New Residential Investment Corp.
Form 424B5
January 30, 2017

The information in this preliminary prospectus supplement is not complete and may be changed. A registration statement relating to these securities has become effective under the Securities Act of 1933. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-213058

Subject to Completion, Dated January 30, 2017

Preliminary Prospectus Supplement
(To Prospectus dated August 10, 2016)

49,170,250 Shares

New Residential Investment Corp.

Common Stock

We are offering 49,170,250 shares of our common stock, $0.01 par value per share by this prospectus supplement and the accompanying prospectus.

Our common stock is listed on the New York Stock Exchange under the symbol NRZ. On January 27, 2017, the last reported sale price of our common stock was $16.27 per share.

Investing in our common stock involves a high degree of risk. Before making a decision to invest in our common stock, you should read the discussion of material risks of investing in our common stock in Risk Factors on page S-11 of this prospectus supplement and in the Risk Factors sections of our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which have been filed with the Securities and Exchange Commission and are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Share	**Total**
Public offering price	$	$
Underwriting discount	$	$
Proceeds, before expenses, to us	$	$

We have also granted the underwriters an option to purchase up to an additional 7,375,537 shares of our common stock at the public offering price, less the underwriting discount, within 30 days after the date of this prospectus supplement.

The underwriters are offering the shares of our common stock as set forth under Underwriting. Delivery of the shares of our common stock will be made on or about , 2017.

Joint Book-Running Managers

Citigroup	**Barclays**	**BofA Merrill Lynch**	**Credit Suisse**

Co-Managers

BTIG	**FBR**

The date of this prospectus supplement is January , 2017.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated herein and therein by reference. We have not, and the underwriters have not, authorized anyone to provide you with additional or different information. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where the offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus or the date of the document incorporated by reference, as the case may be, regardless of the time of delivery of this prospectus supplement or of any sale of shares of our common stock.

All references to we, our, us, the Company and New Residential in this prospectus supplement and the accompa prospectus mean New Residential Investment Corp. and its consolidated subsidiaries, except where it is made clear that the term means only the parent company.

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Prospectus Supplement

Prospectus

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INCORPORATION BY REFERENCE

The Securities and Exchange Commission (the SEC) allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus, information that we file with the SEC prior to the completion of this offering. This permits us to disclose important information to you by referring to these filed documents. Any information referenced in this way is considered to be a part of this prospectus supplement and the accompanying prospectus and any such information filed by us with the SEC subsequent to the date of this prospectus supplement (but prior to the completion of this offering) will automatically be deemed to update and supersede this information. We incorporate by reference the following documents which we have already filed with the SEC, except that any information which is furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including financial statements or exhibits relating thereto furnished pursuant to Item 9.01) and not filed shall not be deemed incorporated by reference herein:

- Annual Report on Form 10-K for the year ended December 31, 2015, filed with the SEC on February 26, 2016;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, filed with the SEC on May 5, 2016, June 30, 2016, filed with the SEC on August 4, 2016 and September 30, 2016, filed with the SEC on November 3, 2016;
- Current Reports on Form 8-K filed on April 7, 2015 (solely with respect to Exhibit 99.2), June 9, 2015 (solely with respect to Exhibit 99.1), January 19, 2016, March 24, 2016, April 1, 2016, April 6, 2016, May 13, 2016, May 27, 2016, June 3, 2016, July 7, 2016, July 18, 2016, August 11, 2016, August 12, 2016, August 16, 2016, October 31, 2016 and December 16, 2016;
- The portions of our Definitive Proxy Statement on Schedule 14A for our 2016 Annual Meeting of Stockholders, filed on April 13, 2016, which are incorporated by reference in our above-mentioned Annual Report on Form 10-K; and
- The description of our Common Stock set forth in our Registration Statement on Form 10, as amended, filed on April 29, 2013, including any amendment or report filed for the purpose of updating such description.

