
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-34354

ALTISOURCE PORTFOLIO SOLUTIONS S.A.

(Exact name of Registrant as specified in its Charter)

Luxembourg

(State or other jurisdiction of incorporation or organization)

98-0554932

(I.R.S. Employer Identification No.)

**40, avenue Monterey
L-2163 Luxembourg
Grand Duchy of Luxembourg**
(Address of principal executive offices) (Zip Code)

(352) 24 69 79 00
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company (as defined in Rule 12b-2 of the Exchange Act):

Large accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided by Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of October 20, 2017, there were 17,904,739 outstanding shares of the registrant's shares of beneficial interest (excluding 7,508,009 shares held as treasury stock).

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PART I — FINANCIAL INFORMATION

Item 1. Interim Condensed Consolidated Financial Statements (Unaudited)

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share data)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 114,123	\$ 149,294
Available for sale securities	46,044	45,754
Accounts receivable, net	63,177	87,821
Prepaid expenses and other current assets	59,880	42,608
Total current assets	283,224	325,477
Premises and equipment, net	80,823	103,473
Goodwill	86,283	86,283
Intangible assets, net	128,289	155,432
Deferred tax assets, net	7,214	7,292
Other assets	10,568	11,255
Total assets	\$ 596,401	\$ 689,212
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 83,352	\$ 83,135
Accrued litigation settlement	—	32,000
Current portion of long-term debt	5,945	5,945
Deferred revenue	9,746	8,797
Other current liabilities	10,982	19,061
Total current liabilities	110,025	148,938
Long-term debt, less current portion	414,431	467,600
Other non-current liabilities	7,796	10,480
Commitments, contingencies and regulatory matters (Note 20)		
Equity:		
Common stock (\$1.00 par value; 100,000 shares authorized, 25,413 issued and 17,905 outstanding as of September 30, 2017; 25,413 shares authorized and issued and 18,774 outstanding as of December 31, 2016)	25,413	25,413
Additional paid-in capital	111,457	107,288
Retained earnings	342,111	333,786
Accumulated other comprehensive loss	(1,533)	(1,745)
Treasury stock, at cost (7,508 shares as of September 30, 2017 and 6,639 shares as of December 31, 2016)	(414,668)	(403,953)
Altisource equity	62,780	60,789
Non-controlling interests	1,369	1,405
Total equity	64,149	62,194
Total liabilities and equity	\$ 596,401	\$ 689,212

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in thousands, except per share data)

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Revenue	\$ 234,979	\$ 252,745	\$ 726,147	\$ 758,676
Cost of revenue	174,898	174,002	538,244	517,236
Gross profit	60,081	78,743	187,903	241,440
Selling, general and administrative expenses	46,622	53,886	146,793	161,709
Income from operations	13,459	24,857	41,110	79,731
Other income (expense), net:				
Interest expense	(5,599)	(5,952)	(16,862)	(18,481)
Other income (expense), net	2,497	(109)	8,015	2,608
Total other income (expense), net	(3,102)	(6,061)	(8,847)	(15,873)
Income before income taxes and non-controlling interests	10,357	18,796	32,263	63,858
Income tax provision	(2,591)	(7,324)	(7,615)	(12,808)
Net income	7,766	11,472	24,648	51,050
Net income attributable to non-controlling interests	(805)	(883)	(2,107)	(1,973)
Net income attributable to Altisource	<u>\$ 6,961</u>	<u>\$ 10,589</u>	<u>\$ 22,541</u>	<u>\$ 49,077</u>
Earnings per share:				
Basic	<u>\$ 0.39</u>	<u>\$ 0.57</u>	<u>\$ 1.23</u>	<u>\$ 2.63</u>
Diluted	<u>\$ 0.38</u>	<u>\$ 0.54</u>	<u>\$ 1.20</u>	<u>\$ 2.49</u>
Weighted average shares outstanding:				
Basic	<u>18,023</u>	<u>18,715</u>	<u>18,337</u>	<u>18,669</u>
Diluted	<u>18,429</u>	<u>19,568</u>	<u>18,854</u>	<u>19,738</u>
Comprehensive income:				
Net income	\$ 7,766	\$ 11,472	\$ 24,648	\$ 51,050
Other comprehensive income (loss), net of tax:				
Unrealized gain (loss) on securities, net of income tax benefit (provision) of \$2,054, \$(2,070), \$(78), \$889, respectively	(5,530)	5,016	212	(2,156)
Comprehensive income, net of tax	2,236	16,488	24,860	48,894
Comprehensive income attributable to non-controlling interests	(805)	(883)	(2,107)	(1,973)
Comprehensive income attributable to Altisource	<u>\$ 1,431</u>	<u>\$ 15,605</u>	<u>\$ 22,753</u>	<u>\$ 46,921</u>

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(in thousands)

	Altisource Equity							Non- controlling interests	Total
	Common stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Treasury stock, at cost			
	Shares								
Balance, December 31, 2015	25,413	\$ 25,413	\$ 96,321	\$ 369,270	\$ —	\$ (440,026)	\$ 1,292	\$ 52,270	
Comprehensive income:									
Net income	—	—	—	49,077	—	—	1,973	51,050	
Other comprehensive loss, net of tax	—	—	—	—	(2,156)	—	—	(2,156)	
Distributions to non-controlling interest holders	—	—	—	—	—	—	(1,637)	(1,637)	
Share-based compensation expense	—	—	4,692	—	—	—	—	4,692	
Exercise of stock options and issuance of restricted shares	—	—	—	(58,912)	—	67,788	—	8,876	
Repurchase of shares	—	—	—	—	—	(34,321)	—	(34,321)	
Balance, September 30, 2016	<u>25,413</u>	<u>\$ 25,413</u>	<u>\$ 101,013</u>	<u>\$ 359,435</u>	<u>\$ (2,156)</u>	<u>\$ (406,559)</u>	<u>\$ 1,628</u>	<u>\$ 78,774</u>	
Balance, December 31, 2016	25,413	\$ 25,413	\$ 107,288	\$ 333,786	\$ (1,745)	\$ (403,953)	\$ 1,405	\$ 62,194	
Comprehensive income:									
Net income	—	—	—	22,541	—	—	2,107	24,648	
Other comprehensive income, net of tax	—	—	—	—	212	—	—	212	
Distributions to non-controlling interest holders	—	—	—	—	—	—	(2,143)	(2,143)	
Share-based compensation expense	—	—	3,237	—	—	—	—	3,237	
Cumulative effect of an accounting change (Note 1)	—	—	932	(932)	—	—	—	—	
Exercise of stock options and issuance of restricted shares	—	—	—	(11,787)	—	13,871	—	2,084	
Treasury shares withheld for the payment of tax on restricted share issuances	—	—	—	(1,497)	—	409	—	(1,088)	
Repurchase of shares	—	—	—	—	—	(24,995)	—	(24,995)	
Balance, September 30, 2017	<u>25,413</u>	<u>\$ 25,413</u>	<u>\$ 111,457</u>	<u>\$ 342,111</u>	<u>\$ (1,533)</u>	<u>\$ (414,668)</u>	<u>\$ 1,369</u>	<u>\$ 64,149</u>	

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Nine months ended September 30,	
	2017	2016
Cash flows from operating activities:		
Net income	\$ 24,648	\$ 51,050
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	27,411	27,521
Amortization of intangible assets	27,143	36,432
Change in the fair value of acquisition related contingent consideration	24	(1,174)
Share-based compensation expense	3,237	4,692
Bad debt expense	3,101	763
Gain on early extinguishment of debt	(5,419)	(5,464)
Amortization of debt discount	225	307
Amortization of debt issuance costs	625	850
Deferred income taxes	—	17
Loss on disposal of fixed assets	2,776	30
Changes in operating assets and liabilities:		
Accounts receivable	21,543	3,505
Prepaid expenses and other current assets	(17,272)	(10,167)
Other assets	760	496
Accounts payable and accrued expenses	165	7,005
Other current and non-current liabilities	(41,838)	(9,828)
Net cash provided by operating activities	47,129	106,035
Cash flows from investing activities:		
Additions to premises and equipment	(7,485)	(16,525)
Acquisition of businesses, net of cash acquired	—	(9,617)
Purchase of available for sale securities	—	(48,219)
Change in restricted cash	(73)	—
Other investing activities	—	266
Net cash used in investing activities	(7,558)	(74,095)
Cash flows from financing activities:		
Repayment and repurchases of long-term debt	(48,600)	(49,237)
Proceeds from stock option exercises	2,084	8,876
Purchase of treasury shares	(24,995)	(34,321)
Distributions to non-controlling interests	(2,143)	(1,637)
Payment of tax withholding on issuance of restricted shares	(1,088)	—
Net cash used in financing activities	(74,742)	(76,319)
Net decrease in cash and cash equivalents	(35,171)	(44,379)
Cash and cash equivalents at the beginning of the period	149,294	179,327
Cash and cash equivalents at the end of the period	\$ 114,123	\$ 134,948
Supplemental cash flow information:		
Interest paid	\$ 16,203	\$ 17,244
Income taxes paid, net	15,445	14,178
Non-cash investing and financing activities:		
Increase in payables for purchases of premises and equipment	\$ 52	\$ 2,458

See accompanying notes to condensed consolidated financial statements.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements

NOTE 1 — ORGANIZATION AND BASIS OF PRESENTATION**Description of Business**

Altisource Portfolio Solutions S.A., together with its subsidiaries (which may be referred to as “Altisource,” the “Company,” “we,” “us” or “our”), is an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing market.

Altisource Portfolio Solutions S.A. is organized under the laws of Luxembourg and is publicly traded on the NASDAQ Global Select Market under the symbol “ASPS.”

Basis of Accounting and Presentation

The unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission (“SEC”) Regulation S-X. Accordingly, these financial statements do not include all of the information and footnotes required by GAAP for complete consolidated financial statements. In the opinion of management, the interim data includes all normal recurring adjustments considered necessary to fairly state the results for the interim periods presented. The preparation of interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of our interim condensed consolidated financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Intercompany transactions and accounts have been eliminated in consolidation.

Effective January 1, 2017, our reportable segments changed as a result of changes in our internal organization, which changed the way our Chief Executive Officer (our chief operating decision maker) manages our businesses, allocates resources and evaluates performance. We now report our operations through two new reportable segments: Mortgage Market and Real Estate Market. In addition, we report Other Businesses, Corporate and Eliminations separately. Prior to the January 1, 2017 change in reportable segments, our reportable segments were Mortgage Services, Financial Services and Technology Services. Prior year comparable period segment disclosures have been restated to conform to the current year presentation. See Note 21 for a description of our business segments.

Altisource consolidates Best Partners Mortgage Cooperative, Inc., which is managed by The Mortgage Partnership of America, L.L.C. (“MPA”), a wholly-owned subsidiary of Altisource. Best Partners Mortgage Cooperative, Inc. is a mortgage cooperative doing business as Lenders One[®] (“Lenders One”). MPA provides services to Lenders One under a management agreement that ends on December 31, 2025 (with renewals for three successive five-year periods at MPA’s option).

The management agreement between MPA and Lenders One, pursuant to which MPA is the management company, represents a variable interest in a variable interest entity. MPA is the primary beneficiary of Lenders One as it has the power to direct the activities that most significantly impact the cooperative’s economic performance and the right to receive benefits from the cooperative. As a result, Lenders One is presented in the accompanying condensed consolidated financial statements on a consolidated basis and the interests of the members are reflected as non-controlling interests. As of September 30, 2017, Lenders One had total assets of \$4.6 million and total liabilities of \$2.0 million. As of December 31, 2016, Lenders One had total assets of \$3.8 million and total liabilities of \$1.5 million.

These interim condensed consolidated financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, as filed with the SEC on February 16, 2017.

Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1 — Quoted prices in active markets for identical assets and liabilities

Level 2 — Observable inputs other than quoted prices included in Level 1

Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of assets or liabilities

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Financial assets and financial liabilities are classified based on the lowest level of input that is significant to the fair value measurements. Our assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

Recently Adopted Accounting Pronouncement

The Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) No. 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*, became effective on January 1, 2017. This standard simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities and classification on the statement of cash flows. The standard requires companies to recognize all award-related excess tax benefits and tax deficiencies in the income statement, classify any excess tax benefits as an operating activity in the statement of cash flows, limit tax withholding up to the maximum statutory tax rates in order to continue to apply equity accounting rules and classify cash paid by employers when directly withholding shares for tax withholding purposes as an investing activity in the statement of cash flows. The standard also provides companies with the option of estimating forfeitures or recognizing forfeitures as they occur. In connection with the adoption of this standard, the Company made an accounting policy election to account for forfeitures in compensation expense as they occur, rather than continuing to apply the Company’s previous policy of estimating forfeitures. This policy election resulted in a cumulative effect adjustment of \$0.9 million to retained earnings and additional paid-in capital as of January 1, 2017 using the modified retrospective transition method. There were no other significant impacts of the adoption of this standard on the Company’s results of operations and financial position.

Future Adoption of New Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of this new standard is an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. The Company plans to adopt ASU No. 2014-09 retrospectively with the cumulative effect of initially applying the new standard recognized on the date of the initial application. The new standard will be effective for the Company on January 1, 2018. Based on the Company’s analysis of all sources of revenue from customers for the nine months ended September 30, 2017, the Company estimates that less than 3% of consolidated revenue, primarily related to software development professional services, would likely be deferred and recognized over future periods under the new standard. The Company will continue to analyze the impact of this guidance and refine the estimated impact on its results of operations and financial position.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This standard will require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. The standard also simplifies the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. When a qualitative assessment indicates that impairment exists, an entity is required to measure the investment at fair value. It also amends certain financial statement presentation and disclosure requirements associated with the fair value of financial instruments. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is not permitted. Based on the Company’s analysis of this guidance, upon adoption of ASU No. 2016-01 the Company will reflect changes in the fair value of its available for sale securities in income. These changes in fair value are currently reflected in other comprehensive income. The Company will adopt ASU No. 2016-01 with a cumulative effect adjustment to the balance sheet as of the beginning of the year of adoption. The Company currently has one investment that will be impacted by this standard, its investment in Altisource Residential Corporation (“RESI”) (see Note 4). As of September 30, 2017 and December 31, 2016, the unrealized loss in accumulated other comprehensive loss related to the RESI investment was \$1.5 million and \$1.7 million, respectively.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This standard introduces a new lessee model that brings substantially all leases on the balance sheet. The standard will require companies to recognize lease assets and lease liabilities on their balance sheets and disclose key information about leasing arrangements in their financial statements. This standard will be effective for annual periods beginning after December 15, 2018, including interim periods within that reporting period. Early application of this standard is permitted. The Company is currently evaluating the impact of this guidance on its results of operations and financial position. Based on the Company’s preliminary analysis of its lease arrangements as of September 30, 2017 where the Company is a lessee, less than \$25.0 million, primarily related to office leases, would be recorded as right-of-use assets and

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

lease liabilities on the Company's balance sheet under the new standard. The Company will continue to analyze the impact of this guidance and refine the estimated impact on its results of operations and financial position.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. This standard clarifies guidance on principal versus agent considerations in connection with revenue recognition. When another party is involved in providing goods or services to a customer, an entity is required to determine whether the nature of its promise is to provide the specified good or service itself (that is, the entity is a principal) or to arrange for that good or service to be provided by the other party (that is, the entity is an agent). An entity is a principal if it controls the specified good or service before that good or service is transferred to a customer. The guidance includes indicators to assist an entity in determining whether it controls a specified good or service before it is transferred to the customer. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. The Company is currently evaluating the impact this guidance may have on its results of operations and financial position in connection with its adoption of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as described above.

In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*. This standard provides guidance on identifying performance obligations in a contract with a customer and clarifying several licensing considerations, including whether an entity's promise to grant a license provides a customer with either a right to use the entity's intellectual property (which is satisfied at a point in time) or a right to access the entity's intellectual property (which is satisfied over time) and guidance on sales-based and usage-based royalties. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. The Company is currently evaluating the impact this guidance may have on its results of operations and financial position in connection with its adoption of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as described above.

In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients*. This standard addresses collectability, sales taxes and other similar taxes collected from customers, non-cash consideration, contract modifications at transition and completed contracts at transition. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. The Company is currently evaluating the impact this guidance may have on its results of operations and financial position in connection with its adoption of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as described above.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption of this standard is permitted. The Company currently does not expect the adoption of this guidance to have a material effect on its statement of cash flows.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*. This standard will require that companies recognize the income tax consequences of an intra-entity transfer of an asset (other than inventory) when the transfer occurs. Current guidance prohibits companies from recognizing current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption of this standard is permitted. The Company currently does not expect the adoption of this guidance to have a material effect on its results of operations and financial position.

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. This standard will require that companies include restricted cash and restricted cash equivalents in their cash and cash equivalent balances in the statement of cash flows. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption of this standard is permitted. The Company currently does not expect the adoption of this guidance to have a material effect on its statement of cash flows. As of September 30, 2017 and December 31, 2016, restricted cash was \$4.2 million and \$4.1 million, respectively.

In December 2016, the FASB issued ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. The FASB issued 13 technical corrections and improvements to ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, including providing optional exemptions from the disclosure requirement for remaining performance obligations for specific situations in which an entity need not estimate variable consideration to recognize revenue. The amendments in this standard also expand the information that is required to be disclosed when an entity applies one of the optional exemptions. This standard will be effective for annual periods beginning after December 15, 2017, including interim

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

periods within that reporting period. The Company is currently evaluating the impact this guidance may have on its results of operations and financial position in connection with its adoption of ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as described above.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. This standard clarifies the definition of a business and provides a screen to determine if a set of inputs, processes and outputs is a business. The screen requires that when substantially all of the fair value of gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets, the assets acquired would not be a business. Under the new guidance, in order to be considered a business, an acquisition must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. In addition, the standard narrows the definition of the term “output” so that it is consistent with how it is described in ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. The Company does not expect the adoption of this guidance to have a material effect on its results of operations and financial position.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. This standard will simplify the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. Current guidance requires that companies compute the implied fair value of goodwill under Step 2 by performing procedures to determine the fair value at the impairment testing date of its assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. This standard will require companies to perform annual or interim goodwill impairment tests by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. This standard will be effective for annual periods beginning after December 15, 2019, including interim periods within that reporting period, and will be applied prospectively. Early adoption of this standard is permitted. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements.

In February 2017, the FASB issued ASU No. 2017-05, *Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*. This standard was issued to clarify the scope of Subtopic 610-20, *Other Income-Gains and Losses from the Derecognition of Nonfinancial Assets*, and to add guidance for partial sales of nonfinancial assets. Subtopic 610-20 provides guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with noncustomers. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted, although not prior to annual periods beginning after December 15, 2016. The Company currently does not expect the adoption of this guidance to have a material effect on its results of operations and financial position.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting*. This standard provides guidance about which changes to the terms or conditions of a share-based payment award require the application of modification accounting. This standard will require companies to continue to apply modification accounting, unless the fair value, vesting conditions and classification of an award all do not change as a result of the modification. This standard will be effective for annual periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is permitted. The Company currently does not expect the adoption of this guidance to have a material effect on its results of operations and financial position.

In August 2017, the FASB issued ASU No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The amendments in this standard better align an entity’s risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedging results. This standard will be effective for annual periods beginning after December 15, 2018, including interim periods within that reporting period. Early application is permitted. The Company currently does not expect the adoption of this guidance to have a material effect on its results of operations and financial position.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 2 — CUSTOMER CONCENTRATION

Ocwen Financial Corporation (“Ocwen”) is our largest customer. Ocwen purchases certain mortgage services and technology services from us under the terms of master services agreements and amendments thereto (collectively, the “Ocwen Service Agreements”) with terms extending through August 2025. Certain of the Ocwen Service Agreements, among other things, contain a “most favored nation” provision and also grant the parties the right to renegotiate pricing. Certain of the Ocwen Service Agreements also prohibit Ocwen from establishing fee-based businesses that would directly or indirectly compete with Altisource’s services with respect to the Homeward Residential, Inc. and Residential Capital, LLC servicing portfolios acquired by Ocwen in December 2012 and February 2013, respectively. In addition, Ocwen purchases certain origination services from Altisource under an agreement that continues until January 23, 2019, but which is subject to a 90 day termination right by Ocwen.

Ocwen has disclosed that on July 23, 2017 it entered into a master agreement and a transfer agreement with New Residential Investment Corp. (individually, together with one or more of its subsidiaries, or one or more of its subsidiaries individually, “NRZ”) to undertake certain actions to facilitate the transfer from Ocwen to NRZ of Ocwen’s remaining interests in Ocwen’s non-government-sponsored enterprise (“non-GSE”) mortgage servicing rights (“MSRs”) and subservicing relating to approximately \$110 billion in unpaid principal balance as of June 30, 2017. On August 28, 2017, the Company entered into a Cooperative Brokerage Agreement and related letter agreement with NRZ. As a result, we expect that over time NRZ would become our largest customer, potentially representing more than 50% of our revenues.

Revenue from Ocwen primarily consists of revenue earned directly from Ocwen and revenue earned from the loans serviced by Ocwen when Ocwen designates us as the service provider. Revenue from Ocwen as a percentage of segment and consolidated revenue was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Mortgage Market	68%	65%	68%	65%
Real Estate Market	1%	—%	1%	—%
Other Businesses, Corporate and Eliminations	7%	25%	11%	24%
Consolidated revenue	58%	56%	58%	56%

For the nine months ended September 30, 2017 and 2016, we generated revenue from Ocwen of \$422.1 million and \$422.2 million, respectively (\$136.4 million and \$141.6 million for the third quarter of 2017 and 2016, respectively). Services provided to Ocwen during such periods and reported in the Mortgage Market segment included real estate asset management and sales, residential property valuation, trustee management services, property preservation and inspection services, insurance services, mortgage charge-off collections and certain software applications. Services provided to Ocwen and reported in the Real Estate Market segment included rental property management. Services provided to Ocwen and reported as Other Businesses, Corporate and Eliminations included information technology (“IT”) infrastructure management. As of September 30, 2017, accounts receivable from Ocwen totaled \$23.7 million, \$18.9 million of which was billed and \$4.8 million of which was unbilled. As of December 31, 2016, accounts receivable from Ocwen totaled \$26.2 million, \$15.8 million of which was billed and \$10.4 million of which was unbilled.

We earn additional revenue related to the portfolios serviced by Ocwen when a party other than Ocwen or NRZ selects Altisource as the service provider. For the nine months ended September 30, 2017 and 2016, we recognized revenue of \$118.0 million and \$146.0 million, respectively (\$35.1 million and \$48.0 million for the third quarter of 2017 and 2016, respectively), related to the portfolios serviced by Ocwen when a party other than Ocwen or NRZ selected Altisource as the service provider. These amounts are not included in deriving revenue from Ocwen as a percentage of revenue in the table above.

We earned revenue from NRZ of \$0.8 million related to the MSRs transferred by Ocwen to NRZ in the third quarter of 2017. We earned additional revenue of \$1.0 million in the third quarter of 2017 related to the MSRs transferred by Ocwen to NRZ when a party other than NRZ selects Altisource as the service provider.

NOTE 3 — ACQUISITION

Granite Acquisition

On July 29, 2016, we acquired certain assets and assumed certain liabilities of Granite Loan Management of Delaware, LLC (“Granite”) for \$9.5 million in cash. Granite provides residential and commercial loan disbursement processing, risk mitigation

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

and construction inspection services to lenders. The Granite acquisition is not material in relation to the Company's results of operations or financial position.

The final allocation of the purchase price is as follows:

(in thousands)

Accounts receivable, net	\$	1,024
Prepaid expenses		22
Other assets		25
Premises and equipment, net		299
Non-compete agreements		100
Trademarks and trade names		100
Customer relationships		3,400
Goodwill		4,827
		<u>9,797</u>
Accounts payable and accrued expenses		(57)
Other current liabilities		<u>(192)</u>
Purchase price	<u>\$</u>	<u>9,548</u>

NOTE 4 — AVAILABLE FOR SALE SECURITIES

During the nine months ended September 30, 2016, we purchased 4.1 million shares of RESI common stock for \$48.2 million. This investment is classified as available for sale and reflected in the condensed consolidated balance sheets at fair value at the respective balance sheet dates (\$46.0 million as of September 30, 2017 and \$45.8 million as of December 31, 2016). Unrealized gains and losses on available for sale securities are reflected in other comprehensive income, unless there is an impairment that is other than temporary. In the event that a decline in market value is other than temporary, we would record a charge to earnings and a new cost basis in the investment would be established. During the nine months ended September 30, 2017 and 2016, we earned dividends of \$1.9 million and \$1.0 million, respectively (\$0.6 million for the third quarter of 2017 and no comparative amount for the third quarter of 2016), related to this investment. In addition, during the nine months ended September 30, 2016, we incurred expenses of \$3.4 million (no comparative amounts in 2017 and the third quarter of 2016) related to this investment.

NOTE 5 — ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following:

(in thousands)	September 30, 2017	December 31, 2016
Billed	\$ 48,108	\$ 58,392
Unbilled	23,951	39,853
	<u>72,059</u>	<u>98,245</u>
Less: Allowance for doubtful accounts	(8,882)	(10,424)
Total	<u>\$ 63,177</u>	<u>\$ 87,821</u>

Unbilled receivables consist primarily of certain real estate asset management and sales services for which we generally recognize revenue when the service is provided but collect upon closing of the sale, and default management services, for which we generally recognize revenues over the service delivery period but bill following completion of the service. We also include amounts in unbilled receivables that are earned during a month and billed in the following month.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 6 — PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Short-term investments in real estate	\$ 24,644	\$ 13,025
Income taxes receivable	13,219	5,186
Prepaid expenses	7,712	6,919
Maintenance agreements, current portion	4,658	6,590
Litigation settlement insurance recovery	—	4,000
Other current assets	9,647	6,888
Total	\$ 59,880	\$ 42,608

NOTE 7 — PREMISES AND EQUIPMENT, NET

Premises and equipment, net consists of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Computer hardware and software	\$ 175,512	\$ 164,877
Office equipment and other	12,077	20,188
Furniture and fixtures	13,826	13,997
Leasehold improvements	33,570	33,808
	234,985	232,870
Less: Accumulated depreciation and amortization	(154,162)	(129,397)
Total	\$ 80,823	\$ 103,473

Depreciation and amortization expense totaled \$27.4 million and \$27.5 million for the nine months ended September 30, 2017 and 2016, respectively (\$8.5 million and \$9.2 million for the third quarter of 2017 and 2016, respectively). These expenses are included in cost of revenue for operating assets and in selling, general and administrative expenses for non-operating assets in the accompanying condensed consolidated statements of operations and comprehensive income.

NOTE 8 — GOODWILL AND INTANGIBLE ASSETS, NET
Goodwill

The following is a summary of goodwill by segment:

<i>(in thousands)</i>	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Total
Balance as of September 30, 2017 and December 31, 2016	\$ 73,259	\$ 10,056	\$ 2,968	\$ 86,283

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Intangible assets, net

Intangible assets, net consist of the following:

<i>(in thousands)</i>	Weighted average estimated useful life <i>(in years)</i>	Gross carrying amount		Accumulated amortization		Net book value	
		September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Definite lived intangible assets:							
Trademarks and trade names	13	\$ 15,354	\$ 15,354	\$ (8,630)	\$ (7,724)	\$ 6,724	\$ 7,630
Customer related intangible assets	10	277,828	277,828	(181,019)	(156,980)	96,809	120,848
Operating agreement	20	35,000	35,000	(13,424)	(12,104)	21,576	22,896
Non-compete agreements	4	1,560	1,560	(799)	(507)	761	1,053
Intellectual property	10	300	300	(108)	(85)	192	215
Other intangible assets	5	3,745	3,745	(1,518)	(955)	2,227	2,790
Total		\$ 333,787	\$ 333,787	\$ (205,498)	\$ (178,355)	\$ 128,289	\$ 155,432

Amortization expense for definite lived intangible assets was \$27.1 million and \$36.4 million for the nine months ended September 30, 2017 and 2016, respectively (\$8.6 million and \$11.5 million for the third quarter of 2017 and 2016, respectively). Anticipated annual definite lived intangible asset amortization for 2017 through 2021 is \$34.6 million, \$26.2 million, \$21.8 million, \$18.2 million and \$12.3 million, respectively.

NOTE 9 — OTHER ASSETS

Other assets consist of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Security deposits	\$ 5,164	\$ 5,508
Restricted cash	4,200	4,127
Maintenance agreements, non-current portion	503	853
Other	701	767
Total	\$ 10,568	\$ 11,255

NOTE 10 — ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accounts payable and accrued expenses consist of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Accounts payable	\$ 12,251	\$ 8,787
Accrued salaries and benefits	42,312	47,614
Accrued expenses - general	28,789	26,426
Income taxes payable	—	308
Total	\$ 83,352	\$ 83,135

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Other current liabilities consist of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Unfunded cash account balances	\$ 5,054	\$ 7,137
Other	5,928	11,924
Total	<u>\$ 10,982</u>	<u>\$ 19,061</u>

NOTE 11 — LONG-TERM DEBT

Long-term debt consists of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Senior secured term loan	\$ 425,067	\$ 479,653
Less: Debt issuance costs, net	(3,445)	(4,486)
Less: Unamortized discount, net	(1,246)	(1,622)
Net long-term debt	420,376	473,545
Less: Current portion	(5,945)	(5,945)
Long-term debt, less current portion	<u>\$ 414,431</u>	<u>\$ 467,600</u>

On November 27, 2012, Altisource Solutions S.à r.l., a wholly-owned subsidiary of Altisource Portfolio Solutions S.A., entered into a senior secured term loan agreement with Bank of America, N.A., as administrative agent, and certain lenders. Altisource Portfolio Solutions S.A. and certain subsidiaries are guarantors of the term loan (collectively, the “Guarantors”). We subsequently entered into three amendments to the senior secured term loan agreement to increase the principal amount of the senior secured term loan and, among other changes, re-establish the \$200.0 million incremental term loan facility accordion, lower the interest rate, extend the maturity date by approximately one year and increase the maximum amount of Restricted Junior Payments (as defined in the senior secured term loan agreement; other capitalized terms, unless defined herein, are defined in the senior secured term loan agreement).

After giving effect to the third amendment entered into on August 1, 2014, the term loan must be repaid in equal consecutive quarterly principal installments of \$1.5 million, with the balance due at maturity. All amounts outstanding under the senior secured term loan agreement will become due on the earlier of (i) December 9, 2020 and (ii) the date on which the loans are declared to be due and owing by the administrative agent at the request (or with the consent) of the Required Lenders or as otherwise provided in the senior secured term loan agreement upon the occurrence of any event of default under the senior secured term loan agreement.

In addition to the scheduled principal payments, subject to certain exceptions, the term loan is subject to mandatory prepayment upon issuances of debt, casualty and condemnation events and sales of assets, as well as from a percentage of Consolidated Excess Cash Flow if the leverage ratio is greater than 3.00 to 1.00, as calculated in accordance with the provisions of the senior secured term loan agreement (the percentage increases if the leverage ratio exceeds 3.50 to 1.00). No mandatory prepayments were owed for the nine months ended September 30, 2017.

During the nine months ended September 30, 2017, we repurchased portions of our senior secured term loan with an aggregate par value of \$50.1 million at a weighted average discount of 12.2%, recognizing a net gain of \$5.4 million on the early extinguishment of debt (repurchased aggregate par value of \$24.1 million at a weighted average discount of 7.5%, recognizing a net gain of \$1.5 million on the early extinguishment of debt for the third quarter of 2017). During the nine months ended September 30, 2016, we repurchased portions of our senior secured term loan with an aggregate par value of \$51.0 million at a weighted average discount of 13.2%, recognizing a net gain of \$5.5 million on the early extinguishment of debt (no repurchases in the third quarter of 2016).

The term loan bears interest at rates based upon, at our option, the Adjusted Eurodollar Rate or the Base Rate. Adjusted Eurodollar Rate loans bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Adjusted Eurodollar Rate for the applicable interest period and (y) 1.00% plus (ii) a 3.50% margin. Base Rate loans bear interest at a rate per annum equal to the sum of (i) the greater of (x) the Base Rate and (y) 2.00% plus (ii) a 2.50% margin. The interest rate at September 30, 2017 was 4.74%.

Term loan payments are guaranteed by the Guarantors and are secured by a pledge of all equity interests of certain subsidiaries as well as a lien on substantially all of the assets of Altisource Solutions S.à r.l. and the Guarantors, subject to certain exceptions.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

The senior secured term loan agreement includes covenants that restrict or limit, among other things, our ability to: create liens and encumbrances; incur additional indebtedness; sell, transfer or dispose of assets; make Restricted Junior Payments including share repurchases, dividends and repayment of junior indebtedness; change lines of business; amend material debt agreements or other material contracts; engage in certain transactions with affiliates; enter into sale/leaseback transactions; grant negative pledges or agree to such other restrictions relating to subsidiary dividends and distributions; make changes to our fiscal year and engage in mergers and consolidations.

The senior secured term loan agreement contains certain events of default, including (i) failure to pay principal when due or interest or any other amount owing on any other obligation under the senior secured term loan agreement within five days of becoming due, (ii) material incorrectness of representations and warranties when made, (iii) breach of covenants, (iv) failure to pay principal or interest on any other debt that equals or exceeds \$40.0 million when due, (v) default on any other debt that equals or exceeds \$40.0 million that causes, or gives the holder or holders of such debt the ability to cause, an acceleration of such debt, (vi) occurrence of a Change of Control, (vii) bankruptcy and insolvency events, (viii) entry by a court of one or more judgments against us in an amount in excess of \$40.0 million that remain unbonded, undischarged or unstayed for a certain number of days after the entry thereof, (ix) the occurrence of certain ERISA events and (x) the failure of certain Loan Documents to be in full force and effect. If any event of default occurs and is not cured within applicable grace periods set forth in the senior secured term loan agreement or waived, all loans and other obligations could become due and immediately payable and the facility could be terminated.

As of September 30, 2017, debt issuance costs were \$3.4 million, net of \$6.8 million of accumulated amortization. As of December 31, 2016, debt issuance costs were \$4.5 million, net of \$5.8 million of accumulated amortization.

NOTE 12 — OTHER NON-CURRENT LIABILITIES

Other non-current liabilities consist of the following:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
Deferred revenue	\$ 3,369	\$ 5,680
Other non-current liabilities	4,427	4,800
Total	\$ 7,796	\$ 10,480

NOTE 13 — FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

The following table presents the carrying amount and estimated fair value of financial instruments and certain liabilities measured at fair value as of September 30, 2017 and December 31, 2016. The following fair values are estimated using market information and what the Company believes to be appropriate valuation methodologies under GAAP:

<i>(in thousands)</i>	September 30, 2017					December 31, 2016				
	Carrying amount	Fair value			Carrying amount	Fair value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
Assets:										
Cash and cash equivalents	\$ 114,123	\$ 114,123	\$ —	\$ —	\$ 149,294	\$ 149,294	\$ —	\$ —		
Restricted cash	4,200	4,200	—	—	4,127	4,127	—	—		
Available for sale securities	46,044	46,044	—	—	45,754	45,754	—	—		
Liabilities:										
Acquisition contingent consideration	401	—	—	401	376	—	—	376		
Long-term debt	425,067	—	399,563	—	479,653	—	474,856	—		

Fair Value Measurements on a Recurring Basis

Cash and cash equivalents and restricted cash are carried at amounts that approximate their fair values due to the highly liquid nature of these instruments and were measured using Level 1 inputs.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Available for sale securities are carried at fair value and consist of 4.1 million shares of RESI common stock. Available for sale securities are measured using Level 1 inputs as these securities have quoted prices in active markets.

The fair value of our long-term debt is based on quoted market prices. Based on the frequency of trading, we do not believe that there is an active market for our debt. Therefore, the quoted prices are considered Level 2 inputs.

In accordance with ASC Topic 805, *Business Combinations*, liabilities for contingent consideration are reflected at fair value and adjusted each reporting period with the change in fair value recognized in earnings. Liabilities for acquisition related contingent consideration were recorded in connection with acquisitions in prior years. We measure the liabilities for acquisition related contingent consideration using Level 3 inputs as they are determined based on the present value of future estimated payments, which include sensitivities pertaining to discount rates and financial projections.

There were no transfers between different levels during the periods presented.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk primarily consist of cash and cash equivalents and accounts receivable. Our policy is to deposit our cash and cash equivalents with larger, highly rated financial institutions. The Company derives the largest portion of its revenues from Ocwen (see Note 2 for additional information on Ocwen revenues and accounts receivable balance). The Company mitigates its concentrations of credit risk with respect to accounts receivable by actively monitoring past due accounts and the economic status of customers, if known.

NOTE 14 — SHAREHOLDERS' EQUITY AND SHARE-BASED COMPENSATION

Share Repurchase Program

On May 17, 2017, our shareholders approved the renewal of the share repurchase program previously approved by the shareholders on May 18, 2016, which replaced the previous share repurchase program. Under the program, we are authorized to purchase up to 4.6 million shares of our common stock, based on a limit of 25% of the outstanding shares of common stock on the date of approval at a minimum price of \$1.00 per share and a maximum price of \$500.00 per share, for a period of five years from the date of approval. Under the existing and prior programs, we purchased 1.1 million shares of common stock at an average price of \$22.48 per share during the nine months ended September 30, 2017 and 1.3 million shares at an average price of \$26.94 per share during the nine months ended September 30, 2016 (0.3 million shares at an average price of \$23.48 per share for the third quarter of 2017 and 0.5 million shares at an average price of \$28.68 per share for the third quarter of 2016). As of September 30, 2017, approximately 3.9 million shares of common stock remain available for repurchase under the program. Our senior secured term loan limits the amount we can spend on share repurchases, which was approximately \$403 million as of September 30, 2017, and may prevent repurchases in certain circumstances.

Share-Based Compensation

We issue share-based awards in the form of stock options and restricted shares for certain employees, officers and directors. We recorded share-based compensation expense of \$3.2 million and \$4.7 million for the nine months ended September 30, 2017 and 2016, respectively (\$1.4 million and \$1.1 million for the third quarter of 2017 and 2016, respectively). As of September 30, 2017, estimated unrecognized compensation costs related to share-based awards amounted to \$9.4 million, which we expect to recognize over a weighted average remaining requisite service period of approximately 2.15 years.

In connection with the January 1, 2017 adoption of FASB ASU No. 2016-09, *Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* (see Note 1), the Company made an accounting policy election to account for forfeitures in compensation expense as they occur, rather than continuing to apply the Company's previous policy of estimating forfeitures. Prior to this accounting change, share-based compensation expense for stock options and restricted shares was recorded net of estimated forfeiture rates ranging from 0% to 40%.

Stock Options

Stock option grants are composed of a combination of service-based, market-based and performance-based options.

Service-Based Options. These options generally vest over three or four years with equal annual vesting and expire on the earlier of ten years after the date of grant or following termination of service. A total of 736 thousand service-based awards were outstanding as of September 30, 2017.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

Market-Based Options. These option grants generally have two components, each of which vests only upon the achievement of certain criteria. The first component, which we refer to as “ordinary performance” grants, generally consists of two-thirds of the market-based grant and begins to vest if the stock price is at least double the exercise price, as long as the stock price realizes a compounded annual gain of at least 20% over the exercise price. The remaining third of the market-based options, which we refer to as “extraordinary performance” grants, generally begins to vest if the stock price is at least triple the exercise price, as long as the stock price realizes a compounded annual gain of at least 25% over the exercise price. Market-based awards vest in three or four year installments with the first installment vesting upon the achievement of the criteria and the remaining installments vesting thereafter in equal annual installments. Market-based options generally expire on the earlier of ten years after the date of grant or following termination of service, unless the performance criteria is met prior to termination of service or in the final three years of the option term, in which case vesting will generally continue in accordance with the provisions of the award agreement. A total of 935 thousand market-based awards were outstanding as of September 30, 2017.

Performance-Based Options. These option grants begin to vest upon the achievement of certain specific financial measures. Generally, the awards begin vesting if the performance criteria are achieved; one-third vest on each anniversary of the grant date. For certain other financial measures, awards cliff-vest upon the achievement of the specific performance during the period from 2017 through 2021. The award of performance-based options is adjusted based on the level of achievement specified in the award agreements. If the performance criteria achieved is above threshold performance levels, participants have the opportunity to vest in 70% to 150% of the option grants, depending upon performance achieved. If the performance criteria achieved is below a certain threshold, the award is canceled. The options expire on the earlier of ten years after the date of grant or following termination of service. There were 126 thousand performance-based awards outstanding as of September 30, 2017.

The Company granted 216 thousand stock options (at a weighted average exercise price of \$34.07 per share) and 143 thousand stock options (at a weighted average exercise price of \$29.22 per share) during the nine months ended September 30, 2017 and 2016, respectively.

The fair values of the service-based options and performance-based options were determined using the Black-Scholes option pricing model and the fair values of the market-based options were determined using a lattice (binomial) model. The following assumptions were used to determine the fair values as of the grant date:

	Nine months ended September 30, 2017		Nine months ended September 30, 2016	
	Black-Scholes	Binomial	Black-Scholes	Binomial
Risk-free interest rate (%)	1.89 - 2.29	0.77 - 2.38	1.25 - 1.89	0.23 - 1.97
Expected stock price volatility (%)	61.49 - 71.31	66.68 - 71.31	59.75 - 62.14	59.76 - 62.14
Expected dividend yield	—	—	—	—
Expected option life (in years)	6.00 - 7.50	2.55 - 4.32	6.00 - 6.25	4.54 - 4.88
Fair value	\$13.57 - \$24.80	\$11.94 - \$24.30	\$11.15 - \$18.60	\$11.06 - \$19.27

We determined the expected option life of all service-based stock option grants using the simplified method. We use the simplified method because we believe that our historical data does not provide a reasonable basis upon which to estimate expected option life.

The following table summarizes the weighted average grant date fair value of stock options granted per share, the total intrinsic value of stock options exercised and the grant date fair value of stock options that vested during the period presented:

<i>(in thousands, except per share amounts)</i>	Nine months ended September 30,	
	2017	2016
Weighted average grant date fair value of stock options granted per share	\$ 20.95	\$ 16.85
Intrinsic value of options exercised	2,524	17,280
Grant date fair value of stock options that vested	2,063	2,372

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

The following table summarizes the activity related to our stock options:

	<u>Number of options</u>	<u>Weighted average exercise price</u>	<u>Weighted average contractual term (in years)</u>	<u>Aggregate intrinsic value (in thousands)</u>
Outstanding at December 31, 2016	1,996,509	\$ 25.98	5.32	\$ 15,942
Granted	216,430	34.07		
Exercised	(192,378)	10.83		
Forfeited	(222,920)	31.21		
Outstanding at September 30, 2017	<u>1,797,641</u>	27.93	5.14	8,413
Exercisable at September 30, 2017	<u>1,170,148</u>	22.56	3.48	7,723

Other Share-Based Awards

The Company's other share-based and similar types of awards are composed of restricted shares and, through August 29, 2016, Equity Appreciation Rights ("EAR"). The restricted shares are composed of a combination of service-based awards and performance-based awards.

Service-Based Awards. These awards generally vest over one to four years with either annual cliff-vesting, vesting of all of the restricted shares at the end of the vesting period or vesting beginning after two years of service. A total of 272 thousand service-based awards were outstanding as of September 30, 2017.

Performance-Based Awards. These awards generally begin to vest upon the achievement of certain specific financial measures. Generally, the awards begin vesting if the performance criteria are achieved; one-third vest on each anniversary of the grant date. The award of performance-based restricted shares is adjusted based on the level of achievement specified in the award agreements. If the performance criteria achieved is above threshold performance levels, participants have the opportunity to vest in 80% to 150% of the restricted share award, depending on performance achieved. If the performance criteria achieved is below a certain threshold, the award is canceled. A total of 42 thousand performance-based awards were outstanding as of September 30, 2017.

The Company granted 189 thousand restricted shares (at a weighted average grant date fair value of \$30.94 per share) during the nine months ended September 30, 2017.

The following table summarizes the activity related to our restricted shares:

	<u>Number of restricted shares</u>
Outstanding at December 31, 2016	231,730
Granted	188,622
Issued	(49,538)
Forfeited/canceled	(56,575)
Outstanding at September 30, 2017	<u>314,239</u>

Effective August 29, 2016, the EAR plans were terminated.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 15 — REVENUE

Revenue includes service revenue, reimbursable expenses and non-controlling interests. Service revenue consists of amounts attributable to our fee-based services and sales of short-term investments in real estate. Reimbursable expenses and non-controlling interests are pass-through items for which we earn no margin. Reimbursable expenses consist of amounts we incur on behalf of our customers in performing our fee-based services that we pass directly on to our customers without a markup. Non-controlling interests represent the earnings of Lenders One, a consolidated entity not owned by Altisource, and is included in revenue and reduced from net income to arrive at net income attributable to Altisource (see Note 1). The components of revenue were as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Service revenue	\$ 224,308	\$ 239,782	\$ 692,254	\$ 715,386
Reimbursable expenses	9,866	12,080	31,786	41,317
Non-controlling interests	805	883	2,107	1,973
Total	\$ 234,979	\$ 252,745	\$ 726,147	\$ 758,676

NOTE 16 — COST OF REVENUE

Cost of revenue principally includes payroll and employee benefits associated with personnel employed in customer service and operations roles, fees paid to external providers related to the provision of services, cost of real estate sold, reimbursable expenses, technology and telecommunications costs as well as depreciation and amortization of operating assets. The components of cost of revenue were as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Compensation and benefits	\$ 60,332	\$ 66,357	\$ 186,090	\$ 201,193
Outside fees and services	83,670	77,445	250,883	222,574
Cost of real estate sold	4,411	—	16,461	—
Reimbursable expenses	9,866	12,080	31,786	41,317
Technology and telecommunications	10,389	11,502	32,681	32,145
Depreciation and amortization	6,230	6,618	20,343	20,007
Total	\$ 174,898	\$ 174,002	\$ 538,244	\$ 517,236

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

NOTE 17 — SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses include payroll and employee benefits associated with personnel employed in executive, finance, law, compliance, human resources, vendor management, facilities, risk management, sales and marketing roles. This category also includes occupancy costs, professional fees, marketing costs, depreciation and amortization of non-operating assets and other expenses. The components of selling, general and administrative expenses were as follows:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Compensation and benefits	\$ 15,068	\$ 14,145	\$ 43,115	\$ 42,460
Occupancy related costs	8,536	8,903	28,347	26,785
Amortization of intangible assets	8,604	11,465	27,143	36,432
Professional services	3,886	4,097	11,983	17,533
Marketing costs	3,992	9,275	11,958	21,438
Depreciation and amortization	2,286	2,557	7,068	7,514
Other	4,250	3,444	17,179	9,547
Total	\$ 46,622	\$ 53,886	\$ 146,793	\$ 161,709

NOTE 18 — OTHER INCOME (EXPENSE), NET

Other income (expense), net consists of the following:

<i>(in thousands)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Gain on early extinguishment of debt	\$ 1,482	\$ —	\$ 5,419	\$ 5,464
Expenses related to the purchase of available for sale securities	—	—	—	(3,356)
Interest income	27	11	169	28
Other, net	988	(120)	2,427	472
Total	\$ 2,497	\$ (109)	\$ 8,015	\$ 2,608

NOTE 19 — EARNINGS PER SHARE

Basic earnings per share (“EPS”) is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive securities using the treasury stock method.

Basic and diluted EPS are calculated as follows:

<i>(in thousands, except per share data)</i>	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Net income attributable to Altisource	\$ 6,961	\$ 10,589	\$ 22,541	\$ 49,077
Weighted average common shares outstanding, basic	18,023	18,715	18,337	18,669
Dilutive effect of stock options and restricted shares	406	853	517	1,069
Weighted average common shares outstanding, diluted	18,429	19,568	18,854	19,738
Earnings per share:				
Basic	\$ 0.39	\$ 0.57	\$ 1.23	\$ 2.63
Diluted	\$ 0.38	\$ 0.54	\$ 1.20	\$ 2.49

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

For the nine months ended September 30, 2017 and 2016, 0.5 million options and 0.4 million options, respectively, that were anti-dilutive have been excluded from the computation of diluted EPS (0.9 million options and 0.4 million options for the third quarter of 2017 and 2016, respectively). These options were anti-dilutive and excluded from the computation of diluted EPS because their exercise price was greater than the average market price of our common stock. Also excluded from the computation of diluted EPS are 0.3 million options and restricted shares and 0.4 million options for the nine months ended September 30, 2017 and 2016, respectively (0.4 million options and restricted shares and 0.4 million options for the third quarter of 2017 and 2016, respectively), which begin to vest upon the achievement of certain market criteria related to our common stock price, performance criteria and an annualized rate of return to shareholders that have not yet been met.

