of March 31, 2014, as amended, between Ditech, as servicer pursuant to that certain Mortgage Selling and Servicing Contract dated March 23, 2015, and Fannie Mae.

55. Equity Ownership. The Debtor is a public company that files annual reports with, and furnishes other information to, the SEC. The Debtor's common stock is currently traded on the NYSE under the symbol "WAC.BC." As of November 6, 2017, 90 million shares of WAC.BC \$0.01 par value common stock had been authorized with 37,373,551 shares of common stock issued and outstanding. As of November 28, 2017, the latest date on which this information is available, there were 135 record holders of the common stock. There is no preferred stock outstanding.

IV. **CIRCUMSTANCES LEADING TO CHAPTER 11 CASE**

56. From 2010 through 2015, the Company grew its servicing and originations businesses both organically and through a number of acquisitions, including the acquisitions of RMS and Security One Lending, Inc., an indirect, wholly-owned subsidiary of the Debtor in 2012, the acquisition of a national originations platform in 2013 from Residential Capital, LLC and significant bulk servicing right acquisitions in 2013 and 2014.

57. In connection with these acquisitions and for other business reasons, the Company incurred debt and, as a result, has been and continues to be highly leveraged, in relation to the Company's ability to service the debt and on a relative basis in comparison to the Company's peers. The Company has also historically depended on ongoing access to warehouse, advance, and buy-out facility markets, and the capital markets generally, to obtain financing on commercially satisfactory terms to fund the substantial ongoing capital needs of the Company's various businesses. As market rates and terms moved against the Company, the Company's liquidity contracted and profitability was negatively impacted. During 2014, 2015,

and 2016, the Company recorded significant net losses. During those years, despite the Company's efforts to reduce its expenses, dispose of certain businesses, eliminate certain activities, and improve operations, the Company was unsuccessful in meeting key business goals and generating profits, which resulted in a decrease in the Company's overall revenues and operations. More recently, the Company's liquidity has become further constrained due to pressures from lenders and other key counterparties to certain events, including the pace of, and uncertainty surrounding, the Company's restructuring initiative, and restatement of the Company's financial statements for the year ended December 31, 2016 and the quarterly periods ended June 30, 2016, September 30, 2016, and March 31, 2017.

58. In response to the downturn, as early as 2015, the Company began transforming its business, undertaking changes to the Company's leadership ranks, prioritizing the "core" business of originating and servicing Fannie Mae, Freddie Mac, and Ginnie Mae loan products, and implementing a stronger operating discipline and execution focus. Since the commencement of the organizational improvements, the Company has developed a business plan that is focused on cost reductions, operational enhancements, and streamlining of the Company's businesses, which efforts are projected to return the Company to profitability and continue the improved trend in its GSE servicer score cards.

59. In addition, the Company undertook a proactive approach to engaging with its key debt constituents and developed a process to work with its creditors to deleverage the business, align the Company's capital structure with the business plan, and address the other challenges facing the Company. Additionally, commencing in 4Q2016, the Company transacted with a capital partner to flow (sell) the majority of its originated GSE MSR product, on a servicing retained basis. This relationship remains in place today and the Company is currently

engaged in developing additional, similar, arrangements, including for its Ginnie Mae production.

60. As part of the deleveraging strategy, the Company engaged legal and financial restructuring advisors beginning in the third calendar quarter of 2016, and the Company's board reviewed and evaluated various potential actions the Company could take to reduce its leverage. The Company's advisors, with primary oversight by the Company's independent directors, initiated negotiations with its senior creditors, initially in December 2016 (which negotiations did not lead to agreement on the terms of a proposed restructuring), and again in early summer of 2017, in each case in an effort to reach a consensual restructuring that would significantly deleverage the Company. As described above, after months of negotiations, the Company, with the aid of its advisors, was able to execute consensual Restructuring Support Agreements with the Consenting Creditors, in support of the financial Restructuring.

61. In addition, the Company also engaged with an ad hoc group of holders of Convertible Notes (the "**Ad Hoc Convertible Noteholders Group**"). In an effort to reach a consensus, the Company executed engagement letters pursuant to which the Company agreed to pay the legal and financial advisor fees of the Ad Hoc Convertible Noteholders Group. Those efforts did not initially result in consensus. On October 30, 2017, the Company terminated the engagement letters with the advisors to the Ad Hoc Convertible Noteholder Group.

62. Leading up to the commencement of this Chapter 11 Case, the Company reengaged in discussions with certain holders (the "**Claimants**") of the Ad Hoc Convertible Noteholders Group who had threatened to pursue litigation against the Company and its officers and directors. Among other things, the Claimants alleged causes of action that would not be discharged under the Prepackaged Plan (the "**Alleged Claims**"). Although the Company

strenuously denies the Claimants' allegations, to avoid the burden, delay, and uncertainty of litigation and potential disruption to this Chapter 11 Case, after notice to and the support of the advisors to the Term Loan Holders and Consenting Senior Noteholders, the Company entered into a settlement with the Claimants to resolve the Alleged Claims. Pursuant to an agreement dated November 27, 2017, the Company settled all of the Alleged Claims for \$3,300,000 (inclusive of \$100,000 on account of all professional fees) (the "**Settlement Amount**"). The Settlement Amount was paid by non-Debtor, Affiliate Co-Plan Proponent, Ditech, into escrow and will not be disbursed to the Claimants until after the occurrence of the Effective Date. If the Prepackaged Plan is not confirmed or the Effective Date does not occur before March 31, 2018, the Settlement Amount will not be disbursed to the Claimants and will be returned to the Company (less any advisor fees incurred by the Claimants up to \$100,000). The Settlement Amount is separate and apart from any distributions the Claimants may be entitled to receive under the Prepackaged Plan on account of their Convertible Notes or Senior Notes.

V.
FIRST DAY PLEADINGS

63. As more fully explained in the Cash Management Motion and herein, the Company utilizes a cash management system whereby non-Debtor Affiliate Co-Plan Proponent, Ditech, funds the majority of the Debtor's corporate obligations. Such obligations include the payment of (i) payroll and payroll taxes for the Debtor's employees, (ii) invoices submitted from vendors utilized in the ordinary course, and (iii) corporate insurance-related payments (*i.e.*, monthly insurance premiums, deductibles, etc.). Accordingly, substantively all of the Debtor's prepetition obligations referred to below will be paid by Ditech either on behalf of or upon the direction of the Debtor. Ditech will in turn record an intercompany receivable from the Debtor, under the Prepackaged Plan, consistent with the Company's historical practices, such

administrative intercompany claims are not expected to be cash settled, but instead will be recorded on the Company's books and records.

i. Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a), 345(b), 363, 364, 503, and 507 Authorizing Debtor to (I) Continue Participating in Existing Cash Management System, and Using Bank Accounts and Business Forms, (II) Continue Intercompany Transactions, (III) Provide Administrative Expense Priority for Postpetition Intercompany Claims, (IV) Extend Time to Comply with 11 U.S.C. § 345(b), and (V) Grant Related Relief (the "Cash Management Motion")

64. The Debtor requests authority to (i) continue participating in the Company's existing cash management system (the "**Cash Management System**"), including, without limitation, to continue to maintain the Debtor's existing bank accounts and business forms; (ii) implement changes to the Cash Management System in the ordinary course of business insofar as such changes relate to the Debtor's participation in or control of the Cash Management System, including, without limitation, opening new or closing existing bank accounts owned by the Debtor; (iii) continue to perform under and honor intercompany transactions in the ordinary course of business; (iv) provide administrative expense priority for postpetition intercompany claims against the Debtor; (v) honor and pay all prepetition and postpetition Bank Fees (as defined in the motion) payable by the Debtor; and (vi) extend the time to comply with section 345(b) of the Bankruptcy Code by forty-five days (or such later time as may be agreed to by the U.S. Trustee or approved by the Court).

65. The Company's Cash Management System is comprised of approximately 600 bank accounts at various banks (the "**Banks**"), of which approximately (i) 50 are operating accounts, and (ii) 550 are custodial accounts maintained in the name of a non-debtor affiliate whereby such non-debtor affiliate merely holds the account (and the funds in it) in trust or as custodian for a third party. Of these bank accounts, only two (each, a "**Debtor Bank Account**")

and together, the “**Debtor Bank Accounts**”) are owned by the Debtor at Bank of America, N.A. (“**Bank of America**”).

66. Since the Debtor does not independently generate revenue, the non-Debtor affiliates collect and move funds through numerous bank accounts to ensure the continued operation of Walter’s business. In order to manage the movement of funds in the ordinary course of business, the Debtor and non-Debtor affiliates engage in a variety of intercompany transactions (the “**Intercompany Transactions**”) that give rise to intercompany receivables and payables (collectively, the “**Intercompany Claims**”).