Whenever after the date of this prospectus supplement (but prior to the completion of this offering) we file reports or documents under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, those reports and documents will be deemed to be a part of this prospectus supplement and the accompanying prospectus from the time they are filed (other than documents or information deemed to have been furnished and not filed in accordance with SEC rules). Any statement made in this prospectus supplement or the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

We will provide without charge, upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part. Requests should be directed to New Residential Investment Corp., 1345 Avenue of the Americas, 45th Floor, New York, New York 10105, Attention: Investor Relations (telephone number (212) 479-3150 and email address ir@newresi.com). Our SEC filings are also available free of charge at our website (www.newresi.com). The information on or accessible through our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, a estimate, overestimate, underestimate, believe, could, project, predict, continue or other similar words o Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, cash flows or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. As set forth more fully under the heading Risk Factors contained in Part I, Item IA in our Annual Report on Form 10-K for the year ended December 31, 2015 and under the heading Risk Factors contained in Part II, Item 1A. in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, which are incorporated by reference herein, factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- reductions in cash flows received from our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our investment in servicer advances;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar Mortgage LLC (Nationstar), Ocwen Financial Corporation (Ocwen), OneMain Holdings, Inc. (OneMain), Ditech Financial LLC (Ditech) and other third parties, which risks may increase following our consummation of the MSR Transactions (as defined herein);
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;
- the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our mortgage servicing rights (MSRs), excess mortgage servicing rights (Excess MSRs), servicer advances, residential mortgage backed securities (residential MBS or RMBS) and loan portfolios;
- the risks that default and recovery rates on our MSRs, Excess MSRs, servicer advances, real estate securities, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;
- changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our MSRs or Excess MSRs;
- the risk that projected recapture rates on the loan pools underlying our MSRs or Excess MSRs are not achieved;
- the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;

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- the relative spreads between the yield on the assets in which we invest and the cost of financing;
- changes in economic conditions generally and the real estate and bond markets specifically;
- adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all;
- changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;
- the availability and terms of capital for future investments;
- competition within the finance and real estate industries;
- the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to stabilize the economy, the federal conservatorship of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) and legislation that permits modification of the terms of residential mortgage loans;
- our ability to maintain our qualification as a real estate investment trust (REIT) for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;
- our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the 1940 Act) and the fact that maintaining such exclusion imposes limits on our operations;
- the risks related to Home Loan Servicing Solutions, Ltd. liabilities that we have assumed;
- the impact of current or future legal proceedings and regulatory investigations and inquiries;
- the impact of any material transactions with FIG LLC (our Manager) or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- events, conditions or actions that might occur at Nationstar, Ocwen, OneMain, Ditech and other third parties;
- the risk that government-sponsored enterprises (GSE) initiatives and other actions may adversely affect returns from investments in MSRs and Excess MSRs; and
- various risks relating to the MSR Transactions (as defined below under Prospectus Supplement Summary—MSR Transactions), including risks in respect of the satisfaction of closing conditions to such transactions, unanticipated difficulties financing the purchase prices for such transactions (including any debt we may raise to fund a portion of the purchase price of the Citi Transaction (as defined herein), unanticipated expenditures relating to such transactions, our ability to obtain regulatory approval of such transactions, uncertainties as to the timing of such transactions, litigation relating to such transactions, our ability to enter into subservicing agreements on the existing MSRs on commercially reasonable terms, and the inability to obtain, or delays in achieving, the expected benefits of such transactions.

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Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

We encourage you to read this prospectus supplement and the accompanying prospectus, as well as the information that is incorporated by reference in this prospectus supplement and the accompanying prospectus, in their entireties. In evaluating forward-looking statements, you should consider the discussion regarding risks and uncertainties under Risk Factors in this prospectus supplement and in our reports filed with the SEC. We caution that you should not place undue reliance on any of our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and our consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

NEW RESIDENTIAL INVESTMENT CORP.

General

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. Our stock is traded on the New York Stock Exchange (NYSE) under the symbol NRZ.

As of September 30, 2016, we conduct our business through the following segments: (i) investments in Excess MSRs, (ii) investments in servicer advances (including the basic fee component of the related MSRs), (iii) investments in real estate securities, (iv) investments in real estate loans, (v) investments in consumer loans and (vi) corporate. During the fourth quarter, we added a new segment for our investments in MSRs.

