



RESI Update

3rd Quarter 2016

Supplemental Investor Information

George Ellison, CEO

Robin Lowe, CFO

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "seek," "believe" and other expressions or words of similar meaning. We caution that forward looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause the Company's actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement our business strategy; our ability to make distributions to our stockholders; our ability to acquire assets for our portfolio, including difficulties in identifying single-family rental ("SFR") assets and properties to acquire; our ability to integrate newly acquired SFR assets into our portfolio; our ability to sell residential mortgage assets on favorable terms; the impact of changes to the supply of, value of and the returns on single-family rental properties and sub-performing and non-performing loans; our ability to successfully modify or otherwise resolve sub-performing and non-performing loans; our ability to convert loans to SFR properties and acquire single-family rental properties generating attractive returns; our ability to complete proposed transactions in accordance with anticipated terms and on a timely basis or at all; our ability to predict costs; our ability to effectively compete with competitors; our ability to apply the net proceeds from financing activities or residential mortgage asset loan sales to target assets in a timely manner; changes in interest rates and the market value of the collateral underlying our sub-performing and non-performing loan portfolios or acquired single-family properties; our ability to obtain and access financing arrangements on favorable terms, or at all; our ability to maintain adequate liquidity; our ability to retain the exclusive engagement of Altisource Asset Management Corporation; the failure of Altisource Portfolio Solutions S.A. or its affiliates to effectively perform its obligations under various agreements with us; the failure of Main Street Renewal LLC to effectively perform its obligations under its property management agreement with us; the failure of our mortgage loan servicers to effectively perform their servicing obligations under their servicing agreements with us; our failure to qualify or maintain qualification as a REIT; our failure to maintain our exemption from registration under the Investment Company Act of 1940, as amended; the impact of adverse real estate, mortgage or housing markets; the impact of adverse legislative, regulatory or tax changes and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in the Company's current and future filings with the Securities and Exchange Commission. In addition, financial risks such as liquidity, interest rate and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive. The statements made in this presentation are current as of the date of this presentation only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

- I. Company Update
- II. Financial Results
- III. Portfolio Information
- IV. Appendix

- Completed the acquisition of a highly stabilized portfolio of 4,262 rental homes in target locations.
- Rental portfolio more than doubled to 8,541 homes during 3Q16.
- 2016 year-end target of 9,000 -10,000 homes¹ remains on track.
- We reaffirm our estimate of \$0.60 per share of Core FFO for 10,000 homes when fully stabilized and \$1.70 for 20,000 homes.
- Stabilized Rental operating metrics continue to improve:
 - 3Q16 Stabilized Rental NOI Margin increased to 59%.
 - 3Q16 Stabilized Rental Core FFO increased to \$0.04 per share.
 - Year to date pro forma Stabilized Rental NOI Margin of 61% and Core FFO of \$0.28 per share².
- Dispositions of loans and non-rental REOs remain on track with NPL and RPL sales planned for 4Q16.
- Maintained \$0.15 dividend and repurchased \$6.3 million in stock.

1) Adjusting for the higher value per home of the bulk purchase, the projected home count would have exceeded the targeted 10,000.

2) Assumes the HOME SFR portfolio was held for the entire year to date period through September 30, 2016.

3rd Quarter 2016 Highlights

Financial

- Rental revenue increased 12% over prior quarter to \$9.6MM bringing year to date rental revenue to \$24.2MM.
- Stabilized Rental Core FFO¹ of \$2.4MM or \$0.04 per share.
- NAV increased over last quarter to an estimated \$20.65 per share¹.
- Repurchased \$6.3MM in stock bringing total purchases under the plan to \$43.8MM.
- Declared and paid \$0.15 per share dividend.

Portfolio

- Acquired a total of 4,500 homes in the quarter for \$677MM.
- Leased properties increased to 7,079, while the total rental portfolio increased 115% from last quarter to 8,541 homes².
- NPL portfolio decreased to 3,717 loans³, a 9% decrease from last quarter.
- RPL and NPL bulk sales to be awarded in 4Q16.
- Sold 604 REOs, bringing non-rental REOs down to 2,190, a 16% decrease from 2Q16.

Operations

- Stabilized Rental portfolio NOI Margin¹ is estimated at 59% for the quarter bringing the year-to-date margin to 58%.
- 95% of the stabilized rentals were leased at quarter end.
- Renewal rate for the quarter was 81%, with average rent renewal increases of 7% and average re-lease rent increases of 10%.

Funding

- HOME SFR transaction included \$489MM of 5 year term seller financing at 1 month LIBOR + 3.285%.
- \$707MM of available financing capacity including cash on hand at quarter end.

1) Stabilized Rental Core FFO, Stabilized Rental NOI Margin, and Net Asset Value (NAV) are non-GAAP measures, see Definitions and Disclosures section in the Appendix of this presentation for further information and reconciliation to GAAP net income.

2) Total rental homes includes leased, listed for rent, and under renovation or turn properties and excludes homes held for sale or other use.

3) The NPL portfolio excludes 31 loans held for sale.

- Purchased a highly stabilized portfolio in targeted locations on September 30, 2016.
- Rental home portfolio increased **115%** to 8,541 homes
- Stabilized rentals increased **140%** to 7,466 homes
- Diversified property management by retaining existing property manager Main Street Renewal LLC (MSR) for newly acquired portfolio
- 5 year term seller financing at 1 month LIBOR + 3.285%²