67. Intercompany Claims are not required to be and typically are not settled by actual transfers of cash between the Debtor and non-debtor affiliates. The Debtor and non-debtor affiliates track all Intercompany Transactions electronically in their accounting system, which transactions are recorded concurrently on the applicable entity’s balance sheet and income statement. The accounting system requires that all general-ledger entries be balanced at the legal-entity level, and, therefore, when the accounting system enters an intercompany receivable on an entity’s balance sheet, it also automatically creates a corresponding intercompany payable on the applicable affiliate’s balance sheet. For example, if Ditech makes a payroll disbursement on behalf of the Debtor, Walter’s accounting system automatically enters an intercompany receivable on Ditech’s balance sheet and an intercompany payable on the Debtor’s balance sheet. This results in a net balance of zero when accumulating all intercompany accounts across the entire Company. The Debtor and non-debtor affiliates maintain records of all transactions processed through the Cash Management System and are able to identify, trace, and account for all Intercompany Transactions. On a monthly basis, as part of the monthly close cycle, Walter’s accounting department prepares “Intercompany Account Reconciliations” demonstrating the

various line items that make up the amounts owed between various Walter entities. Based on the budget filed with the DIP Motion (defined below), the Debtor believes that it will have sufficient cash, through intercompany transfers from Ditech and other non-Debtor affiliates, to make the required payments arising from this Chapter 11 Case. A&M has prepared, and I have reviewed, Ditech's cash flow projections. Based on such projections, there will be sufficient cash at Ditech to fund the Chapter 11 Case.

68. To ensure that a non-Debtor affiliate will not fund, at the expense of its creditors, the operations of the Debtor, the Debtor requests that, pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code, all Intercompany Claims arising after the Petition Date be accorded administrative expense priority. The Debtor anticipates that, under the Prepackaged Plan, administrative intercompany claims will be maintained on the Company's books and records and not cash settled.

69. Finally, the Debtor seeks entry of an order authorizing and directing the financial institutions at which the Debtor maintains the Debtor Bank Accounts to (i) continue to maintain, service, and administer the Debtor Bank Accounts, and (ii) debit the Debtor Bank Accounts in the ordinary course of business on account of (a) electronic transfers (including wire transfers, book transfers, and automated clearinghouse ("ACH") transfers) or checks drawn on the Debtor Bank Accounts; *provided that*, any payments drawn, issued, or made prior to the Petition Date by the Debtor shall not be honored absent direction of the Debtor and a separate order of the Court authorizing such prepetition payment, or (b) all amounts owed to Bank of America and the other banks for maintenance of the Debtor Bank Accounts, including, without limitation, any bank fees, service charges and other fees, costs, charges, and expenses associated with the Debtor Bank Accounts, whether arising before or after the Petition Date.

ii. **Debtor’s Motion for Interim and Final Orders Pursuant to 11 U.S.C. §§105, 361, 362, 363, 364 and 507 (A) Authorizing Debtor to Guarantee Warehouse Financing of Certain Non-Debtor Subsidiaries and Use Cash Collateral; (B) Providing Superpriority Administrative Expense Status; (C) Granting Adequate Protection; (D) Modifying Automatic Stay; (E) Scheduling a Final Hearing; and (F) Granting Related Relief (the “DIP Motion”)**

70. The relief sought in the DIP Motion is needed (i) to enable the Debtor to facilitate up to \$1.9 billion in warehouse financing for its primary operating subsidiaries, Ditech and RMS under various master repurchase agreements and (ii) provide access to \$1.35 billion in hedging capacity (collectively, the **“DIP Warehouse Financing”**). The DIP Warehouse Financing will provide the Company increased commitment levels and more advantageous terms compared to the existing facilities. It will also ensure that the Company’s warehouse financing needs will be available and not terminated as a result of the default caused by the commencement of this Chapter 11 Case. The DIP Warehouse Lenders have agreed to extend financing to the operating subsidiaries of the Debtor—allowing the subsidiaries to remain outside of chapter 11—in exchange for the Debtor’s guaranties and certain additional protections as further discussed below. The proposed structure will enable the Debtor to carry out the Restructuring in the most efficient manner and with minimal disruption to the Company’s operations.

71. In addition, the Debtor’s prepetition secured term loan lenders (distinct from the Company’s DIP Warehouse Lenders) have agreed to the Debtor’s use of Prepetition Collateral, including cash collateral, in exchange for certain agreed upon adequate protection (the **“Adequate Protection”**). As a result of being able to access the Prepetition Collateral, the Debtor will continue to have access to the Cash Management System and incur intercompany obligations in the ordinary course of business, which will enable seamless funding of the Debtor’s anticipated short stay in chapter 11. Based on the budget filed with the DIP Motion, the

Debtor believes that it will have sufficient cash, through intercompany transfers from Ditech and other non-Debtor affiliates, to make the required payments arising from this Chapter 11 Case. A&M has prepared, and I have reviewed, Ditech's cash flow projections. Based on such projections, there will be sufficient cash at Ditech to fund the Chapter 11 Case.

72. The Debtor negotiated the DIP Warehouse Financing with the DIP Warehouse Credit Parties and the Adequate Protection with its prepetition secured term loan lenders in good faith and at arm's length, and believes that the terms of the DIP Warehouse Financing and Adequate Protection are competitive and the best terms that could be obtained under the circumstances. The DIP Warehouse Financing has been market tested and is the best of three offers received by the Company. For these reasons, and as more fully explained in the DIP Motion, I believe the relief requested is in the best interest of the Debtor's estate, its creditors, and all other parties in interest, and will enable the Debtor and the Company to continue to operate their businesses.

iii. Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a), 363 and 507(a) for (I) Authority to (a) Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Other Benefits, and (C) Continue Employee Benefits Programs, and (II) Related Relief (the "Wages Motion")

73. The Debtor requests the entry of interim and final orders authorizing, but not directing, the Debtor to pay or cause its subsidiaries to pay or honor certain prepetition claims and obligations, continue programs and maintain funding, in the exercise of its discretion, relating to, among other things: (a) wages, salaries and other compensation, taxes, withholdings and related costs; (b) compensation for its supplemental workforce; (c) reimbursable employee expenses; (d) obligations relating to employee medical, insurance, and other benefit programs; (e) severance programs with respect to non-insiders; (f) the 401(k) savings plan; (g) other

employee programs; and (h) certain non-insider incentive and discretionary compensation programs.

74. The relief requested includes compensation for the Debtor's full-time, part-time, and temporary employees, and independent contractors and consultants that provide services related to various aspects of the Debtor's operations and are vital to the Debtor's businesses. As of the date hereof, certain prepetition obligations to such employees and supplemental workers may be due and owing.

75. The majority of the Debtor's workforce relies on the Debtor's compensation, benefits and reimbursement of expenses to satisfy daily living expenses. The workforce will be exposed to significant financial difficulties if the Debtor is not permitted to honor obligations for unpaid compensation, benefits and reimbursable expenses. Moreover, if the Debtor is unable to satisfy such obligations, morale and loyalty will be jeopardized at a time when support is critical. In the absence of such payments, the workforce may seek alternative employment opportunities, including with the Debtor's competitors, hindering the Debtor's ability to meet its customer obligations and, likely, diminishing stakeholder confidence in the Debtor's ability to successfully carry out its chapter 11 strategy.

76. Loss of valuable employees would distract the Debtor from focusing on its operations and administering the Chapter 11 Case.

iv. Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a), 363(b), 507(a), and 541 for Authority to Pay Certain Prepetition Taxes and Fees (the "Taxes and Fees Motion")

77. The Debtor requests authorization to pay or cause Ditech to pay, taxes, assessments, fees, and other charges (collectively, the "**Taxes and Fees**"), in the ordinary course

of business, including any such Taxes and Fees subsequently determined, upon audit or otherwise, to be owed, and whether accrued or arose before or after the Petition Date.