Our goal is to drive strong risk-adjusted returns from our investments, and our investment guidelines are purposefully broad to enable us to make investments in a wide array of assets in diverse markets, including non-real estate related assets such as consumer loans. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation. We aim to generate attractive risk-adjusted returns for our stockholders, which at times incorporates the use of leverage. We intend to continue to invest opportunistically across the residential real estate market. We expect our asset allocation and target assets to change over time depending on investment opportunities and prevailing market conditions.

We are externally managed by our Manager, an affiliate of Fortress Investment Group LLC (Fortress). We are able to draw upon the long-standing expertise and resources of Fortress, a global investment management firm with $70.1 billion of alternative and traditional assets under management as of September 30, 2016. Pursuant to the terms of our Management Agreement with our Manager, our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. For its services, our Manager is entitled to an annual management fee and is eligible to receive incentive compensation, depending upon our performance. Affiliates of our Manager will also receive options in connection with this offering.

Recent Developments

Pending Acquisitions of MSRs

$97.0 Billion UPB of MSRs from CitiMortgage, Inc.

On January 27, 2017, our wholly owned subsidiary New Residential Mortgage LLC (NRM) entered into an agreement to purchase MSRs and related servicer advances with respect to approximately $97.0 billion unpaid principal balance (UPB) of seasoned Fannie Mae and Freddie Mac residential mortgage loans from CitiMortgage, Inc. (Citi), an affiliate of one of our joint book-running managers, for a purchase price of approximately $950.0 million and $32.0 million, respectively. NRM also entered into an agreement pursuant to which Nationstar will subservice the portfolio on behalf of NRM, subject to GSE and other regulatory approvals. Citi has agreed to continue to subservice the portfolio on an interim basis. NRM will acquire the related servicer advances upon the transfer of servicing. The disinterested members of our board of directors selected Nationstar, which is majority-owned by an affiliate of Fortress, after consideration of proposals from various potential subservicers.

We expect to complete this acquisition in the first quarter of 2017, subject to GSE and other regulatory approvals and other customary closing conditions. We intend to fund the purchase price with a portion of the proceeds of this offering as well as debt financing. There can be no assurance that the acquisition or related financing will be completed as anticipated, or at all.

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The foregoing transactions are collectively referred to herein as the Citi Transaction. The Citi Transaction, the PHH Transaction and the other MSR transactions described below are collectively referred to herein as the MSR Transactions. The closing of this offering is not conditioned on the completion of any of the MSR Transactions.

$72.0 Billion UPB of MSRs from PHH

As previously announced, on December 28, 2016, NRM entered into an agreement with PHH Mortgage Corporation and its subsidiaries (PHH) to purchase MSRs and related servicer advances with respect to approximately $72.0 billion UPB of seasoned Fannie Mae, Freddie Mac and private-label residential mortgage loans for a purchase price of approximately $612.0 million and $300.0 million, respectively. PHH will continue to subservice the portfolio on behalf of NRM. We expect to settle this transaction beginning in the second quarter of 2017, subject to (i) PHH shareholder approval, (ii) GSE and other regulatory approvals and (iii) other customary closing conditions. There can be no assurance that the acquisition or related financing will be completed as anticipated, or at all.

Recently Completed Acquisitions of MSRs

$32.3 Billion UPB of MSRs from Walter

On October 3, 2016, NRM acquired from Ditech, a subsidiary of Walter Investment Management Corp., the MSRs and related servicer advances with respect to approximately $32.3 billion UPB of Fannie Mae residential mortgage loans for a purchase price of approximately $212.7 million and $27.4 million, respectively. Ditech subservices the portfolio on behalf of NRM.

The agreement with Ditech, which was entered into on August 8, 2016, gives NRM the ability to purchase on a flow basis the MSRs relating to new residential mortgage loans originated or purchased by Ditech and pooled into Fannie Mae, Freddie Mac or, if applicable, Government National Mortgage Association, securities (the Walter Flow MSRs). The agreement has an initial three year term, with annual, one-year renewals thereafter, subject to certain termination rights. Purchases of Walter Flow MSRs are subject to GSE and regulatory approvals.