NOTE 20 — COMMITMENTS, CONTINGENCIES AND REGULATORY MATTERS

We record a liability for contingencies if an unfavorable outcome is probable and the amount of loss can be reasonably estimated, including expected insurance coverage. For proceedings where the reasonable estimate of loss is a range, we record a best estimate of loss within the range.

Litigation

We are involved in legal actions in the course of our business, some of which seek monetary damages. We do not believe that the outcome of these proceedings, both individually and in the aggregate, will have a material impact on our financial condition, results of operations or cash flows.

Regulatory Matters

Periodically, we are subject to audits, examinations and investigations by federal, state and local governmental authorities and receive subpoenas, civil investigative demands or other requests for information from such governmental authorities in connection with their regulatory or investigative authority. We are currently responding to such inquiries from governmental authorities relating to certain aspects of our business. We believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with these inquiries.

As previously disclosed, Altisource received a Notice and Opportunity to Respond and Advise (“NORA”) letter on November 10, 2016 from the Consumer Financial Protection Bureau (“CFPB”) indicating that the CFPB is considering a potential enforcement action against Altisource relating to an alleged violation of federal law that primarily concerns certain technology services provided to Ocwen. The NORA letter provides the recipient an opportunity to present its positions to the CFPB before an enforcement action is recommended or commenced. On December 5, 2016, we provided a written response to the NORA letter setting forth the legal, policy and factual reasons why we believe an enforcement action is not warranted. We are committed to resolving any potential concerns of the CFPB. If the CFPB were to bring an enforcement action against us, the resolution of such action could have a material adverse impact on our business, reputation, financial condition and results of operations. However, we believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with any potential CFPB enforcement action.

Ocwen Related Matters

As discussed in Note 2, Ocwen is our largest customer. Ocwen disclosed that, on July 23, 2017, it entered into a master agreement and a transfer agreement with NRZ to undertake certain actions to facilitate the transfer of Ocwen’s remaining interests in approximately \$110 billion in unpaid principal balance (as of June 30, 2017) of its non-government-sponsored enterprise (“non-GSE”) mortgage servicing rights (the “Subject MSR”) to NRZ. As of June 30, 2017, the Subject MSR represented approximately 78% of Ocwen’s non-GSE MSR. In the event the required third party consents are not obtained by July 23, 2018 or an earlier date agreed to by Ocwen and NRZ, the applicable Subject MSR may (i) become subject to a new agreement to be negotiated between Ocwen and NRZ, (ii) be acquired by Ocwen, or, if Ocwen does not desire or is otherwise unable to purchase, sold to one or more third parties, or (iii) remain subject to their existing agreements. Ocwen also disclosed that it entered into a five year subservicing agreement with NRZ pursuant to which Ocwen will subservice the mortgage loans related to the Subject MSR that are transferred to NRZ. In addition, Ocwen disclosed that during the five year subservicing agreement term, NRZ may terminate the subservicing agreement for convenience, subject to Ocwen’s right to receive a termination fee and proper notice.

As disclosed in our report on Form 8-K filed on August 28, 2017, REALHome Services and Solutions, Inc. and REALHome Services and Solutions - CT, Inc. (collectively, “RHSS”), two licensed real estate brokerage subsidiaries of the Company, entered into a Cooperative Brokerage Agreement (the “Brokerage Agreement”) with a licensed real estate brokerage subsidiary of NRZ pursuant to which RHSS will be the exclusive provider, irrespective of the subservicer, of real estate brokerage services for portfolios associated with Subject MSR that are transferred to NRZ (the “Ocwen Transferred Portfolio”) and with respect to approximately \$6 billion of non-Ocwen serviced non-GSE portfolios. NRZ’s brokerage subsidiary will receive a cooperative brokerage

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

commission on the sale of certain real estate owned (“REO”) properties from these portfolios. In addition, Altisource and RHSS entered into a letter agreement with NRZ which provides for NRZ to directly appoint RHSS (or another real estate brokerage subsidiary designated by Altisource) to perform the real estate brokerage services with respect to REO properties in the Ocwen Portfolio, subject to certain specified exceptions, in the event that NRZ’s brokerage subsidiary does not refer real estate listings from the Ocwen Portfolio to RHSS. In this case, the designated Altisource brokerage subsidiary would retain the full seller’s brokerage commission. The Brokerage Agreement and the letter agreement are effective through August 31, 2025 unless earlier terminated in accordance with their respective terms. Contemporaneously with the execution of the Brokerage Agreement, Altisource Solutions S.à r.l. executed a non-binding letter of intent (“LOI”) with NRZ to enter into a Services Agreement, setting forth the terms pursuant to which Altisource Solutions S.à r.l. would remain the exclusive service provider of fee-based services on the Ocwen Transferred Portfolio through August 2025, irrespective of the subservicer. The LOI provides for the parties to negotiate in good faith toward the execution of a Services Agreement within 30 days from the date of the LOI. This term was automatically extended by a further 30 days by the parties, pursuant to the terms of the LOI, as the parties continued to negotiate in good faith toward the completion and execution of a Services Agreement (such period, including as extended, the “Standstill Period”). Furthermore, as a result of continuing good faith negotiations on a Services Agreement, effective as of October 23, 2017, the parties amended the LOI to extend the term of the LOI and Standstill Period to November 30, 2017. This term will be automatically extended until January 12, 2018 if the parties are still negotiating the terms of the Services Agreement in good faith as of November 30, 2017. Pursuant to the LOI, the parties intend to negotiate all of the definitive and binding terms of the Services Agreement. RHSS has the right to terminate the Brokerage Agreement upon 90 days’ notice (which period may be shortened by NRZ) if a services agreement is not signed between Altisource and NRZ during the Standstill Period. The Brokerage Agreement may otherwise only be terminated upon the occurrence of certain specified events. NRZ has agreed that, during such notice period and/or the Standstill Period, it will not replace or reduce the role of Altisource as a service provider with respect to the Ocwen Transferred Portfolio.

Following the execution of the Services Agreement and the transfer of the Subject MSRs from Ocwen to NRZ, we anticipate that revenue from NRZ would increase and revenue from Ocwen would decrease. As MSRs continue to transfer from Ocwen to NRZ, we anticipate that NRZ will become our largest customer. Had NRZ acquired all of the Subject MSRs and our agreements with NRZ were in place as of the beginning of the year, we estimate that approximately 50% of our revenue would have been related to NRZ. There can be no assurance that the parties will reach an agreement with respect to the terms of the Services Agreement or that a Services Agreement will be entered into on a timely basis or at all.

Ocwen has disclosed that it is subject to a number of ongoing federal and state regulatory examinations, consent orders, inquiries, requests for information and other actions and is subject to pending legal proceedings that have or could result in adverse regulatory or other actions against Ocwen. For example, on May 15, 2017, Ocwen disclosed that on April 20, 2017, the CFPB and the State of Florida filed separate complaints in the United States District Court for the Southern District of Florida against Ocwen alleging violations of Federal consumer financial law and, in the case of Florida, Florida statutes. As another example, on May 15, 2017, Ocwen also disclosed that on April 28, 2017, the Commonwealth of Massachusetts filed a lawsuit against Ocwen in the Superior Court for the Commonwealth of Massachusetts alleging violations of state consumer financial laws relating to Ocwen’s servicing business, including lender-placed insurance and property preservation fees. Ocwen disclosed that the complaints seek to obtain permanent injunctive relief, consumer redress, refunds, restitution, disgorgement, damages, civil penalties, costs and fees and other relief. In addition, Ocwen disclosed that a number of states publicly announced or otherwise undertook various administrative actions against Ocwen related to alleged violations of applicable laws and regulations related to servicing residential mortgages. Certain of the allegations in the complaints and certain of the state administrative actions assert that Ocwen’s use of certain Altisource services was a contributing factor to Ocwen’s purported violations. Ocwen disclosed that the state administrative actions announced or undertaken purportedly seek sanctions and various injunctive reliefs which may include restrictions on Ocwen obtaining additional mortgage servicing rights, continuing mortgage servicing or debt collection activities, originating or funding loans, initiating foreclosures or other limitations or restrictions on Ocwen’s business operations or licenses in certain of these states. Ocwen announced in several Form 8-K filings that it reached settlements with mortgage and banking regulatory agencies from certain of the states, the District of Columbia and state attorneys general that took regulatory actions against it on April 20, 2017 or shortly thereafter. Ocwen disclosed that, as part of these settlements, Ocwen will not acquire any new residential mortgage servicing rights until April 30, 2018 and will develop a plan of action and milestones regarding its transition from the servicing system it currently uses, REALServicing[®], to an alternative servicing system and will not board any new loans onto the REALServicing system, as well as other key provisions. All of the forgoing matters could result in adverse regulatory or other actions against Ocwen. While not all inclusive, other regulatory actions to date have included subjecting Ocwen to independent oversight of its operations and placing certain restrictions on its ability to acquire servicing rights. In addition, in August 2017, Ocwen disclosed in its second quarter 2017 SEC Form 10-Q that it received a letter from Ginnie Mae that the state regulators’ cease and desist orders discussed above create a material change in Ocwen’s business status under Ginnie Mae’s MBS Guide and that Ginnie Mae has accordingly declared an event of default under guaranty agreements between Ginnie Mae and Ocwen. Ocwen further disclosed that in the letter it received, Ginnie Mae notified Ocwen that it will refrain from immediately exercising any

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

rights relating to this matter for a period of 90 days from the date of the letter. In addition, Ocwen has disclosed that during this period, Ginnie Mae has asked Ocwen to provide certain information regarding the cease and desist orders and certain information regarding Ocwen's business plan, financials results and operations and Ocwen also stated that it continues to operate as a Ginnie Mae issuer in all respects and continues to participate in Ginnie Mae issuing of mortgaged-backed securities and home equity conversion loan pools in the ordinary course. Ocwen also disclosed that adverse actions by Ginnie Mae could materially and adversely impact Ocwen's business, including if Ginnie Mae were to terminate Ocwen as an issuer or servicer of Ginnie Mae securities.

Ocwen may become subject to future federal and state regulatory investigations, inquiries, requests for information and legal proceedings, any of which could also result in adverse regulatory or other actions against Ocwen.

The foregoing may have significant adverse effects on Ocwen's business and/or our continuing relationship with Ocwen. For example, Ocwen may be required to alter the way it conducts business, including the parties it contracts with for services (including information technology and software services), it may be required to seek changes to its existing pricing structure with us, it may lose its non-GSE servicing rights or subservicing arrangements or may lose one or more of its state servicing or origination licenses. Additional regulatory actions or adverse financial developments may impose additional restrictions on or require changes in Ocwen's business that could require it to sell assets or change its business operations. Any or all of these effects could result in our eventual loss of Ocwen as a customer or a reduction in the number and/or volume of services they purchase from us or the loss of other customers.

If any of the following events occurred, Altisource's revenue would be significantly lower and our results of operations could be materially adversely affected, including from the possible impairment or write-off of goodwill, intangible assets, property and equipment, other assets and accounts receivable:

- Altisource loses Ocwen as a customer or there is a significant reduction in the volume of services they purchase from us
- Ocwen loses, sells or transfers a significant portion or all of its non-GSE servicing rights or subservicing arrangements and Altisource fails to be retained as a service provider
- Ocwen loses state servicing licenses in states with a significant number of loans in Ocwen's servicing portfolio
- Altisource fails to be retained as a service provider
- The contractual relationship between Ocwen and Altisource changes significantly or there are significant changes to our pricing to Ocwen for services from which we generate material revenue

Additionally, Ocwen has stated, including in connection with resolving several state administrative actions discussed above, that it plans to transition from REALServicing to another mortgage servicing software platform. We anticipate that such a transition could be a multi-year project and Altisource would support Ocwen through such a transition. We do not anticipate that a servicing technology transition would impact the other services we provide to Ocwen. For the nine months ended September 30, 2017 and 2016, service revenue from REALServicing was \$20.1 million and \$25.7 million, respectively (\$6.7 million and \$8.2 million for the third quarter of 2017 and 2016, respectively). We estimate, with respect to income before income tax, that the REALServicing business currently operates at break-even.

Management cannot predict the outcome of these matters or the amount of any impact they may have on Altisource. However, in the event these matters materially negatively impact Altisource, we believe the variable nature of our cost structure would allow us to realign our cost structure in line with remaining revenue. Furthermore, in the event of a significant reduction in the volume of services purchased or loans serviced by Ocwen (such as a transfer of Ocwen's servicing rights to a successor servicer), we believe the impact to Altisource could occur over an extended period of time. During this period, we believe that we will continue to generate revenue from all or a portion of Ocwen's portfolio.

Additionally, our Servicer Solutions, Origination Solutions, Consumer Real Estate Solutions and Real Estate Investor Solutions businesses are focused on diversifying and growing our revenue and customer base and we have a sales and marketing strategy to support these businesses.

Management believes our plans, together with current liquidity and cash flows from operations would be sufficient to meet our working capital, capital expenditures, debt service and other cash needs. However, there can be no assurance that our plans will be successful or our operations will be profitable.

Escrow and Trust Balances

We hold customers' assets in escrow and trust accounts at various financial institutions pending completion of certain real estate activities. We also hold cash in trust accounts at various financial institutions where contractual obligations mandate maintaining dedicated bank accounts for our collections business. These amounts are held in escrow and trust accounts for limited periods of

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
Notes to Condensed Consolidated Financial Statements (Continued)

time and are not included in the condensed consolidated balance sheets. Amounts held in escrow and trust accounts were \$39.2 million and \$64.1 million at September 30, 2017 and December 31, 2016, respectively.

NOTE 21 — SEGMENT REPORTING

Our business segments are based upon our organizational structure, which focuses primarily on the services offered, and are consistent with the internal reporting used by our Chief Executive Officer (our chief operating decision maker) to evaluate operating performance and to assess the allocation of our resources.

Effective January 1, 2017, our reportable segments changed as a result of changes in our internal organization, which changed the way our chief operating decision maker manages our businesses, allocates resources and evaluates performance. We now report our operations through two new reportable segments: *Mortgage Market* and *Real Estate Market*. In addition, we report *Other Businesses, Corporate and Eliminations* separately. Prior to the January 1, 2017 change in reportable segments, our reportable segments were *Mortgage Services, Financial Services* and *Technology Services*. The former *Mortgage Services* segment was separated into the *Mortgage Market* and *Real Estate Market* segments (as described below). Furthermore, certain of the software services business units that were formerly in the *Technology Services* segment and the mortgage charge-off collections business that was formerly in the *Financial Services* segment are now included in the *Mortgage Market*. *Other Businesses, Corporate and Eliminations* includes the other business that were formerly in the *Financial Services* segment as well as IT infrastructure management services formerly in the *Technology Services* segment. Prior year comparable period segment disclosures have been restated to conform to the current year presentation.

The *Mortgage Market* segment provides loan servicers and originators with marketplaces and services and a portfolio of software, data analytics and information technologies that span the mortgage lifecycle. The *Real Estate Market* segment provides rental property investors and real estate consumers with marketplaces, products and services that span the real estate lifecycle. In addition, the *Other Businesses, Corporate and Eliminations* segment includes businesses that provide asset recovery management collection services primarily to debt originators (e.g., credit card, auto lending and retail credit), customer relationship management services primarily to the utility, insurance and hotel industries and IT infrastructure management services. *Other Businesses, Corporate and Eliminations* also includes interest expense and costs related to corporate support functions including executive, finance, law, compliance, human resources, vendor management, facilities, risk management, and sales and marketing costs not allocated to the business units as well as eliminations between the reportable segments.

Financial information for our segments is as follows:

(in thousands)	Three months ended September 30, 2017			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue	\$ 199,262	\$ 22,121	\$ 13,596	\$ 234,979
Cost of revenue	137,466	23,497	13,935	174,898
Gross profit (loss)	61,796	(1,376)	(339)	60,081
Selling, general and administrative expenses	28,006	4,208	14,408	46,622
Income (loss) from operations	33,790	(5,584)	(14,747)	13,459
Total other income (expense), net	26	—	(3,128)	(3,102)
Income (loss) before income taxes and non-controlling interests	\$ 33,816	\$ (5,584)	\$ (17,875)	\$ 10,357

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Notes to Condensed Consolidated Financial Statements (Continued)

<i>(in thousands)</i>	Three months ended September 30, 2016			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue	\$ 211,821	\$ 21,516	\$ 19,408	\$ 252,745
Cost of revenue	138,646	16,634	18,722	174,002
Gross profit	73,175	4,882	686	78,743
Selling, general and administrative expenses	29,903	6,961	17,022	53,886
Income (loss) from operations	43,272	(2,079)	(16,336)	24,857
Total other income (expense), net	10	—	(6,071)	(6,061)
Income (loss) before income taxes and non-controlling interests	\$ 43,282	\$ (2,079)	\$ (22,407)	\$ 18,796

<i>(in thousands)</i>	Nine months ended September 30, 2017			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue	\$ 614,180	\$ 67,314	\$ 44,653	\$ 726,147
Cost of revenue	421,942	72,484	43,818	538,244
Gross profit (loss)	192,238	(5,170)	835	187,903
Selling, general and administrative expenses	86,493	14,084	46,216	146,793
Income (loss) from operations	105,745	(19,254)	(45,381)	41,110
Total other income (expense), net	138	—	(8,985)	(8,847)
Income (loss) before income taxes and non-controlling interests	\$ 105,883	\$ (19,254)	\$ (54,366)	\$ 32,263

<i>(in thousands)</i>	Nine months ended September 30, 2016			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue	\$ 626,522	\$ 70,229	\$ 61,925	\$ 758,676
Cost of revenue	408,412	47,946	60,878	517,236
Gross profit	218,110	22,283	1,047	241,440
Selling, general and administrative expenses	90,498	18,755	52,456	161,709
Income (loss) from operations	127,612	3,528	(51,409)	79,731
Total other income (expense), net	144	—	(16,017)	(15,873)
Income (loss) before income taxes and non-controlling interests	\$ 127,756	\$ 3,528	\$ (67,426)	\$ 63,858

<i>(in thousands)</i>	Mortgage Market		Real Estate Market		Other Businesses, Corporate and Eliminations	Consolidated Altisource	
	Total assets:						
September 30, 2017	\$	311,423	\$	63,067	\$	221,911	\$ 596,401
December 31, 2016		347,067		47,863	294,282	689,212	

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Notes to Condensed Consolidated Financial Statements (Continued)

Our services are primarily provided to customers located in the United States. Premises and equipment, net consist of the following, by country:

<i>(in thousands)</i>	September 30, 2017	December 31, 2016
United States	\$ 51,900	\$ 71,418
India	9,657	14,006
Luxembourg	17,117	14,791
Philippines	1,981	3,027
Uruguay	168	231
Total	<u>\$ 80,823</u>	<u>\$ 103,473</u>

NOTE 22 — SUBSEQUENT EVENT

As discussed in Note 20, as a result of continuing good faith negotiations on a Services Agreement, effective as of October 23, 2017, the Company and NRZ amended the LOI to extend the term of the LOI and Standstill Period to November 30, 2017. This term will be automatically extended until January 12, 2018 if the parties are still negotiating the terms of the Services Agreement in good faith as of November 30, 2017. The parties continue to work toward executing a Services Agreement.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Management’s discussion and analysis of financial condition and results of operations (“MD&A”) is a supplement to the accompanying interim condensed consolidated financial statements and is intended to provide a reader of our financial statements with a narrative from the perspective of management on our businesses, current developments, financial condition, results of operations and liquidity. Our MD&A should be read in conjunction with our Form 10-K for the year ended December 31, 2016 filed with the Securities and Exchange Commission (“SEC”) on February 16, 2017.

FORWARD-LOOKING STATEMENTS

Certain statements in this Form 10-Q regarding anticipated financial outcomes, business and market conditions, outlook and other similar statements related to Altisource’s future financial and operational performance are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by the use of terminology such as “anticipate,” “intend,” “expect,” “may,” “could,” “should,” “would,” “plan,” “estimate,” “believe,” “predict,” “potential” or “continue” or the negative of these terms and other comparable terminology. Forward-looking statements are not guarantees of future performance and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. The following are examples of such items and are not intended to be all inclusive:

- assumptions related to the sources of liquidity and the adequacy of financial resources;
- assumptions about our ability to grow our business, including executing on our strategic initiatives;
- assumptions about our ability to improve margins;
- assumptions regarding the impact of seasonality;
- estimates regarding our effective tax rate; and
- estimates regarding our reserves and valuations.

Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the risks discussed in the “Risk Factors” in Part II, Item 1A of this Form 10-Q and the “Risk Factors” section of our Form 10-K for the year ended December 31, 2016 and include the following:

- if, as a result of difficulties faced by Ocwen Financial Corporation (“Ocwen”), we were to lose Ocwen as a customer or there is a significant reduction in the volume of services they purchase from us;
- if we are unable to reach agreement with New Residential Investment Corp. (individually, together with one or more of its subsidiaries, or one or more of its subsidiaries individually, “NRZ”) on a Services Agreement or if the Collective Brokerage Agreement and related letter agreement are terminated;
- our ability to execute on our strategic initiatives;
- our ability to retain our existing customers, expand relationships and attract new customers;
- the level of loan delinquencies and charge-offs;
- the level of origination volume;
- technology failures;
- the outsourcing trends;
- our ability to raise debt;
- our ability to retain our directors, executive officers and key personnel;
- our ability to integrate acquired businesses;
- our ability to comply with, and burdens imposed by, governmental regulations and policies and any changes in such regulations and policies; and
- significant changes in the Luxembourg tax regime or interpretations of the Luxembourg tax regime.

We caution you not to place undue reliance on these forward-looking statements as they reflect our view only as of the date of this report. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

OVERVIEW

Our Business

When we refer to “Altisource,” the “Company,” “we,” “us” or “our” we mean Altisource Portfolio Solutions S.A., a Luxembourg société anonyme, or public limited liability company, and its subsidiaries.

We are an integrated service provider and marketplace for the real estate and mortgage industries. Combining operational excellence with a suite of innovative services and technologies, Altisource helps solve the demands of the ever-changing market.

Effective January 1, 2017, our reportable segments changed as a result of changes in our internal organization, which changed the way our Chief Executive Officer (our chief operating decision maker) manages our businesses, allocates resources and evaluates performance. We now report our operations through two new reportable segments: *Mortgage Market* and *Real Estate Market*. In addition, we report *Other Businesses, Corporate and Eliminations* separately. Prior to the January 1, 2017 change in reportable segments, our reportable segments were *Mortgage Services, Financial Services* and *Technology Services*. Prior year comparable period segment disclosures have been restated to conform to the current year presentation.

Mortgage Market: Provides loan servicers and originators with marketplaces, services and technologies that span the mortgage lifecycle. Within the Mortgage Market segment, we provide:

Servicer Solutions - the solutions, services and technologies typically used or licensed primarily by residential loan servicers.

- Property preservation and inspection services
- Real estate brokerage and auction services
- Title insurance (agent and related services) and settlement services
- Appraisal management services and broker and non-broker valuation services
- Foreclosure trustee services
- Non-legal processing and related services for and under the supervision of foreclosure, bankruptcy and eviction attorneys
- Residential and commercial loan servicing technologies
- Vendor management, marketplace transaction management and payment management platforms
- Document management platform
- Default services (real estate owned (“REO”), foreclosure, bankruptcy, eviction) technologies
- Mortgage charge-off collections
- Residential and commercial loan disbursement processing, risk mitigation and construction inspection services

Origination Solutions - the solutions, services and technologies typically used or licensed by loan originators (or other similar mortgage market participants) in originating and buying residential mortgages.

- Title insurance (agent and related services) and settlement services
- Appraisal management services and broker and non-broker valuation services
- Fulfillment services
- Loan origination system
- Document management platform
- Certified loan insurance and certification
- Vendor management oversight platform
- Mortgage banker cooperative, Best Partners Mortgage Cooperative, Inc., doing business as Lenders One® (“Lenders One”)
- Mortgage trading platform

Real Estate Market: Provides real estate consumers and rental property investors with marketplaces and services that span the real estate lifecycle. Within the Real Estate Market segment, we provide:

Consumer Real Estate Solutions - the solutions, services and technologies typically used by home buyers and sellers to handle key aspects of buying and selling a home.

- Real estate brokerage
- Title insurance (agent and related services) and settlement services
- Mortgage brokerage
- Homeowners insurance

Real Estate Investor Solutions - the solutions, services and technologies used by buyers and sellers of single-family investment homes.

- Property preservation and inspection services
- Real estate brokerage and auction services
- Data solutions
- Title insurance (agent and related services) and settlement services
- Buy-renovate-sell
- Renovation services
- Property management services
- Appraisal management services and broker and non-broker valuation services

Other Businesses, Corporate and Eliminations: Our *Other Businesses, Corporate and Eliminations* segment includes certain non-core businesses, interest expense and costs related to corporate support functions. The businesses in this segment include post-charge-off consumer debt collection services, customer relationship management services and information technology (“IT”) infrastructure management services. Interest expense relates to the Company’s senior secured term loan and corporate support functions include executive, finance, law, compliance, human resources, vendor management, facilities, risk management and sales and marketing costs not allocated to the business units. This segment also includes eliminations of transactions between the reportable segments.

We classify revenue in three categories: service revenue, revenue from reimbursable expenses and non-controlling interests. In evaluating our performance, we focus on service revenue. Service revenue consists of amounts attributable to our fee-based services and sales of short-term investments in real estate. Reimbursable expenses and non-controlling interests are pass-through items for which we earn no margin. Reimbursable expenses consist of amounts we incur on behalf of our customers in performing our fee-based services that we pass directly on to our customers without a markup. Non-controlling interests represent the earnings of Lenders One. Lenders One is not owned by Altisource and is included in revenue and reduced from net income to arrive at net income attributable to Altisource.

Share Repurchase Program

On May 17, 2017, our shareholders approved the renewal of the share repurchase program previously approved by the shareholders on May 18, 2016, which replaced the previous share repurchase program. Under the program, we are authorized to purchase up to 4.6 million shares of our common stock, based on a limit of 25% of the outstanding shares of common stock on the date of approval at a minimum price of \$1.00 per share and a maximum price of \$500.00 per share, for a period of five years from the date of approval. Under the existing and prior programs, we purchased 1.1 million shares of common stock at an average price of \$22.48 per share during the nine months ended September 30, 2017 and 1.3 million shares at an average price of \$26.94 per share during the nine months ended September 30, 2016 (0.3 million shares at an average price of \$23.48 per share for the third quarter of 2017 and 0.5 million shares at an average price of \$28.68 per share for the third quarter of 2016). As of September 30, 2017, approximately 3.9 million shares of common stock remain available for repurchase under the program. Our senior secured term loan limits the amount we can spend on share repurchases, which was approximately \$403 million as of September 30, 2017, and may prevent repurchases in certain circumstances.

Strategy and Growth Businesses

We are focused on becoming one of the premier providers of mortgage and real estate marketplaces and related services to a broad and diversified customer base while continuing to strengthen our compliance management system. Within the mortgage and real estate market segments, we facilitate transactions and provide products, solutions and services related to home sales, home purchases, home rentals, home maintenance, mortgage origination and mortgage servicing.

Each of our strategic businesses provides Altisource the potential to grow and diversify our customer and revenue base. We believe these businesses operate in very large markets and directly leverage our core competencies and distinct competitive advantages. A further description of our four strategic businesses follows.

Servicer Solutions:

Through this business, we provide a suite of services and technologies to meet the evolving and growing needs of loan servicers. We are focused on growing referrals from our existing customer base, expanding the service and proprietary technology offerings to our customer base, and attracting new customers to our offerings. We have a customer base that includes Ocwen, a government-sponsored enterprise (“GSE”), NRZ, several top ten bank servicers and non-bank servicers and asset managers. Even as loan delinquencies return to historical norms, we believe there is a very large addressable market for our offerings. We believe we are one of only a few providers with a broad suite of servicer solutions, nationwide coverage and demonstrated scalability. Further,

we believe we are well positioned to gain market share as existing customers and prospects consolidate to larger, full-service providers and outsource services that have historically been performed in-house.

Origination Solutions:

Through this business, we provide a suite of services and technologies to meet the evolving and growing needs of loan originators and correspondents. We are focused on growing referrals from our existing customer base, expanding the service and proprietary technology offerings to our customer base, and attracting new customers to our offerings. We have a customer base that includes the Lenders One cooperative mortgage bankers, the Mortgage Builder loan origination system customers and mid-size and larger bank and non-bank loan originators. We believe our suite of services and technologies positions us to grow our relationships with our existing customer base by providing additional products, services and solutions to these customers. Further, we believe we are well positioned to attract new customers as prospects consolidate to larger, full-service providers and outsource services that have historically been performed in-house.

Consumer Real Estate Solutions:

Through this business, we provide a technology enabled real estate brokerage and related services that handle key aspects of buying and selling a home. We are focused on developing this business by capitalizing on our core competencies in realty services and online real estate marketing and offering consumers right-sized commission structures, smart digital tools and personalized service from local real estate agents.

Real Estate Investor Solutions:

Through this business, we provide a suite of services and technologies to support buyers and sellers of single-family investment homes. We are focused on growing referrals from our existing customer base, expanding the service and proprietary technology offerings to our customer base, and attracting new customers to our offerings. We have a customer base that includes Altisource Residential Corporation (“RESI”) and other institutional and smaller single-family rental investors. The single-family rental market is large, geographically distributed and has fragmented ownership. We believe our acquisition, renovation, property management, leasing and disposition platform provides a strong value proposition for institutional and retail investors and positions us well for growth.

There can be no assurance that growth from our strategic businesses will be successful or our operations will be profitable.

Ocwen Related Matters

Revenue from Ocwen represented 58% of our revenue for the nine months ended September 30, 2017 (58% of our revenue for the third quarter of 2017). Additionally, 16% of our revenue for the nine months ended September 30, 2017 (15% of our revenue for the third quarter of 2017) was earned on the portfolios serviced by Ocwen, when a party other than Ocwen or NRZ selected Altisource as the service provider.

Ocwen disclosed that, on July 23, 2017, it entered into a master agreement and a transfer agreement with NRZ to undertake certain actions to facilitate the transfer of Ocwen’s remaining interests in approximately \$110 billion in unpaid principal balance (as of June 30, 2017) of its non-government-sponsored enterprise (“non-GSE”) mortgage servicing rights (the “Subject MSR”) to NRZ. As of June 30, 2017, the Subject MSR represented approximately 78% of Ocwen’s non-GSE MSR. In the event the required third party consents are not obtained by July 23, 2018 or an earlier date agreed to by Ocwen and NRZ, the applicable Subject MSR may (i) become subject to a new agreement to be negotiated between Ocwen and NRZ, (ii) be acquired by Ocwen, or, if Ocwen does not desire or is otherwise unable to purchase, sold to one or more third parties, or (iii) remain subject to their existing agreements. Ocwen also disclosed that it entered into a five year subservicing agreement with NRZ pursuant to which Ocwen will subservice the mortgage loans related to the Subject MSR that are transferred to NRZ. In addition, Ocwen disclosed that during the five year subservicing agreement term, NRZ may terminate the subservicing agreement for convenience, subject to Ocwen’s right to receive a termination fee and proper notice.

As disclosed in our report on Form 8-K filed on August 28, 2017, REALHome Services and Solutions, Inc. and REALHome Services and Solutions - CT, Inc. (collectively, “RHSS”), two licensed real estate brokerage subsidiaries of the Company, entered into a Cooperative Brokerage Agreement (the “Brokerage Agreement”) with a licensed real estate brokerage subsidiary of NRZ pursuant to which RHSS will be the exclusive provider, irrespective of the subservicer, of real estate brokerage services for portfolios associated with Subject MSR that are transferred to NRZ (the “Ocwen Transferred Portfolio”) and with respect to approximately \$6 billion of non-Ocwen serviced non-GSE portfolios. NRZ’s brokerage subsidiary will receive a cooperative brokerage commission on the sale of certain REO properties from these portfolios. In addition, Altisource and RHSS entered into a letter agreement with NRZ which provides for NRZ to directly appoint RHSS (or another real estate brokerage subsidiary designated by Altisource) to perform the real estate brokerage services with respect to REO properties in the Ocwen Portfolio, subject to

certain specified exceptions, in the event that NRZ’s brokerage subsidiary does not refer real estate listings from the Ocwen Portfolio to RHSS. In this case, the designated Altisource brokerage subsidiary would retain the full seller’s brokerage commission. The Brokerage Agreement and the letter agreement are effective through August 31, 2025 unless earlier terminated in accordance with their respective terms. Contemporaneously with the execution of the Brokerage Agreement, Altisource Solutions S.à r.l. executed a non-binding letter of intent (“LOI”) with NRZ to enter into a Services Agreement, setting forth the terms pursuant to which Altisource Solutions S.à r.l. would remain the exclusive service provider of fee-based services on the Ocwen Transferred Portfolio through August 2025, irrespective of the subservicer. The LOI provides for the parties to negotiate in good faith toward the execution of a Services Agreement within 30 days from the date of the LOI. This term was automatically extended by a further 30 days by the parties, pursuant to the terms of the LOI, as the parties continued to negotiate in good faith toward the completion and execution of a Services Agreement (such period, including as extended, the “Standstill Period”). Furthermore, as a result of continuing good faith negotiations on a Services Agreement, effective as of October 23, 2017, the parties amended the LOI to extend the term of the LOI and Standstill Period to November 30, 2017. This term will be automatically extended until January 12, 2018 if the parties are still negotiating the terms of the Services Agreement in good faith as of November 30, 2017. Pursuant to the LOI, the parties intend to negotiate all of the definitive and binding terms of the Services Agreement. RHSS has the right to terminate the Brokerage Agreement upon 90 days’ notice (which period may be shortened by NRZ) if a services agreement is not signed between Altisource and NRZ during the Standstill Period. The Brokerage Agreement may otherwise only be terminated upon the occurrence of certain specified events. NRZ has agreed that, during such notice period and/or the Standstill Period, it will not replace or reduce the role of Altisource as a service provider with respect to the Ocwen Transferred Portfolio.

Following the execution of the Services Agreement and the transfer of the Subject MSRs from Ocwen to NRZ, we anticipate that revenue from NRZ would increase and revenue from Ocwen would decrease. As mortgage servicing rights (“MSRs”) continue to transfer from Ocwen to NRZ, we anticipate that NRZ will become our largest customer. Had NRZ acquired all of the Subject MSRs and our agreements with NRZ were in place as of the beginning of the year, we estimate that approximately 50% of our revenue would have been related to NRZ. There can be no assurance that the parties will reach an agreement with respect to the terms of the Services Agreement or that a Services Agreement will be entered into on a timely basis or at all.

Ocwen has disclosed that it is subject to a number of ongoing federal and state regulatory examinations, consent orders, inquiries, requests for information and other actions and is subject to pending legal proceedings that have or could result in adverse regulatory or other actions against Ocwen. For example, on May 15, 2017, Ocwen disclosed that on April 20, 2017, the Consumer Financial Protection Bureau (“CFPB”) and the State of Florida filed separate complaints in the United States District Court for the Southern District of Florida against Ocwen alleging violations of Federal consumer financial law and, in the case of Florida, Florida statutes. As another example, on May 15, 2017, Ocwen also disclosed that on April 28, 2017, the Commonwealth of Massachusetts filed a lawsuit against Ocwen in the Superior Court for the Commonwealth of Massachusetts alleging violations of state consumer financial laws relating to Ocwen’s servicing business, including lender-placed insurance and property preservation fees. Ocwen disclosed that the complaints seek to obtain permanent injunctive relief, consumer redress, refunds, restitution, disgorgement, damages, civil penalties, costs and fees and other relief. In addition, Ocwen disclosed that a number of states publicly announced or otherwise undertook various administrative actions against Ocwen related to alleged violations of applicable laws and regulations related to servicing residential mortgages. Certain of the allegations in the complaints and certain of the state administrative actions assert that Ocwen’s use of certain Altisource services was a contributing factor to Ocwen’s purported violations. Ocwen disclosed that the state administrative actions announced or undertaken purportedly seek sanctions and various injunctive reliefs which may include restrictions on Ocwen obtaining additional mortgage servicing rights, continuing mortgage servicing or debt collection activities, originating or funding loans, initiating foreclosures or other limitations or restrictions on Ocwen’s business operations or licenses in certain of these states. Ocwen announced in several Form 8-K filings that it reached settlements with mortgage and banking regulatory agencies from certain of the states, the District of Columbia and state attorneys general that took regulatory actions against it on April 20, 2017 or shortly thereafter. Ocwen disclosed that, as part of these settlements, Ocwen will not acquire any new residential mortgage servicing rights until April 30, 2018 and will develop a plan of action and milestones regarding its transition from the servicing system it currently uses, REALServicing[®], to an alternative servicing system and will not board any new loans onto the REALServicing system, as well as other key provisions. All of the forgoing matters could result in adverse regulatory or other actions against Ocwen. While not all inclusive, other regulatory actions to date have included subjecting Ocwen to independent oversight of its operations and placing certain restrictions on its ability to acquire servicing rights. In addition, in August 2017, Ocwen disclosed in its second quarter 2017 SEC Form 10-Q that it received a letter from Ginnie Mae that the state regulators’ cease and desist orders discussed above create a material change in Ocwen’s business status under Ginnie Mae’s MBS Guide and that Ginnie Mae has accordingly declared an event of default under guaranty agreements between Ginnie Mae and Ocwen. Ocwen further disclosed that in the letter it received, Ginnie Mae notified Ocwen that it will refrain from immediately exercising any rights relating to this matter for a period of 90 days from the date of the letter. In addition, Ocwen has disclosed that during this period, Ginnie Mae has asked Ocwen to provide certain information regarding the cease and desist orders and certain information regarding Ocwen’s business plan, financial results and operations and Ocwen also stated that it continues to

operate as a Ginnie Mae issuer in all respects and continues to participate in Ginnie Mae issuing of mortgage-backed securities and home equity conversion loan pools in the ordinary course. Ocwen also disclosed that adverse actions by Ginnie Mae could materially and adversely impact Ocwen's business, including if Ginnie Mae were to terminate Ocwen as an issuer or servicer of Ginnie Mae securities.

Ocwen may become subject to future federal and state regulatory investigations, inquiries, requests for information and legal proceedings, any of which could also result in adverse regulatory or other actions against Ocwen.

The foregoing may have significant adverse effects on Ocwen's business and/or our continuing relationship with Ocwen. For example, Ocwen may be required to alter the way it conducts business, including the parties it contracts with for services (including information technology and software services), it may be required to seek changes to its existing pricing structure with us, it may lose its non-GSE servicing rights or subservicing arrangements or may lose one or more of its state servicing or origination licenses. Additional regulatory actions or adverse financial developments may impose additional restrictions on or require changes in Ocwen's business that could require it to sell assets or change its business operations. Any or all of these effects could result in our eventual loss of Ocwen as a customer or a reduction in the number and/or volume of services they purchase from us or the loss of other customers.

If any of the following events occurred, Altisource's revenue would be significantly lower and our results of operations could be materially adversely affected, including from the possible impairment or write-off of goodwill, intangible assets, property and equipment, other assets and accounts receivable:

- Altisource loses Ocwen as a customer or there is a significant reduction in the volume of services they purchase from us
- Ocwen loses, sells or transfers a significant portion or all of its non-GSE servicing rights or subservicing arrangements and Altisource fails to be retained as a service provider
- Ocwen loses state servicing licenses in states with a significant number of loans in Ocwen's servicing portfolio
- Altisource fails to be retained as a service provider
- The contractual relationship between Ocwen and Altisource changes significantly or there are significant changes to our pricing to Ocwen for services from which we generate material revenue

Additionally, Ocwen has stated, including in connection with resolving several state administrative actions discussed above, that it plans to transition from REALServicing to another mortgage servicing software platform. We anticipate that such a transition could be a multi-year project and Altisource would support Ocwen through such a transition. We do not anticipate that a servicing technology transition would impact the other services we provide to Ocwen. For the nine months ended September 30, 2017 and 2016, service revenue from REALServicing was \$20.1 million and \$25.7 million, respectively (\$6.7 million and \$8.2 million for the third quarter of 2017 and 2016, respectively). We estimate, with respect to income before income tax, that the REALServicing business currently operates at break-even.

Management cannot predict the outcome of these matters or the amount of any impact they may have on Altisource. However, in the event these matters materially negatively impact Altisource, we believe the variable nature of our cost structure would allow us to realign our cost structure in line with remaining revenue. Furthermore, in the event of a significant reduction in the volume of services purchased or loans serviced by Ocwen (such as a transfer of Ocwen's servicing rights to a successor servicer), we believe the impact to Altisource could occur over an extended period of time. During this period, we believe that we will continue to generate revenue from all or a portion of Ocwen's portfolio.

Additionally, our Servicer Solutions, Origination Solutions, Consumer Real Estate Solutions and Real Estate Investor Solutions businesses are focused on diversifying and growing our revenue and customer base and we have a sales and marketing strategy to support these businesses.

Management believes our plans, together with current liquidity and cash flows from operations would be sufficient to meet our working capital, capital expenditures, debt service and other cash needs. However, there can be no assurance that our plans will be successful or our operations will be profitable.

Factors Affecting Comparability

The following items may impact the comparability of our results:

- The average number of loans serviced by Ocwen on REALServicing (including those MSRs owned by NRZ and subserviced by Ocwen) was 1.3 million for the nine months ended September 30, 2017 compared to 1.5 million for the nine months ended September 30, 2016, a decrease of 13% (1.2 million for the third quarter of 2017 and 1.4 million for the third quarter of 2016, a decrease of 12%). The average number of delinquent non-GSE loans serviced by Ocwen on REALServicing was 182 thousand for the nine months ended September 30, 2017 compared to 224 thousand for the nine months ended September 30, 2016, a decrease of 19% (178 thousand for the third quarter of 2017 and 211 thousand for the third quarter of 2016, a decrease of 16%). The number of loans transferred by Ocwen to NRZ and serviced by NRZ was 0.1 million for the nine months ended September 30, 2017 and the third quarter of 2017.
- During the nine months ended September 30, 2017, we repurchased portions of our senior secured term loan with an aggregate par value of \$50.1 million at a weighted average discount of 12.2%, recognizing a net gain of \$5.4 million on the early extinguishment of debt (repurchased aggregate par value of \$24.1 million at a weighted average discount of 7.5%, recognizing a net gain of \$1.5 million on the early extinguishment of debt for the third quarter of 2017). During the nine months ended September 30, 2016, we repurchased portions of our senior secured term loan with an aggregate par value of \$51.0 million at a weighted average discount of 13.2%, recognizing a net gain of \$5.5 million on the early extinguishment of debt (no repurchases in the third quarter of 2016).
- During the nine months ended September 30, 2016, we purchased 4.1 million shares of RESI common stock for \$48.2 million (no comparative amounts in 2017). During the nine months ended September 30, 2017 and 2016, we earned dividends of \$1.9 million and \$1.0 million, respectively (\$0.6 million for the third quarter of 2017 and no comparative amount for the third quarter of 2016), related to this investment. In addition, during the nine months ended September 30, 2016, we incurred expenses of \$3.4 million related to this investment (no comparative amounts in 2017 and the third quarter of 2016).
- On July 29, 2016, we acquired certain assets and assumed certain liabilities of Granite Loan Management of Delaware, LLC (“Granite”) for \$9.5 million.
- The effective income tax rate increased to 23.6% for the nine months ended September 30, 2017 from 20.1% for the nine months ended September 30, 2016 (decreased to 25.0% for the third quarter of 2017 from 39.0% for the third quarter of 2016). The effective income tax rate increase for the nine months ended September 30, 2017 was primarily due to changes in the expected mix of taxable income across the jurisdictions in which we operate. The lower effective income tax rate for the third quarter of 2017 was primarily the result of adjustments made in the third quarter of 2016 to true-up the tax provision from prior quarters. This was partially offset by higher pretax income in the third quarter of 2016, which, as discussed above, changed the mix of taxable income across the jurisdictions in which we operate.

CONSOLIDATED RESULTS OF OPERATIONS

Summary Consolidated Results

The following is a discussion of our consolidated results of operations for the periods indicated. For a more detailed discussion of the factors that affected the results of our business segments in these periods, see “*Segment Results of Operations*” below.

The following table sets forth information regarding our results of operations:

<i>(in thousands, except per share data)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Service revenue						
Mortgage Market	\$ 189,615	\$ 199,176	(5)	\$ 583,002	\$ 584,740	—
Real Estate Market	21,113	21,231	(1)	64,649	68,805	(6)
Other Businesses, Corporate and Eliminations	13,580	19,375	(30)	44,603	61,841	(28)
Total service revenue	224,308	239,782	(6)	692,254	715,386	(3)
Reimbursable expenses	9,866	12,080	(18)	31,786	41,317	(23)
Non-controlling interests	805	883	(9)	2,107	1,973	7
Total revenue	234,979	252,745	(7)	726,147	758,676	(4)
Cost of revenue	174,898	174,002	1	538,244	517,236	4
Gross profit	60,081	78,743	(24)	187,903	241,440	(22)
Selling, general and administrative expenses	46,622	53,886	(13)	146,793	161,709	(9)
Income from operations	13,459	24,857	(46)	41,110	79,731	(48)
Other income (expense), net:						
Interest expense	(5,599)	(5,952)	(6)	(16,862)	(18,481)	(9)
Other income (expense), net	2,497	(109)	N/M	8,015	2,608	207
Total other income (expense), net	(3,102)	(6,061)	(49)	(8,847)	(15,873)	(44)
Income before income taxes and non-controlling interests						
Income before income taxes and non-controlling interests	10,357	18,796	(45)	32,263	63,858	(49)
Income tax provision	(2,591)	(7,324)	(65)	(7,615)	(12,808)	(41)
Net income						
Net income	7,766	11,472	(32)	24,648	51,050	(52)
Net income attributable to non-controlling interests	(805)	(883)	(9)	(2,107)	(1,973)	7
Net income attributable to Altisource						
Net income attributable to Altisource	\$ 6,961	\$ 10,589	(34)	\$ 22,541	\$ 49,077	(54)
Margins:						
Gross profit/service revenue	27%	33%		27%	34%	
Income from operations/service revenue	6%	10%		6%	11%	
Earnings per share:						
Basic	\$ 0.39	\$ 0.57	(32)	\$ 1.23	\$ 2.63	(53)
Diluted	\$ 0.38	\$ 0.54	(30)	\$ 1.20	\$ 2.49	(52)

N/M — not meaningful.

Revenue

We recognized service revenue of \$692.3 million for the nine months ended September 30, 2017, a 3% decrease compared to the nine months ended September 30, 2016 (\$224.3 million for the third quarter of 2017, a 6% decrease compared to the third quarter of 2016). The decreases in service revenue for the nine months ended September 30, 2017 and the third quarter of 2017 were primarily from lower service revenue in our customer relationship management and IT infrastructure services businesses in the Other Businesses, Corporate and Eliminations segment, the normal runoff of Ocwen’s portfolio in the Mortgage Market and RESI’s smaller portfolio of non-performing loans and REO in the Real Estate Market. Customer relationship management revenue declined primarily because during 2016 we severed relationships with certain clients that were not profitable to us and we experienced a

reduction in volume from the transition of services from one customer to another. IT infrastructure services revenue declined from the transition of resources supporting Ocwen's technology infrastructure to Ocwen. These decreases were largely offset by growth in referrals of certain higher fee property preservation services and growth in home sales revenue in the buy-renovate-sell business, which began operations in the second half of 2016. Reimbursable expenses revenue declined from a 2015 change in the pricing and billing model for preservation services on new Ocwen REO referrals that resulted in certain services that were historically reimbursable expenses revenue becoming service revenue.