78. In the ordinary course of operating the business, the Debtor collects, withholds, and incurs an assortment of Taxes and Fees, namely Franchise and Income Taxes and Fees (the “**Tax Obligations**”) that they remit periodically to various federal, state, and local taxing, licensing, regulatory, and other governmental authorities (collectively, the “**Authorities**”). Many of the Taxes and Fees collected are held in trust for and must be turned over to the Authorities. The Debtor seeks to pay or cause Ditech to pay certain prepetition Taxes and Fees in order to, among other things, forestall Authorities from taking actions that might interfere with the administration of this Chapter 11 Case, which may include bringing personal liability actions against directors, officers, and other key employees (whose full-time attention to the Debtor’s Chapter 11 Case is required to avoid business disruptions and maximize recoveries to the Debtor’s creditors), asserting liens on the Debtor’s property or assessing penalties and/or significant interest on past-due taxes. In addition, the non-payment of such Taxes and Fees may give rise to priority claims pursuant to section 507(a)(8) of the Bankruptcy Code. Accordingly, I believe that the relief requested in the Taxes and Fees Motion is in the best interests of the Debtor’s estate, its creditors and all other parties in interest, and will enable the Debtor and the Company to continue to operate their businesses.

v. **Debtor's Motion Pursuant to Sections 105(a) and 362 of the Bankruptcy Code (I) Establishing Notification Procedures Regarding Restrictions on Certain Transfers of Claims Against and Equity Interests in the Debtor and (II) Scheduling a Final Hearing (the "NOL Motion")**

79. Pursuant to sections 105(a) and 362 of title 11 of the Bankruptcy Code, the Debtor requests authority to establish procedures (the "**Procedures**") to protect the potential value of the Debtor's consolidated NOLs and "net unrealized built-in losses," and other valuable tax attributes ("the "**Tax Attributes**"). The Procedures apply to common stock of Walter Management Investment Corp. (the "**Common Stock**") and any options or similar rights (within the meaning of applicable U.S. Treasury regulations) to acquire such stock ("**Options**" and together with Common Stock, the "**WIMC Stock**") and Senior Notes Claims and Convertible Notes Claims (the "**Claims**").

80. The Debtor estimates that, as of December 31, 2017, the Debtor and its subsidiaries (the "**Debtor Tax Group**") will have (i) incurred consolidated NOLs for U.S. federal income tax purposes in excess of \$570 million and (ii) an aggregate "net unrealized built-in loss" in their assets for U.S. federal income tax purposes (i.e., the amount by which the Debtor Tax Group's adjusted tax basis in its assets exceeds the fair market value of the assets) of approximating \$650 million.

81. Title 26 of the United States Code (the "**Tax Code**") generally permits corporations to carry forward their tax attributes to reduce future taxable income. Accordingly, the Tax Attributes are available to offset any income realized through the taxable year that includes the effective date of a chapter 11 plan, and potentially thereafter. Accordingly, I believe the Tax Attributes could translate into future tax savings over time and any such savings could

enhance the Debtor's cash position for the benefit of all parties in interest and contribute to the Debtor's efforts toward a successful reorganization.

82. The Debtor Tax Group's ability to use its Tax Attributes to offset future income or tax liability is subject to certain statutory limitations. Specifically, sections 382 and 383 of the Tax Code limit a corporation's use of its NOLs and certain other tax attributes to offset future income or tax after the corporation experiences an ownership change. These limitations also apply to the use of losses recognized after the change in ownership to the extent the losses were "built-in" prior to the change in ownership ("**Built-In Losses**"). For purposes of section 382 of the Tax Code, a change of ownership occurs when the percentage of a loss company's equity held by one or more "5% shareholders" (as such term is defined in section 382 of the Tax Code) increases by more than 50 percentage points over the lowest percentage of stock owned by such shareholder(s) at any time during the relevant statutory testing period (usually three years). A section 382 change of ownership prior to the effective date of a chapter 11 plan would effectively eliminate or substantially curtail the Debtor Tax Group's ability to use the Tax Attributes, thereby resulting in a significant loss of value.

83. The limitations imposed by section 382 in the context of an ownership change pursuant to a confirmed plan of reorganization are significantly more relaxed than those applicable outside chapter 11. See 26 U.S.C. §§ 382(l)(5), (6). Under section 382(l)(5) of the Tax Code, a corporation is not subject to the annual limitation ordinarily imposed by section 382 with respect to an ownership change resulting from consummation of a plan of reorganization, provided that the debtor's pre-change shareholders (i.e., persons or entities who owned the debtor's stock immediately before the relevant ownership change) and/or Qualified Creditors (as defined below) emerge from the reorganization owning at least 50% of the total value and voting

power of the debtor's stock immediately after the ownership change. 26 U.S.C. § 382(1)(5)(A) (the "**382 (1)(5) Safe Harbor**").

84. The proposed procedures are necessary to preserve the Debtor Tax Group's ability to use the Tax Attributes, which are valuable assets of the Debtor's estate, while providing latitude for trading in volumes of WIMC Stock and Claims below specified levels. The Debtor's ability to meet the requirements of the tax law to preserve the Tax Attributes may be seriously jeopardized unless procedures are established to ensure that trading in WIMC Stock and Claims are closely monitored, and, where necessary, precluded, and made subject to Court approval. The trading in WIMC Stock and Claims, even by/among larger stockholders, may not, at this time, pose a serious risk to the Tax Attributes so long as such transfers are monitored and do not exceed certain levels, and thus the restrictions and procedures set forth in the NOL Motion preserve the Debtor's ability to waive in writing, in appropriate circumstances, any and all restrictions, stays, and notification procedures contained in the NOL Motion.

85. It is in the best interests of the Debtor, the Debtor's estate, its creditors, and its stakeholders to restrict stock and claims trading that could result in a change of ownership under section 382 of the Tax Code before the effective date of a plan of reorganization. If such a change of ownership occurs during the pendency of the Chapter 11 Case, the section 382 limitation on subsequent use of the Tax Attributes would be based on the value of the Debtor, and I believe the valuation for determining the annual amount of useable NOLs and Built-In Losses would be very low.

86. In addition, the 382(1)(5) Safe Harbor described above may create significant incremental benefit to the Debtor following emergence from bankruptcy. Among other things, the Debtor Tax Group's "net unrealized built-in losses," calculated as of the

effective date of the plan of reorganization, would not be subject to the annual limitation when realized in a post-change period. Consequently, the Debtor currently contemplates that, assuming it is eligible therefore, it will avail itself of the 382(1)(5) Safe Harbor. The requested relief has been narrowly tailored to permit trading of Claims in amounts expected to be below the de minimis rule, thus preserving Debtor's ability to avail itself of the 382(1)(5) Safe Harbor while allowing free trading of claims that would not jeopardize Debtor's ability to do so.

87. Although there can be no assurance that the 382(1)(5) Safe Harbor ultimately will be available to the Debtor, it is important that the Debtor preserves the ability to take advantage of that safe harbor. Because the determination of whether a creditor is "qualified" depends on whether such creditor has held its Claim until the effective date of the plan of reorganization, transfers of Claims by creditors before such date pose a threat to the Debtor's ability to satisfy the requirements of the safe harbor. Likewise, because transfers of WIMC Stock by or into the hands of 5% shareholders before the effective date of the plan of reorganization could trigger a section 382 ownership change that would impose a severe annual limitation on the Debtor's use of the Tax Attributes (even if the Debtor later satisfied the requirements of the 382(1)(5) Safe Harbor in connection with a second ownership change resulting from the plan) such pre-plan transfers pose a threat to the post-reorganization value of the Tax Attributes. I believe the requested relief will ensure that the Debtor has maximum flexibility to implement a plan that meets the requirements of the 382(1)(5) Safe Harbor and thus preserves the Tax Attributes to the fullest extent.

vi. Motion of Debtor Pursuant To 11 U.S.C. §§ 105(a), 362(d), 363(b) and 503(b) Authorizing Debtor to (I) (A) Continue the Debtor's Workers' Compensation Programs, General Liability and Property Programs, and Professional Liability Programs and (B) Honor All Obligations with Respect Thereto and (II) Schedule a Final Hearing (the "Insurance Motion")

88. The Debtor requests authority, but not direction, to (i) continue its Insurance Programs (as defined in the motion) and honor its Insurance Obligations (as defined in the motion) in the ordinary course of business during the Chapter 11 Case; (ii) to satisfy or cause Ditech to satisfy any Insurance Obligations on an uninterrupted basis, consistent with its practices in effect prior to the Petition Date, including the payment of all premiums, claims, deductibles, administrative expenses, and all other charges incurred, whether relating to the period prior to or after the Petition Date; and (iii) modify the automatic stay solely and for the limited purpose of permitting employees with claims under the Workers' Compensation Programs (as defined in the motion) to proceed with their claims in accordance with such program in the appropriate judicial or administrative forum.

89. In connection with the operation of its business, the Debtor, on behalf of the Company, maintains (i) various liability and property related insurance programs, which provide the Company with insurance coverage for liabilities including, but not limited to, general liability, umbrella and excess liability, mortgage impairment liability, errors and omissions liability, property, automobile, and cyber liability; (ii) insurance programs that provide the Company with insurance coverage for directors' and officers' liability, fiduciary liability, employment practices liability, and professional liability; and (iii) workers' compensation policies.