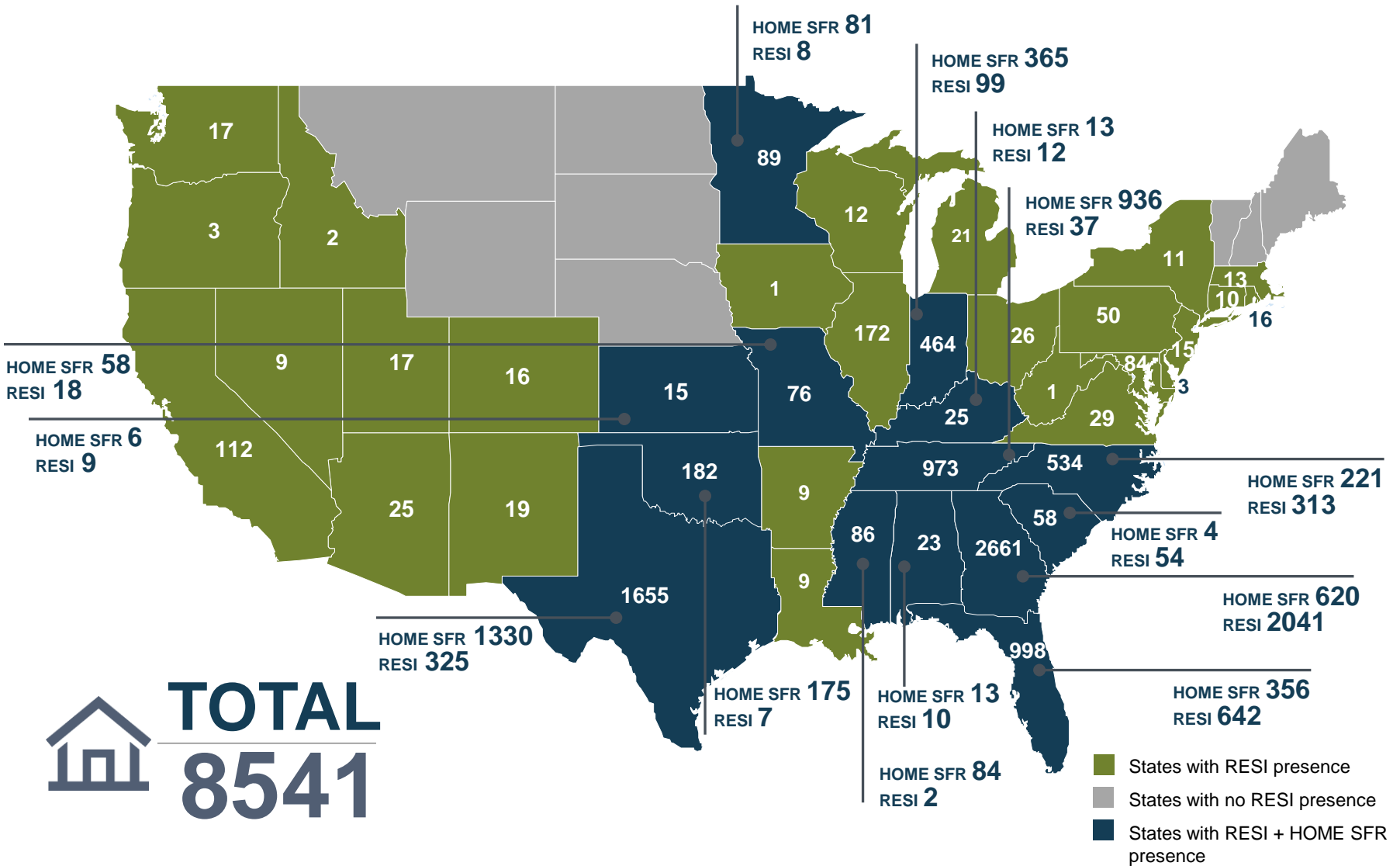
Combined Stabilized Rental Pro Forma YTD as of 3Q16¹

Pro-forma Rental Income	\$65.6MM
Pro-forma NOI	\$40.2MM
Pro-forma NOI Margin	61%
Pro-forma Core FFO	\$15.4MM
Pro-forma Core FFO per share	\$0.28
Average Monthly Rent per leased home	\$1,182

1) The HOME SFR pro forma uses assumptions to approximate the ownership of a stabilized portion of the HOME SFR portfolio based on information provided during closing. The pro forma approximates ownership for the entire year to date period ending September 30, 2016.

2) The initial maturity date under the loan agreement is November 9, 2018 and we have the option to extend up to November 9, 2021, provided no default under the loan agreement has occurred.

Portfolio Count End of 3Q16



3Q16 Acquisition Activity

	Number of Homes	Average Market Value	Average Size (sq. ft.)	Estimated Average Monthly Rent	Average Age (years)
OBO Purchased	238	\$103,410	1,192	\$1,192	38
HOME SFR Portfolio Purchased	4,262	\$150,759	1,650	\$1,254	23
Total Homes Purchased	4,500	\$148,255	1,644	\$1,251	23

State	HOME SFR	OBO	Total	Average Size (sq. ft.)	Estimated Average Monthly Rent	Average Age (years)
TX	1,330	126	1,456	1,669	1,321	25
TN	936		936	1,638	1,246	20
GA	620	90	710	1,741	1,123	24
FL	356	22	378	1,441	1,188	25
IN	365		365	1,655	1,211	19
NC	221		221	1,625	1,185	15
OK	175		175	1,597	1,320	25
MS	84		84	1,648	1,321	17
MN	81		81	1,430	1,377	70
MO	58		58	1,673	1,447	18
KY	13		13	1,693	1,503	19
AL	13		13	1,756	1,364	10
KS	6		6	1,935	1,611	27
SC	4		4	1,666	1,078	27
Total	4,262	238	4,500	1,644	\$1,251	23

Performance in four of the five expense categories are within long-term targets year to date.

\$s in thousands, unaudited

	Long-Term Target ^{1,2}	Stabilized Portfolio Results ¹				
		1Q16	2Q16	3Q16	YTD thru 3Q16	
Rental Revenue		\$6,071	\$8,581	\$9,590	\$24,242	100%
Taxes, Insurance, and HOA	20% - 23%	1,436	1,874	2,056	5,366	22%
Repair, Maintenance and Turn	10% - 11%	759	1,093	1,329	3,181	13%
Property Management	5% - 6%	367	439	495	1,301	5%
Other	1% - 2%	106	49	81	236	1%
Stabilized NOI¹		\$3,403	\$5,126	\$5,629	\$14,158	58%
Stabilized NOI Margin¹	60% - 65%	56%	60% ³	59%	58%	

- 1) Stabilized NOI and NOI Margin are non-GAAP measures. Please see the Definitions and Disclosures section in the Appendix of this presentation for further information. These figures contain normalizing adjustments to more accurately present on-going operational performance.
- 2) Actual results may differ materially from the targets. Management reserves the right to change these estimates at any time.
- 3) Rental revenue in 2Q16 includes a bad debt reserve release of \$299K that relates to prior periods. Excluding this, NOI Margin for the three and six months ended June 30, 2016 would be 58% and 57%, respectively.

Renewal and Retention

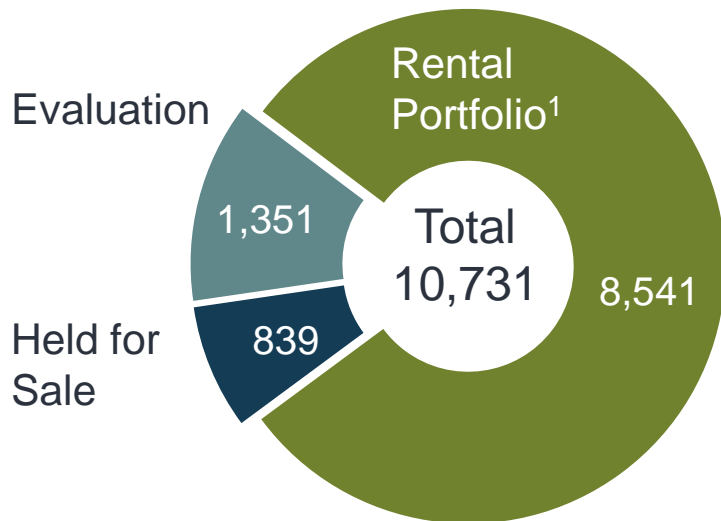
	Renewed ¹	Move-outs	Total Lease Expirations ²	Early Terminations ³	Renewal Rate	Retention Rate
1Q16	418	124	542	84	77%	67%
2Q16	456	167	623	84	73%	64%
3Q16	375	89	464	102	81%	66%

	Renewals		Re-leases	
	Number of Leases ¹	Average Change in Rent ⁴	Number of Leases	Average Change in Rent
1Q16	418	6%	NR	NR
2Q16	456	6%	189	4%
3Q16	375	7%	251	10%