Certain of our revenues are impacted by seasonality. More specifically, revenues from property sales, loan originations and certain property preservation services tend to be at their lowest level during the fall and winter months and at their highest level during the spring and summer months. In addition, the asset recovery management business tends to be higher in the first quarter, as borrowers may utilize tax refunds and bonuses to pay debts, and generally declines throughout the rest of the year.

Cost of Revenue and Gross Profit

Cost of revenue principally includes payroll and employee benefits associated with personnel employed in customer service and operations roles, fees paid to external providers related to the provision of services and the cost of real estate sold, reimbursable expenses, technology and telecommunications costs, and depreciation and amortization of operating assets.

Cost of revenue consisted of the following:

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 60,332	\$ 66,357	(9)	\$ 186,090	\$ 201,193	(8)
Outside fees and services	83,670	77,445	8	250,883	222,574	13
Cost of real estate sold	4,411	—	N/M	16,461	—	N/M
Reimbursable expenses	9,866	12,080	(18)	31,786	41,317	(23)
Technology and telecommunications	10,389	11,502	(10)	32,681	32,145	2
Depreciation and amortization	6,230	6,618	(6)	20,343	20,007	2
Cost of revenue	<u>\$ 174,898</u>	<u>\$ 174,002</u>	1	<u>\$ 538,244</u>	<u>\$ 517,236</u>	4

N/M — not meaningful.

Cost of revenue for the nine months ended September 30, 2017 of \$538.2 million increased 4% compared to the nine months ended September 30, 2016 (\$517.2 million for the third quarter of 2017, a 1% increase compared to the third quarter of 2016). The increases in cost of revenue were primarily driven by higher outside fees and services and cost of real estate sold, partially offset by decreases in compensation and benefits and reimbursable expenses. Outside fees and services increased in the Mortgage Market due to growth in referrals of certain higher cost property preservation services in the Servicer Solutions business, partially offset by lower costs related to RESI's smaller portfolio of non-performing loans and REO in the Real Estate Investor Solutions business. The increases in cost of real estate sold were the result of properties sold in connection with our buy-renovate-sell program, which began operations in the second half of 2016.

Compensation and benefits declined in the Mortgage Market in the Servicer Solutions business as we reduced headcount levels in certain businesses, consistent with the decline in service revenue discussed in the revenue section above and benefited from efficiency initiatives. In the Other Businesses, Corporate and Eliminations segment, compensation and benefits decreased in connection with the transition of resources supporting Ocwen's technology infrastructure to Ocwen and lower headcount levels in our customer relationship management business from a decrease in client relationships, as discussed in the revenue section above. In the Real Estate Market, compensation and benefits increased in the Consumer Real Estate Solutions business to support growth of this business, partially offset by lower headcount levels in the Real Estate Investor Solutions business driven by lower customer volumes in certain business units.

Reimbursable expenses declined in the Mortgage Market's Servicer Solutions business primarily as a result of the change in the pricing and billing model discussed in the revenue section above.

Gross profit decreased to \$187.9 million, representing 27% of service revenue, for the nine months ended September 30, 2017 compared to \$241.4 million, representing 34% of service revenue, for the nine months ended September 30, 2016 (decreased to \$60.1 million, representing 27% of service revenue, for the third quarter of 2017 compared to \$78.7 million, representing 33% of service revenue, for the third quarter of 2016). Gross profit as a percentage of service revenue decreased primarily due to revenue

mix and investments in our growth businesses. Revenue mix changed from growth in the lower margin property preservation and buy-renovate-sell businesses and declines in other higher margin businesses.

Selling, General and Administrative Expenses

Selling, general and administrative expenses (“SG&A”) include payroll for personnel employed in executive, finance, law, compliance, human resources, vendor management, facilities, risk management, sales and marketing roles. This category also includes occupancy related costs, amortization of intangible assets, professional services, marketing costs and depreciation and amortization of non-operating assets and other expenses.

SG&A expense consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 15,068	\$ 14,145	7	\$ 43,115	\$ 42,460	2
Occupancy related costs	8,536	8,903	(4)	28,347	26,785	6
Amortization of intangible assets	8,604	11,465	(25)	27,143	36,432	(25)
Professional services	3,886	4,097	(5)	11,983	17,533	(32)
Marketing costs	3,992	9,275	(57)	11,958	21,438	(44)
Depreciation and amortization	2,286	2,557	(11)	7,068	7,514	(6)
Other	4,250	3,444	23	17,179	9,547	80
Selling, general and administrative expenses	\$ 46,622	\$ 53,886	(13)	\$ 146,793	\$ 161,709	(9)

SG&A for the nine months ended September 30, 2017 of \$146.8 million decreased 9% compared to the nine months ended September 30, 2016 (\$46.6 million for the third quarter of 2017, a 13% decrease compared to the third quarter of 2016). The decreases in SG&A were primarily due to lower marketing costs, driven by initial non-recurring Owners.com market launch costs incurred during the nine months ended September 30, 2016, the reduction in Owners.com recurring marketing spending as the business unit focuses on improving the lead to closing conversion rate and lower amortization of intangible assets driven by an increase in total projected revenue to be generated by the Homeward Residential, Inc. (“Homeward”) and Residential Capital, LLC (“ResCap”) portfolios over the lives of these portfolios (revenue-based amortization). In addition, professional services legal costs were lower for the nine months ended September 30, 2017 in connection with the resolution of, and reduction in activities related to, several litigation and regulatory matters. The decrease in SG&A for the nine months ended September 30, 2017 was partially offset by unfavorable loss accrual adjustments of \$2.7 million relating to facility closures and litigation related costs in other SG&A in the second quarter of 2017 (no comparative amount for the nine months ended September 30, 2016). In addition, the decreases in SG&A for the nine month ended September 30, 2017 were partially offset by a \$3.0 million favorable loss accrual adjustment in other SG&A in the nine months ended September 30, 2016 (no comparative amounts for the nine months ended September 30, 2017 and the third quarter of 2017 and 2016).

Income from Operations

Income from operations decreased to \$41.1 million, representing 6% of service revenue, for the nine months ended September 30, 2017 compared to \$79.7 million, representing 11% of service revenue, for the nine months ended September 30, 2016 (decreased to \$13.5 million, representing 6% of service revenue, for the third quarter of 2017 compared to \$24.9 million, representing 10% of service revenue, for the third quarter of 2016). The decrease in operating income as a percentage of service revenue was the result of the decrease in gross profit margin, partially offset by lower SG&A expenses, as discussed above.

Other Income (Expense), net

Other income (expense), net principally includes interest expense and other non-operating gains and losses. Interest expense was \$16.9 million for the nine months ended September 30, 2017, a decrease of \$1.6 million compared to the nine months ended September 30, 2016 (\$5.6 million for the third quarter of 2017, a decrease of \$0.4 million compared to the third quarter of 2016), primarily due to the 2017 and 2016 repurchases of portions of our senior secured term loan with an aggregate par value of \$101.1 million, partially offset by an increase in the senior secured term loan interest rate from 4.50% as of December 31, 2016 and 4.72% as of June 30, 2017 to 4.74% as of September 30, 2017. Other non-operating gains and losses primarily represent gains on the early extinguishment of debt and income and expenses related to our investment in RESI common stock.

During the nine months ended September 30, 2017, we repurchased portions of our senior secured term loan with an aggregate par value of \$50.1 million at a weighted average discount of 12.2%, recognizing a net gain of \$5.4 million on the early extinguishment of debt (repurchased aggregate par value of \$24.1 million at a weighted average discount of 7.5%, recognizing a net gain of \$1.5 million on the early extinguishment of debt for the third quarter of 2017). During the nine months ended September 30, 2016, we repurchased portions of our senior secured term loan with an aggregate par value of \$51.0 million at a weighted average discount of 13.2%, recognizing a net gain of \$5.5 million on the early extinguishment of debt (no repurchases in the third quarter of 2016).

During the nine months ended September 30, 2017 and 2016, we earned dividends of \$1.9 million and \$1.0 million, respectively (\$0.6 million for the third quarter of 2017 and no comparative amount for the third quarter of 2016) related to our investment in RESI. In addition, during the nine months ended September 30, 2016, we incurred expenses of \$3.4 million related to this investment (no comparative amounts in 2017 and the third quarter of 2016).

Income Tax Provision

We recognized an income tax provision of \$7.6 million for the nine months ended September 30, 2017 compared to \$12.8 million for the nine months ended September 30, 2016 (\$2.6 million and \$7.3 million for the third quarter of 2017 and 2016, respectively). Our effective tax rate was 23.6% and 20.1% for the nine months ended September 30, 2017 and September 30, 2016, respectively (25.0% and 39.0% for the third quarter of 2017 and 2016, respectively). Our effective tax rates differ from the Luxembourg statutory tax rate of 27.1% and 29.2% in 2017 and 2016, respectively, primarily due to the effect of certain deductions in Luxembourg and the mix of income and losses with varying tax rates in multiple taxing jurisdictions. The higher effective income tax rate for the nine months ended September 30, 2017 was primarily the result of lower pretax income, which changed the mix of taxable income across the jurisdictions in which we operate. The lower effective income tax rate for the third quarter of 2017 was primarily the result of adjustments made in the third quarter of 2016 to true-up the tax provision from prior quarters. This was partially offset by higher pretax income in the third quarter of 2016, which, as discussed above, changed the mix of taxable income across the jurisdictions in which we operate.

SEGMENT RESULTS OF OPERATIONS

Effective January 1, 2017, our reportable segments changed as a result of changes in our internal organization, which changed the way our Chief Executive Officer (our chief operating decision maker) manages our businesses, allocates resources and evaluates performance. We now report our operations through two new reportable segments: *Mortgage Market* and *Real Estate Market*. In addition, we report *Other Businesses, Corporate and Eliminations* separately. Prior to the January 1, 2017 change in reportable segments, our reportable segments were *Mortgage Services, Financial Services* and *Technology Services*. The former *Mortgage Services* segment was separated into the *Mortgage Market* and *Real Estate Market* segments (see Overview - Our Business). Furthermore, certain of the software services business units that were formerly in the *Technology Services* segment and the mortgage charge-off collections business that was formerly in the *Financial Services* segment are now included in the *Mortgage Market*. *Other Businesses, Corporate and Eliminations* includes the asset recovery management services and customer relationship management services that were formerly in the *Financial Services* segment as well as IT infrastructure management services formerly in the *Technology Services* segment (see Overview - Our Business). Prior year comparable period segment disclosures have been restated to conform to the current year presentation.

The following section provides a discussion of pretax results of operations of our business segments. Transactions between segments are accounted for as third party arrangements for purposes of presenting segment results of operations and eliminated in consolidation.

Financial information for our segments was as follows:

(in thousands)	Three months ended September 30, 2017			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue				
Service revenue	\$ 189,615	\$ 21,113	\$ 13,580	\$ 224,308
Reimbursable expenses	8,842	1,008	16	9,866
Non-controlling interests	805	—	—	805
	199,262	22,121	13,596	234,979
Cost of revenue	137,466	23,497	13,935	174,898
Gross profit (loss)	61,796	(1,376)	(339)	60,081
Selling, general and administrative expenses	28,006	4,208	14,408	46,622
Income (loss) from operations	33,790	(5,584)	(14,747)	13,459
Total other income (expense), net	26	—	(3,128)	(3,102)
Income (loss) before income taxes and non-controlling interests	\$ 33,816	\$ (5,584)	\$ (17,875)	\$ 10,357
Margins:				
Gross profit (loss)/service revenue	33%	(7)%	(2)%	27%
Income (loss) from operations/service revenue	18%	(26)%	(109)%	6%

(in thousands)	Three months ended September 30, 2016			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue				
Service revenue	\$ 199,176	\$ 21,231	\$ 19,375	\$ 239,782

Reimbursable expenses	11,762	285	33	12,080
Non-controlling interests	883	—	—	883
	211,821	21,516	19,408	252,745
Cost of revenue	138,646	16,634	18,722	174,002
Gross profit	73,175	4,882	686	78,743
Selling, general and administrative expenses	29,903	6,961	17,022	53,886
Income (loss) from operations	43,272	(2,079)	(16,336)	24,857
Total other income (expense), net	10	—	(6,071)	(6,061)
Income (loss) before income taxes and non-controlling interests	\$ 43,282	\$ (2,079)	\$ (22,407)	\$ 18,796
Margins:				
Gross profit/service revenue	37%	23 %	4 %	33%
Income (loss) from operations/service revenue	22%	(10)%	(84)%	10%

<i>(in thousands)</i>	Nine months ended September 30, 2017			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue				
Service revenue	\$ 583,002	\$ 64,649	\$ 44,603	\$ 692,254
Reimbursable expenses	29,071	2,665	50	31,786
Non-controlling interests	2,107	—	—	2,107
	614,180	67,314	44,653	726,147
Cost of revenue	421,942	72,484	43,818	538,244
Gross profit (loss)	192,238	(5,170)	835	187,903
Selling, general and administrative expenses	86,493	14,084	46,216	146,793
Income (loss) from operations	105,745	(19,254)	(45,381)	41,110
Total other income (expense), net	138	—	(8,985)	(8,847)
Income (loss) before income taxes and non-controlling interests	\$ 105,883	\$ (19,254)	\$ (54,366)	\$ 32,263
Margins:				
Gross profit (loss)/service revenue	33%	(8)%	2 %	27%
Income (loss) from operations/service revenue	18%	(30)%	(102)%	6%

<i>(in thousands)</i>	Nine months ended September 30, 2016			
	Mortgage Market	Real Estate Market	Other Businesses, Corporate and Eliminations	Consolidated Altisource
Revenue				
Service revenue	\$ 584,740	\$ 68,805	\$ 61,841	\$ 715,386
Reimbursable expenses	39,809	1,424	84	41,317
Non-controlling interests	1,973	—	—	1,973
	626,522	70,229	61,925	758,676
Cost of revenue	408,412	47,946	60,878	517,236
Gross profit	218,110	22,283	1,047	241,440
Selling, general and administrative expenses	90,498	18,755	52,456	161,709
Income (loss) from operations	127,612	3,528	(51,409)	79,731
Total other income (expense), net	144	—	(16,017)	(15,873)
Income (loss) before income taxes and non-controlling interests	\$ 127,756	\$ 3,528	\$ (67,426)	\$ 63,858
Margins:				
Gross profit/service revenue	37%	32%	2 %	34%
Income (loss) from operations/service revenue	22%	5%	(83)%	11%

Mortgage Market

Revenue

Revenue by business unit was as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Service revenue:						
Servicer Solutions	\$ 176,258	\$ 183,804	(4)	\$ 545,447	\$ 546,736	—
Origination Solutions	13,357	15,372	(13)	37,555	38,004	(1)
Total service revenue	189,615	199,176	(5)	583,002	584,740	—
Reimbursable expenses:						
Servicer Solutions	8,803	11,684	(25)	28,854	39,632	(27)
Origination Solutions	39	78	(50)	217	177	23
Total reimbursable expenses	8,842	11,762	(25)	29,071	39,809	(27)
Non-controlling interests	805	883	(9)	2,107	1,973	7
Total revenue	\$ 199,262	\$ 211,821	(6)	\$ 614,180	\$ 626,522	(2)

We recognized service revenue of \$583.0 million for the nine months ended September 30, 2017, a less than 1% decrease compared to the nine months ended September 30, 2016 (\$189.6 million for the third quarter of 2017, a 5% decrease compared to the third quarter of 2016). Service revenue for the nine months ended September 30, 2017 declined primarily as a result of the normal run-off of Ocwen's loan servicing portfolio in the Servicer Solutions business. This decline was almost entirely offset by growth in referrals of certain higher fee property preservation services, a change in 2015 in the pricing and billing model for preservation services on new Ocwen REO referrals that resulted in certain services that were historically reimbursable expenses revenue becoming service revenue, the acquisition of Granite in July 2016 and growth in non-Ocwen service revenues from new and existing customers in the Servicer Solutions business. Service revenue for the third quarter of 2017 declined primarily as a result of the normal run-off of Ocwen's loan servicing portfolio in the Servicer Solutions business. This decline was partially offset by growth in referrals of certain higher fee property preservation services, a change in 2015 in the pricing and billing model for preservation services as discussed above and growth in non-Ocwen service revenues from new and existing customers in the Servicer Solutions business.

The decreases in reimbursable expenses revenue were primarily due to the change in 2015 in the pricing and billing model for preservation services on new Ocwen REO referrals described above.

Certain of our Mortgage Market businesses are impacted by seasonality. Revenues from property sales, loan originations and certain property preservation services are generally lowest during the fall and winter months and highest during the spring and summer months.

Cost of Revenue and Gross Profit

Cost of revenue consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 41,475	\$ 44,876	(8)	\$ 126,153	\$ 134,693	(6)
Outside fees and services	74,902	70,506	6	228,982	199,737	15
Reimbursable expenses	8,842	11,762	(25)	29,071	39,809	(27)
Technology and telecommunications	7,708	7,372	5	23,589	21,795	8
Depreciation and amortization	4,539	4,130	10	14,147	12,378	14
Cost of revenue	\$ 137,466	\$ 138,646	(1)	\$ 421,942	\$ 408,412	3

Cost of revenue for the nine months ended September 30, 2017 of \$421.9 million increased by 3% compared to the nine months ended September 30, 2016 (\$137.5 million for the third quarter of 2017, a 1% decrease compared to the third quarter of 2016). The increase in cost of revenue for the nine months ended September 30, 2017 was primarily driven by higher outside fees and services, partially offset by decreases in reimbursable expenses and compensation and benefits. Outside fees and services increased due to growth in referrals of certain higher cost property preservation services in the Servicer Solutions business, consistent with the growth in service revenue discussed in the revenue section above, particularly during the first half of 2017. Reimbursable expenses declined primarily as a result of the change in billing discussed in the revenue section above. Compensation and benefits declined in certain of the Servicer Solutions businesses as we reduced headcount levels in certain businesses, consistent with the decline in service revenue discussed in the revenue section above and benefited from efficiency initiatives. The decrease in cost of revenue for the third quarter of 2017 was primarily due to a decrease in compensation and benefits in certain of the Servicer Solutions businesses and reimbursable expenses, partially offset by an increase in outside fees and services, consistent with the service revenue discussion above.

Gross profit decreased to \$192.2 million, representing 33% of service revenue, for the nine months ended September 30, 2017 compared to \$218.1 million, representing 37% of service revenue, for the nine months ended September 30, 2016 (decreased to \$61.8 million, representing 33% of service revenue for the third quarter of 2017, compared to \$73.2 million, representing 37% of service revenue for the third quarter of 2016). Gross profit as a percentage of service revenue declined primarily due to revenue mix from growth in the lower margin property preservation services and declines in other higher margin businesses. Our margins can vary substantially depending upon service revenue mix.

Selling, General and Administrative Expenses and Income from Operations

SG&A expenses consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 6,292	\$ 5,492	15	\$ 17,393	\$ 16,368	6
Occupancy related costs	5,648	4,997	13	17,687	15,187	16
Amortization of intangible assets	7,975	10,761	(26)	25,119	34,179	(27)
Professional services	2,319	2,186	6	7,018	9,314	(25)
Marketing costs	2,170	3,443	(37)	6,405	7,859	(19)
Depreciation and amortization	1,012	1,053	(4)	2,881	2,964	(3)
Other	2,590	1,971	31	9,990	4,627	116
Selling, general and administrative expenses	\$ 28,006	\$ 29,903	(6)	\$ 86,493	\$ 90,498	(4)

SG&A for the nine months ended September 30, 2017 of \$86.5 million decreased by 4% compared to the nine months ended September 30, 2016 (\$28.0 million for the third quarter of 2017, a 6% decrease compared to the third quarter of 2016). The decreases in SG&A were primarily driven by lower amortization of intangible assets, driven by an increase in total projected revenue to be generated by the Homeward and ResCap portfolios over the lives of these portfolios (revenue-based amortization). In addition, professional services legal costs were lower for the nine months ended September 30, 2017 in connection with the resolution of, and reduction in activities related to, several litigation and regulatory matters. The decreases in SG&A for the nine months ended September 30, 2017 were partially offset by a \$3.0 million favorable loss accrual adjustment in other SG&A in the nine months ended September 30, 2016 (no comparative amounts for the nine months ended September 30, 2017 and the third quarter of 2017 and 2016).

Income from operations decreased to \$105.7 million, representing 18% of service revenue, for the nine months ended September 30, 2017 compared to \$127.6 million, representing 22% of service revenue, for the nine months ended September 30, 2016 (decreased to \$33.8 million, representing 18% of service revenue for the third quarter of 2017, compared to \$43.3 million, representing 22% of service revenue for the third quarter of 2016). The decreases in operating income as a percentage of service revenue were primarily the result of lower gross profit margins from the decrease in revenue, partially offset by lower SG&A, as discussed above.

Real Estate Market

Revenue

Revenue by business unit was as follows:

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Service revenue:						
Consumer Real Estate Solutions	\$ 1,441	\$ 213	N/M	\$ 3,440	\$ 732	N/M
Real Estate Investor Solutions	19,672	21,018	(6)	61,209	68,073	(10)
Total service revenue	21,113	21,231	(1)	64,649	68,805	(6)
Reimbursable expenses:						
Real Estate Investor Solutions	1,008	285	254	2,665	1,424	87
Total reimbursable expenses	1,008	285	254	2,665	1,424	87
Total revenue	\$ 22,121	\$ 21,516	3	\$ 67,314	\$ 70,229	(4)

N/M — not meaningful.

We recognized service revenue of \$64.6 million for the nine months ended September 30, 2017, a 6% decrease compared to the nine months ended September 30, 2016 (\$21.1 million for the third quarter of 2017, a 1% decrease compared to the third quarter of 2016). The decreases in service revenue were primarily due to RESI's lower property preservation referrals and REO sales in the Real Estate Investor Solutions business as RESI continues its transition from buying non-performing loans to directly acquiring rental homes. These decreases were partially offset by growth in home sales revenue in our buy-renovate-sell program in the Real Estate Investor Solutions business, which began operations in the second half of 2016, and growth in the Consumer Real Estate Solutions business from higher transaction volumes.

Cost of Revenue and Gross Profit (Loss)

Cost of revenue consisted of the following:

(in thousands)	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 8,777	\$ 8,173	7	\$ 28,167	\$ 21,335	32
Outside fees and services	7,865	6,229	26	19,249	20,751	(7)
Cost of real estate sold	4,411	—	N/M	16,461	—	N/M
Reimbursable expenses	1,008	285	254	2,665	1,424	87
Technology and telecommunications	1,203	1,766	(32)	4,659	3,874	20
Depreciation and amortization	233	181	29	1,283	562	128
Cost of revenue	\$ 23,497	\$ 16,634	41	\$ 72,484	\$ 47,946	51

N/M — not meaningful.

Cost of revenue for the nine months ended September 30, 2017 of \$72.5 million increased by 51% compared to the nine months ended September 30, 2016 (\$23.5 million for the third quarter of 2017, a 41% increase compared to the third quarter of 2016). The increases in cost of revenue were primarily due to increased cost of real estate sold in the Real Estate Investor Solutions business from real estate sold in connection with our buy-renovate-sell program, partially offset by lower property preservation referrals. Compensation and benefits increased in the Consumer Real Estate Solutions business to support growth of this business, partially offset by lower headcount levels in the Real Estate Investor Solutions business driven by lower customer volumes in certain business units, consistent with the decline in service revenue discussed in the revenue section above.

Gross profit decreased to a loss of \$5.2 million, representing (8)% of service revenue, for the nine months ended September 30, 2017, compared to gross profit of \$22.3 million, representing 32% of service revenue, for the nine months ended September 30, 2016 (decreased to a loss of \$1.4 million, representing (7)% of service revenue for the third quarter of 2017, compared to gross

profit of \$4.9 million, representing 23% of service revenue for the third quarter of 2016). Gross profit declined primarily as a result of growth of the lower margin buy-renovate-sell program and lower brokerage commissions from higher margin REO sales.

Selling, General and Administrative Expenses and Income (Loss) from Operations

SG&A expenses consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 732	\$ 541	35	\$ 2,469	\$ 1,451	70
Occupancy related costs	631	615	3	2,353	1,681	40
Amortization of intangible assets	211	204	3	633	752	(16)
Professional services	339	368	(8)	974	972	—
Marketing costs	1,786	5,751	(69)	5,390	13,231	(59)
Depreciation and amortization	180	92	96	561	342	64
Other	329	(610)	154	1,704	326	N/M
Selling, general and administrative expenses	\$ 4,208	\$ 6,961	(40)	\$ 14,084	\$ 18,755	(25)

N/M — not meaningful.

SG&A for the nine months ended September 30, 2017 of \$14.1 million decreased by 25% compared to the nine months ended September 30, 2016 (\$4.2 million for the third quarter of 2017, a 40% decrease compared to the third quarter of 2016). The decreases in SG&A were primarily the result of lower marketing costs as a result of initial non-recurring Owners.com market launch costs incurred in 2016 and the reduction in Owners.com recurring marketing spending as the business unit focuses on improving the lead to closing conversion rate.

Income from operations decreased to a loss from operations of \$19.3 million, representing (30)% of service revenue, for the nine months ended September 30, 2017 compared to income from operations of \$3.5 million, representing 5% of service revenue, for the nine months ended September 30, 2016 (loss from operations of \$5.6 million, representing (26)% of service revenue for the third quarter of 2017, compared to a loss from operations of \$2.1 million, representing (10)% of service revenue for the third quarter of 2016). The decrease in operating income as a percentage of service revenue was primarily the result of lower gross profit margins, partially offset by lower SG&A, as discussed above.

Other Businesses, Corporate and Eliminations

Revenue

Revenue by business unit was as follows:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Service revenue:						
Customer relationship management	\$ 6,822	\$ 8,777	(22)	\$ 21,682	\$ 29,052	(25)
Asset recovery management	5,743	5,849	(2)	17,940	18,609	(4)
IT infrastructure services	1,015	4,749	(79)	4,981	14,180	(65)
Total service revenue	13,580	19,375	(30)	44,603	61,841	(28)
Reimbursable expenses:						
Asset recovery management	16	33	(52)	50	84	(40)
Total reimbursable expenses	16	33	(52)	50	84	(40)
Total revenue	\$ 13,596	\$ 19,408	(30)	\$ 44,653	\$ 61,925	(28)

We recognized service revenue of \$44.6 million for the nine months ended September 30, 2017, a 28% decrease compared to the nine months ended September 30, 2016 (\$13.6 million for the third quarter of 2017, a 30% decrease compared to the third quarter of 2016). The decreases were primarily due to a decline in IT infrastructure services, which are typically billed on a cost plus basis, due to the transition of resources supporting Ocwen's technology infrastructure to Ocwen. In addition, customer relationship management revenues were lower as we severed relationships with certain clients that were not profitable and we experienced a reduction in volume from the transition of services from one customer to another.

Certain of our other businesses are impacted by seasonality. Revenue in the asset recovery management business tends to be higher in the first quarter, as borrowers may utilize tax refunds and bonuses to pay debts, and generally declines throughout the remainder of the year.

Cost of Revenue and Gross Profit (Loss)

Cost of revenue consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)

Compensation and benefits	\$ 10,080	\$ 13,308	(24)	\$ 31,770	\$ 45,165	(30)
Outside fees and services	903	710	27	2,652	2,086	27
Reimbursable expenses	16	33	(52)	50	84	(40)
Technology and telecommunications	1,478	2,364	(37)	4,433	6,476	(32)
Depreciation and amortization	1,458	2,307	(37)	4,913	7,067	(30)
Cost of revenue	\$ 13,935	\$ 18,722	(26)	\$ 43,818	\$ 60,878	(28)

Cost of revenue for the nine months ended September 30, 2017 of \$43.8 million decreased by 28% compared to the nine months ended September 30, 2016 (\$13.9 million for the third quarter of 2017, a 26% decrease compared to the third quarter of 2016). The decreases in cost of revenue were primarily due to a decrease in compensation and benefits associated with the transition of resources supporting Ocwen's technology infrastructure to Ocwen and reduced headcount levels in our customer relationship management business from a decrease in client relationships, as discussed in the revenue section above.

Gross profit decreased to \$0.8 million, representing 2% of service revenue, for the nine months ended September 30, 2017 compared to \$1.0 million, representing 2% of service revenue, for the nine months ended September 30, 2016 (decrease to gross loss of \$0.3 million, representing (2)% of service revenue for the third quarter of 2017, compared to gross profit of \$0.7 million, representing 4% of service revenue for the third quarter of 2016). Gross profit as a percentage of service revenue decreased due to the decrease in IT infrastructure and customer relationship management revenue, largely offset by a reduction in compensation and benefits.

Selling, General and Administrative Expenses, Loss from Operations and Other Expenses, net

SG&A in Other Businesses, Corporate and Eliminations include SG&A expenses of the customer relationship management, asset recovery management and IT infrastructure services business. It also includes costs related to corporate support functions not allocated to the Mortgage Market and Real Estate Market segments.

Other income (expense), net includes interest expense and non-operating gains and losses.

Other Businesses, Corporate and Eliminations also include eliminations of transactions between the reportable segments.

SG&A expenses consisted of the following:

<i>(in thousands)</i>	Three months ended September 30,			Nine months ended September 30,		
	2017	2016	% Increase (decrease)	2017	2016	% Increase (decrease)
Compensation and benefits	\$ 8,044	\$ 8,112	(1)	\$ 23,253	\$ 24,641	(6)
Occupancy related costs	2,257	3,291	(31)	8,307	9,917	(16)
Amortization of intangible assets	418	500	(16)	1,391	1,501	(7)
Professional services	1,228	1,543	(20)	3,991	7,247	(45)
Marketing costs	36	81	(56)	163	348	(53)
Depreciation and amortization	1,094	1,412	(23)	3,626	4,208	(14)
Other	1,331	2,083	(36)	5,485	4,594	19
Selling, general and administrative expenses	14,408	17,022	(15)	46,216	52,456	(12)
Other expenses, net	3,128	6,071	(48)	8,985	16,017	(44)
Total corporate costs	\$ 17,536	\$ 23,093	(24)	\$ 55,201	\$ 68,473	(19)

SG&A for the nine months ended September 30, 2017 of \$46.2 million decreased by 12% compared to the nine months ended September 30, 2016 (\$14.4 million for the third quarter of 2017, a 15% decrease compared to the third quarter of 2016). The decrease in SG&A for the nine months ended September 30, 2017 was primarily due to lower professional services legal costs in connection with the resolution of, and reduction in activities related to, several legal and regulatory matters and lower occupancy costs driven by subleasing certain office facilities during the fourth quarter of 2016 and the first half of 2017, partially offset by unfavorable loss accrual adjustments of \$2.7 million related to facility closures and litigation related costs in other SG&A in the first half of 2017. The decrease in SG&A for the third quarter of 2017 was primarily due to lower occupancy costs, as discussed above.

Loss from operations decreased to \$45.4 million for the nine months ended September 30, 2017 compared to a loss of \$51.4 million for the nine months ended September 30, 2016 (decreased to \$14.7 million for the third quarter of 2017 compared to a loss of \$16.3 million for the third quarter of 2016). The decreases in loss from operations were primarily driven by decreases in SG&A, as discussed above.

Other expenses, net principally includes interest expense and other non-operating gains and losses. For the nine months ended September 30, 2017, other expenses, net of \$9.0 million decreased by 44% compared to the nine months ended September 30, 2016 (\$3.1 million for the third quarter of 2017, decreased by 48% compared to the third quarter of 2016) due to lower interest expense in 2017 and non-recurring expenses incurred in the first half of 2016, relating to our investment in RESI. In addition, other expenses, net decreased for the third quarter of 2017 from increased gains on the early extinguishment of debt and income related to our investment in RESI.

Interest expense was \$16.9 million for the nine months ended September 30, 2017, a decrease of \$1.6 million compared to the nine months ended September 30, 2016 (\$5.6 million for the third quarter of 2017, a decrease of \$0.4 million compared to the third quarter of 2016), primarily due to the 2017 and 2016 repurchases of portions of our senior secured term loan with an aggregate par value of \$101.1 million, partially offset by an increase in the senior secured term loan interest rate from 4.50% as of December 31, 2016 and 4.72% as of June 30, 2017 to 4.74% as of September 30, 2017.

During the nine months ended September 30, 2017, we repurchased portions of our senior secured term loan with an aggregate par value of \$50.1 million at a weighted average discount of 12.2%, recognizing a net gain of \$5.4 million on the early extinguishment of debt (repurchased aggregate par value of \$24.1 million at a weighted average discount of 7.5%, recognizing a net gain of \$1.5 million on the early extinguishment of debt for the third quarter of 2017). During the nine months ended September 30, 2016, we repurchased portions of our senior secured term loan with an aggregate par value of \$51.0 million at a weighted average discount of 13.2%, recognizing a net gain of \$5.5 million on the early extinguishment of debt (no repurchases in the third quarter of 2016).

During the nine months ended 2017 and 2016, we earned dividends of \$1.9 million and \$1.0 million, respectively (\$0.6 million for the third quarter of 2017 and no comparative amount for the third quarter of 2016) related to our investment in RESI. In addition, during the nine months ended September 30, 2016, we incurred expenses of \$3.4 million related to this investment (no comparative amounts in 2017 and the third quarter of 2016).

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

Our primary source of liquidity is cash flows from operations. We seek to deploy cash generated in a disciplined manner. Principally, we intend to use cash to develop and grow complementary services and businesses that we believe will generate attractive margins in line with our core capabilities and strategy. We use cash for scheduled repayments of our senior secured term loan and seek to use cash from time to time to repurchase shares of our common stock and repurchase portions of our senior secured term loan. In addition, we consider and evaluate business acquisitions that may arise from time to time that are aligned with our strategy.

For the nine months ended September 30, 2017, we used \$48.6 million to repay and repurchase portions of the senior secured term loan (\$23.8 million for the third quarter of 2017) and \$25.0 million to repurchase shares of our common stock (\$9.5 million for the third quarter of 2017).

Senior Secured Term Loan

On November 27, 2012, Altisource Solutions S.à r.l., a wholly-owned subsidiary of Altisource Portfolio Solutions S.A., entered into a senior secured term loan agreement with Bank of America, N.A., as administrative agent, and certain lenders. Altisource Portfolio Solutions S.A. and certain subsidiaries are guarantors of the term loan. We subsequently entered into three amendments to the senior secured term loan agreement to increase the principal amount of the senior secured term loan and, among other changes, re-establish the \$200.0 million incremental term loan facility accordion, lower the interest rate, extend the maturity date by approximately one year and increase the maximum amount of Restricted Junior Payments (as defined in the senior secured term loan agreement; other capitalized terms, unless defined herein, are defined in the senior secured term loan agreement). The lenders of the senior secured term loan, as amended, have no obligation to provide any such additional debt under the accordion provision. As of September 30, 2017, \$425.1 million was outstanding under the senior secured term loan agreement, as amended, compared to \$479.7 million as of December 31, 2016.

After giving effect to the third amendment entered into on August 1, 2014, the term loan must be repaid in equal consecutive quarterly principal installments of \$1.5 million, with the balance due at maturity. All amounts outstanding under the senior secured term loan agreement will become due on the earlier of (i) December 9, 2020 and (ii) the date on which the loans are declared to be due and owing by the administrative agent at the request (or with the consent) of the Required Lenders or as otherwise provided in the senior secured term loan agreement upon the occurrence of any event of default under the senior secured term loan agreement. However, if the leverage ratio exceeds 3.00 to 1.00, as calculated in accordance with the provisions of the senior secured term loan agreement, a percentage of cash flows must be used to repay principal (the percentage increases if the leverage ratio exceeds 3.50 to 1.00). No mandatory prepayments were required for the nine months ended September 30, 2017. The interest rate as of September 30, 2017 was 4.74%.

During the nine months ended September 30, 2017, we repurchased portions of our senior secured term loan with an aggregate par value of \$50.1 million at a weighted average discount of 12.2%, recognizing a net gain of \$5.4 million on the early extinguishment of debt (repurchased aggregate par value of \$24.1 million at a weighted average discount of 7.5%, recognizing a net gain of \$1.5 million on the early extinguishment of debt for the third quarter of 2017). During the nine months ended September 30, 2016, we repurchased portions of our senior secured term loan with an aggregate par value of \$51.0 million at a weighted average discount of 13.2%, recognizing a net gain of \$5.5 million on the early extinguishment of debt (no repurchases in the third quarter of 2016).

The debt covenants in the senior secured term loan agreement limit, among other things, our ability to incur additional debt, pay dividends and repurchase shares of our common stock. In the event we require additional liquidity, our ability to obtain it may be limited by the senior secured term loan.

Cash Flows

The following table presents our cash flows for the nine months ended September 30:

<i>(in thousands)</i>	2017	2016	% Increase (decrease)
Net income adjusted for non-cash items	\$ 83,771	\$ 115,024	(27)
Changes in operating assets and liabilities	(36,642)	(8,989)	N/M
Net cash provided by operating activities	47,129	106,035	(56)
Net cash used in investing activities	(7,558)	(74,095)	90
Net cash used in financing activities	(74,742)	(76,319)	2
Net decrease in cash and cash equivalents	(35,171)	(44,379)	21
Cash and cash equivalents at the beginning of the period	149,294	179,327	(17)
Cash and cash equivalents at the end of the period	\$ 114,123	\$ 134,948	(15)

N/M — not meaningful.

Cash Flows from Operating Activities

Cash flows from operating activities generally consist of the cash effects of transactions and events that enter into the determination of net income. For the nine months ended September 30, 2017, cash flows provided by operating activities were \$47.1 million, or \$0.07 for every dollar of service revenue (\$34.6 million, or \$0.15 for every dollar of service revenue for the third quarter of 2017) compared to cash flows generated from operating activities of \$106.0 million, or \$0.15 for every dollar of service revenue for the nine months ended September 30, 2016 (\$36.6 million, or \$0.15 for every dollar of service revenue for the third quarter of 2016). The decrease in cash flows from operations for the nine months ended September 30, 2017, compared to the nine months ended September 30, 2016, was principally driven by the \$28.0 million net payment for the previously accrued litigation settlement, an \$11.6 million increase in short-term investments in real estate and lower net income, partially offset by higher collections of accounts receivable, primarily driven by timing of collections.

Operating cash flows can be negatively impacted because of the nature of some of our services and the mix of services provided. Certain services are performed immediately following or shortly after the referral, but the collection of the receivable does not occur until a specific event occurs (e.g., the foreclosure is complete, the REO asset is sold, etc.). Furthermore, lower margin services generate lower income and cash flows from operations. In addition, annual incentive compensation bonuses are typically paid during the first quarter of each year. Consequently, our cash flows from operations may be negatively impacted when comparing one interim period to another.

Cash Flows from Investing Activities

Cash flows from investing activities for the nine months ended September 30, 2017 and 2016 primarily included capital expenditures and purchases and sales of available for sale securities. For the nine months ended September 30, 2017 and 2016, we used \$7.5 million and \$16.5 million, respectively, for capital expenditures primarily related to investments in the development of certain software applications, IT infrastructure and facility build-outs. The decrease in capital expenditures primarily related to the completion of several software development projects and facility build-outs in 2016. In addition, during the nine months ended September 30, 2016, we purchased 4.1 million shares of RESI common stock for \$48.2 million including brokers' commissions and acquired Granite for \$9.6 million, prior to a \$0.1 million purchase price adjustment (no comparative amounts in 2017).

Cash Flows from Financing Activities

Cash flows from financing activities for the nine months ended September 30, 2017 and 2016 primarily included activities associated with share repurchases, debt repayments and repurchases, stock option exercises and payments to non-controlling interests. During the nine months ended September 30, 2017 and 2016, we used \$25.0 million and \$34.3 million, respectively, to repurchase our common stock. In addition, during the nine months ended September 30, 2017 and 2016, we used \$48.6 million and \$49.2 million, respectively, to repurchase portions of our senior secured term loan and make scheduled repayments of our senior secured term loan. During the nine months ended September 30, 2017 and 2016, stock option exercises provided proceeds of \$2.1 million and \$8.9 million, respectively. During the nine months ended September 30, 2017 and 2016, we distributed \$2.1 million and \$1.6 million, respectively, to non-controlling interests. Also during the nine months ended September 30, 2017, we made payments of \$1.1 million to satisfy employee tax withholding obligations on the issuance of restricted shares. These payments were made to tax authorities, at the employees' direction, to satisfy the employees' tax obligations rather than issuing a portion of vested restricted shares to employees.

Liquidity Requirements after September 30, 2017

On September 12, 2014, we acquired certain assets and assumed certain liabilities of Mortgage Builder Software, Inc. (“Mortgage Builder”). The Mortgage Builder purchase agreement provides for the payment of up to \$7.0 million in potential additional consideration based on Adjusted Revenue (as defined in the purchase agreement). As of September 30, 2017, we have recorded \$0.4 million of potential additional consideration related to the Mortgage Builder acquisition. The amount ultimately paid will depend on Mortgage Builder’s Adjusted Revenue in the last of the three consecutive 12-month periods following acquisition, which concludes during the fourth quarter of 2017.

On July 17, 2015, we acquired CastleLine Holdings, LLC and its subsidiaries. A portion of the purchase consideration totaling \$10.5 million is payable to the sellers over four years from the acquisition date, including \$3.8 million to be paid to certain of the sellers that is contingent on future employment. As of September 30, 2017, we have paid \$8.0 million of the up to \$10.5 million that is payable over four years from the acquisition date and \$1.3 million of the \$3.8 million purchase consideration that is contingent on future employment.

During the next 12 months, we expect to distribute approximately \$2.5 million to the Lenders One members representing non-controlling interest, make mandatory repayments of \$5.9 million of the senior secured term loan and pay \$20.0 million of interest expense under the senior secured term loan agreement.

We believe that our existing cash and cash equivalent balances and our anticipated cash flows from operations will be sufficient to meet our liquidity needs, including to fund capital expenditures and required debt and interest payments, for the next 12 months.

Contractual Obligations, Commitments and Contingencies

For the nine months ended September 30, 2017, there were no significant changes to our contractual obligations from those identified in our Form 10-K for the fiscal year ended December 31, 2016, other than those that occur in the normal course of business. See Note 20 to the condensed consolidated financial statements.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND RECENT ACCOUNTING PRONOUNCEMENT

We prepare our interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. In applying many of these accounting principles, we need to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses in our condensed consolidated financial statements. We base our estimates and judgments on historical experience and other assumptions that we believe are reasonable under the circumstances. These assumptions, estimates and judgments, however, are often subjective. Actual results may be negatively affected based on changing circumstances. If actual amounts are ultimately different from our estimates, the revisions are included in our results of operations for the period in which the actual amounts become known.

Our critical accounting policies are described in the MD&A section of our Form 10-K for the year ended December 31, 2016 filed with the SEC on February 16, 2017. Those policies have not changed during the nine months ended September 30, 2017.

Recently Adopted and Future Adoption of New Accounting Pronouncements

See Note 1 to the condensed consolidated financial statements for a discussion of the future adoption of new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

Our financial market risk consists primarily of interest rate and foreign currency exchange rate risk.

Interest Rate Risk

As of September 30, 2017, the interest rate charged on the senior secured term loan was 4.74%. The interest rate is calculated based on the Adjusted Eurodollar Rate (as defined in the senior secured term loan agreement) with a minimum floor of 1.00% plus 3.50%.

Based on the principal amount outstanding at September 30, 2017, a one percentage point increase in the Eurodollar Rate would increase our annual interest expense by approximately \$4.3 million, based on the September 30, 2017 Adjusted Eurodollar Rate. There would be a \$1.0 million decrease in our annual interest expense if there was a one percentage point decrease in the Eurodollar Rate.

Currency Exchange Risk

We are exposed to currency risk from potential changes in currency values of our non-United States dollar denominated expenses, assets, liabilities and cash flows. Our most significant currency exposure relates to the Indian rupee. Based on expenses incurred in Indian rupees during the third quarter of 2017, a one percentage point increase or decrease in value of the Indian rupee in relation to the United States dollar would increase or decrease our annual expenses by approximately \$1.1 million.

Item 4. Controls and Procedures

a) *Evaluation of Disclosure Controls and Procedures*

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of September 30, 2017, an evaluation was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) of the Exchange Act). Based on this evaluation, such officers have concluded that our disclosure controls and procedures were effective as of September 30, 2017.

b) *Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the quarter ended September 30, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We record a liability for contingencies if an unfavorable outcome is probable and the amount of loss can be reasonably estimated, including expected insurance coverage. For proceedings where the reasonable estimate of loss is a range, we record a best estimate of loss within the range.

Litigation

We are involved in legal actions in the course of our business, some of which seek monetary damages. We do not believe that the outcome of these proceedings, both individually and in the aggregate, will have a material impact on our financial condition, results of operations or cash flows.

Regulatory Matters

Periodically, we are subject to audits, examinations and investigations by federal, state and local governmental authorities and receive subpoenas, civil investigative demands or other requests for information from such governmental authorities in connection with their regulatory or investigative authority. We are currently responding to such inquiries from governmental authorities relating to certain aspects of our business. We believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with these inquiries.

As previously disclosed, Altisource received a Notice and Opportunity to Respond and Advise (“NORA”) letter on November 10, 2016 from the CFPB indicating that the CFPB is considering a potential enforcement action against Altisource relating to an alleged violation of federal law that primarily concerns certain technology services provided to Ocwen. The NORA letter provides the recipient an opportunity to present its positions to the CFPB before an enforcement action is recommended or commenced. On December 5, 2016, we provided a written response to the NORA letter setting forth the legal, policy and factual reasons why we believe an enforcement action is not warranted. We are committed to resolving any potential concerns of the CFPB. If the CFPB were to bring an enforcement action against us, the resolution of such action could have a material adverse impact on our business, reputation, financial condition and results of operations. However, we believe it is premature to predict the potential outcome or to estimate any potential financial impact in connection with any potential CFPB enforcement action.

Item 1A. Risk Factors

As of the date of this filing, there have been no material changes in our risk factors from those disclosed in Part I, Item 1A, of our Form 10-K for the year ended December 31, 2016 filed with the SEC on February 16, 2017, except as follows:

We are negotiating a Services Agreement with NRZ to provide certain-fee based services on the Ocwen Transferred Portfolio. If we are not able to reach an agreement with respect to the terms of the Services Agreement, our business and results of operations could be affected.

We executed a non-binding LOI, as amended, with NRZ to enter into a Services Agreement, setting forth the terms pursuant to which Altisource Solutions S.à r.l. would be the exclusive service provider of certain fee-based services with respect to the Ocwen Transferred Portfolio through August 2025. If we are not able to reach an agreement with respect to the terms of the Services Agreement, and our role as a service provider with respect to the Ocwen Transferred Portfolio is replaced or reduced, our revenue could be lower and our results of operations could be materially adversely affected.

We have entered into a Brokerage Agreement with NRZ’s licensed brokerage subsidiary with respect to the Ocwen Transferred Portfolio. If the Brokerage Agreement is terminated, our business and results of operations could be affected.

We have entered into a Brokerage Agreement with NRZ’s licensed brokerage subsidiary, and in a related letter agreement with NRZ, to provide real estate brokerage services on the Ocwen Transferred Portfolio and with respect to approximately \$6 billion of non-Ocwen serviced non-GSE portfolios. The Brokerage Agreement and the letter agreement are effective through August 31, 2025 but may be terminated early upon certain termination events (including by us if we are not able to enter into a Services Agreement with NRZ), some of which are not subject to a cure period. If any one of these termination events occurs and the Brokerage Agreement is terminated, this could have a material adverse impact on our future revenue and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table presents information related to our repurchases of our equity securities during the three months ended September 30, 2017:

Period	Total number of shares purchased	Weighted average price paid per share	Total number of shares purchased as part of publicly announced plans or programs⁽¹⁾	Maximum number of shares that may yet be purchased under the plans or programs⁽¹⁾
Common stock:				
July 1 – 31, 2017	—	\$ —	—	4,219,665
August 1 – 31, 2017	22,200	22.46	22,200	4,197,465
September 1 – 30, 2017	250,920	23.57	250,920	3,946,545
	<u>273,120</u>	<u>\$ 23.48</u>	<u>273,120</u>	<u>3,946,545</u>

⁽¹⁾ On May 17, 2017, our shareholders approved the renewal of the share repurchase program originally approved by the shareholders on May 18, 2016, which replaced the previous share repurchase program and authorizes us to purchase up to 4.6 million shares of our common stock in the open market, subject to certain parameters.