90. Postpetition, the Debtor's insurance policies and workers' compensation programs will be essential to the preservation of the value of the Debtor's business, properties

and assets, and, in certain instances, are required by law. If any of the Debtor's insurance policies are terminated or lapse, the Debtor would be exposed to substantial liability to the detriment of all parties in interest and could be in violation of law. State law may prohibit the Debtor from operating without certain insurance. Additionally, given that the Debtor's insurance carriers and insurance brokers are intimately familiar with the Debtor's insurance policies, even the temporary loss of their services would be detrimental to the Debtors' estates. Accordingly, authorization to pay all insurance-related obligations is critical to the continued operation of the Debtor's businesses.

vii. Motion for Limited Extension of the Automatic Stay to Affiliate Co-Plan Proponents Pursuant to 11 USC §§ 105(a) and 362(a) (the "Automatic Stay Motion")

91. The Debtor requests, pursuant to sections 105(a) and 362(a) of the Bankruptcy Code, a limited extension of the automatic stay imposed by section 362(a) of the Bankruptcy Code (the "**Automatic Stay**") to the Affiliate Co-Plan Proponents solely with respect to actions of a small minority of Term Lenders (5%) and Senior Noteholders (15%) who are not parties to the Restructuring Support Agreements (such persons or entities, solely in such capacity, including their successors and assigns, the "**Non-RSA Parties**") to enforce guarantees provided by the Affiliate Co-Plan Proponents in connection to the Prepetition Credit Agreement and the Prepetition Senior Notes Indenture (collectively, the "**Loan Guarantees**"). The additional and necessary protections of the Automatic Stay to the Affiliate Co-Plan Proponents are essential to the continued operations and successful Restructuring of the Debtor, specifically because, as guarantors, any action taken by the Non-RSA Parties against the Affiliate Co-Plan Proponents would negatively impact the entire Company and Restructuring.

92. As explained above, the Company is a highly integrated enterprise that operates through its subsidiaries. The ability to consummate the Prepackaged Plan and perform the obligations thereunder is tied directly to the operations of such subsidiaries. Additionally, the Affiliate Co-Plan Proponents are guarantors of the Term Loans Claims and Senior Notes Claims. These obligations are being restructured pursuant to the Plan. Also, as explained above, those Affiliate Co-Plan Proponents have not filed for chapter 11 in order to avoid disruption to the operations, including licensing, GSE and Ginnie Mae issuer status, and other operations that are central to the Company's continued operations. If there is action taken by the Non-RSA Parties, such action could be detrimental to the implementation of the Prepackaged Plan and the business.

93. The risks associated with a Debtor and Affiliate Co-Plan Proponents filing, if realized, could be drastic and would likely hinder, delay, or imperil the Company's ability to effectuate the Restructuring. The following non-exclusive list identifies some of the risks or events that may occur in a Debtor and Affiliate Co-Plan Proponents filing:

- Relationship with GSEs and Ginnie Mae: An Affiliate Co-Plan Proponents filing would be inconsistent with all communications to date with credit owners, including the GSEs and Ginnie Mae. Such a change could likely cause these counterparties to (i) revoke the Affiliate Co-Plan Proponents approved servicer or approved issuer status which would prevent the Company from continuing to operate as either servicer or originator and/or (ii) require the Company to transfer MSR contracts to alternate owners or providers potentially at significant discounts to market value or for no consideration.
- Regulators: The multiple regulators that govern the Company's ability to operate on a national level have been kept informed of the Company's plans to file only the Debtor. Their continuing support could be in doubt should the Affiliate Co-Plan Proponents file.
- The Complexity of the Chapter 11 Cases: An expanded chapter 11 including the Affiliate Co-Plan Proponents would involve additional expense, complexity, and duration, adding strain to a Company that has already been significantly impacted by the liability management process

and impeding Debtor-only filing. Such a filing is also inconsistent with the Restructuring Support Agreements and would possibly give them an opportunity to withdraw their support.

- DIP Financing: In the event of an Affiliate Co-Plan Proponents filing, the Company would have three business days to obtain an Interim Financing Order and Interim Ordinary Course of Business Order (i.e., master agreements between Ditech and FNMA, FHLMC, and Ginnie Mae; and agreement between RMS and HUD). The Company would have to operate without DIP financing during this three-day period, and it may not be able to obtain DIP financing on a permanent basis if it is unable to obtain the Interim Financing Order and Interim Ordinary Course of Business Order. Doing so would interrupt business operations and give cause to trading counterparties to evaluate their trading relationship with the Company, possibly leading to attempts to terminate such relationships. Further, a broader chapter 11 could result in additional need for financing which may not be forthcoming or, if available, could be prohibitively expensive.
- Effect on Commercial Partners: The Company's subservicing business is highly concentrated among a limited number of counterparties. These counterparties could require the Company to transfer subservicing to another servicer and this would jeopardize platform value. Currently, the Company has a sole MSR takeout partner. An expanded filing could motivate that partner to exert additional leverage over the Company, resulting in less favorable pricing or other consideration.
- Loan Originations (Consumers and Correspondent Banks): Filing of consumer-facing Ditech entity or other Affiliate Co-Plan Proponent could result in a decline in refinance and purchase money originations volume as consumers become directly aware of the filing of an Affiliate Co-Plan Proponent entity and are aggressively pursued by the Company's competitors. For example, if Ditech were to file, correspondent banks would likely ascribe additional credit risk to Ditech as counterparty in correspondent transactions, which would further depress the Company's correspondent originations volumes, imperil the profitability and longer term viability of the platform.
- Employees: A riskier Debtor and Affiliate Co-Plan Proponents filing may cause greater attrition, difficulty in attracting necessary talent, and lower productivity, which may result in operational difficulties and delay the achievement of targeted operational efficiencies critical to achieving the Company's restructuring plan.
- Prepackaged Plan Financing: The Prepackaged Plan as currently contemplated requires and depends on the continued significant contributions from the Affiliate Co-Plan Proponents. This contribution would be jeopardized by having the Affiliate Co-Plan Proponents file their own chapter 11 cases.

94. After weighing these risks and further discussion with key employees at the Company, it was determined, for the benefit of all parties and to maximize value, to pursue a WIMC only chapter 11 filing. Therefore, I believe that an order extending the Automatic Stay to the Affiliate Co-Plan Proponents to prohibit enforcement of the Loan Guarantees by the Non-RSA Parties is critical and necessary for the Restructuring.

viii. Motion of Debtor for Order (I) Scheduling Combined Hearing to Consider (A) Approval of Disclosure Statement (B) Approval of Solicitation Procedures and Forms of Ballots, and (C) Confirmation of Prepackaged Plan; (II) Establishing an Objection Deadline to Object to Disclosure Statement and Plan; (III) Approving the Form and Manner of Notice of Combined Hearing, Objection Deadline, and Notice of Commencement; (IV) Extending Time, and Upon Plan Confirmation, Waiving of Requirements to (A) Convene Section 341 Meeting, and (B) File Statement of Financial Affairs and Schedules of Assets and Liabilities; and (V) Granting Related Relief (the “Scheduling Motion”)

95. The Debtor requests that the Court enter an order setting a combined hearing to (i) approve the Disclosure Statement and confirm the Prepackaged Plan; (ii) approve objection procedures and deadlines in connection with the Prepackaged Plan and Disclosure Statement; and (iii) approve the process of soliciting votes in connection with the Prepackaged Plan. The Debtor also seeks (i) deferral of (a) the section 341(a) meeting of creditors and (b) requirement to file a statement of financial affairs and schedule of assets and liabilities unless the Prepackaged Plan is not confirmed within sixty (60) days after the Petition Date and (ii) waiver of the requirement to file a list of equity holders. The motion also seeks approval of the combined notice of (a) commencement of the Chapter 11 Case, (b) deferral of the 341(a) meeting, and (c) combined hearing of the Prepackaged Plan and Disclosure Statement and related deadlines.