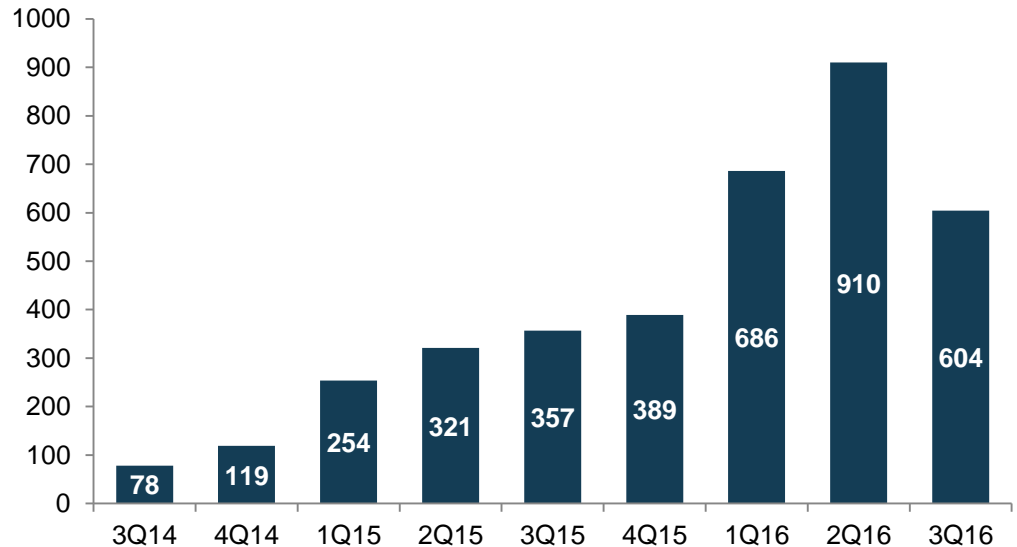
- 1) Represents the number of leases renewed during the indicated quarter.
- 2) Total number of leases, excluding month-to-month, scheduled to expire during the indicated quarter.
- 3) Number of tenant move-outs in advance of contractually scheduled lease end.
- 4) Average percentage change in rent for leases renewed, excluding leases going to month-to-month status.

As of 3Q16, non-rental REOs have reduced to 20% of the total homes owned, down from 60% in 3Q15. Virtually all non-rental REOs are targeted to be gone by year-end 2017¹.

REO and Rental Portfolio² as of 3Q16



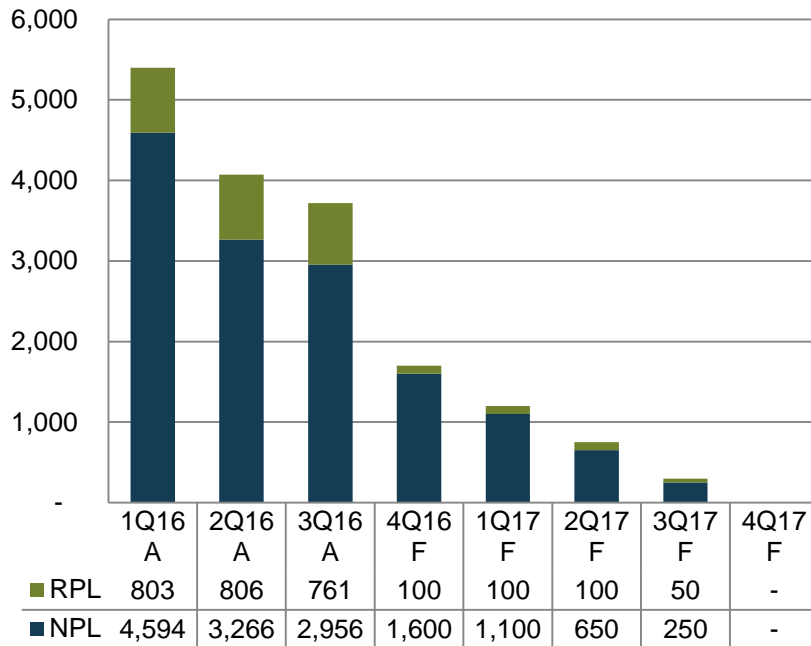
REOs Sold Each Quarter



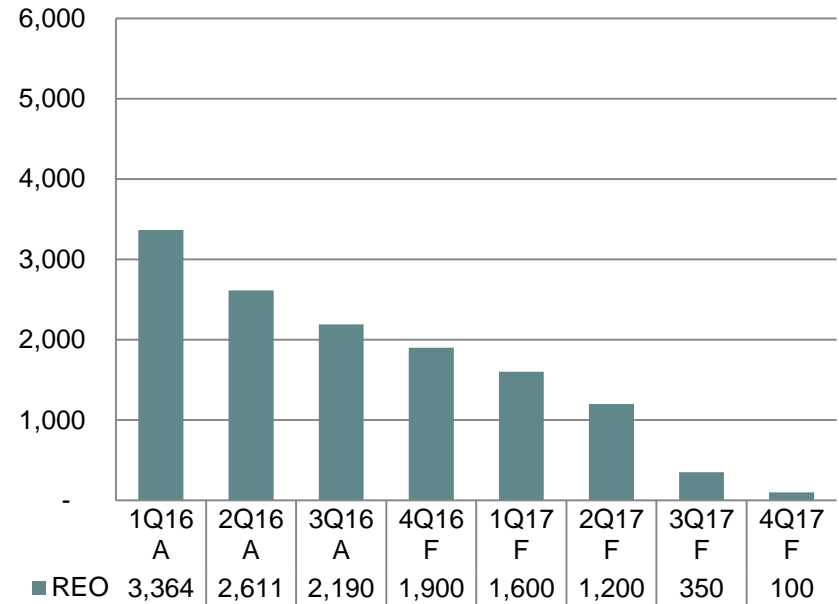
- 1) There can be no assurance that RESI will resolve assets on a timely basis or at all. Management reserves the right to change these estimates at any time. REO includes non-rental properties held for use as well as REOs held for sale.
- 2) Rental portfolio includes homes that are leased, listed and ready for rent and under renovation or unit turn. See Definitions and Disclosures section in the Appendix of this presentation for further information.

RESI expects to fully dispose of its loan and non-rental REO portfolios by year end 2017.

Loan Portfolio



Non-rental REO Portfolio

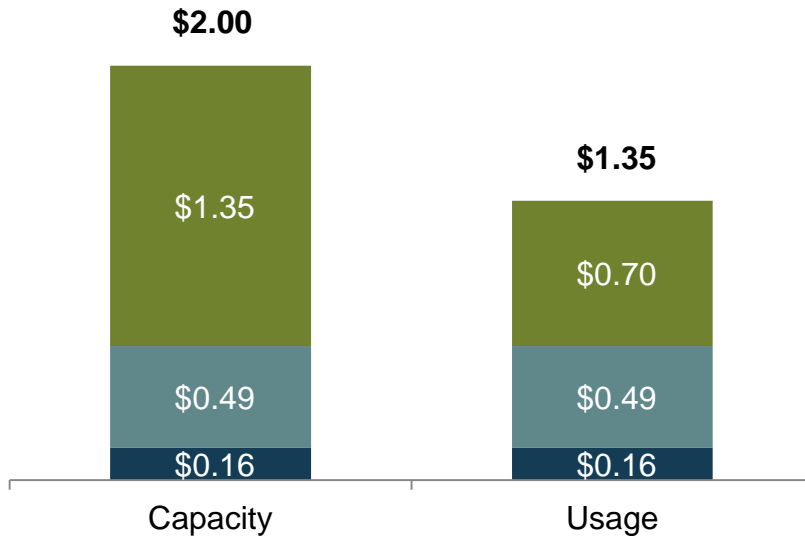


- 1) There can be no assurance that RESI will resolve assets on a timely basis or at all. Management reserves the right to change these estimates at any time. Re-performing loans (RPLs) are defined as loans with loan status of "Current". REO includes non-rental properties held for use as well as REOs held for sale.