Item 6. Exhibits

- [3.1](#) [Amended and Restated Articles of Incorporation of Altisource Portfolio Solutions S.A. \(incorporated by reference to Exhibit 3.1 of the Company's Form 10-Q filed on August 9, 2017\).](#)
- [10.1](#) † [Form of Non-Qualified Stock Option Award Agreement \(2017 Performance-Based Stock Options\) \(incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed on April 13, 2017\)](#)
- [10.2](#) † [Form of Non-Qualified Stock Option Award Agreement \(Service Revenue Stock Options\) \(incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed on April 13, 2017\)](#)
- [10.3](#) † [Form of Restricted Stock Award Agreement \(2017 Performance-Based Restricted Shares\) \(incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed on April 13, 2017\)](#)
- [10.4](#) † [Form of Restricted Stock Award Agreement \(Service-Based Restricted Shares\) \(incorporated by reference to Exhibit 10.4 of the Company's Form 8-K filed on April 13, 2017\)](#)
- [10.5](#) *† [Employment Agreement dated August 3, 2017 between Altisource Solutions S.à r.l. and Indroneel Chatterjee](#)
- [10.6](#) *† [Non-Qualified Stock Option Award Agreement between the Company and Indroneel Chatterjee dated as of October 5, 2017](#)
- [10.7](#) *† [Restricted Stock Award Agreement between the Company and Indroneel Chatterjee dated as of October 5, 2017](#)
- [10.8](#) ** [Cooperative Brokerage Agreement, dated as of August 28, 2017, between REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp.](#)
- [10.9](#) ** [Letter Agreement, dated as of August 28, 2017, between New Residential Investment Corp., New Residential Mortgage LLC, REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and Altisource Solutions S.à r.l.](#)
- [31.1](#) * [Section 302 Certification of the Chief Executive Officer pursuant to Exchange Act Rule 13a-14\(a\)](#)
- [31.2](#) * [Section 302 Certification of the Chief Financial Officer pursuant to Exchange Act Rule 13a-14\(a\)](#)
- [32.1](#) * [Certification by the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101 * Pursuant to Rule 405 of Regulation S-T, the following financial information from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2017 is formatted in XBRL interactive data files: (i) Condensed Consolidated Balance Sheets at September 30, 2017 and December 31, 2016; (ii) Condensed Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2017 and 2016; (iii) Condensed Consolidated Statements of Equity for the nine months ended September 30, 2017 and 2016; (iv) Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016; and (v) Notes to Condensed Consolidated Financial Statements.

† Denotes a management contract or compensatory arrangement

* Filed herewith

** Filed herewith. Portions of this exhibit have been redacted pursuant to a request for confidential treatment. The non-public information has been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALTISOURCE PORTFOLIO SOLUTIONS S.A.
(Registrant)

Date: October 26, 2017

By: /s/ William B. Shepro

William B. Shepro
Director and Chief Executive Officer
(Principal Executive Officer)

Date: October 26, 2017

By: /s/ Michelle D. Esterman

Michelle D. Esterman
Executive Vice President, Finance
(Principal Accounting Officer)

EMPLOYMENT CONTRACT OF INDEFINITE DURATION

BY AND BETWEEN:

1. ALTISOURCE SOLUTIONS S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of the Grand Duchy of Luxembourg, with registered office at 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register under number B. 147268 ("S.à r.l.") (hereinafter referred to as the "**Employer**"); and
2. Indroneel Chatterjee born on [redacted] in India and currently residing at [redacted] (hereinafter referred to as the "**Employee**")

The Employee and the Employer may hereinafter collectively be referred to as the "**Parties**", each being a "**Party**".

It has been agreed by and between the Parties as follows:

Article 1 - Definitions:

Appointment or Employment: the employment of the Employee by the Employer on the terms of this Contract.

ASPS: Altisource Portfolio Solutions S.A., the ultimate parent company of the Employer.

Commencement Date: the latter to occur of (i) October 1, 2017 or (ii) the date of the Employee's relocation to Luxembourg after receipt of the Luxembourg Work and Residence Authorization.

Company: the Employer, its parent companies, subsidiaries, and their respective successors and assigns.

Confidential Information: information (of any nature and in any format) which is not in the public domain, relating to the business, products, affairs and finances of the Employer.

Contract: the present unlimited period employment contract.

Incapacity: any illness or injury which prevents the Employee from carrying out his duties.

Rules and Regulations: any internal rules and regulations which may be periodically prepared by the Company, and which apply to similarly situated employees.

Article 2 – Duties and Nature of Service

(a) The Employer shall employ the Employee from the Commencement Date to fulfill the position of Chief Financial Officer of the Company. The Employee will have the responsibilities enumerated in Article 2(b) below, or such other authority, functions, duties, powers and responsibilities as may be assigned to the Employee from time to time. The Parties hereby acknowledge and accept that considering the nature of the Employee's activities it is impossible to provide a comprehensive description of the activities to be performed by him, which shall include all the tasks that are directly or indirectly necessary or useful for the performance of the concerned duties.

(b) Employee's responsibilities will include, but not be limited to, the following:

- Directing and overseeing all aspects of the Company's Finance, Accounting, Financial Reporting, Tax and Investor Relations functions
- Developing an effective capital allocation strategy to create long-term shareholder value, including evaluating capital investments and debt/equity market opportunities
- Ensuring that the Company's interim and annual financial statements and management's discussion and analysis thereon fairly present the financial position of the Company and the results of its operations
- Ensuring the effective design and operation of the Company's systems of internal controls over financial reporting
- Developing and implementing the Company's strategy in partnership with the Chief Executive Officer and Board of Directors of ASPS, including, without limitation:
 - o Developing and implementing the five (5) year enterprise strategic plan
 - o Providing ongoing strategic input to the Chief Executive Officer and Board of Directors of ASPS, including recommendations on pricing strategy, working capital management and new-capability development
 - o Assisting, and in certain instances overseeing, in the development and management of business and product strategies across the enterprise
 - o Assisting, and in certain instances leading, in the implementation of strategic business and product plans, monitoring and reporting against the plans to ensure the Company is meeting its financial goals
- Ensuring the effective staffing and management of the Finance, Accounting, Financial Reporting, Tax and Investor Relations organizations and developing and implementing processes which are necessary to provide strategic, financial and accounting support to the Company and its employees

- Such other responsibilities as deemed appropriate by the Chief Executive Officer or the Board of Directors of ASPS

- (c) The Employee shall serve the Employer on the terms of this Contract and accepts the aforementioned position. The Employee shall work for the Employer in this position or in any other similar position, which the Employer may assign to him over the course of time. Notwithstanding anything in this Contract to the contrary, the Employee understands and agrees that the Employment is contingent upon the satisfactory completion of background checks as may be conducted by the Company and its external auditors and the Employee expressly consents to such background checks.
- (d) The registered office of the Employer is 40, avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg. The Employee shall carry out his duties in the Grand-Duchy of Luxembourg or at such other place as instructed by the Employer. The Employee shall undertake all national and international business travels justified by the business needs and his function.
- (e) The Parties agree and the Employee consents that the place of employment is not an essential condition of this Contract. As such, the Employee expressly agrees to work, to be posted and even to be transferred to another location or entity of the Company if such location or entity is in the U.S. or in the EU.
- (f) The Employee expressly confirms that he is not bound to any other company, firm or entity by a non-competition or any other such clause which would prevent him from signing the present Contract.
- (g) The Employee shall undertake to inform the Employer immediately in writing of any changes in his personal situation such as his address, family status or number of children. The Employer shall treat all such information confidentially.
- (h) The Employee warrants that, upon receipt of his Luxembourg Work Permit and Authorization of Residence, he will be entitled to work in Luxembourg without any additional approvals and will notify the Employer immediately if he ceases to be so-entitled during the Employment.
- (i) The Employee consents to undergo an obligatory medical examination within two (2) months of commencing the Employment in order to verify his physical aptitude to fulfill his obligations under the Employment.

Article 3 – Duration and Termination

- (a) The first six (6) months of the Appointment shall be a probationary period and the Appointment may be terminated at any time during this period, with one month prior notice. During this probationary period the Employee's performance and suitability for continued employment will be monitored. Pursuant to article L.121-5 of the Luxembourg Labor Code, this Contract cannot be terminated unilaterally during the first two (2) weeks of the probationary period except in the case of gross

misconduct. After completion of the first two (2) weeks' probation, either party may terminate the Contract without cause until the end of the probationary period in accordance with article L.121-5.

(b) If neither Party has given notice of termination within the probationary period, the present Contract shall be deemed to be effective as of the first day of the probationary period and concluded for an indefinite period, subject to the terms of this Contract and the Luxembourg Labor Code.

(c) Either Party may terminate this Contract in writing, giving the other no less than the following legal prior notice, in accordance with article L.124-1 of the Luxembourg Labor Code:

In the case of the dismissal of the Employee by the Employer, the latter must respect a minimum prior notice of:

- Two (2) months if the term of the Employment is under five (5) years
- Four (4) months if the term of the Employment is between five (5) and ten (10) years
- Six (6) months if the term of the Employment is over ten (10) years

In the case of the resignation of the Employee, the following prior notice must be given:

- One (1) month if the term of the Employment is under five (5) years
- Two (2) months if the term of the Employment is between five (5) and ten (10) years
- Three (3) months if the term of the Employment is over ten (10) years

The respective prior notice will run from the fifteenth (15th) day of the month if notice was given before such a date, or from the first (1st) day of the following month if notice was given after the fifteenth (15th) of the month. The Employer reserves the right to pay salary in lieu of notice for all or any part of the notice period.

(d) In accordance with article L.124-7 of the Luxembourg Labor Code, if the Employee is dismissed for reasons other than the gross misconduct described in article L.124-10, the Employer shall pay the Employee as severance:

- One (1) month's gross base salary if the term of the Employment is between five (5) and ten (10) years
- Two (2) months' gross base salary if the term of the Employment is between ten (10) and fifteen (15) years
- Three (3) months' gross base salary if the term of the Employment is over fifteen (15) years

(e) To the extent that Employee is terminated for reasons other than the gross misconduct described in article L.124-10 of the Luxembourg Labor Code, the Employer will pay additional amounts to the

Employee as set forth in Article 9 of this Contract pursuant to and contingent upon the execution of the Employer's Separation Agreement.

- (f) Notwithstanding the above, the Employer may terminate the Contract with immediate effect without notice and with no liability to make any further payment to the Employee (other than in respect of amounts accrued due and unpaid at the date of termination) if the Employee commits an act of gross misconduct in accordance with article L.124-10 of the Luxembourg Labor Code.
- (g) The Contract will automatically terminate by operation of the law on the date on which the Employee is declared to be medically unable to perform his duties under the Contract by the pre-employment, or any subsequent, medical examination; on the fifty-second week of continual Incapacity over any one hundred and four week period; when the Employee reaches the legal retirement age or is attributed an old-age pension or any other of the provisions specified under articles L.125-2 to L.125-4 of the Luxembourg Labor Code.

Article 4 – Remuneration

- (a) The Employee's annual gross base salary shall be 475,000 U.S. Dollars (USD) or 422,750 Euros (EUR) (converted into EUR at a USD to EUR exchange rate of 0.89.). This annual gross base salary shall be payable in EUR in twenty four (24) instalments.
- (b) In accordance with article L.223-1 of the Luxembourg Labor Code, the salary shall be adapted and vary proportionally with the variations of the index of cost of living in the Grand Duchy of Luxembourg. The above salary has been fixed in consideration of the index applicable at the date on which this Contract becomes effective (Salary Index at the time of the signature of the present Contract: 794.54 as of January 1, 2017).
- (c) The Employee's salary shall accrue from day to day and be paid in arrears twice monthly directly into the Employee's bank account. The Employee shall inform the Employer of all necessary details relating thereto.
- (d) The Employer hereby informs the Employee that in order to fulfill the obligations under the Contract and to pay his salary, the following information about the Employee may be transmitted: name, address, civil status, date of birth, any documents given during the recruiting and employment proceedings (including the curriculum vitae), the employment agreement and salary, proof of payment, all raises or modifications of salary, the hours effectively worked, any correspondence with the employees as well as all other documents relating to the Contract (such as holiday requests or Incapacity certificates). The Employee consents to the transfer of the above personal information within the group of companies of the Employer, including outside of the European Union, as contemplated by Article 19 Paragraph 1(a) of the Luxembourg law on Data Protection of August 2, 2002. The Employee is permitted to access the

above information and may demand the rectification of any error thereupon. For the avoidance of doubt, the Parties agree that the Company will be authorized to publicly disclose such information to the extent required pursuant to the rules and regulations promulgated by the Securities and Exchange Commission, and the Employee expressly consents to such disclosures.

- (e) Upon satisfaction of the relevant performance criteria in accordance with Altisource's Incentive Plan, as amended from time to time by the Employer in its sole discretion, the Employee may be entitled to an annual discretionary bonus as per a scorecard as amended from time to time, which scorecard will be made available to the Employee as set forth below. At the target performance level, the Employee can anticipate earning approximately 475,000 USD in incentive compensation on an annual basis, less applicable withholding taxes. There is no legal entitlement to the annual bonus and payment is at the sole discretion of the Employer. Notwithstanding the foregoing, (i) for calendar year 2017, Employee will receive a cash incentive compensation payment of 485,000 USD, less applicable withholding taxes, subject to meeting performance expectations and continued employment through the date of payment, payable at the time when incentive payments for similarly situated executives are made (expected March 2018) and (ii) for calendar year 2018, Employee will receive a minimum cash incentive compensation payment of 475,000 USD, less applicable withholding taxes, subject to meeting performance expectations and continued employment through the date of payment, payable at the time when 2018 incentive payments for similarly situated executives are made (expected March 2019). Incentive payments will be made in USD or EUR at the then-applicable USD to EUR exchange rate at the Employee's discretion.
- (f) The Employee will receive a one-time cash incentive bonus of 34,464 USD, subject to applicable withholding taxes, payable upon satisfactory completion of the first one (1) year of employment. Payment of the bonus will be made in USD or EUR at the then-applicable USD to EUR exchange rate at the Employee's discretion
- (g) In accordance with the terms of the 2009 Equity Incentive Plan, subject in each case to Employee's execution of the applicable award agreement containing all of the terms and conditions of the award, the Employee will be awarded:
- On the Commencement Date, a grant of ASPS restricted stock ("Restricted Shares") scheduled to vest over four (4) years, subject to continued employment except as otherwise set forth in the applicable award agreement. The value of the award will be equal to the value of Employee's unvested and forfeited deferred compensation from his prior employer as of the Commencement Date. The number of Restricted Shares shall be determined by dividing such award value by the average of the high and low price of the ASPS common stock on the Commencement Date.

- On the date when the 2017 annual incentive for similarly situated executives are approved by the Compensation Committee of the ASPS Board of Directors (expected in March 2018) (the “Grant Date”), subject to continued employment through the Grant Date, a grant of Restricted Shares with an award value of 540,000 USD scheduled to vest over the subsequent three (3) years. Such vesting will be subject to the Employee’s continued employment except as otherwise set forth in the applicable award agreement. The number of Restricted Shares shall be determined by dividing the award value by the average of the high and low price of the ASPS common stock on the Grant Date.
 - On the Commencement Date, the option to acquire 20,000 shares of ASPS common stock at a strike price equal to the closing price of the ASPS common stock on the Commencement Date. These options will be market-based options, whereby (i) two-thirds (2/3) of the market-based options would commence vesting if the stock price realizes a compounded annual gain of at least twenty percent (20%) over the exercise price, so long as the stock price is at least double the exercise price, with one-third (1/3) vesting immediately upon the achievement of such criteria and the remaining two-thirds (2/3) vesting over the next two (2) years and (ii) the remaining one third (1/3) of the market-based options would commence vesting if the stock price realizes a compounded annual gain of at least twenty-five percent (25%) over the exercise price, so long as it is at least triple the exercise price, with one-third (1/3) vesting immediately upon the achievement of such criteria and the remaining two-thirds (2/3) vesting over the next two (2) years. Such vesting will be subject to the Employee’s continued employment except as otherwise set forth in the applicable award agreement.
- (h) The Employee will be eligible for certain relocation benefits while employed in Luxembourg in accordance with the Altisource Relocation Plan provided to the Employee by the Employer.
- (i) It is expressly agreed that any bonus, premium or any other fringe benefits not arising from any legal or contractual provision or regulation, granted to the Employee, shall be deemed to be a gift, whatever their frequency and their amount and may therefore not be considered as vested rights to the benefit of the Employee.
- (j) The salary and other benefits of the Employee shall be payable after deduction of all compulsory contributions to the social security system (if applicable) in existence in Luxembourg and after deduction of the retentions at source of income tax (if applicable) and, should the case arise, any other charges imposed by Luxembourg Law.

Article 5 – Working Hours and Holidays

- (a) The working hours shall be fixed in accordance with the applicable legal provisions in the Grand-

Duchy of Luxembourg and the Employee's salary is based on a minimum average of forty (40) working hours per week and eight (8) hours per day scheduled in principle from Monday to Friday. The Employee hereby acknowledges that general working hours or overtime statutory provisions are not applicable to his position as a higher level employee ("*cadre supérieur*") within the meaning of article L.211-3 of the Luxembourg Labor Code, and in accordance with article L.211-27 (4) of the Luxembourg Labor Code. Working hours may thus vary according to the Employer's requirements.

- (b) The Employee shall have the right to twenty-five (25) days of paid annual leave, in addition to the Luxembourg public holidays, notwithstanding article L.233-4 of the Luxembourg Labor Code's provisions.
- (c) The Employee will respect a reasonable delay between requesting leave from the Employer and taking it, in order to not perturb the functioning of the Employer in accordance with article L.233-10 of the Luxembourg Labor Code. The Employer shall respect the Employee's request to the extent that the request does not perturb the functioning of the Employer or conflict with other employees' leave.
- (d) The Employee shall take, and the Employer shall allow the Employee to take, his accumulated leave in full before the end of each calendar year, in accordance with articles L.233-9 and L.233-10 of the Luxembourg Labor Code.
- (e) In the event that business reasons prevent the Employee from taking all his annual leave entitlement during the calendar year, he may transfer the remaining leave entitlement to the next calendar year, in which case it shall expire on the 31st of March, unless prevented again by business reasons. For the avoidance of doubt, if the Employee separates from the Company between January 1st and March 31st, any leave carried over from the prior year shall expire and Employee shall not be entitled to payment for such leave.

Article 6 – Incapacity

- (a) The Employee who is incapable of working for any reason of illness or accident shall notify the Employer or his representative as soon as possible on the first day of Incapacity, either personally or by way of an intermediary. Such notification may be made orally or in writing.
- (b) The Employee has three (3) days to provide the Employer with a medical certificate in which the beginning and the expected duration of Incapacity is stated. The Employer reserves the right to request a medical counter examination.
- (c) Subject to the Employee's compliance with the provisions of the Luxembourg Labor Code, he shall, in principle, continue to receive his full salary and contractual benefits (if any) from the Employer during the initial sickness period provided by article L.121-6 of the Luxembourg Labor Code.

Article 7 – Confidential Information / Employer properties

- (a) The Employee shall treat as confidential all information concerning the activities of the Company, and he shall not disclose to third parties, or to other employees, any information of which he may have been made aware during the present Contract, notwithstanding that which is reasonably necessary to permit normal performance of their respective duties by the parties concerned.
- (b) The Employee undertakes both during this employment with the Employer and at any time after the termination thereof not to perform or participate in any act of unfair competition.
- (c) Any breach of this obligation occurring while the Contract is in place, shall constitute a serious fault rendering immediately and definitively any further relationship between the Employer and the Employee impossible and justifying the immediate dismissal of the Employee without any notice or indemnity and without prejudice to any further proceedings or claims which may be exercised by the Employer.
- (d) All notes, reports, listings, files, documents, and contacts howsoever related to the Employer are and shall remain the exclusive property of the Employer and shall be created, processed, and stored by the Employee in a confidential manner exclusively on behalf of the Employer.
- (e) When the present Contract shall come to an end, the Employee must return to the Employer all documents as well as copies of such documents which may be in the possession of or under the control of the Employee, and the Employee undertakes to do everything to assist the Employer to recover all documents which may be beyond the control of the Employee.

Article 8 – Obligations

- (a) Throughout the duration of this Contract, the Employee will work exclusively for the Employer and will not take up any other occupation or engage in any act which is directly or indirectly competitive with the business of the Employer or any of its affiliated companies and to its detriment.
- (j) Throughout the duration of this Contract, the Employee shall not have any direct or indirect interest in any other business or organisation if that business or organisation competes or might reasonably be considered by the Employer to compete with the Company or any of its affiliated companies or if this impairs or might reasonably be considered to impair the Employee's ability to act in the best interests of the Company or any of its affiliated companies.

(k) Throughout the duration of this Contract, the Employee shall comply with the rules, policies and procedures set out in the Company's Code of Business Conduct and Ethics, Management Directives and other applicable internal Rules and Regulations, which may be amended from time to time by the Company. This Contract is intended, among other things, to supplement applicable Rules and Regulations and does not in any way modify or abrogate the obligations or duties owed by the Employee to the Company thereunder.

Article 9 – Non-competition and Non-solicitation

- (a) During a twelve (12) month period following the date upon which his service under this Contract terminates or expires, the Employee hereby undertakes that he will not run within the Grand Duchy of Luxembourg or in the United States of America a personal business similar or in competition with the business of the Company nor enter into an employment contract with a business similar or in competition with the business of the Company. In that regard, the Employee shall not directly or indirectly on his own behalf, or in the service of or on behalf of others, engage in, provide any executive, managerial, supervisory, sales, marketing, research, or customer-related services to, or own (other than ownership of less than one percent (1%) of the outstanding voting securities of any entity the voting securities of which are traded on a national securities exchange) a beneficial or legal interest in, any business (other than the Company) which (i) concerns the business of the Company or (ii) is competitive or likely to be competitive with the business of the Company .
- (b) The Employee agrees that he will disclose the existence of his obligations pursuant to Article 9 of this Contract to any potential employer prior to accepting employment.
- (c) In consideration of the above-mentioned obligations, and in addition to any amounts owed pursuant to articles L.124-1 and L.124-7 of the Luxembourg Labor Code (as set forth in article 3(c) and 3(d) herein), the Employer will pay to the Employee four (4) months of his gross base salary. The Employer will pay the Employee these additional severance amounts subject to the Employee's execution of the Employer's Separation Agreement.
- (d) The Employer may waive Employee's obligations set forth in Articles 9(a) and 9(b) unilaterally on condition that it informs the Employee (by email or mail) within two (2) weeks from the notice of termination of the Contract by either party. If the Employer waives these obligations and provides the required notification, the Employer will be relieved from the payment obligations set forth in Article 9(c).
- (e) Throughout the duration of this Contract and for a period of two (2) years following its termination, the Employee will not, directly or indirectly, solicit or hire or assist any other person or entity in soliciting or hiring any employee of the Company or any of its affiliated companies to perform services

for any entity (other than the Company or any other affiliated companies), or attempt to induce any such employee to leave the Company or any of its affiliated companies.

- (f) Throughout the duration of this Contract and for a period of two (2) years following its termination, the Employee will not, directly or indirectly, solicit or hire or assist any other person or entity in soliciting or hiring any client of the Company or any of its affiliated companies, or attempt to induce any such client to leave the Company or any of its affiliated companies.
- (g) Any breach of these obligations shall constitute a serious fault and might give rise to one or several claims or proceedings to be exercised by the Company before the courts and authorities concerned.
- (h) The Employee expressly agrees that the provisions of Section 9 of the Contract may be enforced against him in any court or competent jurisdiction in the United States.
- (i) In the event that this article is determined by a court which has jurisdiction to be unenforceable in part or in whole, the court shall be deemed to have the authority to revise any provision of this Contract to the minimum extent necessary to be enforceable to the maximum extent permitted by law.

Article 10 – Intellectual property

- (a) Any inventions, devices or concepts, as well as any result of research, any original creation or program, related to the field of activity of the Company and made or developed by the Employee during his employment and for a period of one (1) year after termination of such relationship for whatsoever reason, belongs to the exclusive legal and beneficial ownership of the Employer, in accordance with the relevant provisions of patent and copyright laws applicable in Luxembourg.
- (b) The Employee hereby grants, assigns and conveys to the Employer all right, title, and interest in and to all inventions, devices or concepts, as well as any result of research, any original creation or program, and all other materials (as well as the copyrights, patents, trade secrets, and similar rights attendant hereto) conceived, reduced to practice, authored, developed or delivered by the Employee either solely or jointly with others, during and in connection with the performance of services under the Contract with the Employer.
- (c) The Employee shall have no right to disclose or use any such inventions, devices or concepts, as well as any result of research, any original creation or program, and all other materials for any purpose whatsoever and shall not communicate to any third party the nature of or details relating to such

inventions, devices or concepts, as well as any result of research, any original creation or program, and all other materials.

(d) The Employee agrees that he will comply with all obligations set forth in the Employee Intellectual Property Agreement provided by the Employer and incorporated herein by this reference.

Article 11 – Use of information technologies

The Employee undertakes not to use the Internet with the Company's hardware if such activity does not comply with applicable law and public order, and if it adversely affects the Company's interests.

Article 12 – Data protection

- (a) The Luxembourg law of 2 August 2002, implemented in articles L.261-1 and L.261-2 of the Luxembourg Labor code, defines how the Employees' personal data may be used for normal administrative purposes resulting out of the Employees' employment with the Employer. By signing this Contract, the Employee expressly agrees to his data being used for this purpose. The Employee commits himself to inform the Employer of any modification of his personal data (i.e. address, bank account number etc.).
- (b) The Employees' data will be held for as long as legally required and held confidentially.
- (c) This data is retained as long as the obligations and duties deriving from them are no longer legally required. The Employee may at any time request the Employer to provide him with his personal data or require the correction of the data in case of justified grievances.

Article 13 – Miscellaneous

- (a) All notices and other communications provided for hereunder shall be in English and in writing, delivered by hand or by registered or certified mail (return receipt requested) and delivered or addressed to the addressee at its address below (or any other address it may subsequently notify in writing to the other Party):

If to the Employer, to:

Address: 40, Avenue Monterey, L-2163 Luxembourg, Grand Duchy of Luxembourg (or any other address that becomes corporate headquarters and published in the Luxembourg Gazette ("*Mémorial*"), with an electronic copy to KevinJ.Wilcox@altisource.lu)

Attention: Kevin J. Wilcox

If to the Employee, to:

Address: In Luxembourg, address to be established

Attention: Indroneel Chatterjee

The date on which a notice shall be deemed validly given shall be the date of its receipt by the addressee, i.e. the date appearing on the acknowledgment or refusal of receipt or the addressee's countersignature.

- (b) No amendment or waiver of any provision of this Contract, nor consent to or departure by either Party therefrom, nor any subsidiary agreement relating to the subject matter of this Contract, shall in any event be valid unless it is in writing and signed by or on behalf of both Parties.
- (c) This Contract may be assigned by Employer to any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of Employer. This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, assigns, heirs, executors and legal representatives. If there shall be a successor to Employer or Employer shall assign this Agreement, then as used in this Agreement, (a) the term "Employer" shall mean Employer as hereinbefore defined and any successor or any permitted assignee, as applicable, to which this Agreement is assigned.
- (d) The possible nullity or non-applicability of one or more provisions of the present Contract shall not result in the nullification of the entire Contract.

Article 14 – Governing Law and Jurisdiction

Except for breaches of the provisions of Article 9 herein, the present Contract shall be governed, interpreted and performed by and in accordance with the law in force in the Grand- Duchy of Luxembourg. Except for breaches of the provisions of Article 9 herein, each Party expressly agrees to submit to the exclusive jurisdiction of the Courts of Luxembourg over any claim or matter arising under or in connection with this Contract.

Article 15 – Contractual Interpretation

If any provision of this Contract is held to be unenforceable, then this Contract will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of the Contract, valid and enforceable. If a court declines to amend this Contract as provided herein, the invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of the remaining provisions, which shall be enforced as if the offending provision had not been included in this Contract.

Employee ____ / Employer ____

In witness whereof the present Contract has been signed in triplicate on the ____ day of August 2017 and each of the Parties acknowledges having received one original version (with the 3rd original version to be provided to the Luxembourg Ministry of Foreign Affairs.)

The Employer

Altisource Solutions S.à r.l.

By: Kevin J. Wilcox, Manager

The Employee

By: Indroneel Chatterjee

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

THIS NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (the “Agreement”) is made as of October 5, 2017 (the “Grant Date”), between Altisource Portfolio Solutions S.A., a Luxembourg société anonyme (“Altisource” and, together with its subsidiaries and affiliates, the “Company”), and Indroneel Chatterjee, an employee of the Company (the “Employee”).

WHEREAS, the Company desires, by affording the Employee an opportunity to purchase shares of its common stock, par value \$1.00 per share (“Shares”), to further the objectives of the Company’s 2009 Equity Incentive Plan (the “2009 Plan”).

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. OPTION GRANT

The Company hereby grants to the Employee, pursuant to and subject to the 2009 Plan, the right and option to purchase all or any part of an aggregate 20,000 Shares from the Company for a purchase price of \$27.29 per share (the “Strike Price”), on the terms and conditions set forth in this Agreement (the “Options”).

2. OPTION TERM

The term of the Options shall begin on the Grant Date and will continue for a period of ten (10) years from the Grant Date, unless earlier terminated pursuant to exercise, in accordance with Section 3 Subsection A or as provided in Section 5 below.

3. VESTING OF OPTIONS**A. Vesting Schedule**

Subject to the provisions of Sections 5 and 6 below, the Options shall vest and become exercisable based on the achievement of performance criteria as follows:

- (1) **Ordinary Performance-Based Vesting**. Two-thirds (2/3) of the Options (the “Ordinary Performance-Based Options”) shall vest in three (3) equal annual increments, as follows. One-third (1/3) of the Ordinary Performance-Based Options shall vest on the date as of which both of the following performance criteria have been met: (x) the per share price of the Shares at any time from the date of this Agreement equals or exceeds two times the Strike Price, and (y) investors achieve a 20% Annualized Rate of Return from the date of this Agreement based on the Strike Price. Thereafter, one-third (1/3) of the Ordinary Performance-Based Options shall automatically vest on each of the consecutive two (2) anniversaries of the date of such initial vesting.

- (2) Extraordinary Performance-Based Vesting. One-third (1/3) of the Options (the “Extraordinary Performance-Based Options”) shall vest in three (3) equal annual increments, as follows. One-third (1/3) of the Extraordinary Performance-Based Options shall vest on the date as of which both of the following extraordinary performance criteria have been met: (x) the per share price of the Shares at any time from the date of this Agreement equals or exceeds three times the Strike Price, and (y) investors achieve a 25% Annualized Rate of Return from the date of this Agreement based on the Strike Price. Thereafter, one-third (1/3) of the Extraordinary Performance-Based Options shall automatically vest on each of the consecutive two (2) anniversaries of the date of such initial vesting.

For the avoidance of doubt, the requisite ordinary performance and/or extraordinary performance criteria provided in clauses (x) and (y) of Section 3, Subsections A(1) and A(2) above, once satisfied for the initial vesting of the Ordinary Performance-Based Options and/or the Extraordinary Performance-Based Options, respectively, do not need to continue to be satisfied for vesting of the same on the subsequent two (2) anniversaries of such initial vesting.

B. General

The Employee shall have none of the rights of a shareholder with respect to any of the Shares subject to the Options until such Shares shall be issued in the Employee’s name or the name of the Employee’s designee following the exercise of the Options.

4. METHOD OF OPTION EXERCISE

- A. Subject to the terms and conditions of this Agreement, vested Options may be exercised by written notice to the Company at its executive offices to the attention of the Corporate Secretary of the Company (the “Notice”). The Notice shall state the election to exercise vested Options, shall state the number of Shares in respect of which it is being exercised (the “Purchased Shares”) and shall be signed by the person or persons so exercising such Options. In no case may vested Options be exercised as to less than fifty (50) Shares at any one time (or the remaining Shares then purchasable under the vested Options, if less than fifty (50) Shares) or for a fractional Share. Except as provided in Section 5 below, vested Options may not be exercised unless the Employee shall, at the time of the exercise, be an employee of the Company and not under a notice of resignation. During the Employee’s lifetime, only the Employee or the Employee’s guardian or legal representative may exercise vested Options (in the case of the Employee’s guardian or legal representative, such guardian or legal representative, as applicable, will be considered to be the Employee for purposes of exercising the Employee’s rights in this Section 4, Subsections A and B).
- B. A Notice shall be accompanied by (1) a personal check payable to the order of the Company for payment of the full purchase price of the Purchased Shares, (2) delivery

to the Company of the number of Shares duly endorsed for transfer and owned by the Employee that have an aggregate Fair Market Value equal to the aggregate purchase price of the Purchased Shares or (3) payment therefor made in such other manner as may be acceptable to the Company on such terms as may be determined by the Board of Directors. "Fair Market Value" shall have the meaning given to that term in the 2009 Plan. In addition to and at the time of payment of the purchase price, the person exercising the vested Options shall pay to the Company the full amount of any federal and state withholding or other taxes applicable to the taxable income of such person resulting from such exercise in cash unless the Board of Directors in its sole discretion shall permit such taxes to be paid in Shares. Such payment may also be made in the form of payroll withholding, at the election of the Employee. The Company shall issue the Purchased Shares as soon as practicable after receipt of the notice and all required payments by the person or persons exercising the Options as provided in Section 4, Subsection A above. Unless the person or persons exercising the Options shall otherwise direct the Company in writing, such Purchased Shares shall be registered in the name of the Employee and shall be delivered as aforesaid to or upon the written order of the Employee.

- C. To the extent Options shall be exercised, pursuant to Section 5 hereof, by any person or persons other than the Employee, such notice shall be accompanied by appropriate proof of the derivative right of such person or persons to exercise the Options.
- D. The date of exercise of an Option shall be the date on which the Notice, the documents and all payments required under this Section 4 are received by or arranged with the Corporate Secretary of the Company. If such Notice is received after the market closes, the following trading day will be considered the date of exercise. All Purchased Shares shall be fully paid and non-assessable.
- E. The Company may require the Employee to exercise the Options electronically through the Shareworks system or any other online system pursuant to the procedures set forth therein as determined by the Company in its sole discretion.
- F. The Company may amend the procedures set forth in this Section 4, Subsections A through E in its sole discretion.

5. TERMINATION OF OPTIONS

The Options may not be exercised to any extent after termination of the Options. Options will terminate as set forth below in this Section 5:

- A. The Options shall terminate upon the exercise of such Options in the manner provided in this Agreement and the 2009 Plan, whether or not the Purchased Shares are ultimately delivered.

- B. Except as may otherwise be provided in Section 3 Subsection A and this Section 5, Subsections A and C for the earlier termination of the Options, the Options and all rights and obligations thereunder shall expire ten (10) years after the Grant Date.
- C. If, prior to exercise, expiration, forfeiture, surrender or cancellation of the Options, the Employee's employment terminates, the Options shall terminate in accordance with the 2009 Plan except as follows:
- (1) by reason of termination of employment by the Company for Cause, then all Options shall terminate on the date of termination of employment.
 - (2) by reason of termination of employment by the Employee (other than by reason of Retirement), then all unvested Options shall terminate on the date Employee provides notice of his or her resignation and all vested Options shall terminate on the date that is six (6) months after the date of termination of employment.
 - (3) by reason of death or Disability, then the Options shall remain outstanding, subject to vesting only upon satisfaction of the respective criteria for the vesting of such options set forth in Section 3, Subsection A. In case the Employee's employment is terminated by reason of death or Disability and the Employee is dead or incapacitated, the vested options will be transferred to the Employee's legal heirs.
 - (4) by reason of termination of employment by the Company without Cause or Retirement of the Employee, then (a) if the respective performance criteria for the Ordinary Performance-Based Options or such Extraordinary Performance-Based Options have been satisfied on or prior to the ninety (90) day anniversary of the date of such termination of employment, such Ordinary Performance-Based Options or Extraordinary Performance-Based Options, as applicable, shall terminate on the later of (i) the six (6) month anniversary of the date such Option vests, or (ii) the six (6) month anniversary of the date of such termination of employment, and (b) if the respective performance criteria for the Ordinary Performance-Based Options or Extraordinary Performance-Based Options have not been satisfied on or prior to the ninety (90) day anniversary of the date of such termination of employment, such Ordinary Performance-Based Options or Extraordinary Performance-Based Options, as applicable, shall terminate on the ninety (90) day anniversary of the date of termination of employment. Notwithstanding the foregoing, if the respective performance criteria for the Ordinary Performance-Based Options or the Extraordinary Performance Based Options have been satisfied on or prior to the ninety (90) day anniversary of the date of such termination of employment, the Company will have the right in its sole discretion to require the Employee to exercise all or part of such Ordinary Performance-Based Options or such Extraordinary Performance-

Based Options at any time. For the avoidance of doubt, in no event shall this Section 5, Subsection C(4) extend the life of the Options beyond the Option term as set forth in Section 2 of this Agreement.

- D. The Employee's right to retain any Options following termination of employment under Section 5 Subsection C is subject in all cases to the requirement that the Employee has been employed with the Company for a period of at least three (3) years in the case of Retirement or two (2) years in the case of termination of employment, Disability or death, unless otherwise determined by the Company in its sole discretion.

6. CONDITIONS UPON TERMINATION OF EMPLOYMENT

- A. For a period of two (2) years following the Employee's departure from the Company, the Employee shall not (A) engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Company, (B) solicit, directly or indirectly, any employee of the Company to leave the employ of the Company for employment, hire or engagement as an independent contractor elsewhere, (C) in any way interfere with the relationship between any customer, supplier, licensee or business relation of the Company or (D) share, reveal or utilize any Confidential Information of the Company except as otherwise expressly permitted by Company.
- B. For a period of two (2) years following the Employee's departure from the Company, the Employee shall be available at reasonable times for consultations at the request of the Company's management with respect to phases of the business with which the Employee was actively connected during the Employee's employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement.
- C. The Employee acknowledges that the Company would not have awarded the Options granted to the Employee under this Agreement absent the Employee's agreement to be bound by the covenants made in this Section 6.
- D. In the event that the Employee fails to comply with any of the promises made in this Section 6, then in addition to and not in limitation of any and all other remedies available to the Company at law or in equity (a) the Options, to the extent then unexercised, whether vested or unvested, will be immediately forfeited and cancelled and (b) the Employee will be required to immediately deliver to the Company an amount (in cash or in Shares) equal to the market value (on the date of exercise) of any Shares acquired on exercise of the Options less the exercise price paid for such Shares (the "Share Value") to the extent such Shares were acquired by the Employee

upon exercise of the Options at any time from 180 days prior to the earlier of (i) the date of termination of employment or (ii) the date the Employee fails to comply with any promise made in this Section 6, to 180 days after the date when the Company learns that the Employee has not complied with any such promise. The Employee will deliver such Share Value amount (either in cash or in Shares) to the Company on such terms and conditions as may be required by the Company. The Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the Share Value amount and any other damage amount against any amount that might be owed to the Employee by the Company.

- E. The Employee further acknowledges that in the event that the covenants made in this Section 6 are not fulfilled, the damage to the Company would be irreparable. The Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Section 6, Subsection D above, shall be entitled to injunctive relief against the Employee's breach or threatened breach of said covenants.

7. CORPORATE TRANSACTIONS; CHANGE OF CONTROL/RESTRUCTURING EVENT; OTHER EVENTS

A. Corporate Transactions

Except to the extent governed by Section 7, Subsections B and C below, if there shall be any change in the Shares subject to the Options granted hereunder, through merger, consolidation, reorganization, recapitalization, stock dividend, extraordinary dividend, stock split, spin off of one or more subsidiaries or other change in the corporate structure, appropriate adjustments shall be made by the Board of Directors in its discretion in the aggregate number and kind of Shares subject to the 2009 Plan and the number and kind of Shares and the price per Share subject to the Options. Further, the Board of Directors shall have the right to adjust the ordinary performance conditions and extraordinary performance conditions as appropriate to avoid inequitable dilution or enlargement of award values or rights in connection with such a corporate transaction or restructuring. Without limiting the generality of the foregoing, in the event of a restructuring or transaction resulting in some or all of the Company's Shares being convertible into equity of a separate company, the Board of Directors shall have the authority to replace Options with any one or more of the following: (1) adjusted options of the Company; (2) adjusted options on the equity of the separate company; and (3) a combination of adjusted options on the shares of both the Company and the separate company, all as the Board of Directors sees as equitable. In the event of any such option adjustment and/or conversion, the Board of Directors shall attempt to reasonably approximate the aggregate value of the Employee's Options under this Agreement. For the avoidance of doubt, in the event Employee remains employed with the separate company that results from a restructuring or transaction covered by this Section 7, for purposes of this Agreement, the Employee will be deemed to remain employed as if the Employee

continued employment with the Company such that the employment termination provisions applicable to the Options shall not be invoked unless and until the Employee's employment with such separate company shall terminate.

B. Change of Control/Restructuring Event

- (1) If a Change of Control/Restructuring Event occurs, the Board of Directors shall have the right to make appropriate adjustments, including, without limiting the generality of the foregoing (i) allow the Options to continue in full force and effect in accordance with the terms hereof or (ii) issue an award of shares in the Successor Entity as the Board of Directors deems equitable.
- (2) If the Options are to remain in place following such Change of Control/Restructuring Event, appropriate adjustments shall be made by the Board of Directors in its discretion in the aggregate number and kind of Shares subject to the 2009 Plan and the number and kind of Shares and the price per Share subject to the Options. Further, the Board of Directors shall have the right to adjust the ordinary performance conditions and extraordinary performance conditions as appropriate to avoid inequitable dilution or enlargement of award values or rights in connection with such Change of Control/Restructuring Event. Without limiting the generality of the foregoing, such discretions shall include the authority to replace Options with any one or more of the following: (a) adjusted options of the Company; (b) adjusted options on the equity of any Successor Entity surviving such Change of Control/Restructuring event; and (c) a combination of adjusted options on the shares of both the Company and the Successor Entity, all as the Board of Directors sees as equitable. In the event of any such option adjustment and/or conversion, the Board of Directors shall attempt to reasonably approximate the aggregate value of the Employee's Options under this Agreement.

C. Other Events

- (1) The 2009 Plan and Agreement and the Options granted hereunder shall not affect the right of the Company to reclassify, recapitalize, issue equity or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, wind up or otherwise reorganize. The Board of Directors shall have the discretion to make adjustments to the awards made hereunder to reflect any changes that the Board of Directors deems appropriate as a result of any sale, an IPO, business combination, acquisition, recapitalization, reclassification, merger, consolidation, reorganization, stock dividend, stock split, spin off of one or more divisions or subsidiaries, a "going private" transaction (which shall mean any transaction that results in the occurrence of any of the following events: (a) Altisource's common stock is no longer listed on any national securities exchange or quoted on the NASDAQ Global Select

Market or other securities quotation system; (b) Altisource is no longer subject to the reporting requirements of Section 13 or Section 15(d) of the Exchange Act; or (c) Altisource becomes subject to Rule 13e-3 under the Exchange Act) or similar transaction affecting the Options. Upon the occurrence of any such events, the Board of Directors may make appropriate adjustments to the Options made hereunder to avoid inequitable dilution or enlargement of award values or rights in connection with any such event (as determined by the Board of Directors in its sole discretion based on any facts and circumstances it considers relevant). For the avoidance of doubt, the Options are subject to the dilutive impact of equity issuances (including an IPO) or other costs of capital made in connection with acquisitions or capital raises.

8. NON-TRANSFERABILITY OF OPTIONS

The Options shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Options may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Options contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Options, shall be null and void and without effect.

9. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

The Company shall at all times during the term of the Options reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

The intent of the parties is that payments and benefits under this Agreement comply with or otherwise be exempt from Section 409A of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted either to be exempt from or in compliance therewith. If any provision of this Agreement (or any award of compensation or benefits provided under this Agreement) would cause Employee to incur any additional tax or interest under Section 409A of the Code, the Company may reform such provision to comply with 409A.

10. DEFINITIONS

- A. As used herein, the term "Board of Directors" shall mean the Board of Directors or Compensation Committee of Altisource or any Successor Entity, as applicable.

- B. As used herein, “Cause” means, as reasonably determined by the Board of Directors (excluding the Employee, if he/she is then a member of the Board of Directors) either (i) any willful or grossly negligent conduct (including but not limited to fraud or embezzlement) committed by the Employee in connection with the Employee’s employment by the Company which conduct in the reasonable determination of the Board of Directors has had or will have a material detrimental effect on the Company’s business or (ii) the Employee’s conviction of, or entering into a plea of *nolo contendere* to, a felony involving fraud or embezzlement or such other crime which may bring disrepute upon the Company, whether or not committed in the course of the Employee’s employment with the Company. For the avoidance of doubt, termination of employment as a result of a business reorganization or reduction in force will be deemed termination without Cause.
- C. As used herein, “Change of Control/Restructuring Date” means either the date (i) which includes the “closing” of the transaction which makes a Change of Control/Restructuring Event effective if the Change of Control/Restructuring Event is made effective through a transaction which has a “closing” or (ii) a Change of Control/Restructuring Event is reported in accordance with applicable law as effective to the Securities and Exchange Commission if the Change of Control/Restructuring Event is made effective other than through a transaction which has a “closing.”
- D. As used herein, a “Change of Control/Restructuring Event” means (i) the acquisition by any person or entity, or two or more persons and/or entities acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), of outstanding shares of voting stock of the Company at any time if after giving effect to such acquisition, and as a result of such acquisition, such person(s) or entity(ies) own more than fifty percent (50%) of such outstanding voting stock, (ii) the sale in one or more transactions of substantially all of the Company’s assets to any person or entity, or two or more persons and/or entities acting in concert, or (iii) the merger, consolidation or similar transaction resulting in a reduction of the interest in the Company’s stock of the pre-transaction stockholders to less than fifty percent (50%) of the post-transaction ownership.
- E. As used herein, “Confidential Information” means all information relating to Company, including any of its subsidiaries, customers, vendors, and affiliates, of any kind whatsoever; know-how; experience; expertise; business plans; ways of doing business; business results or prospects; financial books, data and plans; pricing; supplier information and agreements; investor or lender data and information; business processes (whether or not the subject of a patent), computer software and specifications therefore; leases; and any and all agreements entered into by Company or its affiliates and any information contained therein; database mining and marketing; customer relationship management programs; any technical, operating, design, economic, client, customer, consultant, consumer or collector related data and information, marketing strategies or initiatives and plans which at the time or

times concerned is either capable of protection as a trade secret or is considered to be of a confidential nature regardless of form. Confidential Information shall not include: (i) information that is or becomes generally available to the public other than as a result of a disclosure in breach of this Agreement, (ii) information that was available on a non-confidential basis prior to the date hereof or becomes available from a person other than the Company who was not otherwise bound by confidentiality obligations to the Company and was not otherwise prohibited from disclosing the information or (iii) Confidential Information that is required by law to be disclosed, in which case, the Employee will provide the Company with notice of such obligation immediately to allow the Company to seek such intervention as it may deem appropriate to prevent such disclosure including and not limited to initiating legal or administrative proceedings prior to disclosure.

- F. As used herein, “Disability” means a physical or mental impairment which, as reasonably determined by the Board of Directors, renders the Employee unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by federal or state law, in which case that longer period would apply.
- G. As used herein, if the “Retirement” means termination (other than by reason of death or Disability) of the Employee’s employment with the Company pursuant to and in accordance with a plan or program of the Company applicable to the Employee provided, however, that for purposes of this Agreement only, the Employee must have attained the age of sixty (60) and been an employee of the Company for not less than three (3) years as of the date of termination of employment by reason of Retirement.
- H. As used herein, the term “Successor Entity” means the person that is formed by, replaces or otherwise survives the Company as a result of a transaction, series of transaction or restructuring with the effect that the Company ceases to exist.
- I. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the 2009 Plan.