96. Three (3) Classes of Claims are impaired and were entitled to vote to accept or reject the Prepackaged Plan—Class 4 (Term Loan Claims), Class 5 (Senior Notes Claims) and Class 6 (Convertible Notes Claims). Accordingly, on November 6, 2017, following the execution of the Restructuring Support Agreements, Prime Clerk (the Debtors’ solicitation and voting agent) transmitted Solicitation Packages (defined below) to holders of Claims in Class 4, Class 5, and Class 6. The Solicitation Package included: (i) the Disclosure Statement; (ii) exhibits to the Disclosure Statement; and (iii) ballots containing instructions on how to vote on the Prepackaged Plan. The exhibits to the Disclosure Statement included: (a) the Prepackaged Plan; (b) Consenting Term Lenders’ Restructuring Support Agreement; (c) Consenting Senior Noteholders’ Restructuring Support Agreement; (d) Prepackaged Plan Restructuring Term Sheet and related exhibits; (e) Commitment Letter and the New Warehouse Facilities Term Sheet; (f) Amended and Restated Credit Agreement; (g) Organizational Structure Chart; (h) Liquidation Analysis; (i) Projected Deferred Tax Asset/Liability Comparison (the “**Solicitation Package**”). Prime Clerk transmitted copies of the Solicitation Packages to (i) the record holders of the Term Loans; and (ii) the Nominees (as defined herein) and their mailing agents by overnight delivery and instructed Nominees to deliver the Solicitation Packaged to the beneficial owners of the Senior Notes and Convertible Notes by first-class mail. The Debtor set a voting deadline of November 28, 2017, giving the holders of Claims in Class 4, Class 5, and Class 6 Claims twenty-two (22) days to vote on the Prepackaged Plan.

97. I understand from counsel that the Debtor’s solicitation of the Prepackaged Plan is in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Guidelines for Prepackaged Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of New York. I also believe that the proposed service of the Combined Notice

will provide sufficient notice to all parties in interest in the Chapter 11 Case of the commencement of such cases, the date, time, and place of the Combined Hearing, and the procedures for objecting to the adequacy of the Disclosure Statement and the confirmation of the Prepackaged Plan. Finally, I believe that setting a combined hearing on the Prepackaged Plan and Disclosures Statement in combination of the aforementioned noticing and solicitation procedures, is necessary to allow the Debtor to prosecute the Chapter 11 Case in an expeditious manner, thereby minimizing administrative costs and delays and avoiding operational disruption to the Debtor's business for the benefit of all parties in interest.

ix. Application of Debtor Pursuant to 11 U.S.C. §§ 105(a) and 28 U.S.C. § 156(c) for Authority to Appoint and Retain Prime Clerk LLC as Claims and Noticing Agent Effective as of the Petition Date (the "Prime Clerk Retention Motion")

98. The Debtor requests authority to appoint Prime Clerk LLC ("**Prime Clerk**") as claims and noticing agent ("**Claims and Noticing Agent**") in accordance with the terms and conditions specified in the Engagement Agreement by and between the Debtor and Prime Clerk (the "**Engagement Agreement**"), effective as of the Petition Date. Prime Clerk's duties will include assuming full responsibility for the distribution of notices and the maintenance, processing, and docketing of proofs of claim, if any, filed in the Debtor's Chapter 11 Case.

99. I believe the Debtor's selection of Prime Clerk to serve as its Claims and Noticing Agent has satisfied the Court's Protocol for the Employment of Claims and Noticing Agents Under 28 U.S.C. § 156(c). Specifically, the Debtor has solicited and reviewed engagement proposals from at least two other Court-approved claims and noticing agents to ensure selection through a competitive process. I believe that Prime Clerk's rates are competitive and reasonable given Prime Clerk's quality of services and expertise. The terms of

Prime Clerk's retention are set forth in the Engagement Agreement attached to, and filed contemporaneously therewith, the Claims and Noticing Agent Retention Application. Appointing Prime Clerk as the Debtor's Claims and Noticing Agent will maximize the efficiency of the distribution of notices and the processing of claims, as well as relieve the Office of the Clerk of the Bankruptcy Court of the administrative burden of processing an overwhelming number of claims.

VI.

Information Required by Local Rule 1007

100. In accordance with Local Rule 1007-2, the schedules attached hereto provide certain information related to the Debtors.

101. Pursuant to Local Rule 1007-2(a)(3), **Schedule 1** hereto lists the names and addresses of the members of, and attorneys for, any official committee organized prior to the Commencement Date and a brief description of the circumstances surrounding the formation of the committee and the date of its formation.

102. Pursuant to Local Rule 1007-2(a)(4), **Schedule 2** hereto lists the holders of the Debtors' twenty (20) largest unsecured claims on a consolidated basis, excluding claims of insiders.

103. Pursuant to Local Rule 1007-2(a)(5), **Schedule 3** hereto lists the holders of the five (5) largest secured claims against the Debtors on a consolidated basis.

104. Pursuant to Local Rule 1007-2(a)(6), **Schedule 4** hereto provides a summary of the (unaudited) consolidated assets and liabilities for the Debtors and their non-Debtor affiliates.

105. Pursuant to Local Rule 1007-2(a)(7), **Schedule 5** hereto provides the following information: the number and classes of shares of stock, debentures, and other

securities of the Debtors that are publicly held and the number of record holders thereof; and the number and classes of shares of stock, debentures, and other securities of the Debtors that are held by the Debtors' directors and officers, and the amounts so held.

106. Pursuant to Local Rule 1007-2(a)(8), **Schedule 6** hereto provides a list of all of the Debtors' property in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity, giving the name, address, and telephone number of each such entity and the location of the court in which any proceeding relating thereto is pending.

107. Pursuant to Local Rule 1007-2(a)(9), **Schedule 7** hereto provides a list of the premises owned, leased, or held under other arrangement from which the Debtors operate their businesses.

108. Pursuant to Local Rule 1007-2(a)(10), **Schedule 8** hereto provides the location of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States.

109. Pursuant to Local Rule 1007-2(a)(11), **Schedule 9** hereto provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment against the Debtors or a seizure of their property may be imminent.

110. Pursuant to Local Rule 1007-2(a)(12), **Schedule 10** hereto provides a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.

111. Pursuant to Local Rule 1007-2(b)(1)-(2)(A), **Schedule 11** hereto provides the estimated amount of weekly payroll to the Debtors' employees (not including officers, directors, stockholders, and partners) and the estimated amount to be paid to officers, stockholders, directors, members of any partnerships, and financial and business consultants retained by the Debtors for the thirty (30) day period following the filing of the Debtors' Chapter 11 Cases as the Debtors intend to continue to operate their businesses.

112. Pursuant to Local Rule 1007-2(b)(3), **Schedule 12** hereto provides, for the thirty (30) day period following the filing of the Chapter 11 Cases, a list of estimated cash receipts and disbursements, net cash gain or loss, obligations, and receivables expected to accrue that remain unpaid, other than professional fees.

Conclusion

113. This declaration illustrates the factors that have precipitated the commencement of the Chapter 11 Case and the critical need for the Debtor to implement the reorganization strategy embodied in the Prepackaged Plan.

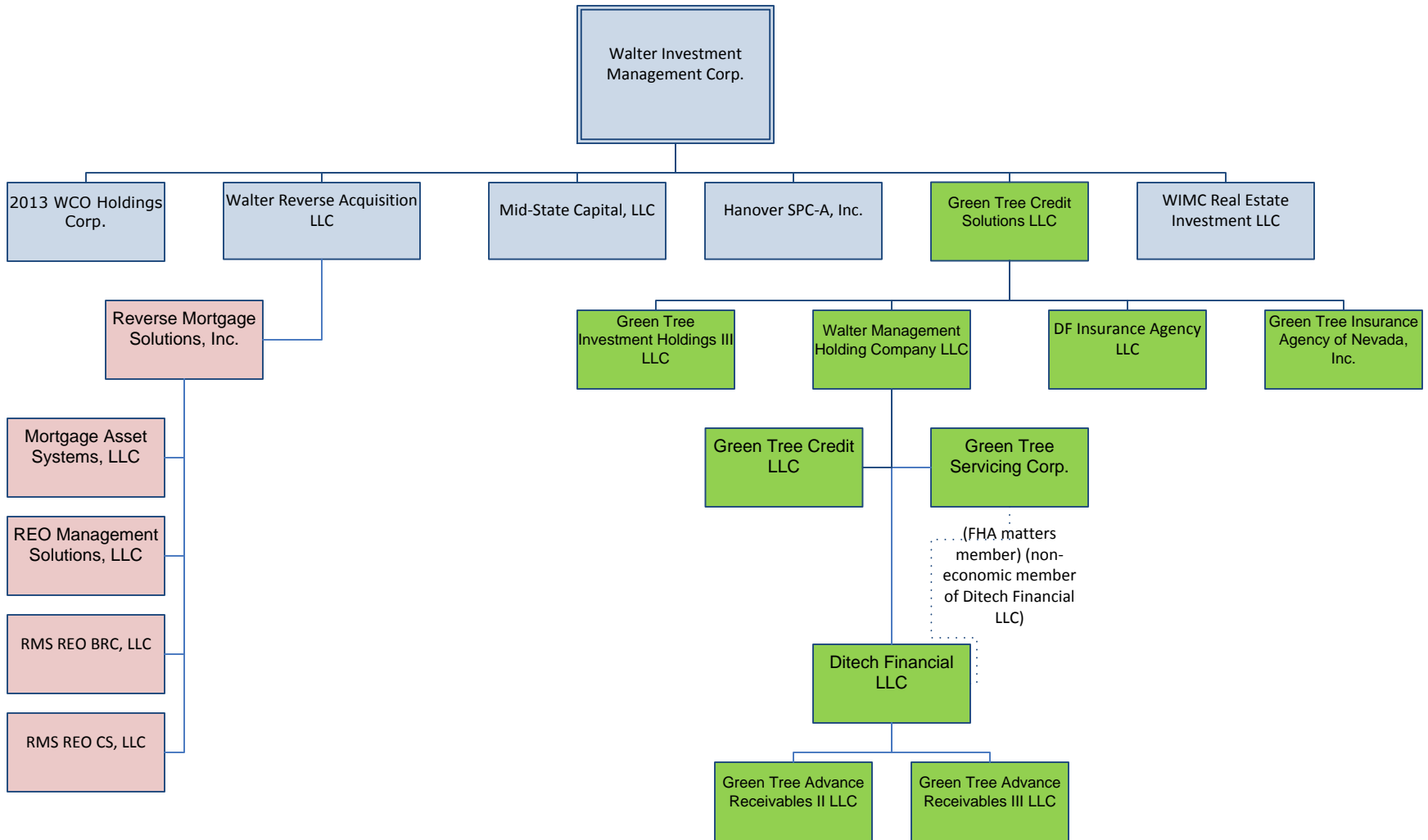
I declare under penalty of perjury that, to the best of my knowledge and after reasonable inquiry, the foregoing is true and correct.