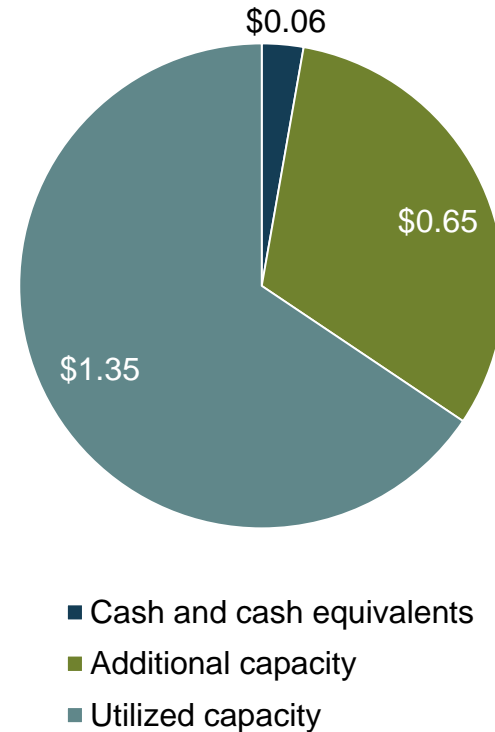
Financing & Liquidity

\$s in Billions

Financing Activity as of September 30, 2016



Total Capacity as of September 30, 2016



- \$707MM of available financing capacity, including cash on hand, at quarter end.
- Added \$489MM of 5 year term seller financing at 1 month LIBOR + 3.285%

Financial Results



Consolidated Statement of Operations - GAAP



\$s in thousands, except per share
Unaudited

	Three Months Ended		Nine Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Revenues:				
Rental revenues	\$ 9,590	\$ 4,021	\$ 24,242	\$ 7,561
Change in unrealized gain on mortgage loans	(41,152)	27,499	(155,306)	130,842
Net realized gain on mortgage loans	9,428	12,874	30,340	47,528
Net realized gain on mortgage loans held for sale	19	100	50,166	505
Net realized gain on real estate	26,307	13,914	94,833	36,926
Interest income	209	115	425	595
Total revenues	4,401	58,523	44,700	223,957
Expenses:				
Residential property operating expenses	15,011	16,574	51,215	45,890
Real estate depreciation and amortization	5,149	2,050	12,790	4,392
Acquisition fees and costs	5,202	861	8,306	1,738
Selling costs and impairment	11,570	10,705	50,003	34,235
Mortgage loan servicing costs	7,792	13,477	27,960	47,989
Interest expense	10,174	14,436	37,060	39,477
General and administrative	2,500	2,286	9,100	8,509
Management fees	4,658	4,988	14,234	25,039
Total expenses	62,056	65,377	210,668	207,269
Other income (expense)	-	1,518	(750)	3,518
(Loss) income before income taxes	(57,655)	(5,336)	(166,718)	20,206
Income tax (benefit) expense	(17)	27	106	53
Net (loss) income	\$ (57,638)	\$ (5,363)	\$ (166,824)	\$ 20,153
(Loss) earnings per basic share of common stock	\$ (1.06)	\$ (0.09)	\$ (3.05)	\$ 0.35
Weighted average common stock outstanding - basic	54,178,129	57,056,625	54,722,828	57,154,734
(Loss) earnings per diluted share of common stock	\$ (1.06)	\$ (0.09)	\$ (3.05)	\$ 0.35
Weighted average common stock outstanding - diluted	54,178,129	57,056,625	54,722,828	57,351,014

Consolidated Balance Sheet

\$s in thousands
Unaudited

	September 30, 2016	December 31, 2015
Assets:		
Real estate held for use, gross:		
Land	\$ 213,174	\$ 56,346
Rental residential properties	884,518	231,167
Real estate owned	326,358	455,483
Total real estate held for use, gross	1,424,050	742,996
Less: accumulated depreciation	(17,615)	(7,127)
Total real estate held for use, net	1,406,435	735,869
Real estate assets held for sale	169,841	250,557
Mortgage loans at fair value	628,304	960,534
Mortgage loans held for sale	4,038	317,336
Cash and cash equivalents	56,890	116,702
Restricted cash	23,382	20,566
Accounts receivable, net	27,839	45,903
Related party receivables	-	2,180
Prepaid expenses and other assets	14,372	1,126
Total assets	<u>\$ 2,331,101</u>	<u>\$ 2,450,773</u>
Liabilities:		
Repurchase and loan agreements	\$ 1,182,677	\$ 763,369
Other secured borrowings	156,986	502,599
Accounts payable and accrued liabilities	52,114	32,448
Related party payables	4,926	-
Total liabilities	1,396,703	1,298,416
Equity:		
Common stock, at par	539	556
Additional paid-in capital	1,184,174	1,202,418
Accumulated deficit	(250,315)	(50,617)
Total equity	934,398	1,152,357
Total liabilities and equity	<u>\$ 2,331,101</u>	<u>\$ 2,450,773</u>

Net Asset Value¹

\$s in thousands, except per share value
Unaudited

Fair value of real estate	September 30, 2016
Total investment in real estate properties ²	1,576,276
Real estate fair value adjustment ¹	195,320
Total fair value of real estate	1,771,596
Cash and cash equivalents, and restricted cash	80,272
Loans at fair value	632,342
<i>Re-Performing Loans</i> ³	126,395
<i>Non-Performing Loans</i>	505,947
Other assets	32,238
Total assets at fair market value	2,516,448
Liabilities	
Repurchase and loan agreements	1,189,253
Other secured borrowings	157,950
Other liabilities	57,040
Total liabilities	1,404,243
Net asset value	1,112,205
Common stock outstanding	53,870
Net asset value per share	\$ 20.65

- NAV is estimated at \$20.65 per share as of September 30, 2016.
- NAV methodology includes individual asset valuation and discounted cash flow modeling.
- Advanced loan valuation model prices the loans with over 1,000 state-specific market and historical inputs.

- 1) Net Asset Value is a non-GAAP measure. See Definitions and Disclosures section in the Appendix in this presentation for further information and reconciliation regarding the fair value adjustment to real estate and liabilities.
- 2) Total investment in real estate includes real estate held for use net of depreciation and real estate held for sale.
- 3) Re-performing loans are defined as having current loan status at quarter end.