$4.8 Billion UPB of MSRs from Walter

On December 1, 2016, NRM acquired from Ditech, the MSRs and related servicer advances with respect to approximately $4.8 billion of Fannie Mae and Freddie Mac residential mortgage loans for a purchase price of approximately $26.4 million and $3.9 million, respectively. Ditech subservices the portfolio on behalf of NRM.

$32.5 Billion UPB of MSRs from WCO

In December 2016, NRM acquired from Walter Capital Opportunity, LP and its subsidiaries (WCO) and Ditech the MSRs and related servicer advances with respect to approximately $32.5 billion UPB of Fannie Mae and Freddie Mac residential mortgage loans for a purchase price of approximately $244.3 million and $34.8 million, respectively. Ditech subservices the portfolio on behalf of NRM.

$12.5 Billion UPB of MSRs from FirstKey

In December 2016, NRM acquired from FirstKey Mortgage, LLC (FirstKey) the MSRs and related servicer advances with respect to approximately $12.5 billion UPB of Fannie Mae and Freddie Mac residential mortgage loans for a purchase price of approximately $89.1 million and $2.1 million, respectively. FirstKey will continue to subservice the portfolio, pending transfer to NRM s designated subservicer.

Financing of Non-Agency Excess MSRs

On October 12, 2016, we entered into a $345.0 million corporate loan secured by non-agency Excess MSRs. The loan bears interest equal to 5.68% per annum and matures in July 2021.

Refinancing of Servicer Advances

During the fourth quarter, we refinanced $1.4 billion of floating rate debt with $500 million of three-year and $400 million of five-year fixed rate term notes issued in October 2016, and $500 million of three-year fixed rate notes issued in November 2016.

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In December 2016, we refinanced $800 million of fixed rate term notes with a weighted average maturity of 2.5 years and weighted average cost of funds of 3.58% per annum with $400 million of four-year and $400 million of five-year fixed rate term notes with a weighted average cost of funds of 3.48% per annum.

Refinancing of SpringCastle Consumer Loan Investment

On October 25, 2016, we completed a $1.7 billion refinancing of our SpringCastle America Funding, LLC, SpringCastle Credit Funding, LLC and SpringCastle Finance Funding, LLC (collectively, SpringCastle) consumer-loan backed securitization. The refinancing reduced the weighted average cost of funds from 4.5% to 3.6% per annum.

Call Rights

During the fourth quarter of 2016, we called non-agency RMBS indebtedness relating to 14 securitizations of seasoned residential mortgage loans with an aggregate UPB of approximately $416.9 million. We subsequently completed a securitization of approximately $274.2 million UPB of performing loans acquired as part of our call rights strategy. Including these 14 securitizations, in 2016, we called 50 securitizations totaling approximately $1.2 billion UPB, and, as of December 31, 2016, the UPB of the loans subject to our remaining call rights is approximately $160 billion.

Increase in Quarterly Dividend

On January 26, 2017, our board of directors declared a quarterly dividend of $0.48 per common share for the first quarter of 2017, or approximately a 4% increase over the dividend for the quarter ended December 31, 2016. The dividend is payable on April 28, 2017 to shareholders of record on March 27, 2017. Shareholders of record at the close of business on the record date of the shares issued in this offering will be entitled to receive this quarterly dividend. There can be no assurance that we will pay dividends at this level, or at all, in the future. See Risk Factors—Risks Related to our Common Stock—We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

Estimated Preliminary Financial Results for the Quarter and Year Ended December 31, 2016

On January 30, 2017, we announced our estimated preliminary results of operations for our fourth quarter and full year ended December 31, 2016, which are set forth below.

	Three Months Ended December 31, 2016	**Year Ended December 31, 2016**
Net Income per Diluted Share	$0.87 to $0.91	$2.09 to $2.13
Core Earnings (non-GAAP) per Diluted Share*	$0.59 to $0.63	$2.12 to $2.16

* Core Earnings is a non-generally accepted accounting principles (GAAP) measure. A reconciliation of estimated preliminary Net Income to Core Earnings is set forth below.

For the fourth quarter of 2016, we estimate that Net Income will be in the range of $0.87 to $0.91 per diluted share and that Core Earnings will be in the range of $0.59 to $0.63 per diluted share. For the full year of 2016, we estimate that Net Income will be in the range of $2.09 to $2.13 per diluted share and that Core Earnings will be in the range of $2.12 to $2.16 per diluted share. A reconciliation of Net Income to Core Earnings is set forth below.