Executed this 30th day of November, 2017

/s/ David Coles _____
David Coles
Senior Vice President
Walter Investment Management Corp.

Annex "1"

Corporate Organizational Chart



Schedule 1

Committees

Pursuant to Local Bankruptcy Rule 1007-2(a)(3), prior to the Petition Date, the Debtor is aware of the following ad hoc groups that were formed to engage with the Debtor in an effort to participate in the Debtor's ongoing restructuring efforts.

Committee Description	Committee Representative
Ad hoc group of holders of the 2013 Secured Term Loan	Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654 (Attn: Patrick Nash P.C. and Gregory Pesce, Esq)
Ad hoc group of holders of the 7.875% Senior Notes due 2021	Milbank, Tweed, Hadley & McCloy LLP, 2029 Century Park East, 33rd Floor, Los Angeles, CA 90067 (Attn: Gregory A. Bray, Esq. and Haig M. Maghakian, Esq.) 28 Liberty Street, New York, NY 10005 (Attn: Dennis F. Dunne, Esq.)
Ad hoc group of holders of the 4.50% Convertible Senior Subordinated Notes due 2019	Akin Gump Strauss Hauer & Feld LLP, Bank of America Tower, New York, NY 10036-6745 (Attn: Michael Stamer and James Savin)

Schedule 2

List of the Holders of the Debtor's 20 Largest Unsecured Claims

Pursuant to Local Bankruptcy Rule 1007-2(a)(4), the following is a list of the Debtor's creditors holding the 20 largest unsecured claims (the "Creditor List") based on the Debtor's unaudited books and records as of the Petition Date. The Creditor List has been prepared in accordance with Bankruptcy Rule 1007(d) and does not include (i) persons who come within the definition of "insider" set forth in section 101(31) of the Bankruptcy Code or (ii) secured creditors, unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims.

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Claim Amount	Contingent, Liquidated, Disputed, or Partially Secured
1	Wilmington Savings Fund Society, FSB	Attn: Patrick J. Healy 500 Delaware Avenue Wilmington, DE 19801 Email - phealy@wsfsbank.com Phone - 302.888.7420 Fax - 302.421.9137	Senior Notes	\$ 558,222,163.88	
2	Wells Fargo Bank, National Association	Attn: Thomas M. Korsman 600 S 4th Street, 6th Floor MAC N9300-161 Minneapolis, MN 55479 Email - thomas.m.korsman@wellsfargo.com Phone - 612.466.5890 Fax - 866.680.1777	Convertible Notes	\$ 248,832,785.00	

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Claim Amount	Contingent, Liquidated, Disputed, or Partially Secured
3	Federal National Mortgage Association	Attn: Mark Bickert Customer Delivery Leader 3900 Wisconsin Avenue, N.W. Washington, DC 20016 Email – Mark_s_Bickert@fanniemae.com Phone - 202.752.6211	Contingent Guarantee	Undetermined	C, U
4	Federal Home Loan Mortgage Association	Attn: Timothy Hartless Vice President, National Lending 1551 Park Run Drive MS D2K McLean, VA 22102-3110 Email -Timothy_Hartless@freddiemac.com Phone – 571-382-3195	Contingent Guarantee	Undetermined	C, U
5	Government National Mortgage Association	Attn: Harlan Jones Senior Account Executive 451 7 th Street S.W. Washington, DC 20410 Email – Harlan.K.Jones@hud.gov Phone - 202.475.8798	Contingent Guarantee	Undetermined	C, U
6	Barclays Bank PLC	Attn: Joseph O'Doherty Managing Director 745 Seventh Avenue, 4th Floor New York, NY 10019 Email - joseph.o'doherty@barclayscapital.com Phone - 212.412.7990 Fax - 212.412.7333	Contingent Guarantee	Undetermined	C, U

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Claim Amount	Contingent, Liquidated, Disputed, or Partially Secured
7	Credit Suisse First Boston Mortgage Capital LLC	Attn: Margaret Dellafera Mortgage Finance c/o Credit Suisse Securities (USA) LLC Eleven Madison Avenue, 4th Floor New York, NY 10010 Email - margaret.dellafera@credit-suisse.com Phone - 212.325.6471 Fax - 212.743.4810	Contingent Guarantee	Undetermined	C, U
8	Credit Suisse First Boston Mortgage Capital LLC	Attn: Margaret Dellafera Mortgage Finance c/o Credit Suisse Securities (USA) LLC Eleven Madison Avenue, 4th Floor New York, NY 10010 Email - margaret.dellafera@credit-suisse.com Phone - 212.325.6471 Fax - 212.743.4810	Contingent Guarantee	Undetermined	C, U
9	Barclays Bank PLC	Attn: Joseph O'Doherty Managing Director 745 Seventh Avenue, 4th Floor New York, NY 10019 Email - joseph.o'doherty@barclayscapital.com Phone - 212.412.7990 Fax - 212.412.7333	Contingent Guarantee	Undetermined	C, U
No.	Creditor	Complete mailing address, telephone number, and	Nature of claim	Claim Amount	Contingent,

		name of employee, agent, or department of creditor familiar with claim who may be contacted			Liquidated, Disputed, or Partially Secured
10	Flagstar Bank, FSB	Attn: Matt Kovack 5151 Corporate Drive Troy, MI 48908 Email – Matthew.Kovack@flagstar.com Phone - 248.312.5122	Contingent Guarantee	Undetermined	C, U
11	Walter Capital Opportunity Corp./Walter Capital Opportunity, LP	Attn: Daniel Kashdin President c/o Walter Investment Management Corp. 3000 Bayport Drive, Suite 1100 Tampa, FL 33607 Email - dkashdin@walterinvestment.com Phone – 813.421.7600 Fax – 813.286.2154	Contractual Indemnity	Undetermined	C, U, D
12	Dixon, Denmar	Address on File	Severance	\$ 1,245,988.82	
13	Quattro Direct LLC	Attn: Ed Rooney Senior Account Director 200 Berwyn Park, Suite 310 Berwyn, PA 19312 Email – erooney@quattrodirect.com Phone - 610.993.0070x38	Contract Counterparty	\$ 418,916.90	
14	LexisNexis, A Division of RELX Group	Attn: Chief Legal Officer 9443 Springboro Pike Miamisburg, OH 45342 Email - legalnotices@lexisnexis.com Phone - 937.865.1211 Fax - 800.227.9597	Contract Counterparty	\$ 145,274.77	