Net Operating Income¹

\$s in thousands
Unaudited

	Three months ended September 30, 2016				Nine months ended September 30, 2016			
	Stabilized Rentals	Non-Stabilized & Other REOs	Loans	Total	Stabilized Rentals	Non-Stabilized & Other REOs	Loans	Total
Revenues:								
Rental revenues	\$ 9,590	\$ -	\$ -	\$ 9,590	\$ 24,242	\$ -	\$ -	\$ 24,242
Change in unrealized gain on mortgage loans	-	-	(41,152)	(41,152)	-	-	(155,306)	(155,306)
Net realized gain on mortgage loans	-	-	9,428	9,428	-	-	30,340	30,340
Net realized gain on mortgage loans held for sale	-	-	19	19	-	-	50,166	50,166
Net realized gain on real estate	-	26,307	-	26,307	-	94,833	-	94,833
Interest income	-	-	209	209	-	-	425	425
Total revenues	9,590	26,307	(31,496)	4,401	24,242	94,833	(74,375)	44,700
Expenses:								
Residential property operating expenses	3,961	11,050	-	15,011	10,084	41,131	-	51,215
Selling costs	-	3,171	-	3,171	-	19,809	1,005	20,814
Mortgage loan servicing costs	-	-	7,792	7,792	-	-	27,960	27,960
Total operating expenses	3,961	14,221	7,792	25,974	10,084	60,940	28,965	99,989
Net Operating Income¹	5,629	12,086	(39,288)	(21,573)	14,158	33,893	(103,340)	(55,289)
Stabilized Rental NOI Margin¹	59%				58%			

- 1) NOI and NOI Margin are non-GAAP measures. See Definitions and Disclosures section in the Appendix of this presentation for further information and a reconciliation of these non-GAAP measures to net loss determined in accordance with GAAP. Stabilized Rental residential property operating expenses contain normalizing adjustments for the quarter to better reflect on-going operating costs for the portfolio of Stabilized Rentals.

Pro Forma NOI – YTD thru 3Q16

\$s in thousands,
Unaudited

	Stabilized Portfolio Results ¹	HOME SFR Portfolio Pro-forma ²	Combined Pro-forma YTD 3Q16	
Rental Revenue	\$24,242	\$41,321	\$65,563	100%
Taxes, Insurance and HOA	5,366	7,714	13,080	20%
Property Management	1,301	2,608	3,909	6%
Repair, Maintenance and Turn	3,181	4,583	7,764	12%
Other	236	347	583	1%
Net Operating Income	\$14,158	\$26,069	\$40,227	61%

- 1) NOI and NOI Margin are non-GAAP measures. See Definitions and Disclosures section in the Appendix of this presentation for further information and a reconciliation of these non-GAAP measures to net loss determined in accordance with GAAP. Stabilized Rental residential property operating expenses contain normalizing adjustments for the quarter to better reflect on-going operating costs for the portfolio of stabilized rentals.
- 2) The HOME SFR pro forma uses assumptions to approximate the ownership of a stabilized portion of the HOME SFR portfolio based on information provided during closing. The pro forma approximates ownership for the entire year to date period ending September 30, 2016.

FFO and Core FFO¹

\$s in thousands
Unaudited

	Three months ended September 30, 2016	Nine months ended September 30, 2016
Stabilized Rentals		
Rental revenues	\$ 9,590	\$ 24,242
Total expenses related to Stabilized Rentals	18,437	44,114
Net loss related to Stabilized Rentals	(8,847)	(19,872)
FFO:		
Depreciation and amortization	4,668	11,313
Impairment on previously depreciated real estate assets	61	1,466
Realized gain on sale of previously depreciated real estate assets	-	-
Funds from operations on Stabilized Rentals	(4,118)	(7,093)
<i>Adjustments from FFO:</i>		
Acquisition fees and costs	5,202	8,306
Conversion fees	450	1,396
Non-cash interest expense	734	2,278
Other adjustments ²	159	511
Core FFO on Stabilized Rentals	2,427	5,398
Weighted average common stock outstanding	54,178,129	54,722,828
Core FFO per common stock outstanding	\$ 0.04	\$ 0.10

- 1) FFO and Core FFO are Non-GAAP measures. Please see the Definitions and Disclosures section in the Appendix of this presentation for a reconciliation of these measures to U.S. GAAP net loss.
- 2) Other adjustments include allocated litigation and non-recurring professional costs within General and Administrative Expense, stock compensation and Other Expenses.

Pro-forma FFO¹ – YTD thru 3Q16

\$s in thousands, except per share
Unaudited

	Stabilized Portfolio Results ¹	HOME SFR Portfolio Pro-forma ²	Combined Pro-forma for YTD 3Q16
Rental Revenue	\$24,242	\$41,321	\$65,563
Rental Expense	44,114	46,525	90,639
Net Loss	(19,872)	(5,204)	(25,076)
Add: Depreciation	11,313	14,978	26,291
Add: Impairment on previously depreciated real estate assets	1,466	-	1,466
FFO on Stabilized Rentals	(7,093)	9,774	2,681
Add: Acquisition fees and costs	8,306	-	8,306
Add: Conversion fees and other adjustments	4,185	217	4,402
Core FFO on Stabilized Rentals	5,398	9,991	15,389
Weighted average common stock outstanding	54,722,828	54,722,828	54,722,828
Core FFO on Stabilized Rentals per share	\$0.10	\$0.18	\$0.28

1) FFO and Core FFO are Non-GAAP measures. Please see the Definitions and Disclosures section in the Appendix of this presentation for a reconciliation of these measures to U.S. GAAP net loss as well as a definition of Stabilized Rental.

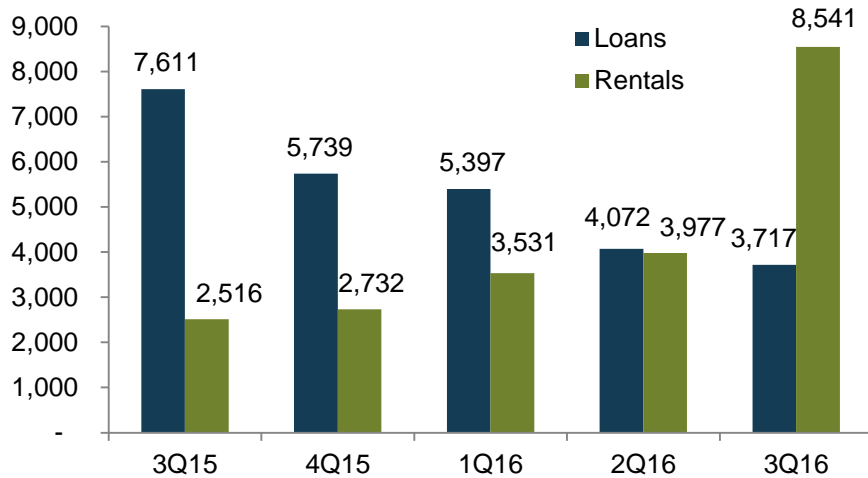
2) The HOME SFR pro forma uses assumptions to approximate the ownership of a stabilized portion of the HOME SFR portfolio based on information provided during closing. The pro forma approximates ownership for the entire year to date period ending September 30, 2016.