11. AMENDMENT

In the event that the Board of Directors shall amend the 2009 Plan under the provisions of Section 9 of the 2009 Plan and such amendment shall modify or otherwise affect the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2009 Plan. The Company shall notify the Employee in writing of any such amendment to the 2009 Plan and this Agreement as soon as practicable after its approval. Notwithstanding any other provision of this Agreement or the 2009 Plan, the Employee’s Options under this Agreement may

not be amended in a way that materially diminishes the value of the Options without the Employee's consent to the amendment.

12. CONSTRUCTION

- A. In the event of any conflict between the 2009 Plan and this Agreement, the provisions of the 2009 Plan shall control. This Agreement shall be governed in all respects by the laws of the State of Georgia. No provision of this Agreement shall limit in any way whatsoever any right that the Company may otherwise have to terminate the employment of the Employee at any time.
- B. If any provision of this Agreement is held to be unenforceable, then this provision will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of the Agreement, valid and enforceable. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any particular provision thereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.
- C. Except as otherwise required by applicable law, rule or regulation, the Board of Directors shall have full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement (including, without limitation, any determination with regard to Section 3, Section 6 and Section 7), and its determinations shall be final, binding and conclusive.

13. ENTIRE AGREEMENT

This Agreement, together with the 2009 Plan, constitutes the entire agreement between the Company and the Employee and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

14. HEADINGS

The headings of the sections of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

15. CONFIRMING INFORMATION

By accepting this Agreement, either through electronic means or by providing a signed copy, the Employee (i) acknowledges and confirms that the Employee has read and understood the 2009 Plan and the Agreement and (ii) acknowledges that acceptance through electronic means is equivalent to doing so by providing a signed copy.

[SIGNATURE PAGE FOLLOWS]

I hereby agree to and accept the terms of this Agreement.

Employee

Indroneel Chatterjee

Altisource Portfolio Solutions S.A.

By: _____

Name: William B. Shepro

Title: Chief Executive Officer

Attested by: _____

Name: Kevin J. Wilcox

Title: Chief Administration and Risk Officer

RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (the “Agreement”) is made and entered into as of October 5, 2017 (the “Grant Date”), by and between **Altisource Portfolio Solutions S.A.**, a Luxembourg société anonyme (“Altisource” and, together with its subsidiaries and affiliates, the “Company”), and Indroneel Chatterjee, an employee of the Company (the “Employee”).

WHEREAS, The Company desires, by awarding the Employee restricted shares of its common stock, par value \$1.00 per share (“Shares”), to further the objectives of the Company’s 2009 Equity Incentive Plan (the “2009 Plan”).

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. RESTRICTED STOCK AWARD

The Company hereby grants to the Employee, pursuant to and subject to the 2009 Plan, 19,533 shares of Restricted Stock (the “Restricted Shares”), on the terms and conditions set forth herein (the “Restricted Stock Award”).

2. VESTING OF RESTRICTED STOCK AWARD

A. Vesting Schedule

One-fourth (1/4) of the Restricted Shares shall vest on each of the first, second, third and fourth anniversaries of the Grant Date. Except as provided in Section 2 Subsection B and Section 4 below, Restricted Shares will not vest unless the Employee is, at the time of vesting, an employee of the Company and not under a notice of resignation.

B. Accelerated Vesting

Notwithstanding the vesting schedule provided in Section 2, Subsection A above, if, prior to the vesting of the entire Restricted Stock Award, the Employee’s employment is terminated without Cause following a Change of Control/Restructuring Event, all Restricted Shares that are unvested at the time of such termination shall vest as of the date of such termination of employment; provided that such termination occurs within twelve (12) months of the Change of Control/Restructuring Date and the Employee has been employed with the Company for a period of at least two (2) years as of the Change of Control/Restructuring Date.

Accelerated vesting of restricted shares shall also occur upon certain events of termination of employment as set forth in Section 4 below.

3. OWNERSHIP OF RESTRICTED SHARES; DIVIDENDS

A. Ownership of Shares

Subject to the restrictions set forth in the Plan and this Award Agreement, the Employee shall possess all incidents of ownership of the Restricted Shares granted hereunder, including, without limitation, but subject to Section 3, Subsection B below, the right to receive dividends with respect to such Restricted Shares (but only to the extent declared and paid to holders of Common Stock by the Company in its sole discretion), provided, however, that any such dividends shall accrue, but only be delivered to the Employee with respect to Restricted Shares that have vested, and such dividends shall be treated, to the extent required by applicable law, as additional compensation for tax purposes if paid on Restricted Shares. Notwithstanding the foregoing, the Employee shall have no right to vote the Restricted Shares unless the Restricted Shares have vested in accordance with this Agreement.

B. Dividends

Any dividends with respect to Restricted Shares (whether such dividends are paid in cash, stock or other property) (i) shall be subject to the same restrictions (including the risk of forfeiture) as the Restricted Shares with respect to which they are issued; (ii) shall herein be encompassed within the term "Restricted Shares"; (iii) shall be held by the Company for the Employee prior to vesting; and (iv) shall be paid or otherwise released to the Employee, without interest, promptly after the vesting of Restricted Shares with respect to which they were issued. Any dividends that relate to Restricted Shares that do not vest shall be forfeited to the Company together with such forfeited Restricted Shares.

C. Non-Transferability of the Restricted Stock Award

The Restricted Stock Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Restricted Stock Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Restricted Stock Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Restricted Stock Award, shall be null and void and without effect.

4. TERMINATION OF RESTRICTED STOCK AWARD

If, prior to vesting of the entire Restricted Stock Award, the Employee's employment terminates, the Restricted Stock Award shall terminate in accordance with the 2009 Plan except as follows:

- A. by the Company for Cause or termination of employment by the Employee (other than by reason of Retirement), then the Restricted Stock Award shall terminate and all unvested Restricted Shares shall be forfeited by the Employee as of the date of termination of employment or, in the case of the Employee's resignation, on the date the Employee provides notice of his or her resignation.

- B. by the Company without Cause (except as set forth in Section 2 Subsection B) or by reason of Retirement, then any unvested Restricted Shares that are scheduled to vest within twelve (12) months of such termination of employment under Section 2, Subsection A above shall vest as of the date of such termination of employment and the remainder of the unvested Restricted Shares (if any) shall be forfeited by the Employee as of the date of termination of employment.
- C. by reason of death or Disability of the Employee, then all unvested Restricted Shares shall vest as of the date of such termination of employment.
- D. The Employee's right to accelerated vesting of Restricted Shares following termination of employment under this Section 4 is subject in all cases to the requirement that the Employee has been employed with the Company for a period of at least two (2) years in the case of termination without Cause, Disability or death, or three (3) years in the case of Retirement, unless otherwise determined by the Company in its sole discretion.
- E. In no event shall the granting of the Restricted Stock Award or its acceptance by the Employee give or be deemed to give the Employee any right to continued employment by the Company.

5. CONDITIONS UPON TERMINATION OF EMPLOYMENT

- A. For a period of two (2) years following the Employee's departure from the Company, the Employee shall not (a) engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Company, (b) solicit, directly or indirectly, any employee of the Company to leave the employ of the Company for employment, hire or engagement as an independent contractor elsewhere, (c) in any way interfere with the relationship between any customer, supplier, licensee or business relation of the Company, or (d) share, reveal or utilize any Confidential Information of the Company except as otherwise expressly permitted in writing by Company.
- B. For a period of two (2) years following the Employee's departure from the Company, the Employee shall be available at reasonable times to provide information to the Company at the request of the Company's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such availability shall not be required during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement.
- C. In the event that the Employee fails to comply with any of the promises made in this Section 5, then in addition to and not in limitation of any and all other remedies available to the Company at law or in equity (a) Restricted Shares, to the extent then

unvested, will be immediately forfeited by the Employee and returned to the Company and (b) the Employee will be required to immediately deliver to the Company an amount (in cash or in Shares) equal to the market value of any Shares that have vested under the vesting schedule as of the date of such vesting (the "Share Value") to the extent such Shares vested at any time from one hundred eighty (180) days prior to the date of termination of employment to one hundred eighty (180) days after the date when the Company learns that the Employee has not complied with any such promise. The Employee will deliver such Share Value amount to the Company on such terms and conditions as may be required by the Company. The Company will be entitled to enforce this repayment obligation by all legal means available, including, without limitation, to set off the Share Value amount and any other damage amount against any amount that might be owed to the Employee by the Company.

- D. The Employee acknowledges that in the event that the covenants made in this Section 5 are not fulfilled, the damage to the Company would be irreparable. The Company, in addition to any other remedies available to it, including, without limitation, the remedies set forth in Section 5, Subsection C above, shall be entitled to injunctive relief against the Employee's breach or threatened breach of said covenants.
- E. The Employee acknowledges that the Company would not have awarded the Restricted Shares to the Employee under this Agreement absent the Employee's agreement to be bound by the covenants made in this Section 5.

6. INCOME TAXES

A. Generally

Except as provided in the next sentence, the Company shall withhold and/or receive the return of a number of Shares having a fair market value equal to the taxes that the Company determines it is required to withhold under applicable tax laws with respect to the Restricted Shares (with such withholding obligation determined based on any applicable minimum statutory withholding rates), in connection with the vesting of Restricted Shares. In the event the Company cannot (under applicable legal, regulatory, listing or other requirements) satisfy such tax withholding obligation in such method, the Employee makes a Section 83(b) election pursuant to Section 6, Subsection B below, or the parties otherwise agree in writing, then the Company may satisfy such withholding by any one or combination of the following methods: (i) by requiring the Employee to pay such amount in cash or check; (ii) by deducting such amount out of any other compensation otherwise payable to the Employee; and/or (iii) by allowing the Employee to surrender shares of Common Stock of the Company which (a) in the case of shares initially acquired from the Company (upon exercise of a stock option or otherwise), have been owned by the Employee for such period (if any) as may be required to avoid a charge to the Company's earnings, and (b) have a fair market value on the date of surrender equal to the amount required to be withheld. For these purposes, the fair market value of

the Shares to be withheld or repurchased, as applicable, shall be determined using the opening price of the Shares on the date that the amount of tax to be withheld is to be determined or, if such date falls on a day on which the NASDAQ Global Select Market is not open for active trading, using the opening price of the Shares on the next active trading day. The intent of the parties is that payments and benefits under this Agreement comply with or otherwise be exempt from Section 409A of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code"), and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted either to be exempt from or in compliance therewith. If any provision of this Agreement (or any award of compensation or benefits provided under this Agreement) would cause the Employee to incur any additional tax or interest under Section 409A of the Code, the Company may reform such provision to comply with 409A.

B. Section 83(b) Election.

The Employee hereby acknowledges that he or she may file an election pursuant to Section 83(b) of the Code to be taxed currently on the fair market value of the Restricted Shares (less any purchase price paid for the Shares), provided that such election must be filed with the Internal Revenue Service no later than thirty (30) days after the grant of such Restricted Shares. The Employee will seek the advice of his or her own tax advisors as to the advisability of making such a Section 83(b) election, the potential consequences of making such an election, the requirements for making such an election, and the other tax consequences of the Restricted Stock Award under federal, state, and any other laws that may be applicable. The Company and its affiliates and agents have not and are not providing any tax advice to the Employee.

7. CORPORATE TRANSACTIONS; CHANGE OF CONTROL/RESTRUCTURING EVENT

A. Corporate Transactions

If there shall be any change in the Shares, through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, spin off of one or more subsidiaries or other change in the corporate structure, appropriate adjustments shall be made by the Board of Directors in its discretion in the aggregate number and kind of Shares subject to the 2009 Plan and the number and kind of Shares subject to the Restricted Stock Award.

B. Change of Control/Restructuring Event

(1) If a Change of Control/Restructuring Event occurs, the Board of Directors shall have the right to make appropriate adjustments, including, without limiting the generality of the foregoing, by (i) allowing the Restricted Shares to continue in full force and effect in accordance with the terms hereof or (ii) issuing an award of shares in the Successor Entity as the Board of Directors deems equitable.

- (2) To the extent the Successor Entity allows the Restricted Shares to continue in full force and effect in accordance with the terms hereof, the vesting schedule set forth in Section 2 Subsection A will continue to apply (subject to the accelerated vesting provisions of Section 2 Subsection B); provided that, in such case, the Board of Directors shall have the right in its discretion to make appropriate adjustments, including, with the consent of the Successor Entity, equitably converting the consideration to be received upon the vesting of the Restricted Shares to common stock of the Successor Entity.
- (3) For the avoidance of doubt, in the event the Employee remains employed with the Successor Entity for purposes of this Agreement, he/she will be deemed to remain employed as if he/she continued employment with the Company such that the employment termination provisions applicable to the Restricted Stock Award shall not be invoked unless and until his/her employment with such Successor Entity shall terminate.

8. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

The Company shall reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto and all other fees and expenses necessarily incurred by the Company in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Company, shall be applicable thereto.

9. ADDITIONAL CONDITIONS

- A. The Employee hereby represents and covenants that (a) any Share acquired upon the vesting of the Restricted Stock Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Company, the Employee shall submit a written statement, in form satisfactory to the Company, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Employee of any Shares subject to the Restricted Stock Award, the Employee shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Company shall in its sole discretion deem necessary or advisable.

- B. The Restricted Stock Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Restricted Stock Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Restricted Stock Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Company. The Company shall use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

10. DEFINITIONS

- A. As used herein, the term “Board of Directors” shall mean the Board of Directors or Compensation Committee of Altisource or any Successor Entity, as applicable.
- B. As used herein, the term “Cause” shall mean, as reasonably determined by the Board of Directors (excluding the Employee, if he/she is then a member of the Board of Directors) either (i) any willful or grossly negligent conduct (including but not limited to fraud or embezzlement) committed by the Employee in connection with the Employee’s employment by the Company which conduct in the reasonable determination of the Board of Directors has had or will have a material detrimental effect on the Company’s business or (ii) the Employee’s conviction of, or entering into a plea of *nolo contendere* to, a felony involving fraud or embezzlement, whether or not committed in the course of the Employee’s employment with the Company. For avoidance of doubt, termination of employment as a result of a business reorganization or reduction in force will be deemed termination without Cause for purposes of the Restricted Stock Award.
- C. As used herein, “Change of Control/Restructuring Date” shall mean either the date which includes the “closing” of the transaction which makes a Change of Control/Restructuring Event effective if the Change of Control/Restructuring Event is made effective through a transaction which has a “closing” or the date a Change of Control/Restructuring Event is reported in accordance with applicable law as effective to the Securities and Exchange Commission if the Change of Control/Restructuring Event is made effective other than through a transaction which has a “closing.”
- D. As used herein, a “Change of Control/Restructuring Event” shall mean (i) the acquisition by any person or entity, or two or more persons and/or entities acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934), of outstanding shares of voting stock of the Company at any time if after giving effect to such acquisition, and as a result of such acquisition, such person(s) or entity(ies) own more than fifty percent (50%) of such outstanding voting stock, (ii) the sale in one or more transactions of substantially all of the Company’s assets to any person or entity, or two or more persons and/or entities acting in concert, or (iii) the merger, consolidation or similar transaction resulting in a reduction of the interest in the

Company's stock of the pre-transaction stockholders to less than fifty percent (50%) of the post-transaction ownership. Notwithstanding anything herein to the contrary, the definition of Change of Control Event set forth herein shall not be broader than the definition of "change in control event" as set forth under Section 409A of the Internal Revenue Code of 1986, as amended, and the guidance promulgated thereunder, and if a transaction or event does not otherwise fall within such definition of change in control event, it shall not be deemed a Change in Control for purposes of this Agreement.

- E. As used herein, "Confidential Information" means all information relating to Company, including any of its subsidiaries, customers, vendors, and affiliates, of any kind whatsoever; know-how; experience; expertise; business plans; ways of doing business; business results or prospects; financial books, data and plans; pricing; supplier information and agreements; investor or lender data and information; business processes (whether or not the subject of a patent), computer software and specifications therefore; leases; and any and all agreements entered into by Company or its affiliates and any information contained therein; database mining and marketing; customer relationship management programs; any technical, operating, design, economic, client, customer, consultant, consumer or collector related data and information, marketing strategies or initiatives and plans which at the time or times concerned is either capable of protection as a trade secret or is considered to be of a confidential nature regardless of form. Confidential Information shall not include: (i) information that is or becomes generally available to the public other than as a result of a disclosure in breach of this Agreement, (ii) information that was available on a non-confidential basis prior to the date hereof or becomes available from a person other than the Company who was not otherwise bound by confidentiality obligations to the Company and was not otherwise prohibited from disclosing the information or (iii) Confidential Information that is required by law to be disclosed, in which case, the Employee will provide the Company with notice of such obligation immediately to allow the Company to seek such intervention as it may deem appropriate to prevent such disclosure including and not limited to initiating legal or administrative proceedings prior to disclosure.
- F. As used herein, the term "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Board of Directors, renders the Employee unable to perform the essential functions of his employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than one hundred and eighty (180) days in any twelve (12) month period, unless a longer period is required by federal or state law, in which case that longer period would apply.
- G. As used herein, the term "Retirement" shall mean termination (other than by reason of death or Disability) of the Employee's employment with the Company pursuant to and in accordance with a plan or program of the Company applicable to the Employee provided, however, that for purposes of this Agreement only, the Employee must have attained the age of sixty (60) and been an employee of the

Company for not less than three (3) years as of the date of termination of employment by reason of Retirement.

- H. As used herein, the term “Successor Entity” means the person that is formed by, replaces or otherwise survives the Company as a result of a transaction, series of transaction or restructuring with the effect that the Company ceases to exist.
- I. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the 2009 Plan.

11. AMENDMENT

In the event that the Board of Directors amends the 2009 Plan under the provisions of Section 9 of the 2009 Plan and such amendment shall modify or otherwise affect the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2009 Plan. The Company shall notify the Employee in writing of any such amendment to the 2009 Plan and this Agreement as soon as practicable after its approval. Notwithstanding any other provision of this Agreement or the 2009 Plan, the Employee’s rights under this Agreement may not be amended in a way that materially diminishes the value of the award without the Employee’s consent to the amendment.

12. CONSTRUCTION

In the event of any conflict between the 2009 Plan and this Agreement, the provisions of the 2009 Plan shall control. This Agreement shall be governed in all respects by the laws of the State of Georgia. No provision of this Agreement shall limit in any way whatsoever any right that the Company may otherwise have to terminate the employment of the Employee at any time.

If any provision of this Agreement is held to be unenforceable, then this provision will be deemed amended to the extent necessary to render the otherwise unenforceable provision, and the rest of this Agreement, valid and enforceable. If a court declines to amend this Agreement as provided herein, the invalidity or unenforceability of any particular provision thereof shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had been omitted.

Except as otherwise required by applicable law, rule or regulation, the Board of Directors shall have full discretion with respect to any actions to be taken or determinations to be made in connection with this Agreement (including, without limitation, any determination with regard to Section 2, Section 5, Subsections D and E and Section 7), and its determinations shall be final, binding and conclusive.

13. ENTIRE AGREEMENT

This Agreement, together with the 2009 Plan, constitutes the entire agreement between the Company and the Employee and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

14. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

15. CONFIRMING INFORMATION

By accepting this Agreement, either through electronic means or by providing a signed copy, the Employee (i) acknowledges and confirms that he/she has read and understood the 2009 Plan and this Agreement and (ii) acknowledges that acceptance through electronic means is equivalent to doing so by providing a signed copy.

[SIGNATURE PAGE FOLLOWS]

I hereby agree to and accept the terms of this Agreement.

Employee

Indroneel Chatterjee

Altisource Portfolio Solutions S.A.

By: _____

Name: William B. Shepro

Title: Chief Executive Officer

Attested by: _____

Name: Kevin J. Wilcox

Title: Chief Administration and Risk Officer

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

COOPERATIVE BROKERAGE AGREEMENT

This COOPERATIVE BROKERAGE AGREEMENT (this “Agreement”), dated as of August 28, 2017, is by and among REALHome Services and Solutions, Inc., a Florida corporation (“RHSS, Inc.”), REALHome Services and Solutions – CT, Inc., a Connecticut corporation (“RHSS CT”), and New Residential Sales Corp., a Delaware Corporation (“NRZ Brokerage”) (each of RHSS (as defined herein) and NRZ Brokerage being a “Party,” and together the “Parties”).

WHEREAS, New Residential (as defined herein) owns or may acquire certain MSRs (as defined herein); and

WHEREAS, New Residential has, or will have, as applicable, the right and obligation to market and sell REO Properties (as defined herein) that previously secured mortgage loans for which New Residential owns, or will own, the MSRs and engages NRZ Brokerage to facilitate the marketing and sale of REO Properties, as set forth herein; and

WHEREAS, NRZ Brokerage desires for RHSS to market and sell REO Properties with respect to which New Residential has engaged or will engage NRZ Brokerage to facilitate the marketing and sale of the properties and RHSS desires to accept such referrals; and

WHEREAS, in consideration for NRZ Brokerage’s referral to RHSS of real estate listings on an exclusive basis relating to Subject REO Referrals (as defined herein), NRZ Brokerage will be entitled to the Commissions (as defined herein) with respect to the Subject REO Referrals for which RHSS facilitates the sale on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals**. The recitals set forth above are incorporated by reference herein and made a part of this Agreement.

2. **Capitalized Terms**. The terms set forth below have the meanings ascribed to them for the purposes of this Agreement. Other capitalized terms contained in this Agreement (including in the Recitals) and not set forth in this Section 2 shall have the meanings assigned to them as defined herein:

(a) “Acceptable Offer” means an offer or bid received for a Subject REO Referral that satisfies the applicable requirements to be accepted that are specified in the pricing methodology set forth in Exhibit 6 hereto, or otherwise approved by the applicable seller.

(b) “Acquisition Date” means, with respect to a Covered Portfolio, the date on which New Residential acquires the MSRs related to such Covered Portfolio, including the right to sell the related REO Properties that previously secured loans in such Covered Portfolio.

(c) “Adverse Action” means any regulatory or criminal investigation, regulatory enforcement action, consent order or other adversarial proceeding (including civil litigation from non-regulatory entities), sanction, fee, fine, penalty, judgment, other liability; excluding, however, any such regulatory investigations, sanctions, fees, fines, penalties, judgments or other liabilities arising out of or relating to claims that are of *de minimis* effect to the applicable entity.

(d) “Affected Properties” has the meaning set forth in Section 3(f)(iv) hereof.

(e) “Affiliate” means, with respect to an entity, another entity that, directly or indirectly, is in Control of, is Controlled by or is under common Control with such entity, provided however, with respect to New Residential, “Affiliate” means any entity that is directly or indirectly Controlled by New Residential Investment Corp.

(f) “Agreement” has the meaning set forth in the preamble.

(g) “Altisource” means Altisource Solutions S.à. r.l., a Luxembourg société à responsabilité limitée, a private limited liability company.

(h) “Altisource Affiliated Escrow Agent” means an escrow agent that is RHSS, Altisource, or an Altisource Affiliate.

(i) “Applicable Law” means, at a given time, all federal, state and local laws, orders, ordinances, governmental rules and regulations and court orders in effect at such time.

(j) “Auction Cycle” means the active marketing of an REO Property for sale as part of an active time limit bidding (auction) cycle, which shall not be longer than seven days from the commencement of the auction.

(k) “Cash Threshold” has the meaning set forth in Section 19(a)(xi) hereto.

(l) “Change of Control” means:

- (i) With respect to RHSS, Inc., (i) any transaction or event (or series of related transactions or events) as a result of which the Corporate Parent ceases to own, directly or indirectly, one hundred percent (100%) of the combined voting power of RHSS Inc.’s outstanding capital stock; (ii) the sale, lease, transfer, conveyance or other disposition (in one or a series of

related transactions) of all or substantially all of RHSS Inc.'s assets, other than to a wholly-owned subsidiary of the Corporate Parent; or (iii) the consummation of a merger or consolidation (or similar business combination) of RHSS Inc. with or into another entity that is not a wholly-owned subsidiary of Corporate Parent, or any other corporate reorganization, the result of which is that less than one hundred percent (100%) of the combined voting power of the continuing or surviving entity's outstanding capital stock immediately after such transaction is owned by the persons who were direct or indirect equity holders of RHSS Inc. immediately prior to such transaction.

(ii) With respect to RHSS CT, circumstances under which RHSS CT shall cease to be Controlled, directly or indirectly, by the Corporate Parent.

(iii) With respect to the Corporate Parent, means (i) any "person" or "group" (for purposes of this definition, as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors of the Corporate Parent; (ii) any person or group is or shall become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the date hereof), directly or indirectly, of forty-five percent (45%) or more (on a fully diluted basis) of the combined voting power of the Corporate Parent's outstanding capital stock; or (iii) the current members of the Corporate Parent's board of directors as of the date hereof (the "Incumbent Board") shall cease to represent a majority of the directors of the Corporate Parent's board of directors (provided that any person becoming a director subsequent to the date hereof, whose election, or nomination for election by the Corporate Parent's shareholders, was approved by a vote of a majority of the directors constituting the Incumbent Board shall be considered as though such person were a member of the Incumbent Board).

(m) "Closing" has the meaning set forth in Section 5(b) hereto.

(n) "Commissions" has the meaning set forth in Section 5(a) hereto.

(o) "Controlled" or "Control" means possessing, directly or indirectly, the power to direct or cause the direction of the management, policies or

operations of an entity, whether through the ownership of voting securities, by contract, as general partners, as manager, or otherwise.

- (p) “Corporate Parent” means Altisource Portfolio Solutions S.A.
- (q) “Covered Portfolios” means, individually or collectively,
 - (i) All Portfolios identified on Exhibit 1A attached hereto to the extent New Residential acquires the MSRs for the related Portfolio (collectively, the “HLSS Portfolios”);
 - (ii) All Portfolios associated with MSRs that New Residential (1) acquires from Ocwen, or (2) acquires from an entity into which Ocwen merged or which acquired Ocwen or all or substantially all of Ocwen’s assets (collectively “Ocwen Successors”), provided, however, that Portfolios associated with MSRs that New Residential acquires from an Ocwen Successor shall be Covered Portfolios only if Ocwen owned the MSRs immediately prior to the transaction pursuant to which the Ocwen Successor acquired the MSRs (collectively, the “Ocwen Portfolios”). Upon the transfer of MSRs to New Residential from Ocwen with respect to a Portfolio under this paragraph (ii), NRZ Brokerage will deliver to RHSS a schedule (to be attached hereto as Exhibit 1B) of the Portfolios within the Ocwen Portfolios, which schedule shall be updated in the event that New Residential acquires additional Portfolios from Ocwen;
 - (iii) Only upon PHH Mortgage Corporation’s approval of RHSS as a vendor, all Portfolios identified on Exhibit 2 attached hereto (collectively, the “PHH Portfolios”) to the extent New Residential acquires the MSRs for the related Portfolio; and
 - (iv) Any other Portfolios that correspond to MSRs that NRZ Brokerage and RHSS agree in writing from time to time that will be subject to this Agreement. Upon such agreement, NRZ Brokerage will deliver to RHSS a schedule of the Portfolios that shall become Covered Portfolios pursuant to this subparagraph (o)(iv), which schedule shall become an exhibit hereto and shall be updated in accordance with the Parties’ agreement.
- (r) “Disclosed Matters” has the meaning set forth in Section 6(c) hereto.
- (s) “[***]REO Properties” means all Subject REO Referrals that [***].

(t) “Existing REO Properties” means all Subject REO Referrals that were listed by or through RHSS prior to the Acquisition Date for the related Covered Portfolio.

(u) “First Licensed Jurisdiction” has the meaning set forth in Section 6(d) hereto.

(v) “[***]Jurisdiction License Failure” has the meaning set forth in Section 19(g)(i) hereto.

(w) “Governmental Authority” shall mean any national or federal, state, regional, or local government or other political subdivision, including without limitation all agencies thereof, and any person with jurisdiction exercising executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

(x) “Guarantor” shall mean the guarantor under the Guaranty or any permitted successors or assigns to its obligations thereunder.

(y) “Guaranty” shall mean the guaranty of Altisource Solutions S.à. r.l., in favor of and for the benefit of New Residential and New Residential Sales Corp., dated as of the date hereof.

(z) “Impacted Referrals” has the meaning set forth in Section 19(c) hereto.

(aa) “Indemnifying Party” has the meaning set forth in Section 15 hereto.

(bb) “Jurisdiction Based Termination” has the meaning set forth in Section 19(g)(i) hereto.

(cc) “License Suspension Period” has the meaning set forth in Section 19(c) hereto.

(dd) “Most Recent Pre-Sales Market Value” means, with respect to an REO Property being listed for sale, the most recent appraisal, valuation, or broker price opinion received for a REO Property.

(ee) “MSRs” means residential mortgage servicing rights.

(ff) “Net Sales Price” means the net sales price of an REO Property calculated based on gross sales prices for such REO Property, but excluding, for the avoidance of doubt, in all cases any buyer’s premium and technology fee.

(gg) “New Residential” means New Residential Investment Corp. together with the New Residential Affiliates.

- (hh) “New Residential Representatives” has the meaning set forth in Section 15 hereto.
- (ii) “Non-Compliant Party” has the meaning set forth in Section 19(a) hereto.
- (jj) “NRZ Brokerage” has the meaning set forth in the preamble.
- (kk) “NRZ Brokerage Directed Methodology” means any pricing methodology that, pursuant to Section 3(f) of this Agreement, NRZ Brokerage directs RHSS to employ that materially differs from the pricing methodology set forth in Exhibit 6 hereto or, if applicable, the pricing methodology different from that set forth in Exhibit 6 hereto as amended pursuant to the terms of Section 3(f) hereof.
- (ll) “NRZ Indemnity Claim” has the meaning set forth in Section 15 hereto.
- (mm) “NRZ Indemnity Claim Exception” has the meaning set forth in Section 15 hereto.
- (nn) “Ocwen” means, collectively and individually, Ocwen Financial Corporation and/or one or more of Ocwen’s Affiliates.
- (oo) “Ocwen Agreements” means that certain master agreement, and that certain transfer agreement, each of which is dated July 23, 2017 and is between Ocwen and New Residential.
- (pp) “Online Auction” has the meaning set forth in Section 3(c) hereto.
- (qq) “Party” or “Parties” has the meaning set forth in the preamble.
- (rr) “Performance Scorecard” means the document attached as Exhibit 7 hereto.
- (ss) “Personal Information” has the meaning set forth in Section 6(f) hereto.
- (tt) “Portfolio” means a collection of mortgage loans that are the subject of a corresponding set of MSRs.
- (uu) “Qualified Non-RHSS Broker” has the meaning set forth in Section 3(b)(1) hereto.
- (vv) “Quarterly Performance Score” means, with respect to a given Service Level Metric in the Performance Scorecard and with respect to a given calendar quarter, the weighted average of the performance score for each of the three calendar

months constituting such calendar quarter, such weighted average being based on the volume of REO Properties being listed during such calendar months.

(ww) “[***] REO Property” means all Subject REO Referrals with respect to which [***].

(xx) “Regulator” means any court, board, agency, commission, office, or other authority of any nature whatsoever for any Governmental Authority (federal, state, county, district, municipal, city, country or otherwise) or governmental unit.

(yy) “REO Property” means a property acquired through foreclosure, acceptance of a deed-in-lieu of foreclosure, short sale, or otherwise in accordance with Applicable Law in connection with the default or imminent default of a mortgage loan.

(zz) “RHSS” means, with respect to each jurisdiction applicable to this Agreement, the Affiliate of Altisource having the obligations of a Party hereto in such jurisdiction, which Affiliate of Altisource shall be:

(i) RHSS, Inc. unless (ii) or (iii) applies;

(ii) RHSS CT, with respect to Connecticut; or

(iii) an Affiliate of RHSS, Inc., which is a direct or indirect subsidiary of Altisource that (1) is licensed in such jurisdiction to perform the brokerage services contemplated in this Agreement and (ii) executes a joinder to this Agreement agreeing to assume the obligations of RHSS, Inc. with respect to such jurisdiction.

(aaa) “RHSS CT” has the meaning set forth in the preamble.

(bbb) “RHSS, Inc.” has the meaning set forth in the preamble.

(ccc) “RHSS Indemnity Claim” has the meaning set forth in Section 15 hereto.

(ddd) “RHSS Representatives” has the meaning set forth in Section 15 hereto.

(eee) “Sales Contract” means a contract of sale under terms that constitute an Acceptable Offer, which has been fully executed by the potential buyer and the seller of the related REO Property.

(fff) “Service Level Metrics” means those categories of service performance and associated target levels of service performance identified in the Performance Scorecard attached hereto as Exhibit 7, or such other categories and associated target levels as subsequently agreed to by the Parties.

(ggg) “Services LOI” means that certain Letter of Intent between Altisource and New Residential Investment Corp. and dated as of the date hereof relating to the services Altisource and its Affiliates shall agree to provide to New Residential with respect to the Covered Portfolios (as defined in such Letter of Intent).

(hhh) “Servicing Agreement” means any servicing agreement, pooling and servicing agreement, trust and servicing agreement, indenture, trust agreement or similar agreement, in each case to which New Residential is a party (including through assignment and/or assumption) as the servicer (including master, special, primary or subservicer) thereunder or to which New Residential is bound as of the related Acquisition Date; provided, however, such term does not include any such agreement between NRZ and an affiliated or unaffiliated third party, pursuant to which NRZ further delegates servicing functions to such third party.

(iii) “Standard Seller Commission Percentage” means the greater of [***] percent ([***)] of the Net Sales Price and the minimum commission payable to all real estate brokers representing the seller as specified in the listing agreements referenced in Section 3(a) hereof.

(jjj) “Subject REO Referral” has the meaning set forth in Section 3 hereto.

(kkk) “Suspended REO Referral” has the meaning set forth in Section 19(d) hereto.

(lll) “Termination Event” has the meaning set forth in Section 19(a) hereto.

(mmm) “Terminating Party” has the meaning set forth in Section 19(a) hereto.

(nnn) “Third Party Claim” has the meaning set forth in Section 15 hereto.

(ooo) “Total Seller Payable Commission” means, with respect to a sale of a Subject REO Referral, the total real estate broker’s commission payable to all real estate brokers representing the seller of such Subject REO Referral.

(ppp) “Transfer” has the meaning set forth in Section 10(b) hereto.

(qqq) “Vendor Management Addendum” means the document attached as Exhibit 5 hereto.

3. **Subject REO Referrals.**

(a) NRZ Brokerage shall refer all listings and all sales of all REO Properties in the Covered Portfolios in the jurisdiction(s) in which NRZ Brokerage possesses all requisite licenses

and approvals to engage in the conduct set forth in this Agreement, which REO Property NRZ Brokerage has been engaged to list, market, or sell and has the contractual and legal authority to refer to RHSS (the “Subject REO Referrals”) during the term of this Agreement. In connection with any such referrals, RHSS and the applicable New Residential entity shall enter into separate listing agreements from time to time, substantially in the form and substance attached hereto as Exhibit 3, which such listing agreement may be executed by RHSS as appointed through power of attorney granted by the applicable New Residential entity. In the event of any conflict between any listing agreement and this Agreement, this Agreement will control. With respect to those Subject REO Referrals that constitute Existing REO Properties, NRZ Brokerage agrees it shall not take any action that interferes with RHSS acting as the listing broker and such Existing REO Properties shall be excluded from payment of any Commissions hereunder, except to the extent the Existing REO Properties are de-listed in accordance with Section 3(e) below, in which case Commissions shall be payable hereunder once the properties are relisted in accordance with this Agreement. Subject to the terms hereof, NRZ Brokerage hereby grants RHSS the right to list, market and/or sell the REO Properties associated with the Subject REO Referrals via the Hubzu[®] platform or another online auction platform, charging a buyer’s premium totaling up to [***] percent ([***] %) of the Net Sales Price, subject to a minimum of \$[***], and, only if the buyer’s premium is [***] percent ([***] %) subject to a minimum of \$[***], a technology fee of [***] \$[***] in the event a property is auctioned or, regardless of the buyer’s premium, a technology fee of [***] \$[***] in the event a property is not auctioned.

(b) Notwithstanding the provisions of Section 3(a) hereof, for all Subject REO Referrals other than [***] REO Properties, NRZ Brokerage may require RHSS to engage third-party real estate brokers to list Subject REO Referrals upon the later of (i) three business days from the date on which NRZ Brokerage gives RHSS written notice and (ii) in the event NRZ Brokerage gives RHSS written notice while a property is within an active Auction Cycle, three days after the end of that Auction Cycle, under the following circumstances:

(1) the terms and provisions of the applicable Servicing Agreement require engagement of a real estate broker with qualifications or requirements that RHSS does not and is not able to satisfy at a given time (a “Qualified Non-RHSS Broker”);

(2) the trustee of the trust related to the Servicing Agreement, investors (other than New Residential in its capacity as an investor) in the securities related to the Servicing Agreement, or counterparties to the related Servicing Agreement, notify the securitization trustee or master servicer, New Residential, or any party acting on behalf of New Residential, including its applicable servicer or vendor, in writing, that the related Servicing Agreement or Applicable Law requires New Residential to engage a Qualified Non-RHSS Broker or that failure to engage a Qualified Non-RHSS Broker would be a breach of New Residential’s obligations or duties under the related Servicing Agreement;

(3) NRZ Brokerage reasonably determines, based on Adverse Action, regulatory guidance or issuance, regulatory directive or other written or oral public statement by a Regulator made on behalf of the applicable Government Authority, that the failure to cause RHSS to engage a Qualified Non-RHSS Broker presents significant risk to New Residential of Adverse Action; and

(4) under any other circumstances in which NRZ Brokerage desires to engage a third-party real estate broker; provided, however that at any given time, the aggregate Most Recent Pre-Sales Market Value for all REO Properties in each Covered Portfolio for which third-party real estate broker referrals are required to be made pursuant to this Section 3(b)(4) shall not exceed [***] percent ([***]%) of the total Most Recent Pre-Sales Market Value for all REO Properties in such Covered Portfolio at such given time.

In the event that NRZ Brokerage requires RHSS to engage a third-party real estate broker to list Subject REO Referrals pursuant to Sections 3(b)(1), 3(b)(2) or 3(b)(3) above, such conclusion shall be supported by the advice, though not necessarily a formal written opinion, of duly licensed and qualified outside counsel that the failure to use a third-party broker would present significant risk of Adverse Action to New Residential. In the event that NRZ Brokerage directs RHSS to engage a third-party real estate broker to list Subject REO Referrals pursuant to Sections 3(b)(1), 3(b)(2) or 3(b)(3) above, NRZ Brokerage agrees to (i) consult with RHSS with respect thereto for a period of at least five (5) business days before RHSS must engage a third-party broker and (ii) upon RHSS's written request, provide RHSS with written analysis supporting NRZ Brokerage's conclusion (though a formal written opinion of counsel shall not be required).

In the event that NRZ Brokerage requires RHSS to engage a third-party real estate broker to list Subject REO Referrals pursuant to Section 3(b)(3), RHSS shall be required to so engage such third-party real estate broker only for so long as such significant risk of Adverse Action remains to warrant such requirement, as determined by NRZ Brokerage in its reasonable discretion based on the advice, though not necessarily a formal written opinion, of duly licensed counsel. Once NRZ Brokerage has determined that such regulatory concerns have abated, RHSS shall be re-instated to provide brokerage services to the related Subject REO Referrals without being required to so engage such third-party real estate broker; provided, however, that RHSS's reinstatement shall not apply to listings that are then pending with third-party real estate brokers unless and until such listings with such third-party real estate brokers expire. If Adverse Action was commenced against or with respect to NRZ Brokerage, NRZ Brokerage will work diligently with the applicable Regulator to mitigate risks relating thereto.

RHSS shall notify NRZ Brokerage in writing within 30 days of receiving the direction if RHSS reasonably believes that engaging a third-party real estate broker is anticipated to have a negative impact on RHSS's performance score on the Performance Scorecard, in which case RHSS shall provide to NRZ Brokerage data and written support of such analysis.

If RHSS so notifies NRZ Brokerage, the Parties hereto shall immediately cooperate with one another and negotiate in good faith to enter into amendments of the Performance Scorecard and the Service Level Metrics as applicable to the Subject REO Referrals as to which NRZ Brokerage has directed

RHSS to engage a third-party real estate broker, and during the time in which the Parties negotiate such amendments, NRZ Brokerage shall, at its option, either (x) allow RHSS to market and sell the properties without engaging a third-party real estate broker, in which case the Performance Scorecard and the existing Service Level Metrics shall apply or (y) require RHSS to engage a third-party real estate broker, in which case the Performance Scorecard and the Service Level Metrics shall not apply to the properties as to which NRZ Brokerage has directed RHSS to engage a third-party real estate broker unless and until the Parties agree in writing to an amended set of Service Level Metrics set forth on the Performance Scorecard; provided, however, that in the event of (y), RHSS shall continue to track its performance under the Service Level Metrics and if, after a period of six months, the use of third-party real estate brokers has not materially impacted RHSS's performance, the Service Level Metrics and the Performance Scorecard that existed when NRZ Brokerage directed RHSS to engage third-party real estate brokers shall apply. The Parties agree to submit all disputes regarding appropriate Service Level Metrics to the dispute resolution process set forth in Section 21 hereof.

Notwithstanding anything to the contrary herein, in the event that NRZ Brokerage requires RHSS to engage a specific third-party real estate broker under this Section 3(b), RHSS shall not have any liability for any actions of that third-party real estate broker and NRZ Brokerage shall indemnify RHSS and hold it harmless against claims relating to the third-party real estate broker's conduct to the fullest extent set forth in Section 15 of this Agreement, except to the extent that RHSS's or Altisource's acts or omissions, or information provided by RHSS or Altisource, resulted in the third-party real estate broker's conduct.

In the event that NRZ Brokerage requires RHSS to engage a third-party real estate broker under this Section 3(b) but does not specify that RHSS must engage a particular third-party real estate broker, RHSS shall retain responsibility for the conduct of the third-party real estate broker and shall indemnify NRZ Brokerage and New Residential and hold them harmless against claims relating to the third-party real estate broker's conduct to the fullest extent set forth in Section 15 of this Agreement. NRZ Brokerage hereby represents and warrants that, as of the date hereof, NRZ Brokerage does not have knowledge of facts or notice of circumstances under which NRZ Brokerage would require RHSS to engage third-party real estate brokers to list Subject REO Referrals under this Section 3(b).

(c) Notwithstanding the provisions of Section 3(a) hereof, for all Subject REO Referrals other than [***] REO Properties, NRZ Brokerage may direct RHSS not to sell Subject REO Referrals in a time-limit bidding format on an auction website (an "Online Auction") upon the later of (i) three business days from the date on which NRZ Brokerage gives RHSS written notice and (ii) in the event NRZ Brokerage gives RHSS written notice while a property is within an active Auction Cycle, three days after the end of that Auction Cycle, under the following circumstances:

- (1) the terms and provisions of the applicable Servicing Agreement prohibit the sale of REO Properties through an Online Auction;

- (2) the terms and provisions of the applicable Servicing Agreement do not prohibit the sale of REO Properties through an Online Auction but only permit such sale pursuant to qualifications or requirements that neither RHSS nor any of its Affiliate entities satisfy or are able to satisfy at a given time;
- (3) investors (other than New Residential in its capacity as an investor) in the securities related to the Servicing Agreement, or counterparties to the related Servicing Agreement, notify the securitization trustee or master servicer, New Residential or any party acting on behalf of New Residential, including its applicable subservicer or vendor, in writing, that the related Servicing Agreement or Applicable Law prohibit the sale of REO Properties through an Online Auction or that the sale of REO Properties through an Online Auction would be a breach of New Residential's obligations or duties under the related Servicing Agreement;
- (4) investors (other than New Residential in its capacity as an investor) in the securities related to the Servicing Agreement, or counterparties to the related Servicing Agreement, notify the securitization trustee or master servicer, New Residential or any party acting on behalf of New Residential, including its applicable subservicer or vendor, in writing, that, although the related Servicing Agreement or Applicable Law do not prohibit the sale of REO Properties through an Online Auction, such Servicing Agreement or Applicable Law permits the sale of REO Properties only permit such sales pursuant to qualifications or requirements that neither RHSS nor any of its Affiliate entities satisfy or are able to satisfy at a given time and that the sale of REO Properties by RHSS through an Online Auction would be a breach of New Residential's obligations or duties under the related Servicing Agreement;
- (5) NRZ Brokerage, whether on NRZ Brokerage's own initiative or in response to a request from RHSS, reasonably determines that, based on Adverse Action, regulatory guidance or issuance, regulatory directive, or other written or oral public statement by a Regulator on behalf of the applicable Government Authority, the sale of REO Properties through an Online Auction by real estate brokers presents significant risk to New Residential of Adverse Action;
- (6) NRZ Brokerage reasonably determines that the conditions of Section 3(c)(5) are not satisfied but that, based on Adverse Action, regulatory guidance or issuance, regulatory directive, or other written or oral public statement by a Regulator made on behalf of the applicable Governmental Authority, permitting RHSS to sell REO Properties through an Online Auction presents significant risk to New Residential of Adverse Action; and
- (7) under any other circumstances in which NRZ Brokerage deems appropriate in its reasonable discretion; provided, however that, at any given time, the total Most Recent Pre-Sales Market Value for all REO Properties in each Covered Portfolio for which Online Auctions are not permitted pursuant to this Section

3(c)(7) shall not exceed [***] percent ([***]%) of the total Most Recent Pre-Sales Market Value for all REO Properties in such Covered Portfolio at such given time.

In the event that NRZ Brokerage directs RHSS not to sell Subject REO Referrals through an Online Auction pursuant to Sections 3(c)(1) through 3(c)(6) above, such conclusion shall be supported by the advice, though not necessarily a formal written opinion, of duly licensed and qualified outside counsel that permitting the sale of REO Property through an Online Auction would present significant risk of Adverse Action to New Residential.

In the event any of the circumstances described in Sections 3(c)(1) through 3(c)(6) are present, NRZ Brokerage agrees to (i) consult with RHSS with respect thereto for a period of at least five (5) business days before RHSS must cease selling REO Property through an Online Auction and (ii) upon RHSS's written request, provide RHSS with written analysis supporting NRZ Brokerage's conclusion (though provision of a formal written opinion of counsel to RHSS shall not be required). In the event RHSS ceases or limits the use of Online Auctions pursuant to Sections 3(c)(1) through 3(c)(6) above, the Parties shall convene telephonically monthly, upon the request of either Party, to reassess whether such the facts giving rise to such cessation or limitation are still in place and, if NRZ Brokerage determines in its sole and absolute discretion that such facts are no longer in place (either in whole or in one or more jurisdictions), NRZ Brokerage shall permit the use of Online Auctions in such jurisdictions; provided, however, that the use of Online Auctions in such jurisdictions shall not apply to listings that have at least one pending Acceptable Offer as of the authorization date, unless (I) such listings do not go under Active Sales Contract within 30 days of the authorization date, (II) such listings no longer have at least one pending Acceptable Offer or (III) such listings do go under Active Sales Contract but such Sales Contract is subsequently cancelled.

Any Subject REO Referral for which NRZ Brokerage directs RHSS not to sell though an Online Auction pursuant to this Section 3(c) shall be excluded for the purposes of determining the performance score on the Service Level Metrics, as reflected on the Performance Scorecard. NRZ Brokerage hereby represents and warrants that, as of the date hereof, NRZ Brokerage does not have knowledge of facts or notice of circumstances under which NRZ Brokerage would direct RHSS not to sell Subject REO Referrals through an Online Auction under this Section 3(c).

(d) In the event that NRZ Brokerage directs RHSS (i) to engage third-party real estate brokers to list a Subject REO Referral pursuant to Section 3(b)(4) and directs RHSS not to sell such Subject REO Referral through an Online Auction pursuant to Section 3(c)(7), such directions shall count towards each of the respective [***] percent ([***]%) thresholds specified in Sections 3(b)(4) and 3(c)(7), respectively; (ii) to engage third-party real estate brokers to list a Subject REO Referral pursuant to Section 3(b)(4) and directs RHSS not to sell such Subject REO Referral through an Online Auction other than pursuant to Section 3(c)(7), such directions shall count towards the [***] percent ([***]%) threshold specified in Section 3(b)(4) but not the [***] percent ([***]%) threshold specified in Section 3(c)(7); and (iii) to engage third-party real estate brokers to list a Subject REO Referral other than pursuant to Section 3(b)(4) and directs RHSS not

to sell such Subject REO Referral through an Online Auction pursuant to Section 3(c)(Z), such directions shall count towards the [***] percent ([***]%) threshold specified in Section 3(c)(Z) but not the [***] percent ([***]%) threshold specified in Section 3(b)(4).