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Claim Amount	Contingent, Liquidated, Disputed, or Partially Secured
15	Newcourse Communications Inc	Attn: Jim Conde Chairman & CEO, Principal 5010 Linbar Drive, Suite 100 Nashville, TN 37211 Email - jim.conde@newcoursecc.com Phone - 615.812.0197 Fax - 615.332.3442	Contract Counterparty	\$ 124,853.61	
16	Boyd, Stuart	Address on File	Severance	\$ 122,797.69	
17	KPMG LLP	Attn: Jennifer Van Dalen 345 Park Avenue New York, NY 10154 Email – jvandalen@kpmg.com Phone - 212.872.3560	Contract Counterparty	\$ 71,998.08	
18	Vendor Pass Inc	Attn: Robert Dixon Director of Partnerships 10151 Deerwood Blvd. Jacksonville, FL 32256 Email – Robert.dixon@vendorpass.com Phone – 904.360.2444	Contract Counterparty	\$ 63,168.34	
19	Indecomm Holdings Inc	Attn: Rajan Nair Chief Executive Officer – Financial Services 379 Thornall Street, 2 nd Floor Edison, NJ 08837 Email – rajan@indecomm.net Phone - 732.259.1405	Contract Counterparty	\$ 32,718.04	

No.	Creditor	Complete mailing address, telephone number, and name of employee, agent, or department of creditor familiar with claim who may be contacted	Nature of claim	Claim Amount	Contingent, Liquidated, Disputed, or Partially Secured
20	Pontoon Solutions Inc	Attn: General Counsel 1301 Riverplace Blvd., Suite 1000 Jacksonville, FL 32207 Email - jon.bernhardt@pontoonsolutions.com Phone - 855.881.1533	Contract Counterparty	\$ 18,488.40	

Schedule 3

List of the Holders of 5 Largest Secured Claims

Pursuant to Local Bankruptcy Rule 1007-2(a)(5), the following is a list of creditors holding the five largest non-contingent, secured claims against the Debtor as of the Petition Date.

#	Creditor	Contact, Mailing Address & Telephone Number	Nature of Claim	Amount of Claim	Collateral Description	Contingent, Unliquidated, or Disputed
1	Credit Suisse AG (as agent)	Davis Polk & Wardwell LLP, 450 Lexington Ave, New York, NY 10017 (Attn: Brian M. Resnick, Esq)	2013 Term Loan	\$1,295,200,000*	Secured by substantially all assets	

*Outstanding debt principal balances as of 9/30/17. The amounts exclude accrued interest and fees.

Schedule 4

Pursuant to Local Bankruptcy Rule 1007-2(a)(6), the following are estimates of the Debtor’s total assets and liabilities on a consolidated basis, as consolidated with its affiliated non-Debtors as of September 30, 2017.

	<u>September 30, 2017</u> <u>(unaudited)</u>
ASSETS	
Cash and cash equivalents	\$ 276,802
Restricted cash and cash equivalents	359,420
Residential loans at amortized cost, net (includes \$6,371 and \$5,167 in allowance for loan losses at September 30, 2017 and December 31, 2016, respectively)	742,904
Residential loans at fair value	11,377,492
Receivables, net (includes \$7,498 and \$15,033 at fair value at September 30, 2017 and December 31, 2016, respectively)	151,398
Servicer and protective advances, net (includes \$156,561 and \$146,781 in allowance for uncollectible advances at September 30, 2017 and December 31, 2016, respectively)	850,867
Servicing rights, net (includes \$808,830 and \$949,593 at fair value at September 30, 2017 and December 31, 2016, respectively)	869,981
Goodwill	47,747
Intangible assets, net	9,213
Premises and equipment, net	58,210
Assets held for sale	—
Other assets (includes \$36,215 and \$87,937 at fair value at September 30, 2017 and December 31, 2016, respectively)	235,601
Total assets	\$ 14,979,635

LIABILITIES AND STOCKHOLDERS' DEFICIT	
Payables and accrued liabilities (includes \$2,783 and \$11,804 at fair value at September 30, 2017 and December 31, 2016, respectively)	\$ 721,191
Servicer payables	346,753
Servicing advance liabilities	509,363
Warehouse borrowings	1,178,320
Servicing rights related liabilities at fair value	1,565
Corporate debt	2,022,639
Mortgage-backed debt (includes \$436,921 and \$514,025 at fair value at September 30, 2017 and December 31, 2016, respectively)	832,897
HMBS related obligations at fair value	9,598,234
Deferred tax liabilities, net	4,907
Liabilities held for sale	—
Total liabilities	<u>15,215,869</u>
Stockholders' deficit:	
Preferred stock, \$0.01 par value per share:	
Authorized - 10,000,000 shares	
Issued and outstanding - 0 shares at September 30, 2017 and December 31, 2016	—
Common stock, \$0.01 par value per share:	
Authorized - 90,000,000 shares	
Issued and outstanding - 37,373,551 and 36,391,129 shares at September 30, 2017 and December 31, 2016, respectively	366
Additional paid-in capital	598,129
Accumulated deficit	(835,738)
Accumulated other comprehensive income	1,009
Total stockholders' deficit	<u>(236,234)</u>
Total liabilities and stockholders' deficit	<u>\$ 14,979,635</u>

Schedule 5

Publicly Held Securities

Pursuant to Local Bankruptcy Rule 1007-2(a)(7), the following lists the number and classes of shares of stock, debentures, and other securities of the Debtor that are publicly held (“Securities”) and the number of holders thereof. The Securities held by the Debtor’s directors and officers are listed separately.

Walter Investment Management, Inc. Common Stock

Type of Security	Approximate Number of Shares	Approximate Number of Record Holders	As of
Common stock, \$0.01 par value per share	37,373,551	135	November 28, 2017

Walter Investment Management, Inc. Common Stock Held by the Debtor’s Non-Employee Directors

Name of Director	Approximate Number of Shares	As of
George M. Awad	423,611	November 6, 2017
Daniel G. Beltzman	125,608	November 6, 2017
Michael M. Bhaskaran	101,004	November 6, 2017
Alvaro G. de Molina	129,786	November 6, 2017
Neal P. Goldman	101,004	November 6, 2017
William J. Meurer	157,241	November 6, 2017
Vadim Perelman	125,608	November 6, 2017

Walter Investment Management, Inc. Common Stock Held by the Executive Officers of the Debtor and non-Debtor affiliates

Name of Executive Officer	Approximate Number of Shares	As of
Anthony N. Renzi	32,152	November 6, 2017
Gary L. Tillett	59,109	November 6, 2017
Jeffrey P. Baker	N/A	
Elizabeth F. Monahan	N/A	
Alfred W. Young, Jr.	N/A	
John J. Haas	3,611	November 6, 2017

Walter Investment Management 4.50% Convertible Notes

Type of Security	Outstanding Balance	Approximate Number of Beneficial Holders	As of
4.50% Convertible Senior Subordinated Notes due 2019	\$242.5 million	207	November 30, 2017

Walter Investment Management 7.875% Senior Notes

Type of Security	Outstanding Balance	Approximate Number of Beneficial Holders	As of
7.875% Senior Notes Due 2021	\$538.7 million	704	November 30, 2017

Schedule 6

Debtor's Property Held by Third Parties

Pursuant to Local Bankruptcy Rule 1007-2(a)(8) the following lists the Debtor's property that is in the possession or custody of any custodian, public officer, mortgagee, pledgee, assignee of rents, secured creditor, or agent for any such entity.

In the ordinary course of business, on any given day, property of the Debtor (including security deposits or other collateral with counterparties to certain commercial relationships) is likely to be in the possession of various third parties, including, but not limited to, custodians, mortgagees, secured creditors, governmental sponsored entities, or agents, where the Debtor's ownership interest is not affected. Because of the constant movement of this property, identification of all of their addresses, telephone numbers, and the location of any court proceeding affecting the property would be impractical.

Schedule 7

Listing of leased and owned properties

Pursuant to Local Bankruptcy Rule 1007-2(a)(9), the following lists the property or premises owned, leased, or held under other arrangement from which the Debtor operates its business.

Owned Property

None

Leased Property

Current Tenant/Subtenant Entity	Guarantor	Address	City	State	Postal Code
Walter Investment Management Corp.		3000 Bayport Drive, Suites 880 & 1100	Tampa	FL	33607
Walter Investment Management Corp.		1100 Virginia Drive, Suite 100	Fort Washington	PA	19034

Schedule 8

Pursuant to Local Bankruptcy Rule 1007-2(a)(10), the following lists the locations of the Debtor's substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtor outside the territorial limits of the United States.

Location of Debtor's Substantial Assets

The Debtor's primary asset is its equity ownership in its subsidiaries, which equity interest are certificated and are held by Credit Suisse AG, as administrative agent under the Amended and Restated Credit Facility Agreement dated as of December 19, 2013 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof) in a bank in New York City, New York.

Books and Records

The Debtor's books and records are located at their headquarters at 1100 Virginia Drive, Suite 100, Fort Washington, PA, 19034 as well as its various operational centers throughout the United States.

Debtor's Assets Outside the United States

The Debtor does not have significant assets located outside of the territorial limits of the United States.