Portfolio Information

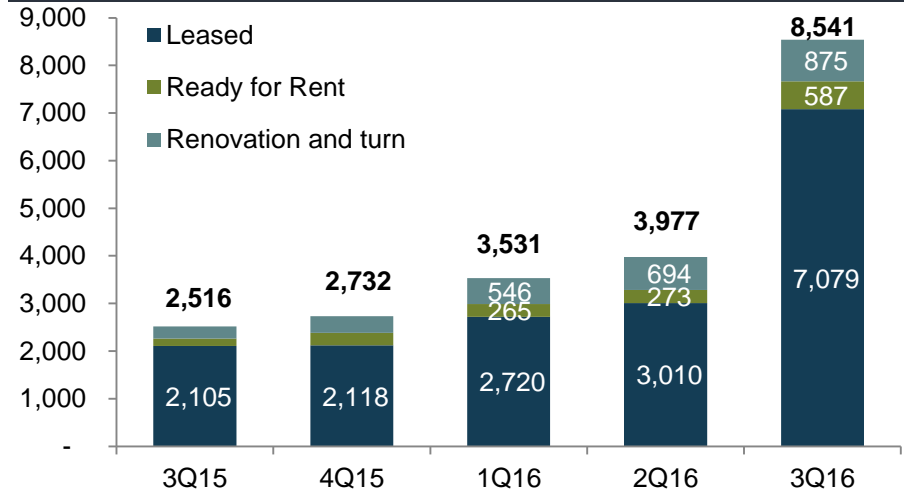


Focus on Rental Growth

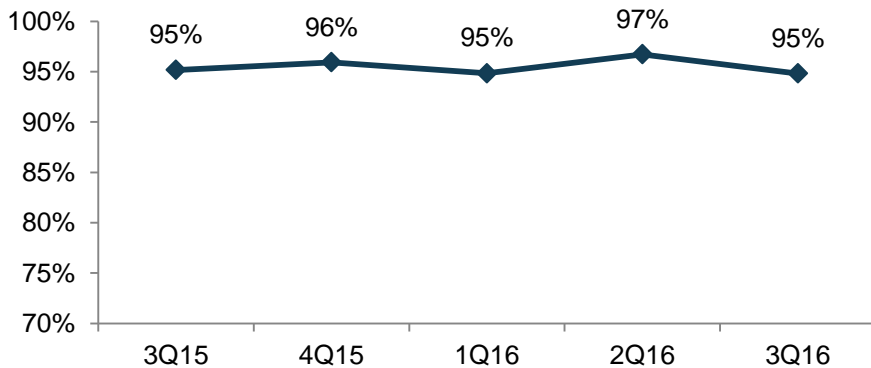
Portfolio Evolution¹



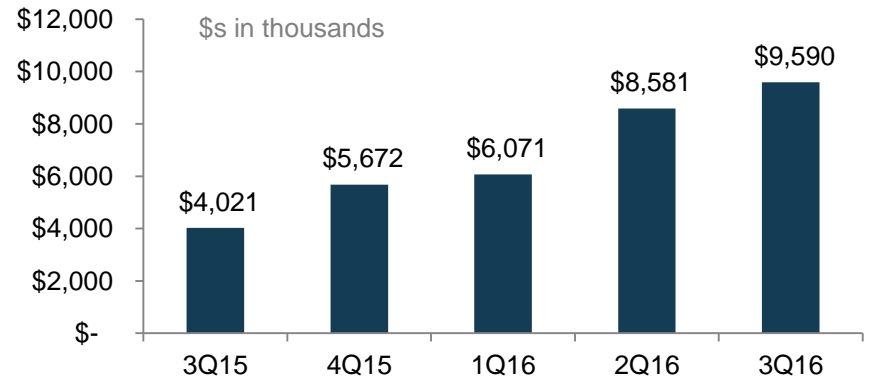
Rental Pipeline Stabilization¹



% Leased - Stabilized Rentals²



Rental Revenue Growth



- 1) The Rental portfolio includes properties leased, listed, ready for rent and under renovation or unit turn and excludes REOs held for sale or other use. The Loan portfolio excludes loans held for sale. See the quarterly filings for further information and disclosures.
- 2) See Definitions and Disclosures section in the Appendix for more information on Stabilized Rentals.

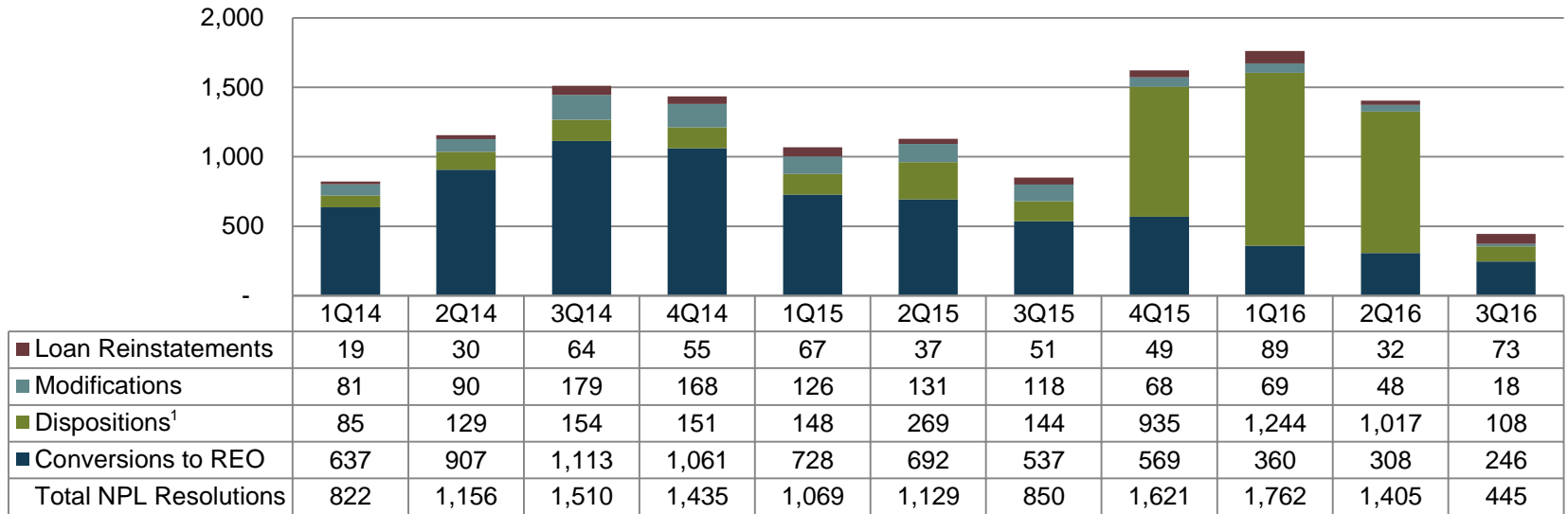
Rental Portfolio – as of 3Q16

State	Total Rentals	Average Size (Sq. ft.)	Average Age (years)	Average Monthly Rent ¹	Stabilized Rentals ²	Non-Stabilized Rentals ²	Stabilized Leased %
Georgia	2,661	1,638	33	\$ 989	2,214	447	98%
Texas	1,655	1,670	26	\$ 1,325	1,383	272	95%
Florida	998	1,445	28	\$ 1,237	863	135	93%
Tennessee	973	1,635	20	\$ 1,242	937	36	97%
North Carolina	534	1,498	22	\$ 1,069	509	25	96%
Indiana	464	1,678	21	\$ 1,192	439	25	90%
Oklahoma	182	1,593	25	\$ 1,317	170	12	80%
Illinois	172	1,320	47	\$ 1,491	149	23	91%
California	112	1,296	34	\$ 1,486	102	10	93%
Minnesota	89	1,415	66	\$ 1,377	87	2	95%
Other	701	1,518	40	\$ 1,326	613	88	89%
Total	8,541	1,590	29	\$ 1,182	7,466	1,075	95%

1) Average monthly rent for properties leased at quarter end.