(e) De-Listing of Existing REO Properties.

- (i) Within ten (10) calendar days after the later of (1) NRZ Brokerage's written notice to RHSS that the Acquisition Date for the related Covered Portfolio has occurred, or (2) the effective date of an agreement between Ocwen (or such other owner of any Ocwen Portfolio or applicable Affiliate thereof) and RHSS and/or one or more of its Affiliates whereby Ocwen (or such other owner of any Ocwen Portfolio or applicable Affiliate thereof) has authorized RHSS to de-list Existing REO Properties, RHSS shall de-list all Existing REO Properties that, as of the Acquisition Date for the applicable Portfolio, (i) are not in an active Auction Cycle, (ii) are not under an active Sales Contract, and (iii) do not have at least one pending Acceptable Offer.
- (ii) With respect to Existing REO Properties that are in an active Auction Cycle as of the Acquisition Date, if the property is not under active Sale Contract within thirty calendar days of the close of the Auction Cycle, RHSS shall de-list the property within three business days thereafter, and RHSS shall conduct itself in accordance with the standard practices and procedures in place prior to the Acquisition Date regarding the processing of Acceptable Offers and Sales Contracts. If the REO Property goes under active Sales Contract within thirty calendar days of the close of the Auction Cycle but the contract is subsequently cancelled, RHSS shall de-list the REO Property within three (3) business days after the cancellation of the Sales Contract.
- (iii) With respect to Existing REO Properties that have at least one pending Acceptable Offer as of the Acquisition Date, if the property is not under active Sales Contract within thirty days of the Acquisition Date, RHSS shall de-list the property within three business days thereafter, and RHSS shall conduct itself in accordance with the standard practices and procedures in place prior to the Acquisition Date regarding the processing of Acceptable Offers and Sales Contracts. If the REO Property goes under active Sales Contract within 30 calendar days of the Acquisition Date but the contract is subsequently cancelled, RHSS shall de-list the REO Property within three (3) calendar days after the cancellation of the Sales Contract.
- (iv) With respect to Existing REO Properties that are under an active Sales Contract as of the Acquisition Date but which Sales Contracts are subsequently cancelled, RHSS shall de-list such REO Properties within three (3) calendar days after the cancellation of the Sales Contract.

(f) Pricing Methodology. RHSS shall list and market, and to the extent the Subject REO Referrals are sold, facilitate the sale of, Subject REO Referrals in accordance with the pricing methodology set forth on Exhibit 6 hereto, as such methodology may be amended in writing from time to time pursuant to this Section 3(f); and with respect to (1) any material changes, as such changes have been requested by RHSS and approved by NRZ Brokerage in writing; and (2) any immaterial changes, as RHSS notifies NRZ Brokerage in writing at least five days prior to the implementation of such change.

- (i) NRZ Brokerage shall have the right, but not the obligation, to provide a NRZ Brokerage Directed Methodology to RHSS to apply to an individual Subject REO Referral or multiple Subject REO Referrals, and RHSS shall comply with the NRZ Brokerage Directed Methodology within two business days of NRZ's Brokerage's direction.
- (ii) Intentionally omitted.
- (iii) As of the date hereof, the Parties agree that the pricing methodology to be used in setting the property reserve prices shall be as set forth in Exhibit 6 hereto, which Exhibit shall be deemed updated in the event NRZ Brokerage requests, and RHSS agrees in writing to, a different methodology in accordance with this Section 3(f).
- (iv) If a NRZ Brokerage Directed Methodology is implemented, the Performance Scorecard and the Service Level Metrics shall not apply to any Subject REO Referral that is the subject of and affected by such NRZ Brokerage Directed Methodology (the "Affected Properties"), though RHSS shall continue to track the Service Level Metrics of Affected Properties and shall report the Service Level Metrics of Affected Properties to NRZ Brokerage monthly. For the avoidance of doubt, the Service Level Metrics shall continue to apply to all Subject REO Referrals unless and until each Subject REO Referral becomes an Affected Property.

If the Affected Properties constitute greater than [***]% of the then-listed Subject REO Referrals in the Covered Portfolios, the Affected Properties shall be excluded from the Performance Scorecard and Service Level Metrics (as described in the immediately preceding sentences), though RHSS shall continue to track the Service Level Metrics of Affected Properties.

After [***] months from the implementation of the NRZ Brokerage Directed Methodology that caused the Affected Properties to exceed [***]% of the listed Subject REO Referrals in the Covered Portfolios, RHSS shall deliver a written report to NRZ Brokerage reflecting the Service Level Metrics for the Affected Properties and such report shall indicate the specific rule from the NRZ Brokerage Directed Methodology that impacted each Affected Property. The Parties shall then reasonably cooperate with

one another and negotiate in good faith to enter into amendments to the Performance Scorecard and the Service Level Metrics, such reasonableness and good faith to take into account the Service Level Metrics data available to the Parties and the number, nature and magnitude of NRZ Brokerage Directed Methodology changes implemented with respect to the Affected Properties over the nine-month period. During the time in which the Parties negotiate such amendments, the Performance Scorecard and the Service Level Metrics shall continue to not apply to the Affected Properties unless and until the Parties agree in writing to an amended set of Service Level Metrics, though RHSS shall continue to track the Affected Properties' performance under the Service Level Metrics. In the event the Parties are unable to reach agreement regarding an amended Performance Scorecard and Service Level Metrics, NRZ Brokerage and RHSS shall use, at NRZ's option, either (x) the most recently mutually agreed-upon applicable pricing methodology, in which case the then-current Performance Scorecard and then-existing Service Level Metrics shall apply to all non-Affected Properties or (y) the NRZ Brokerage Directed Methodology, in which case the Affected Properties shall continue to be excluded from the Performance Scorecard and the Service Level Metrics.

4. **Non-Covered Portfolios on Exhibit 1A.** For all Portfolios listed on Exhibit 1A in which New Residential owns an economic interest but, pursuant to the Ocwen Agreements, New Residential has not acquired title to the Portfolios' MSR, to the extent that, after the date hereof, New Residential acquires the contractual right to designate a broker to market and list REO Properties associated with such economic interests, the Parties agree to enter into a separate agreement or agreements pursuant to which those Portfolios will be Covered Portfolios following execution by Altisource, RHSS, Inc., RHSS CT, New Residential Mortgage LLC and New Residential of an amendment to that certain Letter Agreement among such parties, dated as of the date hereof to account for such Portfolios in a manner substantially identical to the manner in which the Covered Portfolios are treated thereunder. Any such agreements will be identical to this Agreement, including with respect to any Commissions due thereunder, except insofar as changes are necessary to accurately describe New Residential's rights with respect to the Portfolios.

5. **Commissions.**

(a) In consideration for the Subject REO Referrals, NRZ Brokerage shall, subject to Section 5(c), be entitled to receive, as its sole compensation, the commissions in the amounts set forth below (individually and collectively, "Commissions") solely in connection with the sale and conveyance of Subject REO Referrals by or through RHSS, regardless of whether RHSS elects or is directed to engage a third-party real estate agent or broker to assist with the sale. Payment of such Commissions will be made in accordance with Section 5(b):

- (1) With respect to Subject REO Referrals that are from the HLSS Portfolio or the Ocwen Portfolio, in each case other than Existing REO Referrals, [***] REO Properties, or [***] REO Properties, which referral occurs

prior to the date that is the earlier of (1) [***] months after the Acquisition Date related to the MSRs for the Portfolio containing the loan that was previously secured by such REO Property, and (2) [***] months from the date of this Agreement:

[***]

- (ii) With respect to Subject REO Referrals, in each case other than Existing REO Referrals, [***] REO Properties, or [***] REO Properties, that are from (1) the HLSS Portfolio or the Ocwen Portfolio, which referral occurs on or after the date which is the earlier of (a) [***] months after the Acquisition Date related to the MSRs for the Portfolio containing the loan that was previously secured by such REO Property, and (b) [***] months from the date of this Agreement, or (2) the PHH Portfolio, which referral occurs at any time during the term of this Agreement:

[***]

- (iii) [***] REO Properties. With respect to a Subject REO Referral that is [***]:

[***]

- (iv) [***] REO Properties. With respect to a Subject REO Referral that is [***], the commission to NRZ Brokerage will be [***]. The Parties may agree in writing on alternative commission terms for [***] REO Properties on a case-by-case basis.

- (v) Existing REO Properties. Notwithstanding the foregoing in this Section 5(a), with respect to a Subject REO Referral that is an Existing REO Property at the time of the sale and conveyance of Subject REO Referrals, the commission to NRZ Brokerage will be [***].

- (vi) With respect to a Subject REO Referral that is from a Covered Portfolio other than the HLSS Portfolio, Ocwen Portfolio, or PHH Portfolio, a commission equal to an amount to be determined by the Parties with respect to each Portfolio when it becomes a Covered Portfolio in accordance with this Agreement.

(b) It is the intent of the Parties that Commissions be paid to NRZ Brokerage by the escrow agent from the proceeds at the closing of the sale of any Subject REO Referrals (“Closing”). RHSS shall wire or cause to be wired, the Commissions, in immediately available funds, to the bank account designated by NRZ Brokerage to RHSS in writing. RHSS shall provide NRZ Brokerage’s wiring instructions to the escrow agent. RHSS shall cause the Commissions to be documented in the relevant settlement statement prior to or at Closing. RHSS shall pay (or cause to be paid) to NRZ Brokerage (i) ninety percent (90%) of the total Commissions due NRZ Brokerage

pursuant to Section 5 arising out of sales of Subject REO Referrals within five (5) business days following the Closings for such sales of Subject REO Referrals and (ii) inclusive of the amounts paid under clause (i), one hundred percent (100%) of the total Commissions due NRZ Brokerage pursuant to Section 5 arising out of sales of Subject REO Referrals within fifteen (15) business days following the Closings for such sales of Subject REO Referrals; provided, however that RHSS shall not be responsible for delays in timing of the payment of Commissions (and such delays shall not count towards the foregoing payment timelines) to the extent caused by Applicable Law restricting or precluding RHSS or the Altisource Affiliated Escrow Agent from making such payment or any litigation, court order, faulty wiring instructions provided by NRZ Brokerage and operational issues with the wiring or receiving bank; provided further, that, RHSS shall use its commercially reasonable efforts to remediate any issue(s) resulting in delayed payment to NRZ Brokerage. In the event that delays in payment to NRZ Brokerage, no matter the reason for the delay, impact more than 5% of the Commissions owed to NRZ Brokerage at any given time, RHSS shall provide to NRZ Brokerage a written action plan for remediating the delays and shall provide NRZ Brokerage with monthly status reports regarding RHSS's progress under the applicable action plan.

NRZ Brokerage hereby provides RHSS with the authority to collect, and NRZ Brokerage will cooperate in RHSS's collection of, any remaining amounts owed on the Commissions on NRZ Brokerage's behalf. NRZ Brokerage understands and agrees that Commissions payable to NRZ Brokerage are its full and complete compensation under this Agreement and RHSS shall have no responsibility for any payments to other service providers unless directly engaged or agreed to in writing by RHSS. NRZ Brokerage shall provide "read-only" bank account access to RHSS for the purpose of tracking NRZ Brokerage's receipt of Commissions; failure to do so (or to otherwise provide RHSS with substantially real-time information necessary for RHSS to determine whether all Commissions have been received by NRZ Brokerage) shall, solely with respect to the Commissions with respect to which NRZ Brokerage failed to provide such access and information, suspend any liability for RHSS due to any failure to deliver or cause to be delivered Commissions to NRZ Brokerage within the time period specified in the preceding paragraph and any termination rights associated therewith. If the monthly report shows that NRZ Brokerage has received more Commissions than to which it is entitled hereunder (due to timing issues or otherwise) or to the extent that RHSS is otherwise aware that NRZ Brokerage has received more Commissions than to which it is entitled hereunder (due to timing issues or otherwise), NRZ Brokerage shall remit such excess amounts to RHSS within two (2) business days of NRZ Brokerage's knowledge of an overpayment or receipt of a written request from RHSS for such payment, which such request shall direct NRZ Brokerage to the monthly report that reflects such excess amounts or, if the related monthly report is insufficient for such purposes or has not been provided, shall include other supporting documentation; provided, however, that to the extent NRZ Brokerage believes that RHSS may have made a payment of Commissions to NRZ Brokerage in excess of the Commissions to which NRZ Brokerage is entitled, NRZ Brokerage shall notify RHSS of such belief within two (2) business days and shall reasonably cooperate with RHSS in investigating such excess payment.

(c) NRZ Brokerage shall not be entitled to receipt of any Commissions (and any prior right shall automatically terminate) upon the termination of the listing agreement with respect to any Subject REO Referral.

6. **Compliance with Laws; Authority; Broker License.**

(a) Each Party agrees that it will materially comply with Applicable Laws in the performance of its obligations hereunder and in the operation of its business. No Party will take actions in violation of Applicable Law that could reasonably be expected to result in a material liability being imposed on the other Party.

(b) NRZ Brokerage hereby represents and warrants to RHSS that, as of the date of this Agreement (i) Exhibit 1A is an accurate and complete list of the Portfolios New Residential has acquired or contracted to acquire from Ocwen, which for the avoidance of doubt includes all MSRs that are subject to the Ocwen Agreements, (ii) Exhibit 2 is an accurate and complete list of the Portfolios of MSRs New Residential has contracted to acquire from PHH Mortgage Corporation, pursuant to the Agreement for Purchase and Sale of Mortgage Servicing Rights, dated as of December 28, 2016, by and among, New Residential Mortgage LLC, PHH Mortgage Corporation and PHH Corporation, (iii) to its knowledge, it has, or will have, as applicable, the right to market and sell the Subject REO Referrals and to refer the Subject REO Referrals to RHSS to market and sell such REO Properties; provided, however, that NRZ Brokerage's ability to refer the Subject REO Referrals in the PHH Portfolios to RHSS is subject to PHH Mortgage Corporation's approval of RHSS as a vendor, (iv) it is not aware of any event or circumstance, either ongoing or imminent, that would require NRZ Brokerage to require RHSS to engage a third-party real estate broker to list Subject REO Referrals pursuant to Section 3(b) hereof, (v) it is not aware of any event or circumstance, either ongoing or imminent, that would require NRZ Brokerage to direct RHSS not to use an Online Auction in the sale of Subject REO Referrals pursuant to Section 3(c) hereof, (vi) it has all requisite corporate or other entity power and authority to enter into, deliver and fully perform its obligations under, this Agreement, (vii) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and properly approved and validly authorized by all requisite corporate or other entity action on its part, (viii) this Agreement has been duly executed and delivered by NRZ Brokerage and (ix) no consent, approval, order or authorization of, or registration, declaration or filing with, or notice to any governmental authority or other third party is necessary or required to be made or obtained by NRZ Brokerage to enable it to lawfully execute and deliver, enter into, and perform its obligations under this Agreement. This Agreement constitutes a valid and binding obligation of NRZ Brokerage, enforceable against NRZ Brokerage in accordance with the terms hereof. NRZ Brokerage further covenants that it will use best efforts during the term of the Agreement to maintain its rights to appoint RHSS as the exclusive listing and seller agent for the Subject REO Referrals.

(c) RHSS hereby represents and warrants to NRZ Brokerage that, as of the date of this Agreement (i) it has all requisite corporate or other entity power and authority to enter into, deliver and fully perform its obligations under, this Agreement, (ii) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby and thereby have been duly and properly approved and validly authorized by all requisite corporate or other entity action on its part, (iii) this Agreement has been duly executed and delivered by RHSS, (iv) no consent, approval, order or authorization of, or registration, declaration or filing with, or notice to any governmental authority or other third party is necessary or required to be made or obtained by RHSS to enable it to lawfully execute and deliver, enter into, and perform its obligations

under this Agreement, (v) RHSS has no knowledge of any pending material regulatory investigation or proceeding or any pending material litigation matters related to the brokerage services contemplated in this Agreement other than those disclosed by RHSS to NRZ Brokerage in writing prior to the date of this Agreement, which matters are included among those listed on Schedule A hereto (the “Disclosed Matters”), and (vi) RHSS has disclosed to NRZ Brokerage in writing a description of the material aspects of the current status of each Disclosed Matter and all material developments regarding each Disclosed Matter known to RHSS as of the date of this Agreement that remain relevant to each such Disclosed Matter as of the date of this Agreement. This Agreement constitutes a valid and binding obligation of RHSS, enforceable against RHSS in accordance with the terms hereof.

(d) NRZ Brokerage represents and warrants that, as of the date of this Agreement, it is a duly and validly licensed broker in the State of California (“First Licensed Jurisdiction”), and covenants to at all times during the term of this Agreement have and maintain an active brokerage license in the First Licensed Jurisdiction. NRZ Brokerage further represents and warrants that, as of the date of this Agreement, it is legally qualified as necessary to receive the Commissions from any and all sales of REO Property in the jurisdictions listed on Exhibit 8 to this Agreement, which such Exhibit may be amended in writing by NRZ Brokerage from time to time. NRZ Brokerage covenants that it will maintain for the duration of the Agreement all qualifications necessary for it to properly and legally receive the Commissions and will promptly notify RHSS in writing to the extent it is no longer in compliance with this covenant. Notwithstanding anything contained herein to the contrary, in the event that at any time NRZ Brokerage is not validly licensed in the First Licensed Jurisdiction or is otherwise not authorized or legally qualified to accept payment of Commissions in accordance with Applicable Laws of the jurisdictions where NRZ Brokerage provides referrals, NRZ Brokerage shall not be entitled to receive any Commissions from Closing Proceeds arising from transactions completed prior to such time as NRZ Brokerage is duly licensed in the First Licensed Jurisdiction and authorized and legally qualified to receive Commissions in the jurisdiction where the property is located, or during any period when NRZ Brokerage is not duly licensed in the First Licensed Jurisdiction and authorized and legally qualified to receive payments of Commissions in accordance with Applicable Law of the jurisdiction where the property is located.

(e) As of the date hereof and other than as set forth in Exhibit 4 hereto, as updated on a quarterly basis, RHSS represents and warrants that it is a duly and validly licensed broker in each jurisdiction where REO Property in Covered Portfolios is located and at all times during the term of this Agreement.

(f) RHSS will take appropriate action to safeguard any personally identifiable consumer information, including any non-public Personal Information it may receive about a customer or consumer of NRZ Brokerage as a result of the Subject REO Referrals. Such action includes, but is not limited to, maintaining firewalls and password-protected systems, as well as maintaining and enforcing policies and procedures to protect consumer information from unauthorized access or misuse. In the event a breach of RHSS’s security measures occurs and to the extent such breach involves Personal Information relating to a Subject REO Referral or a Covered Portfolio, RHSS will promptly notify NRZ Brokerage and, at RHSS’s sole expense, provide any

and all notifications relating to any breach of Personal Information that Applicable Law requires to be given to consumers, law enforcement agencies, regulatory agencies or other parties. For purposes of this subparagraph (f), “Personal Information” means consumer information that is covered under applicable data breach notification laws

(g) [Intentionally omitted].

7. **Review and Oversight of RHSS’s Compliance and Performance.** Upon written notice to RHSS and Altisource, NRZ Brokerage shall have the right to audit and review RHSS’s operations, policies and procedures and sales performance as set forth in Exhibit 5A hereto, which terms are expressly incorporated into this Agreement.

8. **Opportunity to Bid.** In the event that New Residential acquires MSRs in non-Covered Portfolios following execution of this Agreement, NRZ Brokerage shall provide RHSS and Altisource an opportunity to submit a proposal pursuant to which the Portfolios to which such MSRs apply could become Covered Portfolios.

9. **Competitive Terms.** The Parties agree and acknowledge that, unless otherwise approved in writing by NRZ Brokerage, the Commissions set forth herein are based upon a cumulative commission paid from the sale of any Subject REO Referral of the Standard Seller Commission Percentage, such total commissions being the prevailing market rate for REO brokerage services as of the date hereof. Each of the Parties shall have the right, but not the obligation, to conduct market studies during the term of this Agreement at its sole cost and expense, provided such market studies are done in good faith solely for the purpose of assisting in evaluating the prevailing market ranges for REO brokerage services in the applicable jurisdiction and negotiating adjustments as may be required to ensure that the owners of REO Properties are not being charged outside of applicable market ranges for brokerage services in such applicable jurisdiction.

(a) If the market studies reflect that market rates for REO brokerage services have decreased, NRZ Brokerage, on New Residential’s behalf, has the right to determine, in its reasonable discretion, whether to decrease the Total Seller Payable Commission for Subject REO Referrals. If the Total Seller Payable Commission decreases in accordance with this Section 9, the Subject REO Referrals shall become [***] REO Properties, in connection with which the Parties agree to adjust their respective portions of the Total Seller Payable Commissions in accordance with Section 5(a)(iii) of this Agreement. NRZ Brokerage, on New Residential’s behalf, retains sole and absolute discretion regarding the magnitude of the applicable decrease to the Total Seller Payable Commissions applicable to Subject REO Referrals.

(b) If the market studies reflect that the market rates for REO brokerage services have increased, NRZ Brokerage, on New Residential’s behalf, has the right to determine, in its reasonable discretion, whether to permit RHSS to increase the Total Seller Payable Commission for Subject REO Referrals. NRZ Brokerage, on New Residential’s behalf, retains sole and absolute discretion regarding the magnitude of the applicable increase to the Total Seller Payable Commissions applicable to Subject REO Referrals. In the event NRZ Brokerage authorizes RHSS

to increase the Total Seller Payable Commission, the Parties shall split (i) [***] any portion of any such increase causing the Total Seller Payable Commission to be in excess of the Standard Seller Commission Percentage and (ii) any portion of any such increase that does not cause the Total Seller Payable Commission to be in excess of the Standard Seller Commission Percentage as reflected below:

[***]

(c) To the extent that the Parties fail to agree on whether increases or decreases to the Total Seller Payable Commission is appropriate (or on the magnitude of any such increases or decreases), the Parties may in their respective sole and absolute discretion (but need not) engage in the dispute resolution process set forth in Section 21 of this Agreement; provided, however that, for the avoidance of doubt, neither Party shall have the right to force the other Party to engage in such process.

10. **Assignments, Successors.**

(a) The Parties' rights under this Agreement shall continue in full force and effect and shall not be affected by the sale (or other transfer of a Covered Portfolio) by New Residential of MSRs to New Residential Affiliate.

(b) Neither this Agreement nor the obligations of each Party hereunder may be assigned or otherwise transferred by operation of law or otherwise, in each case, in whole or in part (a "Transfer"), by either Party without the other Party's prior written consent, which shall not be unreasonably withheld, conditioned or delayed and any such attempted Transfer without such consent shall be void; provided, however, that such consent shall not be required in the event that (1) RHSS Transfers this Agreement in accordance with a Permitted Transfer (as defined in the Guaranty) thereof, (2) NRZ Brokerage Transfers this Agreement to an Affiliate, or (3) NRZ Brokerage undergoes one or more transactions under which (i) NRZ Brokerage or the business of NRZ Brokerage relating to this Agreement is acquired by or merges with another party and the acquiring or surviving entity succeeds NRZ Brokerage as to this Agreement, (ii) all or substantially all of the assets of NRZ Brokerage or the business of NRZ Brokerage relating to this Agreement is acquired by another party and such other party succeeds NRZ Brokerage as to this Agreement, (iii) NRZ Brokerage assigns this Agreement in connection with a sale of all or substantially all of its assets, or (iv) NRZ Brokerage spins off the business relating to this Agreement into one or more separate entities and such one or more separate entities succeed NRZ Brokerage as to this Agreement; provided, further, that nothing herein shall in any way restrict any direct or indirect assignment, sale or other transfer of the equity interests of NRZ Brokerage, whether by operation of law or otherwise.

(c) If RHSS wishes to execute a Transfer (other than as specified in Section 10(b)(1) herein), RHSS shall provide to NRZ Brokerage in writing the identity of the proposed successor or assignee, such writing to be deemed RHSS's Confidential Information (as that term is defined in the Vendor Management Addendum) and subject to the restrictions contained in Section 14 of the Vendor Management Addendum. NRZ Brokerage agrees that, (1) it will respond to such writing with an approval or rejection of such proposed Transfer within no more than five (5) business days

and (2) it will apply its reasonable discretion in evaluating, approving or rejecting a proposed Transfer and that such discretion shall be limited to analyzing whether or not such Transfer exposes NRZ Brokerage or New Residential to a non-*de minimis* increased risk relating to (A) the financial health or operational capabilities of the counterparty, (B) the quality of performance of the services provided under this Agreement, or (C) regulatory compliance matters. If NRZ Brokerage rejects a requested Transfer and, RHSS believes (as evidenced by written notice to NRZ Brokerage) that NRZ Brokerage's determination was not made in accordance with the requirements of this Section 10(c), the Parties shall submit the dispute regarding NRZ Brokerage's determination to the dispute resolution process set forth in Section 21 hereof. During the pendency of such dispute resolution process, RHSS shall not be permitted to affect a Transfer. The parties will use their best efforts to conduct the dispute resolution process on an expedited basis.

11. **Amendments.** This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their respective permitted successors and assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. This Agreement may be amended only by written instrument signed by all of the Parties to this Agreement except for Exhibit 1B (pursuant to Section 2(q)(ii) hereto), Exhibit 6 (pursuant to Section 3(f) hereto), and Exhibit 8 (pursuant to Section 6(d) hereto), which need not be signed but must otherwise be agreed to in writing (including via electronic mail).

12. **Severability.** If any one or more terms or other provisions of this Agreement are invalid, illegal or legally incapable of being enforced by any rule of law or public policy, or otherwise violates Applicable Law, (a) to the extent legally permissible, rather than being stricken, such terms or provisions, shall (1) first be interpreted, and (2) second shall be modified in a manner so as to give maximum effect to the intent of the Parties and the economic benefits from REO Property sales conferred on RHSS and Altisource, on the one hand, and NRZ Brokerage and New Residential, on the other, and (b) only such terms or provisions shall be modified or stricken with all other sections remaining in effect in accordance with the terms hereof. For the avoidance of doubt, in the event Applicable Law precludes NRZ Brokerage from receiving any Commissions in connection with the Subject REO Referrals, all other sections and provisions of the Agreement shall remain in effect to the extent permissible under Applicable Law. In the event the entire structure of this Agreement is invalid, illegal or legally incapable of being enforced by any rule of law or public policy, or otherwise violates Applicable Law, the Agreement shall be void in its entirety.

13. **Counterparts.** This Agreement may be executed in two counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

14. **Notices.** All notices, requests, claims and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by facsimile or other generally accepted means of electronic transmission, or by registered or certified mail (postage prepaid, return receipt requested) or commercial overnight courier to the respective Parties at the following addresses (or at such other address for a Party as shall be specified by like notice):

If to RHSS: REALHome Services and Solutions, Inc.
1000 Abernathy Road, Suite 245
Atlanta, GA 30328
Attention: Corporate Secretary
Email: contractmanagement@altisource.com

If to NRZ Brokerage: New Residential Sales Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: [***]
Email: [***]

With a copy to: New Residential Sales Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: [***]
Email: __[***]

Either Party from time to time may change its address, facsimile number or other information for the purpose of notices to such Party by giving notice in the manner provided for herein specifying such change to the other Party.

15. **Indemnification.** RHSS agrees to defend and indemnify NRZ Brokerage and New Residential for, and to hold NRZ Brokerage and New Residential harmless against, any claim, penalty, loss, liability or expense of any kind whatsoever asserted by third parties (collectively, "Third Party Claims"), that arise from, are a result of or, are in connection with RHSS's conduct, or the conduct of any assignees, subcontractors, delegates, Altisource Affiliates, or third parties performed on RHSS's behalf (collectively, "RHSS Representatives"), in its capacity as listing agent for REO Properties referred by NRZ Brokerage or arising from, resulting from, or in connection with RHSS's duties or obligations under this Agreement (an "NRZ Indemnity Claim"), whether or not the possibility of such losses has been disclosed to RHSS in advance or whether or not such losses could have been reasonably foreseen by RHSS, except to the extent such Third Party Claims are caused by the actions of New Residential or any assignees, subcontractors, delegates, or third parties acting on New Residential's behalf (collectively, "New Residential Representatives") or RHSS Representatives acting consistently with or otherwise in accordance with the instructions of a New Residential Representative (each an "NRZ Indemnity Claim Exception," and such NRZ Indemnity Claim Exceptions being excluded from the definition of an NRZ Indemnity Claim). RHSS will reimburse NRZ Brokerage and New Residential for any and all damages, losses, costs or expenses of any kind whatsoever including, but not limited to, reasonable attorneys' fees that NRZ Brokerage or New Residential incurs in connection with any Third Party Claim.

NRZ Brokerage agrees to defend and indemnify RHSS and all Altisource Affiliates for, and to hold RHSS and Altisource Affiliates harmless against, any Third Party Claims that arise from, are a result of, or are in connection with the conduct of any New Residential Representatives in connection

with NRZ Brokerage's duties or obligations under this Agreement, whether or not the possibility of such losses has been disclosed to RHSS in advance or whether or not such losses could have been reasonably foreseen by NRZ Brokerage, except to the extent such Third Party Claims are the subject of an NRZ Indemnity Claim (an "RHSS Indemnity Claim"). NRZ Brokerage will reimburse RHSS and all Altisource Affiliates for any and all damages, losses, costs or expenses of any kind whatsoever including, but not limited to, reasonable attorneys' fees that RHSS or any Altisource Affiliate incurs in connection with any Third Party Claim.

Any Party that is required to indemnify the other Party hereto is referred to herein as the "Indemnifying Party."

Each indemnified party shall give written notice as promptly as reasonably practicable to the Indemnifying Party of any action commenced against it in respect of which indemnity may be sought hereunder; provided, however, that the failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party from any liability that it may have under this Section 15, except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses or otherwise) by such failure; and provided, further, that the failure to so notify the Indemnifying Party shall not relieve such Indemnifying Party from any liability that it may have to the indemnified party otherwise than under this Section 15.

Upon request of the indemnified party, the Indemnifying Party shall retain for counsel reasonably satisfactory to the indemnified party to represent the indemnified party and any others the Indemnifying Party may designate in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding as incurred. If any action is brought against any indemnified party and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party may participate at its own expense in the defense of any such action. The Indemnifying Party may elect to assume the defense of any such action, with counsel reasonably satisfactory to such indemnified party by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from the indemnified party. In any such proceeding, any indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the Indemnifying Party and the indemnified party shall have agreed in writing to the retention of such counsel, (ii) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the indemnified party and representation of both parties by the same counsel would constitute a conflict of interest under applicable professional responsibility codes due to actual or potential differing interests between them or (iii) the Indemnifying Party shall have failed to designate within a reasonable period of time counsel reasonably satisfactory to the indemnified party. In no event shall the Indemnifying Party be liable for fees and expenses of more than one counsel in any one jurisdiction (separate from its own counsel and any necessary local counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent; provided, however, that such consent may not be unreasonably withheld. However, if settled with such consent or if there be a final non-appealable judgment entered by a court of competent jurisdiction for the plaintiff, the Indemnifying Party shall indemnify the indemnified party from and against any Liability by reason

of such settlement or judgment to the extent required by this Section 15. If the Indemnifying Party assumes the defense of any proceeding, it shall be entitled to settle such proceeding with the consent of the indemnified party (not to be unreasonably withheld, delayed or conditioned) or, if such settlement provides for the unconditional release of the indemnified party from all liability on any claims that are the subject matter of such proceeding, without the consent of the indemnified party. Notwithstanding the foregoing, if at any time an indemnified party shall have requested the Indemnifying Party, in writing, to reimburse the indemnified party for reasonable fees and expenses of counsel incurred in good faith or any other reasonable expenses incurred in good faith for which, in each such case, the Indemnifying Party is obligated under this paragraph, the Indemnifying Party agrees that it shall be liable for any reasonable settlement of any proceeding effected without its written consent if (a) such settlement is entered into more than sixty (60) days after receipt by the Indemnifying Party of the aforesaid request, (b) the Indemnifying Party shall not have reimbursed the indemnified party in accordance with such request prior to the date of such settlement and (c) such settlement or compromise or consent does not include a statement as to, or an admission of, fault, culpability, negligence or a failure to act by or on behalf of the Indemnifying Party or an agent thereof.

16. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to applicable principles of conflicts of law.

17. **Intentionally Omitted.**

18. **Term of Agreement; Contingent Term.** Subject to the other terms and provisions of this Agreement, the term of this Agreement shall be from the date hereof through August 31, 2025.

In addition to the Termination Events set forth in Section 19 hereof, RHSS shall have the right to terminate this Agreement by written notice to NRZ Brokerage, if New Residential and Altisource fail to enter into that certain services agreement contemplated by the Services LOI prior to the expiration or earlier termination of such Services LOI (as extended). Such termination shall be effective as of ninety (90) days after NRZ Brokerage's receipt of written notice from RHSS that RHSS is exercising its rights under this Section 18, or such earlier date following such delivery of such written termination notice as NRZ Brokerage may specify in writing to RHSS.

19. **Termination Events.**

(a) This Agreement may be terminated at any time during the term hereof by mutual written agreement of the Parties or upon written notice of termination (delivered within the timeframe set forth in Section 19(f)) by any Party having the right to terminate this Agreement pursuant to this Section 19 (the "Terminating Party") to the other Party (the "Non-Compliant Party") following the occurrence of one or more of the following events, after giving effect to any applicable grace periods, cure periods or conditions specified herein (each, a "Termination Event"), subject to Section 19(g):

(i) *Failure to Maintain Licenses, Etc.* By NRZ Brokerage, if RHSS fails to maintain a license, approval or qualification (which, for the avoidance of doubt, shall not

include any membership to any multiple listing service), which failure prohibits RHSS from performing its obligations materially in the manner required hereunder (other than any such failure described in clause (1), (2) or (3) below), which failure continues uncured for a period of [***] days after RHSS's receipt of written notice of such failure (or, in the case of an expiration, [***] days after the expiration date), provided that this [***] day cure period shall only apply if (A) such failure is capable of being cured; (B) RHSS is diligently (as reasonably evidenced to the Terminating Party in writing) attempting to cure such failure, (C) upon NRZ Brokerage's reasonable written request, the RHSS provides written updates and/or participates in conference calls to provide status updates to NRZ Brokerage, and (D) there shall not have been within any 90-day period during which a failure has occurred by RHSS a failure in [***] or more states. Notwithstanding the foregoing, the following shall not constitute a Termination Event in favor of NRZ Brokerage under this Section 19(a)(i):

(1)

(A) in the case of any suspension, revocation or other material limitation of any license, approval or qualification by the applicable Governmental Authority necessary for RHSS to sell Subject REO Referrals, RHSS (a) has satisfied its obligations under Section 7(c) of the Vendor Management Addendum, and (b) provides written notice to NRZ Brokerage as promptly as possible, and in any event within two (2) business days, of RHSS's receipt of written notice that such suspension, revocation, or limitation has become effective; or

(B) in the case of an expiration of a license, approval, or qualification necessary for RHSS to sell Subject REO, RHSS provides notice as promptly as possible, and in any event within two (2) business days of such expiration becoming effective; and

(C) in the case of either clause (A) or (B) above, RHSS:

(1) has provided in writing to NRZ Brokerage the identity of a licensed and qualified third party replacement broker, (x) for which RHSS has satisfied the requirements set forth in the Vendor Management Addendum, including, without limitation, Section 10 thereof, accompanied by reasonable documentation evidencing the satisfaction of such requirements, and (y) NRZ Brokerage has approved such replacement broker, which approval shall not be unreasonably withheld, conditioned or delayed if RHSS has satisfied clause (x) above;

(2) has engaged such replacement broker, effective no later than the date such license, approval, or

qualification expires or is suspended, revoked or materially limited, and

(3) is diligently (as reasonably evidenced to NRZ Brokerage in writing) attempting to re-establish its own license, approval, or qualification; or

(2) RHSS does not possess such license, approval, or qualification as of the date of this Agreement, and has disclosed the absence of such license, approval or qualification on Exhibit 4 to this Agreement; or

(3) during the term of this Agreement, RHSS:

(A) elects to surrender or not renew any license, approval or qualification;

(B) provides written notice of such election to NRZ Brokerage at least 60 days in advance of such surrender or expiration becoming effective, which written notification shall include a reasonably detailed explanation of RHSS's reasonable business considerations for such election, and

(C) satisfies the requirements of clauses (1)(C)(1) and (1)(C)(2) above.

(ii) *Non-Compliance with Applicable Law.*

(1) By the Terminating Party, if the Non-Compliant Party fails to comply with Applicable Laws in a material respect as required to perform its obligations under this Agreement (other than any such failure described in clause (A), (B) or (C) below), where such failure (A) is finally adjudicated, or otherwise forms the basis for a documented finding by a Regulator, which the Non-Compliant Party has the right to challenge but which right the Non-Compliant Party has waived or exhausted, but (B) does not (1) result in a written notice of an enforcement action, consent order, material sanction, fine, penalty, other adversarial proceeding against the Terminating Party (or, if the Terminating Party is NRZ Brokerage, New Residential) by a Regulator, which, in each case, has or could reasonably be expected to have a material adverse effect on the business or operations of the Terminating Party (or, if the Terminating Party is NRZ Brokerage, of New Residential), or result in any other material judgment, material liability, or other material adverse effect to the Terminating Party (or, if the Terminating Party is NRZ Brokerage, to New Residential), or (2) reflect a substantially concurrent and ongoing pattern of material violations or material non-compliance as to substantially the same type of conduct across [***] or more states, and (C) the failure continues uncured for a period of [***] days following the Non-Compliant Party's receipt

of notice of the adjudication or finding referenced in clause (A) (which cure period applies only if the failure is curable); provided, however, that if (i) such failure is capable of being cured but cannot reasonably be cured within such [***] day period, (ii) the Non-Compliant Party is diligently (as reasonably evidenced to the Terminating Party in writing) attempting to cure the same, and (iii) upon the Terminating Party's reasonable written request, the Non-Compliant Party provides written updates and/or participates in conference calls to provide status updates to the Terminating Party, then such [***] day period shall be extended for an additional [***] days. Notwithstanding the foregoing, the following shall not constitute a Termination Event under this Section 19(a)(ii):

(A) Any failure to maintain a material license, approval or qualification, which is subject to Section 19(a)(i) above;

(B) Any non-compliance within the scope of the Disclosed Matters and the written descriptions thereof provided by RHSS to NRZ Brokerage referenced in Section 6(c)(vi) of this Agreement;

(C) Any such failure to comply with applicable laws or regulations caused by, or arising directly out of, the structure of (1) the Agreement itself, or (2) other agreements between RHSS (or its Affiliates) and New Residential, but not caused by any violation by RHSS or any Altisource Affiliates of any obligation arising under any such agreement.

(2) By the Terminating Party, if the Non-Compliant Party fails to comply with Applicable Laws in a material respect as required to perform its obligations under this Agreement (other than any such failure described in Section 19(a)(ii)(1)(A), (B) or (C) above), where such failure (A) is finally adjudicated, or otherwise forms the basis for a documented finding, by a Regulator, which the Non-Compliant Party has the right to challenge but which right the Non-Compliant Party has waived or exhausted, and (B) either (i)(x) results in a written notice of an enforcement action, consent order, material sanction, fine, penalty, other adversarial proceeding against the Terminating Party (or, if the Terminating Party is NRZ Brokerage, New Residential) by a Regulator, which, in each case, has had or could reasonably be expected to have a material adverse effect on the business or operations of the Terminating Party (or, if the Terminating Party is NRZ Brokerage, of New Residential), or (y) results in any other material judgment, material liability, or other material adverse effect to the Terminating Party (or, if the Terminating Party is NRZ Brokerage, to New Residential), or (ii) reflects a substantially concurrent and ongoing pattern of material violations or material non-

compliance as to substantially the same type of conduct across [***] or more states.

(iii) *Regulatory Allegations of Non-Compliance.* By NRZ Brokerage, if NRZ Brokerage (or any Affiliate) receives written notice of an adversarial proceeding by any Regulator, of which New Residential is the target or is the subject of alleged violations of Applicable Law or regulations, which (A) results from any allegations of the failure of, or the actual failure of, Altisource, RHSS, or RHSS CT (including any Altisource Affiliate performing services indirectly for NRZ Brokerage on behalf of RHSS or RHSS CT) to comply with Applicable Laws in a material respect (other than any such failure described in Section 19(i)), and (B) could reasonably be expected to have a material adverse effect on the business or operations of New Residential.

(iv) *Involuntary Bankruptcy; Appointment of Receiver, Etc.* By either Party, if (A) a court of competent jurisdiction shall enter a decree or order for relief in respect of the Non-Compliant Party or its parent company (i.e., in the case of RHSS, Altisource, or in the case of NRZ Brokerage, New Residential Investment Corp.) in an involuntary case under the Bankruptcy Code or under any other applicable U.S. federal, state or foreign bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable U.S. federal, state or foreign law; or (B) an involuntary case shall be commenced against the Non-Compliant Party or its parent company under the Bankruptcy Code or under any other applicable U.S. federal, state or foreign bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, conservator, custodian or other officer having similar powers over the Non-Compliant Party or its parent company, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee, conservator or other custodian of the for all or substantially all of its property; or a warrant of attachment, execution or similar process shall have been issued against all or substantially all of the property of the Non-Compliant Party or its parent company, and any such event described in this clause (B) shall continue for [***] without having been dismissed, bonded or discharged.

(v) *Voluntary Bankruptcy; Appointment of Receiver, Etc.* By either Party, if (A) the Non-Compliant Party or its parent company shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable U.S. federal, state or foreign bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee, conservator or other custodian for all or a substantial part of its property; or the Non-Compliant Party or its parent company, shall make any assignment for the benefit of creditors or (B) the Non-Compliant Party or its parent company shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of the Non-Compliant Party or its parent company (or any

committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein.

(vi) *Altisource Going Concern.* By NRZ Brokerage, if the auditors or management of Altisource Portfolio Solutions S.A., Altisource, or RHSS (but only to the extent RHSS's financial statements are audited separately in the future) disclose in their respective quarterly or annual financial statements that there is substantial doubt about such entity's ability to continue as a going concern.

(vii) *Failure to Meet Performance Standards.* By NRZ Brokerage, if RHSS's Quarterly Performance Score for any Service Level Metric contained in the Performance Scorecard falls below the applicable threshold for such Service Level Metric specified in the Performance Scorecard for two consecutive calendar quarters.

(viii) *Failure to Deliver Periodic Reports.* By NRZ Brokerage, if RHSS fails to deliver periodic reports or other periodic deliverables by the due dates prescribed in the Vendor Management Addendum, which failure continues uncured (A) in the case of reports the Parties agree to and identify in writing are critical reports, for a period of [***] business days after the due date for such report, or (B) in the case of all other periodic reports or deliverables, for a period of [***] days after the due date for such report.

(ix) *Failure to Acknowledge Information Requests.* By NRZ Brokerage, if RHSS fails to acknowledge in writing (email being sufficient) within [***] business days, at least [***] times in any ninety (90) day period, any (A) information request by NRZ Brokerage under the following sections of the Vendor Management Addendum: (i) Section 8 (cooperation with subservicers); (ii) Section 9 (client relationship manager); (iii) Section 11 (regulatory requests or ad hoc/additional requests); or (B) inquiries by NRZ Brokerage regarding RHSS's performance under this Agreement (other than any such failure described in the clause (1) or (2) below), which failure in either case (A) or (B) continues uncured for a period of [***] business days after the date on which written notice of such failure shall have been given to RHSS by NRZ Brokerage and which failure results in a missed deadline under Section 11(a) of the Vendor Management Addendum; provided, however, that NRZ Brokerage shall have communicated any and all such requests both to the Client Relationship Manager via the electronic mail address provided by such Client Relationship Manager, and to the following electronic mail address - NRZInfoRequest@Altisource.com. Notwithstanding the foregoing, the following shall not constitute a Termination Event under this Section 19(a)(ix):

(1) Any failure to deliver periodic reports or other periodic deliverables by the due dates prescribed in the Vendor Management Addendum, which is subject to Section 19(a)(viii) above; and

(2) Any failure to deliver information requested by NRZ Brokerage under Section 11(a) of the Vendor Management Addendum or as NRZ Brokerage may otherwise require in response to a request from any Regulator, which is subject to Section 19(a)(x) below.

(x) *Failure to Deliver Information in Response to Regulators' Requests.* By NRZ Brokerage, if RHSS fails to deliver information requested by NRZ Brokerage in writing under Section 11(a) of the Vendor Management Addendum or as NRZ Brokerage (or any Affiliate) may otherwise require (as requested in writing by NRZ Brokerage) in response to a request from any Regulator (including, but not limited to, routine requests, subpoena, civil investigative demand, or similar ad hoc regulatory demand for information), in each case (A) by the deadline provided by NRZ Brokerage (provided that such deadline must be reasonable in light of the scope of information requested and the deadline for responding to the request applicable to NRZ Brokerage (or any Affiliate, as applicable)); and (B) otherwise in a manner that is reasonably satisfactory to NRZ Brokerage (or any Affiliate, as applicable); provided, however, that NRZ Brokerage shall have submitted any and all such requests both to the Client Relationship Manager via the electronic mail address provided by such Client Relationship Manager, and to the following electronic mail address - NRZInfoRequest@Altisource.com; and provided further that NRZ Brokerage shall have satisfied its obligations under Section 11(a)(i)-(iv) of the Vendor Management Addendum.

(xi) *Sufficient Cash.* By NRZ Brokerage, if the Guarantor, together with its direct and indirect subsidiaries on a consolidated basis, fails to maintain twenty-five million dollars (\$25,000,000) in unencumbered (except for that certain Credit Agreement dated November 27, 2012 under which Altisource is the borrower) cash and/or cash equivalents, regardless of the currency (the "Cash Threshold"); provided that each month, the principal financial officer or the principal accounting officer shall certify that (a) at the end of such month, the Cash Threshold was satisfied in accordance with the United States generally accepted accounting principles (GAAP) definition of cash and cash equivalents; and (b) throughout such month, the Cash Threshold was satisfied at the end of each day in the month based on the total amount of cash held in bank accounts, which may or may not be GAAP compliant and may or not be reconciled.

(xii) *Failure to Pay Commissions.* By NRZ Brokerage, if RHSS fails to pay Commissions to NRZ Brokerage in accordance with Section 5 of this Agreement.

(xiii) *Unapproved Change of Control.* By NRZ Brokerage, in the event of a Change of Control as to RHSS Inc., RHSS CT, or the Corporate Parent, to which NRZ Brokerage does not consent, which consent shall not be unreasonably withheld, conditioned or delayed. Prior to a Change of Control, RHSS shall provide to NRZ Brokerage in writing a description of the proposed Change of Control, such writing to be deemed RHSS's Confidential Information (as that term is defined in the Vendor Management Addendum) and subject to the restrictions contained in Section 14 of the Vendor Management. NRZ Brokerage agrees that (1) it will respond to such writing with an approval or rejection of such proposed Change of Control within no more than five (5) business days, and (2) it will apply its reasonable discretion in evaluating, approving or rejecting a proposed Change of Control and that such discretion shall be limited to analyzing whether or not such proposed Change of Control exposes NRZ Brokerage or New Residential to a non-*de minimis* increased risk relating to (A) the financial health or operational capabilities of the counterparty, (B) the quality of performance of the services provided under this Agreement,

or (C) regulatory compliance matters. If NRZ Brokerage rejects a proposed Change of Control and RHSS believes (as evidenced by written notice to NRZ Brokerage) that NRZ Brokerage's determination was not made in accordance with the requirements of this Section 19(a)(xiii), the Parties shall submit the dispute regarding NRZ Brokerage's determination to the dispute resolution process set forth in Section 21 hereof. The parties will use their best efforts to conduct the dispute resolution process on an expedited basis.