Schedule 9

Summary of Legal Actions Against the Debtor

Pursuant to Local Bankruptcy Rule 1007-2(a)(11), to the best of the Debtor's knowledge, belief, and understanding, there are no actions or proceedings pending or threatened against the Debtor or its property, as of the Commencement Date, where a judgment against the Debtor or a seizure of its property may be imminent.

Schedule 10

Senior Management

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who comprise the Debtor’s existing senior management, a description of their tenure with the Debtor and certain of its non-Debtor affiliates, and a brief summary of their relevant responsibilities and experience.

Name & Position	Responsibilities & Experience
<p>Anthony N. Renzi – Chief Executive Officer and President</p>	<p>Anthony N. Renzi has served as the Chief Executive Officer and President of the Company since September 2016 and a director since January 2017. Mr. Renzi served as the Chief Operating Officer, Managing Director and Head of Operations for Citi’s North America Retail Bank, Commercial Bank and CitiMortgage from 2012 to 2016. In that capacity he provided executive operations leadership for customer contact centers, core banking and mortgage operations, branch operations support, investor reporting/servicing accounting, default operations and servicing technology. Mr. Renzi also served as a director for CitiMortgage. With over 30 years of experience in mortgage banking, he is an accomplished executive with demonstrated success creating and leading top national financial services organizations, including serving as the Executive Vice President of the Single Family Business, Operations and Technology at Freddie Mac from 2010 to 2012. He served as the Chief Operating Officer and director of GMAC Residential Capital and the President of GMAC Mortgage from 2008 to 2010; as Chief Operating Officer of GMAC Mortgage, Residential Finance Group from 2006 to 2008; and in various leadership positions in the lending and servicing businesses of GMAC Mortgage from 1986 through 2006. Mr. Renzi earned a Bachelor’s Degree in Business Administration from Holy Family University in Philadelphia and an MBA from Philadelphia University.</p>
<p>Gary L. Tillett – Executive Vice President and Chief Financial Officer</p>	<p>Gary L. Tillett has served as Executive Vice President and Chief Financial Officer since March 2014. Prior to joining the Company, Mr. Tillett was employed by PwC for over 31 years. He most recently served as PwC’s partner responsible for the firm’s New York Metro Transaction Services practice. Prior to serving in the New York Metro Transaction Services leadership role, Mr. Tillett had responsibility for the firm’s Transaction Service practice in the Financial Services sector. Mr. Tillett advised clients on transactions involving companies in the Financial Services space, with significant recent experience in the mortgage, banking and consumer lending areas, including leading the PwC Advisory team in assisting the</p>

	<p>Company with the acquisition of GTCS Holdings LLC (“Green Tree Holdings”) in 2011. Prior to joining Transaction Services in 1998, Mr. Tillett worked in the audit practice primarily focused on public companies in the financial services industry. Mr. Tillett holds a Bachelor of Science degree in accounting from the University of Texas at Dallas, a Masters of Business Administration from the University of Manchester, and is a Certified Public Accountant.</p>
<p>Jeffrey P. Baker – President of Reverse Mortgage Solutions, Inc.</p>	<p>Jeffrey P. Baker has served as President of Reverse Mortgage Solutions, Inc., a subsidiary of the Company, since October 2016 and as a consultant for the Company from July 2015 to October 2016. Mr. Baker came to the Company with more than 15 years of experience as an executive and board member of both public and private companies and spent 17 years at PwC where he served in a variety of client service roles and as a partner in the Chairman’s office. Prior to joining the Company, Mr. Baker was the co-founder and Chief Executive Officer of Mayday Capital Advisors, LLC, a restructuring firm. From 2011 to 2015, Mr. Baker served as the Turnaround and Restructuring Practice Leader for Wipfli LLP, a business consulting, accounting and professional services firm. Mr. Baker received his Bachelors of Business Administration from Texas A&M University.</p>
<p>Elizabeth F. Monahan – Senior Vice President and Chief Human Resources Officer</p>	<p>Elizabeth F. Monahan has served as Senior Vice President and Chief Human Resources Officer of the Company since November 2016. From 2015 until joining the Company, Ms. Monahan served as the Leader of Human Resources of Assero Services, LLC, a national field service company providing property preservation, maintenance and other residential property services to financial institutions. In this capacity, Ms. Monahan was responsible for creating the human resources and related administrative functions, including management development and labor safety programs. Ms. Monahan served as Vice President and Global Head of Human Resources at Quintiq, a software company providing supply chain planning and optimization software solutions, from 2013 to 2015, and Senior Vice President and Director of Human Resources for Homeward Residential Inc. from 2011 to 2013. Prior to this, Ms. Monahan held various human resources leadership positions with CorpTalk, De Lage Landen and GMAC Residential Finance Group. During her time at GMAC Residential Finance Group, Ms. Monahan served as the senior human resources leader on acquisition teams for a number of acquisitions, including that of ditech.com. Ms. Monahan holds a Masters of Counseling Psychology from Rider University and a Bachelor of Science from Penn State University.</p>

<p>Alfred W. Young, Jr. – Executive Vice President and Chief Risk and Compliance Officer</p>	<p>Alfred W. Young, Jr. has served as the Company’s Executive Vice President and Chief Risk and Compliance Officer since October 2016. From 2015 until joining the Company, Mr. Young served as Director of Risk Analytics at the Office of Comptroller of the Currency (the “OCC”), an independent bureau of the U.S. Department of the Treasury charged with regulating and supervising U.S. national banks and federal savings associations. In this role, Mr. Young was responsible for various risk-related supervisory functions and analyses, identifying risks to the national banking system and measuring the effectiveness of certain risk supervisory efforts, among other things. From 2008 to 2015, Mr. Young served as Consumer Credit Examination Lead at the OCC, where he was responsible for large and complex bank supervision and directed a multi-year review of the mortgage servicing activities of a global consumer bank. Mr. Young has a deep background in risk governance and federal regulatory experience, with particular experience in credit risk management, portfolio management, loan servicing, portfolio and bank acquisitions, modeling and analytics. In addition to his regulatory experience, from 1993 to 2008 Mr. Young held various compliance- and risk-related roles at midsize and large national banks. Mr. Young holds a Master of Business Administration from the University of Cincinnati and a Bachelor of Science in Business Administration from Fitchburg State University.</p>
<p>John J. Haas – General Counsel, Chief Legal Officer and Secretary</p>	<p>John J. Haas has served as General Counsel, Chief Legal Officer and Secretary since April 12, 2017. Mr. Haas joined the Company in June 2014 as Assistant General Counsel. Mr. Haas has over 15 years of experience, including both as a corporate and securities attorney and as an investment banker. Before joining the Company, Mr. Haas most recently was Of Counsel at Foley & Lardner LLP from 2013 to 2014 and Executive Director at UBS Investment Bank from 2010 to 2013. Prior to this, Mr. Haas worked as a Director at Merrill Lynch and as an Associate at Skadden, Arps, Slate, Meagher & Flom LLP. Mr. Haas holds a Bachelor of Arts degree from the University of Florida and a Juris Doctorate from New York University School of Law</p>

Schedule 11

Payroll

Pursuant to Local Bankruptcy Rule 1007-2(b)(1), the following provides the estimated amount of bi-weekly payroll to the Debtor’s employees (not including officers, directors and stockholders).

Estimated amount of bi-weekly payroll to Employees (Not Including Officers, Directors and Stockholders)	\$819,227
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Pursuant to Local Bankruptcy Rule 1007-2(b)(2)(A) and (C), the following provides the estimated amount to be paid to officers, stockholders, directors and financial and business consultants retained by the Debtor for the 30-day period following the filing of the chapter 11 petitions.

Payments to Officers, Stockholders and Directors	\$0
Payments to Financial and Business Consultants	\$0

Schedule 12

Cash Receipts and Disbursements, Net Cash Gain or Loss, Unpaid Obligations and Receivables

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the filing of the chapter 11 petition, the estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Cash Receipts	\$16,020,000*
Cash Disbursements	\$15,290,000*
Net Cash Gain / (Loss)	\$730,000
Unpaid Obligations	\$0
Unpaid Receivables	\$0

*Amounts include receipts by and transfers to non-Debtor affiliates in accordance with intercompany transfers more fully described in the *Motion of Debtor Pursuant to 11 U.S.C. §§ 105(a), 345(b), 363, 364, 503, and 507 Authorizing Debtor to (I) Continue Participating in Existing **Cash Management** System, and Using Bank Accounts and Business Forms, (II) Continue Intercompany Transactions, (III) Provide Administrative Expense Priority for Postpetition Intercompany Claims, (IV) Extend Time to Comply with 11 U.S.C. § 345(b), and (V) Grant Related Relief*, filed in this case.