2) See the Definitions and Disclosures section in the Appendix of this presentation for further information on Stabilized Rentals and Non-Stabilized Rentals definition.

Total NPL Resolutions¹



% Resolved by Acquisition Year*



1) Includes the sale of 137 RPLs in 2Q15 and 58 RPLs in 4Q15 that were converted from NPLs. Loans held for sale are not included in resolutions. These figures also exclude seller initiated short sales and repurchases. 3Q16 excludes 1 such seller repurchased loan.

Loan Portfolio¹ – as of 3Q16

\$s in thousands,
except counts

State	Number of Loans	Carrying Value	Unpaid Principal Balance	Market Value of Underlying Properties
Florida	714	\$103,312	\$155,578	\$155,105
New Jersey	424	61,596	112,294	93,401
New York	420	94,925	128,249	143,135
California	268	106,465	122,383	159,030
Maryland	213	32,706	49,990	48,362
Texas	177	20,537	21,483	31,882
Washington	132	27,470	31,894	38,154
Massachusetts	127	22,994	31,543	35,255
Illinois	123	16,458	25,318	23,789
Georgia	107	11,681	15,569	16,392
Other	1,012	130,160	184,302	189,758
Total	3,717	\$628,304	\$878,603	\$934,263

Loan Status				
Current	761	\$125,038	\$161,706	\$193,704
30 Days Delinquent	75	11,444	17,213	18,371
60 Days Delinquent	42	5,844	8,362	9,809
90 Days Delinquent	407	54,049	83,064	91,907
Foreclosure	2,432	431,929	608,258	620,472
Total	3,717	\$628,304	\$878,603	\$934,263

1) Excludes 31 loans held for sale as of quarter end. See the quarterly filing for additional information and disclosures.

Appendix



FFO and Core FFO: Funds from Operations (“FFO”) is as a supplemental performance measure of an equity REIT used by industry analysts and investors in order to facilitate meaningful comparisons between periods and among peer companies. FFO is defined by the National Association of Real Estate Investment Trusts (“NAREIT”) as GAAP net income or loss excluding gains or losses from sales of property, impairment charges on real estate and depreciation and amortization on real estate assets adjusted for unconsolidated partnerships and jointly owned investments (“NAREIT FFO”).

We believe that FFO is a meaningful supplemental measure of the operating performance of our stabilized rental portfolio because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation. Because real estate values have historically risen or fallen with market conditions, management considers FFO an appropriate supplemental performance measure because it excludes historical cost depreciation, impairment charges and gains or losses related to sales of previously depreciated homes from GAAP net income. By excluding depreciation, impairment and gains or losses on sales of real estate, FFO provides a measure of returns on our investments in real estate assets. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the homes that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of the homes, all of which have real economic effect and could materially affect our results from operations, the utility of FFO as a measure of our performance is limited.

We believe that Core FFO, when used in conjunction with the results of operations under GAAP, is a meaningful supplemental measures of our operating performance for the same reasons as FFO and is further helpful to investors as it provides a more consistent measurement of our performance across reporting periods by removing the impact of certain items that are not comparable from period to period. Our Core FFO begins with FFO and is adjusted for share-based compensation, acquisition fees and costs, non-cash interest expense related to deferred debt issuance costs and other non-comparable items, as applicable.

Although management believes that FFO and Core FFO increases our comparability amongst other companies, these measures may not be comparable to the FFO or Core FFO of other companies because 1) we apply FFO and Core FFO to only our stabilized rental portfolio and 2) other companies may adopt a definition of FFO other than the NAREIT definition, may apply a different method of determining Core FFO or may utilize metrics other than or in addition to Core FFO.

Because FFO as a metric is meaningful only for our stabilized rental portfolio and not for our other real estate assets or mortgage loans, we segregate the components of our GAAP net income among our various classes of assets to calculate the portion of GAAP net income related to our stabilized rental portfolio. This non-GAAP net income related to our stabilized rental portfolio then becomes the basis of our FFO calculation.

Definitions and Disclosures, cont.

Reconciliation of U.S. GAAP net loss to Stabilized Rental FFO and Core FFO:
(\$ in thousands, Unaudited)

	Three months ended September 30, 2016	Nine months ended September 30, 2016
Net loss attributable to shareholders	(57,638)	(166,824)
Change in unrealized gain on mortgage loans	41,152	155,306
Net realized gain on mortgage loans	(9,428)	(30,340)
Net realized gain on mortgage loans held for sale	(19)	(50,166)
Net realized gain on real estate	(26,307)	(94,833)
Interest income	(209)	(425)
Mortgage loan servicing costs	7,792	27,960
Other expenses on Loans, Non-Stabilized and Other REOs	35,810	139,450
Net loss related to Stabilized Rentals	(8,847)	(19,872)
FFO:		
Depreciation and amortization	4,668	11,313
Impairment on previously depreciated real estate assets	61	1,466
Realized gain on sale of previously depreciated real estate assets	-	-
Funds from Operations on Stabilized Rentals	(4,118)	(7,093)
<i>Adjustments from FFO:</i>		
Acquisition fees and costs	5,202	8,306
Conversion fees	450	1,396
Non-cash interest expense	734	2,278
Other adjustments	159	511
Core FFO on Stabilized Rentals	2,427	5,398

Definitions and Disclosures, cont.

Net Asset Value (NAV): NAV is a non-GAAP financial measure that represents our tangible assets, net of liabilities, at current estimated fair market values. We believe that because real estate assets generally increase or decrease in value dependent upon prevailing market conditions, the depreciated cost of real estate assets does not generally reflect its fair value. NAV provides investors with an understanding of the approximate market value of our real estate assets and the related financing that is not apparent under the historical cost presented in our GAAP balance sheet and provides investors with a better understanding of the fair value of our business. As a non-GAAP measure, NAV should be considered in addition to, and not in place of or as an alternative to, our GAAP carrying values as reported on our consolidated balance sheet, GAAP book value or GAAP total equity. Further, NAV per share is not a measure of our liquidity, profitability or cash flows. Although NAV is reported by some REITs, there is no standard methodology for computing NAV and different methodologies could produce materially different results. We estimate the fair value of our investments in single-family rental properties using a discounted cash flow approach based on the expected net operating income of the properties, adjusted for a capitalization rate. The fair value of our real estate assets held for sale is based on the most recent BPO values less estimated costs to sell, discounted for an estimated marketing period. Properties under evaluation for rental or sale are allocated between held for use and held for sale and are valued accordingly, with those allocated to rental being adjusted for an estimated renovation and lease-up period. Such allocation is based on historical experience and may change over time with market movement and management direction.