(xiv) *Other Material Breach of this Agreement.* By either Party, if the Non-Compliant Party breaches this Agreement in a material respect, and such breach continues uncured for a period of [***] days after the date on which written notice of such breach (which cure period shall only apply if the breach is curable); provided, however, that if (A) such failure is capable of being cured but cannot reasonably be cured within such [***] day period, (B) the Non-Complaint Party is diligently (as reasonably evidenced to the Terminating Party in writing) attempting to cure the same, and (C) upon the Terminating Party's reasonable written request, the Non-Compliant Party provides written updates and/or participates in conference calls to provide status updates to the Terminating Party, then such [***] day period shall be extended for an additional [***] days; and provided further that the Termination Event described in this Section 19(a)(xiv) is not cumulative with or in addition to, and will not apply in the event that the underlying facts constitute, any other Termination Event described in this Section 19.

(b) Notwithstanding the foregoing, no Termination Event shall be deemed to exist to the extent the Termination Event was caused primarily by the acts or omissions of (i) the Terminating Party; (ii) the Terminating Party's assignees, subcontractors, delegates or Affiliates; or (iii) any other third party performing services on behalf of the Terminating Party.

(c) For the avoidance of doubt, and notwithstanding anything to the contrary contained herein, no Termination Event shall be deemed to exist on the basis that NRZ Brokerage fails to maintain a license, approval or qualification, which failure prohibits NRZ Brokerage from performing its obligations materially in the manner required hereunder. In such event, the Parties agree to reasonably cooperate to facilitate NRZ Brokerage's ability to regain all applicable licenses, approvals, and qualifications necessary to enable NRZ Brokerage to perform its obligations hereunder. Throughout each time period commencing on the date NRZ Brokerage fails to maintain any such a license, approval or qualification and ending on the date (if any) NRZ Brokerage regains such license, approval or qualification (each, a "License Suspension Period"), the Letter Agreement between Altisource and New Residential, dated as of the date hereof, shall govern referrals of REO Properties from the impacted Covered Portfolios, but only in the jurisdiction(s) in which NRZ Brokerage is prevented from performing in accordance with this Agreement (the "Impacted Referrals"). Notwithstanding anything to the contrary herein, during each such License Suspension Period, NRZ Brokerage shall not have any rights whatsoever, and RHSS shall not have any obligations whatsoever, under this Agreement with respect to the Impacted Referrals.

(d) Notwithstanding anything to the contrary contained herein, no Termination Event shall be deemed to exist on the basis that NRZ Brokerage fails to refer Subject REO Referrals in accordance with this Agreement. Each REO Property from a Covered Portfolio that NRZ

Brokerage fails to refer in accordance with this Agreement shall constitute a “Suspended REO Referral,” with respect to which the Letter Agreement between Altisource and New Residential, dated as of the date hereof, shall govern, but only as to each such Suspended REO Referral. Notwithstanding anything to the contrary herein, NRZ Brokerage shall not have any rights whatsoever, and RHSS shall not have any obligations whatsoever, under this Agreement with respect to Suspended REO Referrals

(e) Notwithstanding anything to the contrary herein, during each License Suspension Period and with respect to each Suspended REO Referral, NRZ Brokerage shall act under this Agreement in a manner materially consistent with the manner in which NRZ Brokerage acts during all other periods and with respect to all Subject REO Referrals during the term of this Agreement except for those actions of NRZ Brokerage that are no longer required due to NRZ Brokerage not having rights, and RHSS not having any obligations, hereunder during such License Suspension Period or as to any Suspended REO Referral as the case may be.

(f) Any Terminating Party desiring to terminate this Agreement pursuant to this Section 19 shall give written notice of such termination to the Non-Compliant Party within [***] days of the later of the (i) notice to the Terminating Party of the Termination Event or the Terminating Party otherwise acquiring knowledge of the Termination Event, or (ii) only with respect to any Termination Event that has a cure period, the expiration of the applicable cure period. Failure to provide written notice of termination under sections (i) or (ii) above within such [***] day period shall constitute a waiver of the Termination Event.

(g) If this Agreement is terminated pursuant to this Section 19, this Agreement shall forthwith become null and void and of no further force and effect, except for as set forth below:

(i) With respect to a Termination Event under Section 19(a)(i), unless there shall have occurred within any 90-day period failures to maintain licenses, approvals or qualifications by the Non-Compliant Party in [***] or more states (a “[***] Jurisdiction License Failure”), such termination shall apply solely to the jurisdictions in which such failures have occurred (“Jurisdiction Based Termination”), with this Agreement remaining in effect for the non-affected jurisdictions. NRZ Brokerage shall have no obligation to reinstate RHSS after the occurrence of a Jurisdiction Based Termination. For the avoidance of doubt, with respect to a Termination Event under Section 19(a)(i) for a [***] Jurisdiction License Failure, NRZ Brokerage shall be permitted to terminate this Agreement in its entirety.

(ii) With respect to a Termination Event under Section 19(a)(ii)(1), such termination shall apply solely to the jurisdictions in which such failures have occurred, with this Agreement remaining in effect for the non-affected jurisdictions. NRZ Brokerage shall have no obligation to reinstate RHSS after the occurrence of a Jurisdiction Based Termination.

(iii) With respect to a Termination Event under Section 19(a)(iii), unless there shall have occurred failures in [***] or more states, such termination shall apply solely to the jurisdictions in which such failures have occurred, with this

Agreement remaining in effect for the non-affected jurisdictions. NRZ Brokerage shall have no obligation to reinstate RHSS after the occurrence of a Jurisdiction Based Termination.

(iv) With respect to a Termination Event under Section 19(a)(x), (i) if such failure relates to a state Regulator, and if up to [***] such failures shall have occurred within any [***]-month period, then such termination shall apply solely to the jurisdiction(s) to which such failure(s) related, with this Agreement remaining in effect for all other jurisdictions, or (ii) if such failure relates to a federal Regulator or national coalition of state Regulators, and such failure could reasonably be expected to adversely impact (other than in a *de minimis* manner) the business or operations of NRZ Brokerage (or any Affiliate), then NRZ Brokerage shall be permitted to terminate this Agreement in its entirety. NRZ Brokerage shall have no obligation to reinstate RHSS after the occurrence of a Jurisdiction Based Termination. For the avoidance of doubt, with respect to a Termination Event under Section 19(a)(x), if [***] or more such failures shall have occurred within any [***]-month period, then NRZ Brokerage shall be permitted to terminate this Agreement in its entirety.

(v) Notwithstanding any termination of this Agreement, whether in whole or in part, this Section 19(g) and Section 14 (notices), Section 15 (indemnification), Section 16 (governing law), Section 21 (dispute resolution), and Section 24 (certain interpretive matters) of this Agreement, as well as Section 14 of the Vendor Management Addendum, shall survive and remain in full force and effect.

(h) Following any jurisdiction-based termination described in Section 19(d)(i) above, the RHSS shall reimburse NRZ Brokerage for actual, reasonable and documented out-of-pocket transition costs incurred by NRZ Brokerage in connection with NRZ Brokerage's initial retention of a third party to perform the services in the terminated jurisdictions.

(i) Each Party shall promptly notify the other Party in the event of the occurrence of either (i) any Termination Event with respect to such Party or (ii) an event that will result in a Termination Event with the passage of time.

20. **Service Levels.**

(a) RHSS shall use commercially reasonable efforts to provide, or cause to be provided, to NRZ Brokerage the brokerage services contemplated in this Agreement in accordance with the Service Level Metrics specified in the Performance Scorecard, attached as Exhibit 7 hereto. Except for the assertion of any claim based on fraud or willful misconduct, the remedies provided in Section 19(a)(vii) of this Agreement shall be the sole and exclusive legal remedy of NRZ Brokerage with respect to any failure of RHSS to satisfy any Service Level Metrics pursuant to this Section 20. NRZ Brokerage acknowledges and agrees that RHSS may be providing services similar to the brokerage services provided hereunder and/or services that involve the same resources as those used to provide the brokerage services hereunder to its and its Affiliates' business units and other third parties.

(b) It is the intention of the Parties that the Service Level Metrics be commercially reasonable. In addition, in connection with any evaluation of RHSS's performance in accordance with the Service Level Metrics, the Parties will discuss taking into consideration any negative impact of material externalities outside of the control of RHSS and that have a material impact on RHSS's ability to provide the services with respect to the Covered Portfolios, and the Parties will discuss whether such material externalities will result in a change in the evaluation of RHSS's performance in accordance with the Service Level Metrics; provided, however, if the Parties disagree on about whether or to what extent material externalities should result in a change in the evaluation of RHSS's performance, the Parties shall submit to the dispute resolution process set forth in Section 21 hereof and provided that during such dispute resolution process, NRZ Brokerage shall not be permitted to terminate this Agreement pursuant to Section 19(a)(vii) based on RHSS's failure to meet any applicable performance thresholds with respect to the Service Level Metrics that are then the subject of the dispute resolution process.

(c) If the Quarterly Performance Score for any Service Level Metric contained in the Performance Scorecard falls below the midpoint of (a) the trigger threshold value of such metric and (b) the average quarterly value of such Service Level Metric that RHSS has achieved over the period from July 1, 2016 through June 30, 2017, RHSS shall notify NRZ Brokerage in writing of such drop and shall provide a detailed action plan for addressing decline in performance as well as monthly updates on the progress of the action plan.

21. **Dispute Resolution Process.** If a dispute arises from an alleged breach of this Agreement, and if the dispute cannot be settled through direct discussions between Altisource and New Residential Investment Corp. within thirty (30) days of the notification of the dispute (or such other period of time as mutually agreed by the Parties), the Parties agree to submit the dispute to mediation administered by the American Arbitration Association under its Commercial Mediation Procedures before resorting to arbitration. The Parties agree that mediation shall be completed within sixty (60) days of either Party making a request for mediation, as provided for under the American Arbitration Association Commercial Mediation Procedures. The Parties further agree that any unresolved controversy or claim arising out of an alleged breach of this Agreement shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Each Party shall bear its own costs and expenses and an equal share of the arbitrators' and administrative fees of arbitration. Except as may be required by law, neither a Party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Parties.

22. **Performance.** RHSS shall be permitted to delegate, assign or subcontract with its Affiliates or with third parties for the performance of any of the services or its obligations hereunder, but RHSS shall remain liable for the same. The Commission to which NRZ Brokerage is entitled under Section 5 of this Agreement shall remain unaffected to the extent RHSS splits its commission with any other entity, except to the extent NRZ Brokerage requires RHSS to use a third-party real estate broker in accordance with Section 3(b) hereof.

23. **Condition Precedent.** For the avoidance of doubt, and notwithstanding anything in this Agreement to the contrary, the Parties' rights and obligations under this Agreement shall arise with respect to each Covered Portfolio only upon the Acquisition Date of each Covered Portfolio.

24. **Certain Interpretive Matters.**

(a) In this Agreement, the Parties agree that, unless the context otherwise requires, (i) words in the singular number or in the plural number shall each include the singular number or the plural number, (ii) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such terms, (iii) reference to any law means such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, (iv) the captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions, and (v) "\$", "dollars" and "Dollars" means United States dollars.

(b) The Parties further agree that (i) this Agreement and any other agreement executed in connection herewith is the result of negotiations between the Parties and shall not be deemed or construed as having been drafted by any one Party, (ii) each Party and its counsel have reviewed and negotiated the terms and provisions of this Agreement and any such other agreement and have contributed to its revision, (iii) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement or any such other agreement, and (iv) the terms and provisions of this Agreement and any such other agreement shall be construed fairly as to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation thereof.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the day and year first above written in their respective name by their duly authorized officers.

REALHome Services and Solutions, Inc.

By: /s/ Min L. Alexander

Name: Min L. Alexander

Title: President and Chief Executive Officer

REALHome Services and Solutions – CT, Inc.

By: /s/ Min L. Alexander

Name: Min L. Alexander

Title: President and Chief Executive Officer

New Residential Sales Corp.

By: /s/ Nicola Santoro, Jr.

Name: Nicola Santoro, Jr.

Title: Chief Financial Officer

SCHEDULES AND EXHIBITS

Schedules

Schedule A – Regulatory and Litigation Matters

Exhibits

Exhibit 1A – HLSS Portfolios

Exhibit 1B – Ocwen Portfolios

Exhibit 2 – PHH Portfolios

Exhibit 3 – Form of Listing Agreement

Exhibit 4 – List of Jurisdictions in which RHSS Lacks Licenses or Listing Rights

Exhibit 5 – Vendor Management Addendum

Exhibit 5A – Insurance Requirements

Exhibit 5B – Reporting Requirements

Exhibit 6 – Methodology for Determining List Prices, Price Reductions, Reserve Prices, Starting Bids, Winning Bids and Acceptable Offers

Exhibit 7 – Performance Scorecard

Exhibit 8 – States in which New Residential Sales Corp. is Qualified to Receive Commissions

Schedule A

REGULATORY AND LITIGATION MATTERS

THE REMAINDER OF THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

SCHEDULE A-1

Exhibit 1A

HLSS PORTFOLIOS

THE REMAINDER OF THIS PAGE AND THE FOLLOWING 52 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 1A-1

Exhibit 1B

OCWEN PORTFOLIO

NONE

EXHIBIT 1B-1

Exhibit 2

PHH PORTFOLIOS – PART A

THE REMAINDER OF THIS PAGE AND THE FOLLOWING 11 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 2-1

Exhibit 2

PHH PORTFOLIOS – PART B

THE REMAINDER OF THIS PAGE AND THE FOLLOWING FIVE PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 2-2

Exhibit 3

FORM OF LISTING AGREEMENT - EXCLUSIVE RIGHT TO SELL

This Listing Agreement (this "Agreement"), dated [Date] is made by and between [_____] a [_____] ("Seller"), and REALHome Services and Solutions, Inc. and its affiliated licensees (collectively, "Broker") (together with Seller, the "Parties" and each individually, a "Party").

1. RECITALS.

1.1. Seller is the owner or otherwise has the right to sell the real property described in this Agreement.

1.2. Seller wishes to engage Broker, a licensed real estate broker, as its listing broker with respect to the property described in this Agreement.

Therefore, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Broker hereby agree as follows:

2. APPOINTMENT AS LISTING BROKER.

2.1. **Seller's Appointment.** Seller hereby appoints Broker as its listing broker and gives Broker the sole and exclusive right to procure a purchaser for the property described below (the "Property"):

- (a) Seller Loan No.: [Loan Number]
- (b) Property: [Property Address]
- (c) Tax Identification No.: [Tax ID]
- (d) Listing Price: \$[List Price] (the "Listing Price")
- (e) Last Known Occupancy Status: [Occupancy Status (Vacant/Occupied)]

2.2. **Terms of Appointment.** Broker's appointment as Seller's listing broker will commence on [Date] and will expire at midnight on [Date] (the "Listing Term"), unless otherwise extended in writing.

2.3. **Broker's Acceptance.** Broker hereby accepts Seller's appointment as Seller's listing broker with regards to the Property. Broker agrees to affect a sale of the Property as quickly as possible at the Listing Price and to facilitate the consummation thereof.

2.4. **Exclusive Agency.** Broker will act exclusively on behalf of the Seller as its designated agent, and will in no cases act as a dual agent unless disclosed in writing to Seller. However, Broker may act as a transactional broker or facilitator for the purpose of drafting contract documents for an unrepresented buyer.

2.5. **Brokerage Relationship.** Broker will deal honestly and fairly with Seller, will account for any funds received, and will use the necessary skills, care, and diligence in the transaction that is required of a licensed real estate broker.

3. DUTIES OF LISTING BROKER.

3.1. **General Duties.** Broker agrees to perform all necessary and commercially reasonable activities which are customary in the community where the Property is located in order to procure a buyer of the Property at the Listing Price pursuant to the terms and conditions of this Agreement. Broker agrees to make diligent and continued efforts to sell the Property until a sales contract is pending on the Property.

3.2. **Initial Listing Phase.** The “Initial Listing Phase” shall refer to the time period commencing with the execution of this Agreement and continuing through the entering of this listing into one or more Multiple Listing Services (“MLS”).

3.2.1. **Initial Marketing Activities.** During the Initial Listing Phase, Seller authorizes and directs Broker to perform reasonable and customary marketing activities to prepare the Property for listing in an MLS, including, but not limited to:

- (a) Hosting one or more “open house” viewings of the Property upon Seller's reasonable request and when deemed prudent by Broker;
- (b) Installing appropriate signage on the Property;
- (c) Inputting and advertising the Property on the Broker's website(s);
- (d) Communicating with prospective buyers and cooperating brokers to provide information about the Property and sales process;
- (e) Installing MLS-approved lockbox if required by local MLS or REALTOR® board; and
- (f) Any other activity that Broker believes will facilitate the procurement of a buyer of the Property.

3.2.2. **Discretion to Enter Listing into one or more MLS.** Seller authorizes and directs Broker to enter the listing of the Property into one or more MLS. However, Seller also authorizes and directs Broker to refrain from entering this listing into any MLS while Broker is performing the activities described in **Section 3.2.1.** above for a period of up to fifteen (15) days following the execution of this Agreement or until such time that Seller directs Broker in writing to enter the listing in one or more MLS.

3.3. **Primary Listing Phase.** The Primary Listing Phase shall refer to the time period commencing with the entering of this listing into one or more MLS and continuing through Seller's execution of a contract for the sale of the Property.

3.3.1. **Primary Marketing Activities.** During the Primary Listing Phase, Seller authorizes and directs Broker to perform reasonable and customary marketing and sales activities, including, but not limited to:

- (a) Any of the activities listed in **Section 3.2.1**;
- (b) Inputting this listing in additional MLS at Broker's discretion; and
- (c) Advertising the Property as Broker deems advisable, including advertising the Property on Broker's website(s), on Hubzu.com and/or other websites.

3.3.2. Reporting Requirements. Upon written request, Broker shall provide online or other electronic access to a Property Status Report to Seller or Seller's Asset Manager as defined in **Section 4.2.1**. This report shall include information regarding:

- (a) All advertising activities conducted by Broker, including classified and display advertising;
- (b) Other sales promotions and results, as well as showings to prospective buyers and their comments;
- (c) Recent sales of comparable properties or changes in the local real estate market or surrounding area that would alter the value of the Property; and
- (d) Broker's recommendations on marketing and pricing strategy.

3.4. **Secondary Listing Phase**. The Secondary Listing Phase shall refer to the time period commencing with Seller's execution of a purchase and sale agreement for the sale of the Property and continuing through closing under such agreement.

3.4.1. Secondary Listing Phase Activities. During the Secondary Listing Phase, Seller authorizes and directs Broker to perform reasonable and customary closing and transaction coordination activities, including, but not limited to:

- (a) Communicating with principals and cooperating brokers to provide information about the closing process;
- (b) Conveying and communicating information necessary to facilitate the closing; and
- (c) Executing all documents required of the Broker to facilitate the closing.

4. **SELLER'S OBLIGATIONS**.

4.1. **Cooperation**. Seller agrees to cooperate with Broker in carrying out the purpose of this Agreement, including but not limited to providing Broker with all information needed regarding Seller and the Property for MLS or similar input or setup and referring to Broker all inquiries regarding the Property or its potential transfer, whether by purchase or any other means of transfer.

4.2. **Asset Management**.

4.2.1. Seller's Asset Manager. Seller acknowledges, confirms and agrees that the actions or activities listed in below in this Section 4.2 are the sole responsibility of Seller and not of Broker. Seller has appointed the asset manager shown on the signature page to this Agreement to be its sole and exclusive asset manager ("Asset Manager") for the Property. Seller has authorized Asset Manager to act on Seller's behalf for all actions required of Seller under this Agreement, including, but not limited to the actions specified in **Sections 4.2.2, 4.2.3 and 4.2.4** below. Broker is entitled to rely on all directions, instructions and actions of Asset Manager in any way related to the Property or this Agreement. To the extent the Asset Manager is not an affiliate of Broker and was not selected by Broker or one of its affiliates, Seller agrees to indemnify and hold Broker harmless from and against any loss, damage, claim, action, fine, assessment, penalty, proceeding, cause of action, fee or expense of any nature (including but not limited to attorneys' fees and court costs) arising out of, caused by or in any way related, directly or indirectly, to the involvement or acts or omissions of Asset Manager. The foregoing indemnity obligations shall not apply to the extent that RHSS's

acts or omissions (other than those acts or omissions taken by RHSS at Seller or Seller's representatives' direction), or information provided by RHSS (other than information received by RHSS from Seller or Seller's representatives), resulted in the Asset Manager's conduct. This indemnity shall survive closing or termination of this Agreement.

4.2.2. Valuation Activities. Seller shall obtain all information and make all decisions regarding the valuation of the Property, including but not limited to performing the following:

- (a) Ordering CMA's, BPO's, appraisals, and reviews as necessary to determine the value and selling price of the Property; and
- (b) Regularly reviewing the Property's value, and making adjustments to the Listing Price as Seller may deem necessary or appropriate under the circumstances.

4.2.3. Property Inspection and Preservation Activities. Seller shall provide for the care, custody and management of the Property, including but not limited to performing inspection services, required repairs, securing services, boarding services, winterizing services, yard maintenance services, debris removal services, pest control services, carpet cleaning or replacing, carpet removal, pool maintenance, minor repairs, roof repair, fence repair, gate repair, painting, safety equipment installation, tenant relocation assistance, emergency repairs, general plumbing, HOA invoicing and utility service coordination. Seller is also responsible for the installation of a combination lockbox, digital deadbolt lock or other access device for preservation agent and real estate agent access, except for those lockboxes described in **Section 3.2.1(e)** whenever mandated by the local MLS or REALTOR® board. Nothing in this **Section 4.2.3** shall be deemed to provide or impute knowledge of any material fact to Broker.

4.2.4. Transaction and Closing Coordination. Seller shall perform or provide for all services necessary for the closing of the Property, including but not limited to the following:

- (a) Title services, including provision of the preliminary title commitment and title defect clearance;
- (b) Document services, including preparation and/or reviewing of the Seller's closing package, such as the deed, HUD-1 and other closing documents; and
- (c) Escrow services, including full coordination and cooperation with the escrow agent for the management of the closing of escrow.

5. **PROCESSING OF OFFERS AND COUNTEROFFERS.**

5.1. **Submission of Offers and Counteroffers**. Broker shall instruct buyer or buyer's representative to submit all offers to purchase or counteroffers directly to the Seller electronically through the Hubzu.com website in the event the property is marketed on Hubzu.com. Seller may accept, counter or reject offers to purchase the Property at its sole discretion and shall notify the buyer of such decision directly through the website or via email. ***Broker is not authorized to receive or transmit any offers or counteroffers on behalf of the Seller.***

5.2. **Submission of Documents.** Broker shall instruct buyer or buyer's representative to submit all documents other than offers to purchase or counteroffers directly to the Seller electronically via email to REcontracts@altisource.com or via fax at 407-737-5409.

5.3. **Backup Offers.** Seller encourages Broker to procure backup offers, and Seller will accept backup offers subject to Seller's right to negotiate previously submitted offers.

6. **COMPENSATION.**

6.1. **Commissions; Cooperation with and Compensation to Other Brokers.** Seller agrees to pay the Broker a commission equal to the Total Commission Amount, as defined in **Section 6.2.2**, at the closing of the sale of the Property if a buyer is procured for the Property in accordance with the terms set forth in this Agreement or at any other price and terms accepted by Seller, either directly or indirectly, in writing during the term of this Agreement. Seller understands that it is Broker's policy to cooperate with other brokers except when not in Seller's best interest and to offer compensation to such brokers who assist in procuring a buyer for a Property (each, a "Cooperating Selling Broker" or "Buyer's Agent"). Seller and Broker acknowledge that [_____] (the "Referring Broker") has referred Seller to Broker pursuant to a Cooperative Brokerage Agreement between Broker and Referring Broker. As such, Broker shall direct the closing agent to pay to the Cooperating Selling Broker (if any) and Referring Broker the following amounts from the Total Commission Amount:

Participating Party	Portion of Total Commission Amount
Broker	Either [___]% of the Purchase Price or [____], whichever is greater
Buyer's Agent, if any	Either [***]% of the Purchase Price or \$[***], whichever is greater
Referring Broker	[___]% of the Purchase Price

For clarity, if there is no Buyer's Agent, Broker shall direct the closing agent to pay to Broker an amount equal to the Total Commission Amount less the amount payable to Referral Broker as set forth in the table above.

6.2. **Definitions.**

6.2.1. **Purchase Price.** "Purchase Price" is the total purchase price of the Property not including any applicable buyer's premium and /or technology fee or any Seller concessions.

6.2.2. **Total Commission Amount.** The "Total Commission Amount" is the sum of the amounts set forth in the table above.

Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each broker individually and may be negotiable between the seller and broker.

6.3. **Survival of Obligations.** Seller's obligation to pay Broker the Total Commission Amount shall survive termination of this Agreement if the Property is under contract at the time of termination, only if the contract that was pending at the time of termination results in a consummated sale.

7. **TERMINATION.**

7.1 **By Mutual Agreement.** This Agreement may be terminated upon mutual agreement between Broker and Seller or any of Seller's affiliates that are duly authorized to act on Seller's behalf.

7.2 **Automatic Termination for Bulk Sales.** If after the execution of this Agreement Seller decides to sell the Property as part of a bulk sale of multiple properties other than through Time Limit Bidding set forth in **Section 8.1**, upon receipt of notice thereof to Broker, this Agreement shall automatically terminate and be of no further force or effect, and in such event, no commission will be due or paid to the broker for the Property unless otherwise agreed by the Parties.

8. **SELLER AUTHORIZATIONS.**

8.1. [For inclusion unless Online Auction is prohibited] **Time Limit Bidding.** As permitted by applicable state law, Seller authorizes Broker to market the Property via online in a time limit bidding format pursuant to Seller's written or electronic instructions to Broker.

8.1.1. Seller acknowledges that the buyer will be required to pay a buyer's premium and technology fee for sales conducted in a time limit bidding format.

8.1.2. Regardless of whether the Broker procures a buyer during a time limit bidding auction cycle, during the Term, the Broker shall continue to perform its duties pursuant to **Section 3**, both during and after any time limit bidding marketing periods.

8.1.3. The first time limit bidding period shall begin on [Date and Time] and end on [Date and Time], Seller requires that the minimum starting bid shall be \$ [Starting Bid Amount]. Broker is authorized to execute subsequent time limited bidding auction cycles of the Property as appropriate.]

8.2. **Unlicensed Assistants.** Seller authorizes and grants permission for Broker to employ, contract and utilize unlicensed assistants to perform the following tasks under supervision of Broker:

- (a) Making, conducting or preparing a comparative market analysis subject to the approval of and for use by the Broker.
- (b) Providing factual information to others from writings prepared by the Broker or other generally available information.
- (c) Preparing and designing advertising relating to the transaction for which the Broker was employed, if the advertising is reviewed and approved by the Broker or any associate broker prior to its publication.
- (d) Preparing and completing documents and instruments under the supervision and direction of the Broker if the final documents or instruments will be or have been reviewed or approved by the Broker prior to the documents or instruments being presented, given or delivered to a principal or party to the transaction.

- (e) Communicating with a principal, party or service provider in connection with a transaction about when reports or other information needed concerning any aspect of the transaction will be delivered, or when certain services will be performed or completed, or if the services have been completed.
- (f) Mailing, e-mailing, faxing, delivering, picking up, or arranging the mailing, e-mailing, faxing, delivery, or picking up of documents or instruments related to the transaction, including obtaining signatures to the documents or instruments from principals, parties or service providers in connection with the transaction. Such activity shall not include a discussion of the content, relevance, importance or significance of the document, or instrument or any portion thereof, with a principal or party to the transaction.
- (g) Reviewing, as instructed by the Broker, transaction documentation for completeness or compliance, providing the final determination as to completeness or compliance is made by the Broker or associate broker. Reviewing transaction documentation for the purpose of making recommendations to the Broker on a course of action with respect to the transaction.
- (h) Any other tasks not requiring a license which may be assigned from time to time by Broker and under the reasonable supervision or control of Broker.

8.3. Disclosure of Offer Detail Information. To the extent permitted by law and applicable MLS rules, Seller authorizes and instructs Broker to disclose information related to current, active, expired, withdrawn and counter offers to potential buyers and/or buyer's brokers or agents through an online portal or online marketing service utilized by Broker. Seller reserves the right to disclose any or all of the aforementioned information using electronic means, including, but not limited to, websites maintained and operated by or on behalf of Seller or Seller's Asset Manager.

8.4. Use of MLS-Approved Lockboxes. Seller authorizes and grants permission for Broker to refrain from using MLS-approved lockboxes except where usage of MLS-approved lockboxes is mandated by the local MLS or REALTOR® board.

9. **FAIR HOUSING.** Seller and Broker agree that this Property will be offered to any person without regard to race, color, religion, sex, handicap, familial status, national origin or any other factor protected by federal, state or local law.
10. **SELLER REPRESENTATIONS; GENERAL INDEMNITY.** Seller certifies, represents and warrants that it is legally entitled to convey the Property and any improvements to the Property. To the fullest extent permitted by law, Seller agrees to indemnify and hold Broker harmless from and against any loss, damage, claim, action, fine, assessment, penalty, proceeding, cause of action, fee or expense of any nature (including but not limited to attorneys' fees and court costs) (collectively, the "Claims") arising out of or relating to title, condition, habitability, marketability or value of the Property or any other material fact relating to the Property, including but not limited to systems, structures, environmental contamination or hazards (such as lead paint, mold, radon or other biological or non-biological contaminants), flood zones or hazards or soils or geology, whether now existing or later arising or becoming evident, except to the extent the Claims relating to such title, condition, habitability, marketability, value or other material fact related to the Property were caused by Broker's acts or omissions or the acts or omissions of an Affiliate of Broker. This Section 10 shall survive closing or termination of this Agreement.
11. **GENERAL CONTRACT PROVISIONS.**
- 11.1. **Entire Agreement, Modifications.** This Agreement may not be amended or modified in any manner except by a written agreement signed by each of the parties hereto.

11.2. **Notices.**

11.2.1. Communications Regarding Real Estate Transaction. Seller acknowledges that many communications and notices in real estate transactions are of a time sensitive nature and that the failure to be available to receive such notices and communications can have adverse, legal, business and financial consequences. Seller agrees to remain reasonably available to received communications from Broker, through its Asset Manager or otherwise.

11.2.2. Notices Regarding this Agreement.

11.2.2.1. Methods of Delivery, Deemed Receipt. Communications and notices between Broker and Seller regarding the terms of this Agreement shall be in writing, signed by the Party giving the notice, and shall be deemed given: (a) upon receipt if delivered personally or if mailed by certified mail, return receipt requested and postage prepaid; or (b) at noon on the business day after dispatch if sent by a nationally recognized overnight courier via overnight delivery. However, notices to Broker must also be delivered pursuant to **Section 11.2.2.2** before the notice will be deemed delivered to Broker and notices to Sellers must also be delivered pursuant to *Section 11.2.2.3* before the notice will be deemed delivered to Seller.

11.2.2.2. Additional Requirement for Notice to Broker. Notice to Broker shall not be deemed delivered to Broker until Broker receives both: (a) notice pursuant to the methods described in **Section 11.2.2.1**; and (b) a copy of the notice via e-mail to contractmanagement@altisource.com and to the Broker's e-mail address as shown on the signature page of this Agreement.

11.2.2.3. Additional Requirement for Notice to Seller. Notice to Seller shall not be deemed delivered to Seller until Seller receives both: (a) notice pursuant to the methods described in **Section 11.2.2.1**; and (b) a copy of the notice via e-mail to [_____].

11.2.2.4. Notice Addresses. All notices shall be delivered to the address and e-mail addresses as shown below (or at such other address a party may specify by like notice).

If to Seller:

If to Broker:

REALHome Services and Solutions, Inc.

Attention:

11.3. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all of which shall together constitute one and the same agreement.

- 11.4. **Enumeration and Headings.** The enumeration and headings contained in this Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions of this Agreement.
- 11.5. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the Parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto.
- 11.6. **Construction.** Unless the context of this Agreement otherwise clearly requires: (i) references in this Agreement to the plural include the singular, the singular the plural, the masculine the feminine, the feminine the masculine and the part the whole; and (ii) the word "or" shall not be construed as exclusive and the word "including," "includes," and "included" shall not be construed as limiting. All references to buyer shall also include any agent, broker or other representative of buyer.
- 11.7. **Successors and Assigns.** This Agreement and the terms, covenants, provisions and conditions hereof shall be binding upon, and shall inure to the benefit of, the respective heirs, successors and assigns of the parties hereto; provided, however, that Broker may not subcontract or assign this Agreement. Any purported assignment in violation of this Section is void. Seller may assign this Agreement to any of its affiliates without Broker's consent.
- 11.8. **Governing Law.** This Agreement and the respective rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflicts of laws provisions.
- 11.9. **Waiver of Jury Trial.** THE PARTIES HERETO HEREBY KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT WHICH EITHER OR BOTH OF THEM MAY HAVE TO RECEIVE A TRIAL BY JURY WITH RESPECT TO ANY CLAIMS, CONTROVERSIES OR DISPUTES WHICH MAY ARISE OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF.

{Remainder of page intentionally left blank}

IN WITNESS WHEREOF, the parties have caused this agreement to be executed as of the last date written below:

SELLER: BROKER:

By: By:

Name: Name:

Title: Title:

Date: Date:

Agent License #:

Corp License # for

Telephone Number:

E-mail Address:

*** **THIS CONTRACT IS NOT VALID UNLESS SIGNED BY ALL PARTIES****

SELLER'S ASSET MANAGER:

Altisource®
1000 Abernathy Parkway
Building 400 Northpark, Suite 200
Atlanta, Georgia 30328
Attn: Asset Management

****Please email back the signed copy with MLS print out to the Asset Manager****

Exhibit 4

LIST OF JURISDICTIONS IN WHICH RHSS LACKS LICENSES OR LISTING RIGHTS

NONE

EXHIBIT 4-1

Exhibit 5

VENDOR MANAGEMENT ADDENDUM

1. Quarterly Information. RHSS shall deliver to NRZ Brokerage electronic copies of the following items through an electronic portal, ftp site, or as otherwise mutually agreed between the parties, in each case quarterly by no later than the 15th calendar day after the end of the preceding quarter (unless otherwise specified below), and in a downloadable and searchable format showing any changes from the previous quarter's delivery:
 - a. Incentive Compensation Plan Documentation. Written documentation of RHSS's incentive compensation plan structure and policy for brokers that are employees of RHSS and of RHSS's scorecard structure and policy for brokers that are third party vendors of RHSS;
 - b. Bid Data and Bid History. Report on the selected bid and bid history for Subject REO Referrals sold by RHSS under the Agreement during the preceding quarter;
 - c. Bidding Process Documentation. Documentation describing the bidding process in effect for Subject REO Referrals sold by RHSS under the Agreement at the end of the preceding quarter;
 - d. Material Changes to Policies and Procedures. Written notification of any material changes to any of RHSS's or RHSS's Affiliates', as applicable, policies and procedures relating to any of the operations of RHSS or such Affiliates relevant to the services provided by RHSS to or on behalf of NRZ Brokerage or any Affiliate (each, an "NRZ Entity") excluding any enterprise-wide policies and procedures that do not materially impact the ability to provide services under this Agreement, but including without limitation the policies and procedures identified in Section 3 of this Vendor Management Addendum;
 - e. Material Changes to Operations, Financial Condition, Management or Business. Written notification of any material operational, financial, management, or business changes of RHSS and RHSS Affiliates relevant to the services provided to NRZ Entities (including without limitation key personnel or management changes, implementation of new or modified technology or process initiatives, adding or removing material vendors, strategic initiatives, significant investments, divestitures and/or joint ventures, significant changes in client roster, or off-shore initiatives);
 - f. Scorecards. Scorecards for RHSS and third party brokers (provided that such scorecards shall not include personal information of such brokers or vendors and shall be used by NRZ Brokerage solely for the purpose of evaluating RHSS's (and its third party brokers', as applicable) performance under the Agreement and not for any other purpose);

- g. Licensing Update. (i) Licensing maintenance update reflecting all of the broker licenses and Multiple Listing Service memberships maintained by RHSS and each Affiliate of RHSS relevant to the services provided to any NRZ Entity pursuant to the Agreement, (ii) a certification by an executive officer or chief compliance officer of RHSS and of each such Affiliate to the effect that RHSS and such Affiliate, as applicable, maintains all required licenses required by applicable laws and regulations for the activities performed by such entity related to the services provided to an NRZ Entity pursuant to the Agreement, and (iii) an updated version of Exhibit 4 to the Agreement;
- h. Results of Governmental Authority Examinations or Investigations. Results of any Governmental Authority examination or investigation that is adverse to RHSS (or an Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) relating to activities relevant to the services provided to any NRZ Entity pursuant to the Agreement, which examination or investigation RHSS (or such Affiliate) concluded during the preceding quarter, and where sharing such results is legally permitted;
- i. Insurance. Proof of insurance coverages purchased to cover RHSS indicating the primary limit and addition of NRZ Brokerage as an additional insured, in accordance with the terms set forth in Exhibit 5A unless prohibited by the insurer;
- j. Representation of Selling and Buyer Parties. (i) Written certification from an executive officer of RHSS that RHSS did not represent both the selling party and buying party in sales transactions in the preceding quarter involving Subject REO Referrals except as consented to by the parties in writing in accordance with applicable law, and (ii) supporting written policies and procedures, if such policies and procedures changed materially during the preceding quarter;
- k. Financials. If RHSS (i) does not produce annual audited financials, unaudited financial statements for each calendar quarter, no later than 45 days after each quarter-end; (ii) produces annual audited financials, (A) unaudited financial statements for each calendar quarter, no later than 45 days after each quarter-end, for the first three (3) quarters of each year, and (B) audited financial statements, no later than 120 days after the end of each calendar year for which such audited financial statements are prepared;
- l. Compliance with Applicable Laws and Regulations. Certification from a Compliance Officer or General Counsel of RHSS or its affiliates certifying that, according to such certifier's knowledge and reasonable interpretation of applicable laws and regulations: (i) RHSS is in compliance with all applicable laws and regulations, and (ii) no events have occurred during the preceding calendar quarter or are occurring that would require RHSS to notify NRZ Brokerage under Section 7(b) or (c) of this Vendor Management Addendum;

- m. Compliance with Financial Requirements. Certification from principal financial officer or principal accounting officer of Altisource that, according to that person's knowledge, a Termination Event pursuant to any of Sections 19(a)(iv), 19(a)(v), 19(a)(vi) or 19(a)(xi) of the Agreement has not occurred and is not continuing, attaching, solely with respect to the certification relating to Section 19(a)(xi) of the Agreement, back-up calculations in Excel format in support of such certification; and
 - n. Litigation Report. A litigation report for matters of which a Subject REO Referral is the subject, which report shall (i) include a summary setting forth the (A) total number of outstanding matters, (B) total number of matters closed during the preceding quarter, and (C) total number of new matters during the preceding quarter, and (ii) identify each individual matter and provide a summary of such matter, including any updates since the previous reporting period, and which shall include a description of such matter, including any significant change in status since the previous reporting period; provided that nothing in this Section 1(n) shall require RHSS to produce any materials or information subject to a claim of attorney-client privilege or work product protection.
2. Monthly Information. RHSS shall deliver to NRZ Brokerage each of the following electronically through an electronic portal, ftp site, or as otherwise mutually agreed between the parties, in each case monthly by no later than the 15th calendar day of each month:
- a. Complaints. RHSS shall provide a complaint report for complaints relating to any Subject REO Referral, which report shall consist of complaint analysis by category (Pareto analysis and trend analysis for trailing 12-months), root cause information on major complaint categories and action plans addressing the top complaint categories and inventory analysis (inventory, inflow, outflow, aging analysis) and be in sortable format. RHSS shall respond within 5 business days to NRZ's reasonable requests for sample complaints from RHSS' or its Affiliates' iCasework system to view complaints related to the Subject REO Referrals and related workflow through resolution or closure of such complaints; and
 - b. Reports Regarding Subject REO Referrals. RHSS shall provide to NRZ Brokerage a report in substantially the same form and substance as that set forth in Exhibit 5B hereto reflecting for all Subject REO Referrals (i) sales by RHSS versus third-party real estate broker, (ii) number of Auction Cycles before sale, (iii) sales price versus listing price, (iv) sales price versus reserve price, (v) number of properties that do not receive any bids, (vi) number of properties that do not receive any bids above reserve, (vii) sales performance (liquidation rates, average days on market, price to pre-sales market value) by states and/or MSAs, (viii) sales performance by urban versus suburban versus rural, (ix) sales performance by sales price ranges, (x) sales performance by property type (detached versus attached residences), (xi) price to pre-sales market value days on market, and (xii) sales volume by Altisource Affiliated Escrow Agent versus third-party escrow agent. RHSS shall also provide to NRZ Brokerage, in writing, a report setting forth (i) each REO Property that has been listed since the prior version of such report was provided to NRZ Brokerage, and (ii) the commission structure applicable to each

such REO showing the commission percentage, subject to minimums, that will be payable to each broker party when each REO sells and closes. Upon NRZ Brokerage's request, which such request may be a standing request, RHSS shall promptly provide to NRZ Brokerage a copy of a listing agreement relating to an REO Property.

c. Performance Metrics. RHSS shall deliver a monthly performance report to the applicable NRZ Entity, setting forth the preceding month's data for the fields set forth in Exhibit 5B attached hereto, as may be modified from time to time by NRZ Brokerage upon prior written notice to RHSS.

3. Annual Information. RHSS shall deliver to NRZ Brokerage the following, in each case annually by no later than the 15th day of each calendar year:

a. Policies and Procedures for Quality Assurance. Written documentation of RHSS's quality assurance measures designed to validate that REO brokerage services and related services performed by RHSS (and its vendors) pursuant to the Agreement are performed accurately, completely and in compliance with applicable legal requirements and supervisory guidance to which RHSS (and its vendors) and/or NRZ Brokerage may be subject;

b. Policies and Procedures for Information Security. Written documentation of RHSS's document and data security measures and practices for maintaining the confidentiality of all non-public information, proprietary information, personally identifiable customer information or otherwise confidential information received from NRZ Brokerage or from a mortgage servicer relating to the provision of brokerage services with respect to Subject REO Referrals;

c. Policies and Procedures for Disaster Recovery and Business Continuity. Written documentation of RHSS's policies and procedures governing disaster recovery and business continuity, including in response to service disruptions or degradations resulting from natural disasters, human errors, or intentional physical or cyber-attacks, for both on-shore and off-shore operations;

d. Policies and Procedures for Regulatory Compliance. Written documentation of RHSS's policies and procedures governing regulatory compliance, including without limitation compliance with applicable federal and state laws and regulations governing real estate settlements, referrals, incentives, commissions and compensation; and

e. Policies and Procedures for Vendor Management. Written documentation of RHSS's third party vendor policies and procedures, including but not limited to annual recertification requirements and proof of recertification;

f. Vendors. A list of all vendors, third parties, and RHSS-owned or affiliated entities engaged by RHSS to assist in the provision of brokerage services with respect to Subject

REO Referrals or other critical services related to the services provided to NRZ Brokerage by RHSS;

- g. Policies and Procedures for Human Resources and Training. Written documentation of RHSS's policies and procedures governing human resources management, including without limitation training, continuing education, retention and redundancy planning; and
 - h. Policies and Procedures for Change Management. Written documentation of RHSS's legal and regulatory change management processes;
 - i. Internal Audit. (i) Internal audit schedule, (ii) solely to the extent related to services to be provided under the Agreement, test plans, and (iii) solely to the extent relevant to services provided under the Agreement, any final findings, recommendations or remediation plans;
 - j. Quality Control and Quality Assurance Testing. (i) Quality control and quality assurance testing schedule (ii) solely to the extent related to services provided under the Agreement, test plans, and (iii) solely to the extent relevant to services provided under the Agreement, any final findings, recommendations, or remediation plans.
4. Report Regarding REO Properties as at each Acquisition Date. RHSS will provide NRZ Brokerage with a report within five business days after each Acquisition Date that sets forth the property reserve price (if such reserve price exists) and status of each REO Property in the Portfolio acquired on the applicable Acquisition Date.
5. SSAE 16 SOC 1 Type II Report. For critical systems relied upon by RHSS (or any Affiliates of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) as identified by RHSS in connection with its obligations or any services provided under the Agreement, RHSS shall deliver to NRZ Brokerage a copy of each SSAE 16 (or any applicable successor SSAE) SOC 1 Type II report or equivalent reviews of its data processing environment and internal controls related to such obligations or services as well as copies of SSAE 16 (or any applicable successor SSAE) SOC 1 Type II reports or equivalent reviews provided by its critical vendors and off-shore vendors. Such reports regarding RHSS's data processing environment and internal controls related to such obligations or services must be completed by a nationally recognized independent audit firm and such reports (if any) shall be delivered by no later than January 31 of each year, and shall cover a minimum period of nine (9) months, with a bridge letter covering the remaining period, which shall not exceed three (3) months. Vendors' reports contemplated under this Section 5 shall be provided to NRZ Brokerage no later than 2 business days of RHSS's or its Affiliates' receipt of such reports. As of the date of execution of the Agreement, the parties agree that there are no third-party critical systems relied upon by RHSS (or any Affiliates of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement).

6. Audits.

- a. Right to Conduct Audits. NRZ Brokerage (itself or with the assistance of or through New Residential Mortgage and/or mortgage servicers to the extent they service mortgage loans in the Covered Portfolios and/or one or more third-party auditors or consultants shall have the right to inspect, investigate, examine, evaluate, and audit all activities and operations of RHSS relating to the provision of services provided to an NRZ Entity under the Agreement. All audits pursuant to this Section 6(a) shall be at the sole expense of NRZ Brokerage and shall be subject to Sections 6(b), 6(c) and 6(d) of this Vendor Management Addendum. NRZ agrees that the auditor shall not be a RHSS Competitor. For the purposes of this Section 6(a), “RHSS Competitor” means a party engaged in the business of marketing and selling real property. All auditors conducting an audit pursuant to this Section 6 shall sign a mutually acceptable non-disclosure agreement with RHSS prior to receiving any information pertaining thereto.
- b. Scope of Audits. The scope of such audits may consist of the following, without limitation, but in each case solely to the extent relevant to the services provided by RHSS under the Agreement: the quality and timeliness of the provision of services, RHSS’s policies and practices with respect to document and file security and the protection of confidential information, RHSS’s business recovery and disaster recovery plans, RHSS’s compliance with all governing laws, rules, and regulations, and/or any of the items referenced in Sections 1 through 3 of this Vendor Management Addendum. NRZ Brokerage shall have the right to review RHSS’s files for the Subject REO Referrals and shall have the right to review specific documents associated with specific Subject REO Referrals of NRZ Brokerage’s choosing, excluding any materials subject to a claim of attorney-client privilege or work product protection. RHSS shall make its personnel and its facilities (including computer servers and related technology facilities) reasonably available to all persons performing such audits, and shall fully cooperate with any such audit or examination.
- c. Location of Audits. Audits may occur onsite at any locations where RHSS (or Affiliates of RHSS relevant to the services pursuant to the Agreement) maintain significant operations or personnel, or remotely in the form of a desk review or electronic review. RHSS shall reasonably accommodate NRZ Brokerage (and the representatives and other parties identified in clause a. above) for any onsite visit, and neither RHSS nor any other party shall charge NRZ Brokerage (or such representatives or parties) any fee for access to its facilities or for any other aspect of such onsite visit; provided, however, NRZ Brokerage (and any such representatives or other parties) shall be responsible for any costs or expenses it incurs in connection with such onsite visit. For the avoidance of doubt, each party shall be responsible for its own costs or expenses incurred in connection with any onsite or remote audits.
- d. Timing of Audits; Notice. Audits shall be performed during normal business hours, and NRZ Brokerage shall cooperate with RHSS (and such Affiliates of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) to minimize

disruption to the business activities and operations of RHSS resulting from any audit activity. NRZ Brokerage shall provide RHSS with reasonable advance written notice of at least twenty one (21) calendar days prior to conducting any extensive or comprehensive onsite audit and at least ten (10) calendar days prior to conducting any remote audit, unless, in either case (i) the audit is mandated or requested by a Governmental Authority, in which case the applicable NRZ Entity shall make commercially reasonable efforts to provide RHSS with advance notice or (ii) the audit is requested by NRZ Brokerage during the continuation of a Termination Event, in which case NRZ Brokerage shall make commercially reasonable efforts to provide RHSS with advance written notice of at least five (5) business days prior to conducting any such audit.