The carrying value of our cash and cash equivalents and restricted cash approximates fair value. The fair value of our other assets has been adjusted to exclude lease-in-place intangible assets. The fair values of mortgage loans at fair value and NPLs held for sale are estimated using our asset manager's proprietary pricing model. The fair value of re-performing mortgage loans held for sale is estimated using the present value of the future estimated principal and interest payments of the loan, with the discount rate used in the present value calculation representing the estimated effective yield of the loan.

The fair value of our repurchase and loan agreements is estimated using the income approach based on credit spreads available currently in the market for similar floating rate debt. The fair value of other secured borrowings is estimated using observable market data. Repurchase and loan agreements and other secured borrowings are presented gross of unamortized deferred debt issuance costs. The carrying value of our other liabilities approximates the fair value.

Our estimates of fair value involve judgment. Although we use observable market data to the extent it is available, these estimates require us to make assumptions, including, but are not limited to, estimates of future operating results of rental properties, future occupancy rates, tenant default rates, estimated capital expenditures, inflation rates, marketing times for properties held for sale, the realizable value of properties held for sale, selling costs, the ultimate strategy determined for properties currently under strategy evaluation, capitalization rates, equity discount rates, debt to asset ratios, cost of funds estimates, projected resolution timelines and costs, changes in annual home pricing index and other factors. While management believes that these assumptions and approximations are reasonable, the estimated fair value may differ materially from the amount ultimately realized from our assets or the amount required to settle our liabilities.

Reconciliation of U.S. GAAP assets and liabilities to
NAV:
(\$s in thousands, Unaudited)

Total GAAP assets	\$	2,331,101
Add: fair value adjustment on real estate assets		195,320
Less: lease-in-place intangibles		(9,973)
Total tangible assets at fair value	\$	2,516,448
Total liabilities	\$	1,396,703
Add: unamortized deferred debt issuance costs		7,540
Total liabilities at fair value	\$	1,404,243

Net Operating Income (NOI) and NOI Margin: NOI is a non-GAAP supplemental measure that we define as total revenues less residential property operating expenses, real estate selling costs and mortgage loan servicing costs. We have allocated revenue and costs to stabilized rentals, non-stabilized and other REOs and loans. We define Total Loans NOI as change in unrealized gain on mortgage loans, net realized gains on mortgage loans, mortgage loans held for sale and interest income less selling costs and mortgage loan servicing costs. We define Total Non-Stabilized and Other REOs NOI as total revenues on the non-stabilized rentals and other REOs, including net realized gain on real estate less property operating expenses and real estate selling costs. We define Total Stabilized Rental NOI as total revenues on the stabilized properties less normalized property operating expenses on the stabilized properties. We define Stabilized Rental NOI Margin as stabilized net operating income divided by rental revenues.

We consider NOI and NOI Margin to be meaningful supplemental measures of operating performance because they reflect the operating performance of our properties without allocation of corporate level overhead or general and administrative costs, acquisition fees and other similar costs, and provide insight to the on-going operations of our business. These NOI measures should be used only as supplements to and not substitutes for net income or loss or net cash flows from operating activities (as determined in accordance with GAAP). These NOI measures should not be used as indicators of our liquidity, nor are they indicative of funds available to fund cash needs, including distributions and dividends. Although we may use these non-GAAP measures to compare our performance to other REITs, not all REITs may calculate these non-GAAP measures in the same way, and there is no assurance that our calculation is comparable with that of other REITs.

Definitions and Disclosures, cont.

Reconciliation of U.S. GAAP net loss to Stabilized Rental NOI:
(\$ in thousands, Unaudited)

	Three months ended:			Nine months ended:
	March 31, 2016	June 30, 2016	September 30, 2016	September 30, 2016
Net loss attributable to shareholders	\$ (45,658)	\$ (63,528)	\$ (57,638)	\$ (166,824)
Adjustments to get to Total NOI:				
Interest expense	16,416	10,470	10,174	37,060
Acquisition fees and costs	1,581	1,523	5,202	8,306
Real estate impairment	14,927	5,863	8,399	29,189
General and administrative	2,960	3,640	2,500	9,100
Management fees	4,526	5,050	4,658	14,234
Real estate depreciation and amortization	3,601	4,040	5,149	12,790
Other (income) expense	119	754	(17)	856
Total NOI	(1,528)	(32,188)	(21,573)	(55,289)
Adjustments to get to Stabilized Rental NOI:				
Loans NOI components:				
Change in unrealized gain on mortgage loans	42,452	71,702	41,152	155,306
Net realized gain on mortgage loans	(12,732)	(8,180)	(9,428)	(30,340)
Net realized gain on mortgage loans held for sale	(34,197)	(15,950)	(19)	(50,166)
Interest Income	(112)	(104)	(209)	(425)
Selling Costs	-	1,005	-	1,005
Mortgage loan servicing costs	11,724	8,444	7,792	27,960
Total Loans NOI components	7,135	56,917	39,288	103,340
Non-Stabilized and Other REOs NOI components:				
Net realized gain on real estate	(29,401)	(39,125)	(26,307)	(94,833)
Property operating expense on Non-Stabilized and Other REOs	15,533	14,548	11,050	41,131
Selling Costs	11,664	4,974	3,171	19,809
Total Non-Stabilized and Other REOs NOI	(2,204)	(19,603)	(12,086)	(33,893)
Total Stabilized Rental NOI	\$ 3,403	\$ 5,126	\$ 5,629	\$ 14,158
Stabilized Rental NOI Margin Calculation:				
Rental revenues	\$ 6,071	\$ 8,581	\$ 9,590	\$ 24,242
Stabilized Rental NOI Margin	56%	60%	59%	58%
Rental revenues, normalized	\$ 6,112	\$ 8,282		
Stabilized Rental NOI Margin, normalized	56%	58%		

Renewal and Retention Rate: Renewal rate is calculated as the number of renewed leases in a given period divided by total lease expirations during the same period. Retention rate is calculated as the number of renewed leases in a given period divided by the sum of total lease expirations and early terminations during the same period.

Single-Family Rental Portfolio: We define Total Rental Portfolio as properties that are leased, ready to rent, or under renovation or turn where that property is expected to become leased to qualified tenants.

Stabilized Rental: We define a property as stabilized once it has been renovated and then initially leased or available for rent for a period greater than 90 days. All other homes are considered non-stabilized. Homes are considered stabilized even after subsequent resident turnover. However, homes may be removed from the stabilized home portfolio and placed in the non-stabilized home portfolio due to renovation during the home lifecycle or held for sale.

Shareholder Relations Information

About Altisource Residential Corporation	Altisource Residential Corporation is a real estate investment trust that is focused on providing quality, affordable rental homes to families throughout the United States.
Contact Information	All Investor Relations inquiries should be sent to shareholders@altisourceRESI.com
Exchange	NYSE
Ticker	RESI
Headquarters	Christiansted, USVI