7. Litigation and Regulatory Matters.

- a. Quarterly Update. On a quarterly basis, and by no later than the 15th day following the end of each calendar quarter, RHSS shall provide representatives of NRZ Brokerage (which may be limited to counsel upon request by RHSS) with a quarterly oral update regarding outstanding material litigation or regulatory matters relating to any of the activities of RHSS (or any Affiliates of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement). Such oral update shall occur via telephone conference, or as otherwise mutually agreed between the parties. Such updates shall include but not necessarily be limited to the following: (a) new litigation matters or regulatory matters, investigations or inquiries, (b) developments (other than administrative or non-substantive developments) in any matters, investigations or inquiries previously disclosed to NRZ Brokerage, (c) updates to any potential liability or settlement projections, (d) pending or concluded examinations, (e) pending or concluded settlements, remediations, or resolutions of such matters, and (f) any material legal, regulatory, or compliance-related developments of which RHSS is aware in the residential real estate industry relevant to RHSS and to the services provided under the Agreement. Nothing in this Section 7(a) shall require RHSS to provide any information subject to the attorney-client privilege or work product protection.
- b. Notice of Certain Events. RHSS shall notify NRZ Brokerage as promptly as possible, and in any event no later than three (3) business days following receipt by RHSS (or any Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) of notice that any demand, inquiry, investigation, subpoena, order, complaint, or other communication from any Governmental Authority relating to an alleged violation of any applicable law or regulation that (i) relates to any Subject REO Referrals, (ii) relates to any of the activities or services performed by RHSS or any Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) in connection with the Agreement, (iii) references NRZ Brokerage or any Affiliate thereof, or (iv) relates to any alleged violation of applicable laws or regulations that (A) RHSS deems reasonably likely to result in a sanction, fee, fine, penalty, consent order, settlement, judgment, or other liability against RHSS (or any such Affiliate of RHSS) that would materially impair RHSS's (or any such Affiliate's) ability to perform

any of its obligations under the Agreement, or (B) could reasonably result in a sanction, fee, fine, penalty, consent order, settlement, judgment, or other liability against NRZ Brokerage or any Affiliate thereof.

- c. Notice of Licensing Matters. RHSS shall (i) notify NRZ Brokerage as promptly as possible, and in any event within two (2) business days of RHSS (or any Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) having knowledge that any Governmental Authority is reasonably likely to suspend, revoke or limit any license or approval necessary for RHSS (or any such Affiliate of RHSS) to perform any of the services provided under the Agreement and (ii) provide NRZ Brokerage with at least sixty (60) calendar days' advanced written notice in the event RHSS elects to intentionally and deliberately surrender or intentionally and deliberately not renew a license or permit a license to expire, which written notification shall include a reasonably detailed explanation of RHSS's (or such Affiliate's) reasonable business considerations for such election.
8. Cooperation with Mortgage Servicers. RHSS acknowledges that the REO Properties in the Covered Portfolios may be managed by New Residential Mortgage and/or by subservicers acting on New Residential Mortgage's behalf. RHSS agrees to reasonably cooperate with New Residential Mortgage and with the servicers or subservicers of the mortgage loans in the Covered Portfolios, and shall timely provide documentation and reporting reasonably requested by New Residential Mortgage and/or such subservicers regarding the brokerage services provided by RHSS with respect to the Subject Referrals.
9. Client Relationship Manager. RHSS shall provide resources dedicated to monitoring the relationship with NRZ Brokerage. Such resources shall include at least one dedicated client relationship manager that will serve as a primary contact for NRZ Brokerage and its representatives. The responsibilities of such dedicated resources/personnel shall include but not necessarily be limited to the following: (a) responding promptly to all inquiries from NRZ Brokerage and its representatives, and completing appropriate follow-ups communications, (b) managing RHSS's compliance with its obligation to provide services to NRZ Brokerage in accordance with the terms and conditions of the Agreement, (c) coordinating resolution of questions or issues, (d) managing RHSS's fulfillment of Service Level Agreements, (e) managing actions items and deliver timely and accurate reports, and (f) managing and coordinate audits, in each case in accordance with the Agreement and this Vendor Management Addendum.
10. Engagement and Management of Vendors. RHSS (or any Affiliate of RHSS relevant to the services provided to pursuant to the Agreement) may engage third-party vendors or RHSS-Affiliated entities related to such services, provided that (x) any such engagement of, or delegation of duties to, any vendor shall not relieve RHSS of any representations, warranties, covenants or obligations under the Agreement or this Vendor Management Addendum (except where such third-party vendors were engaged by RHSS at the direction of an NRZ entity), and (y) with respect to any such engagement, RHSS (or any such Affiliate of RHSS) shall:

- a. To the extent any costs or charges shall be passed on to NRZ Brokerage, New Residential Mortgage (or any subservicer of New Residential Mortgage), any securitization trust or any party to any securitization or servicing agreement, engage each such vendor on commercially reasonable, arm's length basis and at competitive rates of compensation;
- b. Engage each such vendor on terms and rates consistent with applicable laws and regulations;
- c. Maintain written policies and procedures relating to its vendor management practices that comply with applicable laws and regulations governing the supervision of service providers, including without limitation Compliance Bulletin and Policy Guidance 2016-02 published by the Consumer Financial Protection Bureau (or any applicable successor bulletin or guidance), and shall adhere to such policies and procedures;
- d. Require that any vendor engaged by RHSS (or by any RHSS Affiliate relevant to the services provided to an NRZ Entity pursuant to the Agreement) materially comply with all applicable laws and regulations all agreements governing such engagement;
- e. Require that any vendor engaged by RHSS (or by any RHSS Affiliate relevant to the services provided to an NRZ Entity pursuant to the Agreement) materially comply with RHSS or its Affiliates' applicable vendor insurance requirements and minimum liability limits (including with respect to workers' compensation insurance) which are customized and amended from time to time based on activities undertaken and services performed by the vendor.
- f. Confirm that no vendor engaged by RHSS (or by any Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement) appears on any of the (i) Freddie Mac Exclusionary List (but solely to the extent an NRZ Entity is permitted to provide (and does provide) RHSS access to such list for the purpose of complying with this subsection), (ii) Specifically Designated Nationals and Blocked Persons List published by OFAC (as checked by RHSS on an annual basis), (iii) Suspended Counterparty Program list published by Federal Housing Finance Agency (as checked by RHSS on an annual basis) or (iv) RHSS's (or such Affiliate's) internal "do not use" vendor list, and shall promptly (A) notify NRZ Brokerage to the extent RHSS learns of any such vendor becoming subject to any such list, and (B) terminate such vendor immediately; and
- g. Notify NRZ Brokerage as promptly as possible and in any event within five (5) business days RHSS (or any RHSS Affiliate relevant to the services provided to an NRZ Entity pursuant to the Agreement) becoming aware that any vendor engaged by RHSS (or by such Affiliate) has violated or failed to comply with any applicable laws or regulations, and/or has violated any applicable agreement with RHSS (or with such Affiliate), if such violation or failure to comply could reasonably be expected to materially adversely impact any Subject REO Referral, which notification shall include, without limitation,

(i) a summary of such violation or non-compliance and (ii) an action plan for (A) remediating any existing violations or non-compliance by such vendor and preventing such violation or non-compliance in the future, or (B) terminating and, if necessary, replacing such vendor.

11. Cooperation with Governmental Authority Examinations; Cooperation with NRZ Brokerage Third Party Vendor Oversight Requirements.

- a. Examinations. RHSS shall (and shall cause any Affiliate of RHSS relevant to the services provided to an NRZ Entity pursuant to the Agreement to) cooperate fully and comply in all respects with requests from NRZ Brokerage or any New Residential Affiliate, including but not limited to any examination, inquiry, routine request, subpoena, civil investigative demand, or similar ad hoc regulatory demand for information or request of any kind from any Governmental Authority to NRZ Brokerage or any New Residential Affiliate pertaining to the services provided by RHSS (or such RHSS Affiliate) under the Agreement. NRZ Brokerage shall (or shall cause such applicable New Residential Affiliate to) make use of its commercially reasonable best efforts to provide RHSS with as much written notice as reasonably practicable under the circumstances of such examination, inquiry, investigation or request; provided, that NRZ Brokerage shall (and shall cause such applicable New Residential Affiliate to):
- i. Notify RHSS in writing to this email address: NRZInfoRequest@altisource.com as promptly as reasonably possible based on the circumstances and the type of communication from such Governmental Authority, based on NRZ's reasonable judgment, and in no event will unreasonably delay notifying RHSS of such request;
 - ii. Consult with RHSS regarding RHSS's reasonable estimation of the (A) time, (B) RHSS resources, and (C) RHSS costs that may result from any such request;
 - iii. If NRZ Brokerage determines, based on such consultation but in NRZ Brokerage's sole reasonable discretion, that it is (A) appropriate, (B) reasonable, and (C) without unreasonable risk to NRZ (or any New Residential Affiliate) to seek a modification to the request (including without limitation a narrowing of the request scope) or an extension of the Governmental Authority's deadline, then NRZ Brokerage shall communicate such request to the Governmental Authority; and
 - iv. If, subject to clause iii, any Governmental Authority agrees to extend such deadline, then NRZ Brokerage shall extend the deadline of NRZ Brokerage's initial request, but NRZ Brokerage may, at its sole reasonable discretion, shorten the Governmental Authority's extended deadline by up to two (2) business days.
- b. Additional Reporting or Testing. Upon reasonable request and after reasonable notice by NRZ Brokerage from time to time, RHSS shall provide NRZ Brokerage with additional data, documentation, reporting or other information as may be reasonably required for NRZ Brokerage to comply with its internal third party vendor oversight

policies and procedures, which may include, without limitation, such additional data, documentation or reporting that will be sufficient for NRZ Brokerage to (i) implement ongoing monitoring of RHSS's compliance with applicable laws and regulations, (ii) implement periodic or ongoing compliance testing, or (iii) examine individual files relating to Subject REO Referrals for the purpose of manual asset-level compliance reviews. NRZ Brokerage shall provide prior written notice at least ten (10) business days prior to the deadline relating to any such additional requests, and shall work cooperatively with RHSS to minimize disruptions to RHSS's business or operations resulting from such additional requests.

12. Affiliate Information. To the extent that the information requested pursuant to this Vendor Management Addendum seeks procedures, measures, practices, policies or other similar documents or information ("Policies") pertaining to RHSS, such information requested can be satisfied by providing the corresponding Policies for RHSS's parent companies or other Altisource Affiliates, provided that such Policies are expressly applicable to RHSS.
13. Authorization to Receive Information. NRZ Brokerage represents and warrants that it is permitted by the seller of the Subject REO Referrals to receive the information requested hereunder.
14. Confidentiality. NRZ Brokerage agrees to hold, and to cause its directors, officers, employees, affiliates, agents, accountants, auditors, counsel and other advisors and representatives (collectively, "Representatives") to hold, in strict confidence, and shall not release or disclose, or permit to be released or disclosed, to any other person except its Representatives, any information, notes, analyses, compilations, reports, forecasts, studies, samples, data, statistics, summaries, interpretations, and other materials provided under this Vendor Management Addendum (collectively, "Information"), as well as any memoranda, notes, summaries or other materials created by or on behalf of NRZ Brokerage or its Representatives based on such Information, except to the extent that such information has been (i) in the public domain through no fault of such party or any of their respective directors, officers, employees, affiliates, agents, accountants, auditors, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party, which sources are not known by such party to be themselves bound by a confidentiality obligation, (iii) independently generated without reference to any proprietary or confidential information (collectively, "Confidential Information"). Notwithstanding anything to the contrary in this Section 14, NRZ Brokerage (or any applicable New Residential Affiliate) shall be permitted to disclose information provided pursuant to Section 11(a) to a Governmental Authority, solely to the extent required to respond to the Governmental Authority.

Any information provided pursuant to this Vendor Management Addendum shall be used solely for the purposes expressly permitted hereunder and not for any other purpose. For the avoidance of doubt, the obligations under this Section 14 shall apply to any Confidential Information, regardless of whether such Confidential Information is retained in the form provided by RHSS or to NRZ Brokerage and/or its Representatives, in another form or in the memories of NRZ Brokerage and/or its Representatives. This

Section 14 shall survive the expiration and/or any earlier termination of the Agreement and/or this Vendor Management Addendum.

EXHIBIT 5-12

Exhibit 5A

INSURANCE REQUIREMENTS

RHSS or its Affiliate shall use commercially reasonable efforts to purchase and maintain insurance on RHSS's behalf, the following types of coverage and limits of liability:

1. Commercial General Liability (CGL) coverage with limits of insurance of not less than \$[***] each occurrence and \$[***] annual aggregate.
 - a. CGL coverage shall be written on ISO Occurrence form CG 00 01 1093 or such other coverage that is currently commercially reasonably available to RHSS or its Affiliates in the market at the time of purchase of the coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, and personal and advertising injury.
 - b. NRZ Brokerage shall be included as an additional insured on the CGL, using ISO Additional Insured Endorsement CG 20 10 11 85 or such other coverage that is currently commercially reasonably available to RHSS or its Affiliates in the market at the time of purchase of the coverage. Where commercially reasonable, coverage for the additional insureds shall apply as primary and non-contributing insurance before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insureds.
2. Automobile Liability
 - a. Business auto liability with limits of at least \$[***] each accident.
 - b. Business auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
 - c. RHSS will list NRZ Brokerage as an additional insured on the auto policy.
3. Commercial Umbrella
 - a. Umbrella limits must be at least \$[***].
 - b. Umbrella coverage must, unless prohibited by the applicable insurer on commercially reasonable terms, include as additional insureds all entities that are additional insureds on the CGL.
 - c. Umbrella coverage for such additional insureds shall, unless prohibited by the applicable insurer on commercially reasonable terms, apply as primary before any other insurance or self-insurance, including any deductible, maintained by, or provided to, the additional insured other than the CGL, auto liability and employers liability coverages maintained by RHSS or its Affiliates.

4. Workers' Compensation and Employers Liability

- a. Workers' compensation or employers liability insurance limits of at least \$[***] each accident for bodily injury by accident and \$[***] each employee for injury by disease.
- b. Where applicable, U.S. Longshore and Harborworkers Compensation Act Endorsement shall be attached to the policy.

Waiver of Subrogation

Unless prohibited by the applicable insurer on commercially reasonable terms, RHSS waives all rights against NRZ Brokerage and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by commercial general liability, commercial umbrella liability, business auto liability or workers compensation and employers liability insurance maintained per requirements stated above.

Attached to each certificate of insurance shall be a copy of the applicable additional insured endorsement and a copy of the applicable other insurance clause that is part of RHSS or its Affiliates' commercial general liability policy. RHSS will endeavor to cause these certificates and the related insurance policies to contain a provision that coverage afforded under the policies will not be canceled or allowed to expire until at least 30 days prior written notice has been given to NRZ Brokerage. A copy of the entire commercial general liability policy shall be submitted to NRZ Brokerage when requested.

5. Errors & Omissions

- a. Professional Liability Insurance limits of at least \$[***]
- b. Unless prohibited by the applicable insurer on commercially reasonable terms and to the extent the insurer has agreed to remove the insured v. insured exclusion and the requirement that coverage only applies to professional services provided to "others", such insurance shall include a provision naming NRZ Brokerage as additional insured

6. Cyber Liability

- a. Contractor will maintain a cyber policy (security & privacy insurance with electronic media liability) with limits of at least \$[***]
- b. Unless prohibited by the applicable insurer on commercially reasonable terms, the cyber policy shall include a provision naming NRZ Brokerage as additional insured and also include a statement that any insured versus insured exclusion will not apply

7. Crime

- a. Commercial crime policy with limits of at least \$[***]

- b. Insurance shall include a provision covering employee theft of NRZ Brokerage's property, including money or securities
- c. Unless prohibited by the applicable insurer on commercially reasonable terms, the commercial crime policy shall include a provision naming NRZ Brokerage as loss payee

RHSS or its Affiliates shall provide NRZ Brokerage with insurance policies, slips, certificates or endorsements, as applicable, evidencing the insurance coverages procured pursuant to this Exhibit 5A within 30 days of the execution of the Agreement. To the extent an insurer or insurance broker cannot, or will not, provide such evidence of coverage or policy terms within 30 days of the execution of the Agreement, RHSS or its Affiliates shall provide such evidence of coverage within 5 business days of receipt of such evidence by RHSS or its Affiliates. Within 30 days of each annual policy renewal after the expiration of the policies in effect at the effective date of the Agreement, RHSS or its Affiliates shall provide NRZ Brokerage with certificates of insurance or other evidence of insurance purchased at each renewal, including, where applicable, evidence of the addition or maintenance, as applicable, of NRZ Brokerage as an additional insured or loss payee.

RHSS or its Affiliates shall provide NRZ Brokerage with written notice of any material changes to any policies set forth in this Exhibit 5A within 5 business days of receipt of notice of such changes by RHSS or its Affiliates.

RHSS or its Affiliates shall, on or before the expiration date of any applicable insurance policy, provide NRZ Brokerage with written notice of any incumbent insurer's determination not to maintain NRZ Brokerage as an additional insured or loss payee, as applicable, or in the case of a new insurer, such insurer's determination not to add NRZ Brokerage as an additional insured or loss payee, as applicable, on such insurance policy.

EXHIBIT 5B – REPORTING REQUIREMENTS

<u>SLA Based Operational Reporting</u>				
#	Report Name	Description	Output Format	Delivery Package Name
1	[***]	[***]	PDF	Monthly Business Review Deck
2	[***]	[***]	PDF	Monthly Business Review Deck
3	[***]	[***]	PDF	Monthly Business Review Deck
4	[***]	[***]	PDF	Monthly Business Review Deck

<u>Non-SLA Based Operational Reporting</u>					
#	Report Name	Description	Fields	Output Format	Delivery Package Name
1	Sales by Altisource brokers versus third party broker	Aggregated dashboard representing the trailing twelve month trend on REO monthly sales split by RHSS and third party broker	N/A	PDF	Monthly Business Review Deck
2	Number of auction cycles before sale	Aggregated dashboard on Hubzu performance representing the trailing twelve month trend on REO monthly sales by number of auction cycles	N/A	PDF	Monthly Business Review Deck
3	Sales price versus listing price	Aggregated dashboard representing the trailing twelve month trend on Net Sales Price by most recent Listing Price for all REO sales in a given month	N/A	PDF	Monthly Business Review Deck

Non-SLA Based Operational Reporting

4	Sales price versus reserve price	Aggregated dashboard representing the trailing twelve month trend on Net Sales Price by most recent Reserve Price for all REO sales in a given month	N/A	PDF	Monthly Business Review Deck
5	Number of properties that do not receive any bids	Aggregated tabular view of the current inventory of all REO properties in active Hubzu listing that did not receive a bid across value bands and listing timeline	N/A	PDF	Monthly Business Review Deck
6	Number of properties that do not receive any bids above reserve	Aggregated tabular view of the current inventory of all REO properties in active Hubzu listing that did not receive a bid above reserve across value bands and listing timeline	N/A	PDF	Monthly Business Review Deck
7	Sales performance (liquidation rates, average days on market, price to pre-sales market value) by states and/or MSAs	Geographical state wise view of the trailing twelve month trend on REO monthly sales performance in terms of liquidation rate, days on market and net sale price by most recent pre-sales market value	N/A	PDF	Monthly Business Review Deck
8	Sales performance by urban versus suburban versus rural	Aggregated dashboard representing the trailing twelve month trend on REO monthly sales split by geographical areas such as urban, rural etc.	N/A	PDF	Monthly Business Review Deck
9	Sales performance by sales price buckets	Aggregated dashboard representing the trailing twelve month trend on REO monthly sales across value bands	N/A	PDF	Monthly Business Review Deck
10	Sales performance by property type (standalone home vs townhome vs condo)	Aggregated dashboard representing the trailing twelve month trend on REO monthly sales split by property type	N/A	PDF	Monthly Business Review Deck

Non-SLA Based Operational Reporting

11	Price to pre-sales market value days on market	1. Price to Pre-Sales Market Value: Covered in SLA reporting 2. Days on Market: Aggregated dashboard representing the trailing twelve month trend on REO monthly sales by days on market	N/A	PDF	Monthly Business Review Deck
12	Sales volume by ASPS escrow agent versus third party	Aggregated dashboard representing the trailing twelve month trend on REO monthly sales split by closing office type (Premium Title vs non-Premium Title)	N/A	PDF	Monthly Business Review Deck
13	MTD Closings Report	Property level report on all daily REO closings for the day	1. Report Date 2. Loan Number 3. Address 4. State 5. Zip 6. Referral Date 7. Acquisition Date 8. Sale Date 9. Sale Price 10. Closing Office Type (In-house / 3rd Party) 11. NRZ Commission (\$) 12. NRZ Commission (%) 13. Wire Receipt Date	Excel	MTD Sales Report

Non-SLA Based Operational Reporting

14	New Listing Report (Monthly)	Property level report on all new listing in a given month	1. Report Date 2. Loan Number 3. Address 4. State 5. Zip 6. Referral Date 7. Acquisition Date 8. Days Since Acquisition 9. First List Date 10. First List Price 11. NRZ Commission (%) 12. RHSS Commission (%) 13. Minimum RHSS Commission (\$) 14. Buyer Agent Commission (%) 15. Minimum Buyer Agent Commission (\$)	Excel	New Listing Report
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Exhibit 6

**METHODOLOGY FOR DETERMINING SUBJECT REO REFERRAL LIST PRICES,
PRICE REDUCTIONS, RESERVE PRICES, STARTING BIDS, WINNING BIDS AND ACCEPTABLE OFFERS**

THE REMAINDER OF THIS PAGE AND THE FOLLOWING FIVE PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 6-1

Exhibit 7

PERFORMANCE SCORECARD

THE FOLLOWING SIX PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 7-1

Exhibit 8

STATES IN WHICH NEW RESIDENTIAL SALES CORP. IS QUALIFIED TO RECEIVE COMMISSIONS

THE REMAINDER OF THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT.

[***]

EXHIBIT 8-1

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.**

LETTER AGREEMENT

This **LETTER AGREEMENT** (this “**AGREEMENT**”), entered into on this August 28, 2017, is by and among **NEW RESIDENTIAL INVESTMENT CORP.**, a Delaware corporation (“**NEW RESIDENTIAL**”), **NEW RESIDENTIAL MORTGAGE LLC**, a Delaware limited liability company (“**NRM**”), in each case, whose principal address is 1345 Avenue of the Americas, 45th Floor, New York, NY 10105, **REALHOME SERVICES AND SOLUTIONS, INC.**, a Florida corporation, (“**RHSS**”), whose principal address is 1000 NE Abernathy Road, Atlanta, GA 30348, **REALHOME SERVICES AND SOLUTIONS - CT, INC.**, a Connecticut corporation (“**RHSSCT**”), whose principal address is 1000 NE Abernathy Road, Atlanta, GA 30348, and **ALTISOURCE SOLUTIONS S.à. r.l.**, a Luxembourg société à responsabilité limitée, a private limited liability company (“**ALTISOURCE**”), whose principal address is 40, avenue Monterey 40, Avenue Monterey, L-2163 Luxembourg.

RECITALS

I. NRM intends to become the owner of servicing rights to certain residential mortgage loans secured by real property that has been, or may in the future be, foreclosed, resulting in real estate owned (“**REO**”) by a trust and held for the benefit of mortgage loan investors;

II. NRM, as the owner of mortgage servicing rights, may have the legal and contractual right to market and sell certain REO properties on behalf of the applicable trusts (the REO properties that NRZ (as defined herein) has the contractual right to market and sell shall be referred to herein as the “**REO Properties**”);

III. NRM is a wholly-owned subsidiary of New Residential;

IV. RHSS is a wholly-owned subsidiary of Altisource and RHSSCT is a subsidiary of Altisource, with Altisource or its affiliates owning one hundred percent (100%) of the voting rights of RHSSCT; and

V. To the extent NRM or New Residential has not engaged a NRZ Brokerage to identify and recommend qualified real estate brokerages throughout the United States to assist in the marketing and sale of the REO Properties in the Covered Portfolios, or to the extent NRM or New Residential has engaged an NRZ Brokerage for such purposes and such NRZ brokerage is a party to a CBA (as defined herein) with RHSS, RHSSCT or any Altisource Subsidiary Brokerage but fails to refer Subject REO Referrals (as defined herein) to RHSS, RHSSCT or any Altisource Subsidiary Brokerage (as applicable) pursuant to the terms of such CBA, New Residential and NRM are desirous of appointing RHSS, RHSSCT, or such other subsidiary of Altisource that is a duly licensed real estate brokerage as Altisource or RHSS may direct (“**Altisource Subsidiary Brokerage**”), as applicable, directly as their listing agent to conduct sales and marketing related to the REO Properties described herein, and RHSS and RHSSCT are desirous of accepting such appointment.

AGREEMENT

THEREFORE, in consideration of the mutual covenants herein made and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Altisource, RHSS, RHSSCT, New Residential (on behalf of itself and each Investor) and NRM (on behalf of itself and each Investor) hereby agree as follows:

1. Definitions. The terms set forth below shall have the meanings ascribed to them for the purposes of this Agreement. Other capitalized terms contained in this Agreement (including the Recitals, which are, by this reference, incorporated into and deemed part of this Agreement) and not set forth in this Paragraph 1 shall have the meanings assigned to them as defined herein. Capitalized terms used herein but not otherwise defined have the meaning given such term in the Original CBA.

(a) “**Affiliate**” shall have the meaning set forth in the Original CBA.

- (b) **“Altisource Subsidiary Brokerage”** shall have the meaning set forth in the Recitals.
- (c) **“CBA”** means a cooperative brokerage agreement, between RHSS, RHSSCT or any Altisource Subsidiary Brokerage (as applicable) and an NRZ Brokerage, in substantially the same form as the Original CBA.
- (d) **“Controlled”** shall have the meaning set forth in the Original CBA.
- (e) **“Corporate Parent”** shall have the meaning set forth in the Original CBA.
- (f) **“Covered Portfolios”** shall have the meaning set forth in Original CBA.
- (g) **“Effective Date”** means the date of the execution of this Agreement.
- (h) **“NRSC”** means New Residential Sales Corporation, a NRZ Brokerage.
- (i) **“NRZ”** means New Residential, together with any entity that is a wholly owned subsidiary of New Residential or that is Controlled by New Residential.
- (j) **“NRZ Brokerage”** means each entity that is duly licensed and approved to conduct real estate brokerage activity that is either New Residential or Controlled by New Residential.
- (k) **“Original CBA”** means the CBA among RHSS, RHSSCT, and NRSC, dated as of the date hereof.
- (l) **“Portfolio”** shall have the meaning set forth in the Original CBA.
- (m) **“Referred REO Properties”** shall have the meaning set forth in Paragraph 3 hereof.
- (n) **“REO”** shall have the meaning set forth in the Recitals.
- (o) **“REO Properties”** shall have the meaning set forth in the Recitals.
- (p) **“Services LOI”** means that certain Letter of Intent between Altisource and New Residential and dated as of the date hereof relating to the services Altisource and its affiliates shall agree to provide to New Residential with respect to the Covered Portfolios (as defined in such Letter of Intent).
- (q) **“Servicing Agreement”** shall have the meaning set forth in the Original CBA.

2. Brokerage Subsidiaries to Enter Into CBAs. It is the intent of the parties that RHSS and RHSSCT enter into CBAs with all NRZ Brokerages engaged to market and sell REO Properties in the Covered Portfolios. Altisource agrees to use its best efforts to cause RHSS and RHSSCT to enter into a CBA with every NRZ Brokerage, which CBA shall be materially identical to the Original CBA. NRM agrees to use its best efforts to cause each NRZ Brokerage to enter into a CBA with RHSS and RHSSCT, which CBA shall be materially identical to the Original CBA.

3. Appointment & Acceptance as Listing Broker.

(a) Commencing on the Effective Date and pursuant to the specific terms contained herein, to the extent that NRM does not engage a NRZ Brokerage with which RHSS, RHSSCT, or another Altisource Subsidiary Brokerage has a non-suspended CBA in place to conduct the sales and marketing activities related to the sale of the REO Properties (except to the extent NRM engages an NRZ Brokerage that does not have a non-suspended CBA in place with RHSS, RHSSCT or another Altisource Subsidiary Brokerage, as applicable, despite such NRZ Brokerage’s reasonable efforts to execute and deliver a CBA materially identical to the Original CBA and despite RHSS, RHSSCT or another Altisource Subsidiary Brokerage, as applicable, being legally permitted to execute such materially identical CBA), New Residential and NRM agree to, and hereby do, engage RHSS, RHSSCT, or an Altisource Subsidiary Brokerage as its listing agent

for all REO Properties in the Covered Portfolios, which REO Properties NRZ has the legal ability and the contractual ability under the related Servicing Agreements to engage RHSS, RHSSCT, or other Altisource Subsidiary Brokerage, as applicable to market and sell (such REO Properties, “Referred REO Properties”).

(b) Notwithstanding anything to the contrary in Paragraph 3(a) above, NRM is under no obligation to engage RHSS, RHSSCT, or any other Altisource Subsidiary Brokerage to market or sell Referred REO Properties:

(i) with respect to which RHSS, RHSSCT or any Altisource Subsidiary Brokerage, to the extent applicable, has refused to execute and deliver a CBA with a NRZ Brokerage that is materially identical (except where legally prohibited) to the Original CBA (which CBA would, if executed by the parties thereto, require such Referred REO Properties to be referred to RHSS, RHSSCT or any Altisource Subsidiary Brokerage), despite such NRZ Brokerage having reasonably cooperated in the finalization and execution of such CBA, or

(ii) arising under any CBA that has been terminated or has expired, except that for the avoidance of doubt, this sentence shall not apply where such CBA was (I) suspended pursuant to Section 19(c) or 19(d) under the Original CBA (or the corresponding section of any other CBA), or (II) voided in accordance with Section 12 of the Original CBA (or corresponding paragraphs of subsequent CBAs).

(c) In the event that RHSS, RHSSCT or any Altisource Subsidiary Brokerage, to the extent applicable, has refused to execute and deliver a CBA with a NRZ Brokerage that is materially identical to the Original CBA on the grounds that it is the applicable entity’s view that it is legally prohibited from entering into an agreement materially identical to the Original CBA, in accordance with this Section 3, RHSS, RHSSCT or any other Altisource Subsidiary Brokerage, as applicable, shall be obligated to obtain advice on the matter from duly licensed and qualified outside counsel, and must provide, upon NRZ’s written request, written analysis supporting its conclusion (though a formal written opinion of counsel shall not be required).

(d) New Residential and NRM hereby represent and warrant that, as of the date hereof, neither New Residential nor NRM has any knowledge of any facts or circumstances that would prevent or prohibit New Residential and NRM from engaging RHSS, RHSSCT or an Altisource Subsidiary Brokerage, as applicable, as its listing agent for all REO Properties in the Covered Portfolios.

4. NRM and Altisource to Direct Subsidiaries to Comply with CBAs. New Residential, NRM and Altisource shall use commercially reasonable best efforts to ensure that their respective brokerage subsidiaries comply with the CBAs to which they are signatories. For the avoidance of doubt, New Residential and NRM shall use commercially reasonable best efforts to ensure NRZ Brokerages refer Subject REO Referrals to RHSS, RHSSCT, or other Altisource Subsidiary Brokerage, as applicable, in accordance with the terms of the governing CBAs.

5. Applicable Terms From the Original CBA.

(a) In the event New Residential and NRM engage RHSS, RHSSCT, or other Altisource Subsidiary Brokerage, as applicable, as its listing agent pursuant to Paragraph 3 of this Agreement, the parties hereby agree and acknowledge that

(i) New Residential and NRM shall have all of the rights and obligations with respect to the Referred REO Properties as NRSC has with respect to the Subject REO Referrals (as defined in the Original CBA) pursuant to the Original CBA or, in the event that the Original CBA has been suspended pursuant to Section 19(c) or 19(d) thereof, the rights that NRSC has under the Original CBA when it is not suspended, including, but not limited to, termination rights thereunder, and

(ii) RHSS, RHSSCT, or other Altisource Subsidiary Brokerage, as applicable, shall have all of the rights and obligations with respect to the Referred REO Properties as RHSS and RHSSCT have with the Subject REO Referrals pursuant to the Original CBA; provided, however, that Section 5 of the Original CBA (and the corresponding sections of all other CBAs), which sets forth the commissions owed to NRSC under

the Original CBA, and Section 18 of the Original CBA (and the corresponding sections of all other CBAs), which sets forth the term of the Original CBA, shall not apply with respect to either party (provided that, for the purposes of clarification, the term of this Agreement specified in Section 9 hereto shall be deemed to be the applicable term), and the representations and warranties set forth in Sections 6(d) and 6(e) of the Original CBA (and the corresponding sections of all other CBAs), shall not apply with respect to New Residential and NRM.

(b) For the avoidance of doubt, all provisions of the Original CBA are incorporated herein with the exception of Sections 5, 6(d), 6(e) and 18, and the rights and obligations extending to NRSC under the Original CBA (including the right to terminate set forth in Section 19 thereof), with the exception of those set forth in Section 5, 6(d), 6(e) and 18 of the Original CBA, shall extend to New Residential and NRM under this Agreement; and all rights and obligations extending the RHSS and RHSSCT under the Original CBA, with the exception of those set forth in Section 5, 6(d), 6(e) and 18 of the Original CBA, shall extend to RHSS and RHSSCT under this Agreement.

6. Commissions; Termination.

(a) In the event New Residential and NRM engage RHSS, RHSSCT, or other Altisource Subsidiary Brokerage, as applicable, as its listing agent pursuant to Paragraph 3 of this Agreement, the parties agree to fully cooperate with one another and to use their best efforts to negotiate a structure whereby NRZ will receive commissions from the sales proceeds of the Referred REO Properties in proportions commensurate with those set forth in the Original CBA (the "Commissions") to the extent allowable by law. In furtherance of the foregoing, the parties agree to reasonably cooperate with one another and to use best efforts to implement Commissions that shall be received by New Residential or a New Residential Affiliate in proportions commensurate with those set forth in the Original CBA, to the extent allowable by law. Each party agrees to execute and deliver to each other such documents and take such actions as may become reasonably necessary, from time to time, to establish such Commissions, to the extent allowable by law.

(b) This Agreement shall terminate in the event either party fails to use best efforts to (i) cooperate with respect to, or use best efforts to negotiate a structure whereby NRZ will receive Commissions and the terms of the Commissions in proportions commensurate with those set forth in the Original CBA in each case in which commissions are permitted by law, or (ii) execute and deliver such documentation required pursuant to this Paragraph 6; provided, however, that this Agreement shall not terminate if, notwithstanding the parties' using best efforts to negotiate a Commission structure in accordance with this Paragraph 6, the parties cannot agree regarding whether Commissions are legally permissible. If the parties disagree about whether Commissions are permitted by law, the parties shall be obligated to obtain advice on the matter from duly licensed and qualified outside counsel, and each party must provide, upon the other party's written request, written analysis supporting the party's conclusion (though a formal written opinion of counsel shall not be required). For the avoidance of doubt, the provision of any information pursuant to this Paragraph 6(b) shall not be deemed a waiver of any privilege, including the attorney-client and/or work-product privileges applicable to such information.

(c) For purposes of this Section 6, "best efforts" with respect to Altisource shall not require Altisource to expend fees, costs, or expenses in excess of \$[***] during the term in the aggregate in order to implement a commissions structure in accordance with this section (the "**Expenses Cap**"). NRM may direct RHSS to incur amounts above the Expenses Cap to continue the parties' cooperation and best efforts to implement a commission structure in accordance with this Section 6, provided that NRM shall either, at RHSS's option, (x) reimburse RHSS for all reasonable, actual, and documented out-of-pocket fees, costs and expenses in excess of the Expenses Cap incurred by RHSS at New Residential's direction or (y) pay for any reasonable, actual, and documented out-of-pocket fees, costs and expenses in excess of the Expenses Cap that NRM directs RHSS to incur. Any fees, costs, or expenses reimbursable by NRM or payable by NRM in accordance with this paragraph shall be deemed "reasonable" hereunder if NRM expressly directed ASPS to pay or incur such specific fee, cost, or expense.

7. Powers of Attorney. On the Effective Date, New Residential and NRM shall execute powers of attorney substantially in the form attached hereto as **Exhibit A** in favor of RHSS and RHSSCT authorizing them, as appropriate, to execute listing agreements substantially in the form attached to the Original CBA as **Exhibit 3** but modified as needed

to reflect the engagement pursuant to the terms of this Agreement, on New Residential and NRM's behalf, as the case may be, in connection with the Referred REO Properties.

8. Other Obligations of NRZ. To the extent any CBA to which RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, are a party requires that RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, be approved as a vendor or other service provider for any subservicer prior to RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, receiving referrals under such CBA, NRZ shall use reasonable efforts to obtain the subservicer's approval of RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, as soon as possible without any material condition or cost thereto, as a vendor. Those efforts include but are not limited to notifying the subservicer that it is New Residential's intention that the subservicer approve RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, as its vendor; communication from New Residential's senior management to senior management of the applicable subservicer that New Residential views the request as a priority; facilitating discussions among Altisource, RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, and the applicable subservicer; and cooperating with Altisource, RHSS, RHSS CT, and/or other Altisource Subsidiary Brokerage, as applicable, to facilitate the subservicer's approval of the applicable Altisource Subsidiary Brokerage as a vendor.

9. Term of Agreement. This Agreement shall become effective upon the Effective Date and shall remain in effect until August 31, 2025; provided, however, (a) in the event that the Services LOI expires by its terms (accounting for any mutually agreed extension of the term of such Services LOI) or New Residential and Altisource fail to enter into that certain services agreement contemplated by the Services LOI and RHSS elects to terminate the Original CBA pursuant to Section 18 thereof, Altisource shall have the right to terminate this Agreement, without cause, upon written notice to NRM . This Agreement is also terminable on the grounds set forth in Section 6(b).

10. Termination of Listing Agreements. Any then-active listing agreements entered into with respect to any REO Properties pursuant to any CBA shall be terminated upon one business day's notice from the applicable seller in the event that such CBA is terminated, except to the extent any such REO Properties are, pursuant to the terms of this Agreement, required to be referred to RHSS, RHSSCT and/or other Altisource Subsidiary Brokerage, as applicable, hereunder, notwithstanding such termination of such CBA.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to applicable principles of conflicts of law.

12. Counterparts. This Agreement may be executed in two counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

13. Assignments, Successors. The Parties' rights under this Agreement shall continue in full force and effect and shall not be affected by the sale (or other transfer of a Covered Portfolio) by New Residential of MSRs to New Residential Affiliate.

(a) Neither this Agreement nor the obligations of each Party hereunder may be assigned or otherwise transferred by operation of law or otherwise, in each case, in whole or in part (a "Transfer"), by any Party without the other Parties' prior written consent, which shall not be unreasonably withheld, conditioned or delayed and any such attempted Transfer without such consent shall be void; provided, however, that such consent shall not be required in the event that (1) RHSS or RHSSCT Transfers this Agreement in accordance with a Permitted Transfer (as defined in the Guaranty) thereof, (2) NRM (but not New Residential) Transfers this Agreement to an Affiliate that has the legal and contractual right to refer Referred REO Properties to RHSS, RHSSCT or the related Altisource Brokerage Subsidiary, as applicable, or (3) NRM or New Residential undergoes one or more transactions under which (i) NRM, New Residential, or the business of NRM or New Residential relating to this Agreement is acquired by or merges with another party and the acquiring or surviving entity succeeds NRM or New Residential (as applicable) as to this Agreement, (ii) all or substantially all of the assets of NRM or New Residential or the business of NRM or New Residential relating to this Agreement is acquired by another party and such other party succeeds NRM or New

Residential (as applicable) as to this Agreement, (iii) NRM or New Residential assigns this Agreement in connection with a sale of all or substantially all of its assets, or (iv) NRM or New Residential spins off the business relating to this Agreement into one or more separate entities and such one or more separate entities succeed NRM or New Residential (as applicable) as to this Agreement; provided, further, that nothing herein shall in any way restrict any direct or indirect assignment, sale or other transfer of the equity interests of NRM or New Residential, whether by operation of law or otherwise.

(b) If RHSS or RHSSCT wishes to execute a Transfer (other than as specified in Section 12(a)(1) herein), RHSS or RHSSCT, as applicable, shall provide to New Residential in writing the identity of the proposed successor or assignee, such writing to be deemed RHSS's Confidential Information (as that term is defined in the Vendor Management Addendum) and subject to the restrictions contained in Section 14 of the Vendor Management Addendum. New Residential agrees that, (1) it will respond to such writing with an approval or rejection of such proposed Transfer within no more than five (5) business days and (2) it will apply its reasonable discretion in evaluating, approving or rejecting a proposed Transfer and that such discretion shall be limited to analyzing whether or not such Transfer exposes NRM or New Residential to a non-de minimis increased risk relating to (A) the financial health or operational capabilities of the counterparty, (B) the quality of performance of the services provided under this Agreement, or (C) regulatory compliance matters. If New Residential rejects a requested Transfer and, RHSS believes (as evidenced by written notice to New Residential) that New Residential's determination was not made in accordance with the requirements of this Section 12(b), the Parties shall submit the dispute regarding New Residential's determination to the dispute resolution process set forth in Section 21 of the Original CBA. During the pendency of such dispute resolution process, RHSS and RHSSCT shall not be permitted to affect a Transfer. The parties will use their best efforts to conduct the dispute resolution process on an expedited basis.

IN WITNESS WHEREOF, the parties hereto have set their hand and seal as of the date hereof.

NEW RESIDENTIAL INVESTMENT CORP.

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NEW RESIDENTIAL MORTGAGE LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

[SIGNATURE PAGE TO SIDE LETTER AGREEMENT]

REALHOME SERVICES AND SOLUTIONS, INC.

By: /s/ Min L. Alexander
Name: Min L. Alexander
Title: President and Chief Executive Officer

REALHOME SERVICES AND SOLUTIONS – CT, INC.:

By: /s/ Min L. Alexander
Name: Min L. Alexander
Title: President and Chief Executive Officer

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

[SIGNATURE PAGE TO SIDE LETTER AGREEMENT]

ALTISOURCE SOLUTIONS S.Á. R.L.

By:

By: /s/ Kevin J. Wilcox

Name: Kevin J. Wilcox

Title: Manager

[SIGNATURE PAGE TO SIDE LETTER AGREEMENT]

EXHIBIT A

FORM OF LIMITED POWER OF ATTORNEY

[_____] (the "Company") does hereby make, constitute, and appoint REALHome Services and Solutions, Inc., a Florida Corporation ("RHSS"), to be its true and lawful attorney-in-fact, and hereby grants to RHSS the authority and power to take the Actions (as such term is defined herein) in the Company's name, place, and stead, through signers duly authorized by the Board of RHSS to take such Actions on RHSS's behalf ("Authorized Signers") in each case in accordance with and subject to the terms of that certain Letter Agreement (the "Agreement") dated August 28, 2017 by and between New Residential Investment Corp., New Residential Mortgage LLC ("NRM"), RHSS, REALHome Services and Solutions - CT, Inc. ("RHSSCT"), and Altisource Solutions S.à r.l., and one or more Cooperative Brokerage Agreements by and between RHSS, RHSSCT (or Affiliate of RHSS that is duly licensed and approved to conduct real estate brokerage activity, as may be authorized under the relevant CBA) and NRM Affiliates that are duly licensed and approved to conduct real estate brokerage activity (each a "CBA"), pursuant to which this Limited Power of Attorney is granted. The Company is the servicer of certain pools of mortgage loans and real estate owned properties that previously secured mortgage loans serviced by the Company ("REO Properties"). Capitalized terms used and not defined herein have the meaning set forth in the CBA dated August 28, 2017.

As used above, the term "Actions" shall mean and be limited to the following acts, in each case with respect to one or another of the REO Properties and as mandated or permitted by federal, state, or local laws or other legal requirements or restrictions applicable to the Company or RHSS in connection with the REO Properties.

RHSS as attorney-in-fact (the "Attorney-in-Fact") is hereby authorized, and empowered, on the Company's behalf, through its Authorized Signers, as follows:

To execute, acknowledge, seal and deliver documents, appropriately completed, with all ordinary or necessary endorsements, acknowledgments, affidavits, and supporting documents as may be necessary or appropriate for the acquisition, management, marketing, leasing, auction, sale, transfer, grant, conveyance, bargaining, recording or filing of a real estate owned property, including, without limitation, listing agreements, auction services agreements, dual agency agreements, cash for relocation agreements, purchase and sale agreements, leases, any and all transactional documents necessary or appropriate to finalize the sale of an REO Property (e.g., settlement statements, disclosure statements, acceptance statements, affidavits concerning mechanic's liens; assignment of security deposits), and any supporting documents; and

With respect to the Actions, the Company gives to said Attorney-in-Fact full power and authority to execute such instruments and to do and perform all and every act and thing requisite, necessary, and proper to carry into effect the power or powers granted by or under this Limited Power of Attorney as fully, to all intents and purposes, as the Company itself might or could do, and hereby does ratify and confirm all that Attorney-in-Fact shall lawfully do or cause to be done by authority hereof. This instrument is to be construed and interpreted as a limited power of attorney and does not empower or authorize the Attorney-in-Fact to do any act or execute any document on behalf of the Company not described herein.

This Limited Power of Attorney supersedes any power of attorney previously executed by the undersigned regarding the purposes outlined in the first paragraph hereof ("Prior Powers of Attorney"), and the authority of any attorney-in-fact named in any Prior Powers of Attorney is hereby revoked.

This Limited Power of Attorney is effective as of its date of execution set forth below and will be effective until the earlier of (i) the termination of the Agreement and all CBAs or (ii) the revocation of this Limited Power of Attorney, in writing, by the Company. Until such termination, the Company represents to those dealing with Attorney-in-Fact that they may rely upon this Limited Power of Attorney until they receive actual notice of termination or revocation thereof. Any and all third parties dealing with RHSS, as Attorney-in-Fact, may rely completely, unconditionally, and conclusively on the authority of RHSS, through its Authorized Signers, and need not make any inquiry about whether RHSS is acting pursuant to Agreement and the CBAs. Any purchaser, title insurance company, public official, or other third party may rely upon a written statement by RHSS through its Authorized Signers that any REO Property is subject to the authority and power conferred to RHSS in accordance with this Limited Power of Attorney, pursuant to the Agreement and the CBAs.

IN WITNESS WHEREOF, Company has executed this Limited Power of Attorney this __ day of _____ 2017.

[Servicer]

By: _____
Name: _____
Title: _____

Witness: _____
Name: _____
Title: _____

Witness: _____
Name: _____
Title: _____

State of _____

County of _____

This instrument was acknowledged before me on _____ [date] by _____ [name of officer], _____ [title of officer] of [Servicer], a [corporate description], on behalf of said organization. [AMEND AS APPROPRIATE TO CREATE EFFECTIVE NOTARIZATION UNDER APPLICABLE LAW.]

Notary Public Name:
My Commission expires:

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, William B. Shepro, hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2017 of Altisource Portfolio Solutions S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2017

By: /s/ William B. Shepro

William B. Shepro
Director and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Indroneel Chatterjee, hereby certify that:

1. I have reviewed this quarterly report on Form 10-Q for the period ended September 30, 2017 of Altisource Portfolio Solutions S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2017

By: /s/ Indroneel Chatterjee

Indroneel Chatterjee
Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(UNITED STATES CODE, TITLE 18, CHAPTER 63, SECTION 1350)
ACCOMPANYING QUARTERLY REPORT ON FORM 10-Q OF
ALTISOURCE PORTFOLIO SOLUTIONS S.A. FOR THE QUARTER ENDED
SEPTEMBER 30, 2017**

In connection with the Quarterly Report on Form 10-Q of Altisource Portfolio Solutions S.A. (the "Company") for the quarterly period ended September 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), William B. Shepro, as Chief Executive Officer of the Company, and Indroneel Chatterjee, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ William B. Shepro
William B. Shepro
Director and Chief Executive Officer
(Principal Executive Officer)
October 26, 2017

By: /s/ Indroneel Chatterjee
Indroneel Chatterjee
Chief Financial Officer
(Principal Financial Officer)
October 26, 2017