We have provided ranges, rather than specific amounts, for the preliminary operating results described above primarily because our closing procedures for the quarter and year ended December 31, 2016 are not yet complete and, as a result, our final results upon completion of the closing procedures may vary from the preliminary estimates. These estimates, which are the responsibility of our management, were prepared by our management in connection with the preparation of our financial statements and are based upon a number of assumptions. Additional items that may require adjustments to the preliminary operating results may be identified and could result in material changes to our estimated preliminary operating results. Estimates of operating results are inherently uncertain and we undertake no obligation to update this information. See Cautionary Statements Regarding Forward-Looking Statements, Risk Factors and Management s Discussion of Financial Condition

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and Results of Operations included or incorporated by reference herein for factors that could impact our actual results of operations. Ernst & Young LLP has not audited, reviewed, compiled or performed any procedures with respect to this preliminary financial information. Accordingly, Ernst & Young LLP does not express an opinion or provide any form of assurance with respect thereto.

The primary drivers of our estimated preliminary operating results for the quarter were (i) changes in interest rates and prepayment speeds, (ii) the execution of two call rights transactions and a related securitization, and (iii) several acquisitions of MSRs, in each case as further described below:

- Market interest rates, and expectations regarding future market interest rates, increased markedly during the fourth quarter, which increased the value of our interests in MSRs (which include MSRs, Excess MSRs and rights to the basic fee component of MSRs). Higher interest rates are generally associated with lower prepayment rates for residential mortgage loans, since they increase the cost of borrowing for homeowners. Lower prepayment rates, in turn, generally extend the duration of our expected future cash flows from our interests in MSRs, which tends to increase the value of these assets.
- As noted above, we called non-agency RMBS relating to 14 securitizations of seasoned residential mortgage loans with an aggregate UPB of approximately $416.9 million. We subsequently completed a securitization of approximately $274.2 million UPB of performing loans acquired as part of our calls.
- As described above, NRM acquired MSRs on residential mortgage loans with a total UPB of approximately $82.1 billion for an aggregate purchase of approximately $572.5 million.

Reconciliation of Estimated Preliminary Net Income to Core Earnings Results

(dollars in thousands, except per share amounts)	Three Months Ended December 31, 2016 Low	Three Months Ended December 31, 2016 High	Year Ended December 31, 2016 Low	Year Ended December 31, 2016 High
Net Income attributable to common stockholders	$ 219,694	$ 229,746	$ 498,990	$ 509,042
Impairment	38,297	38,297	87,980	87,980
Other Income adjustments:				
Other Income				
Change in fair value of investments in excess mortgage servicing rights	(17,100)	(17,100)	7,297	7,297
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(7,918)	(7,918)	(16,526)	(16,526)
Change in fair value of investments in servicer advances	12,097	12,097	7,769	7,769
Gain on consumer loans investment	—	—	(9,943)	(9,943)
Gain on remeasurement of consumer loans investment	—	—	(71,250)	(71,250)
(Gain) loss on settlement of investments, net	11,114	11,114	55,404	55,404

Unrealized gain on derivative instruments	(20,882)	(20,882)	(12,378)	(12,378)
Unrealized (gain) loss on other asset-backed securities	2,096	2,096	2,322	2,322
Gain on transfer of loans to real estate owned	(3,696)	(3,696)	(18,356)	(18,356)
Gain on Excess MSR recapture agreements	(614)	(614)	(2,802)	(2,802)
Other (income) loss	1,809	1,809	6,842	6,842
Total Other Income adjustments	**(23,094)**	**(23,094)**	**(51,621)**	**(51,621)**
Other Income and Impairment attributable to non-controlling interests	(16,333)	(16,333)	(26,303)	(26,303)
Change in fair value of investments in mortgage servicing rights	(104,144)	(104,144)	(104,144)	(104,144)
Non-capitalized transaction related expenses	1,472	1,472	9,493	9,493

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(dollars in thousands, except per share amounts)	Three Months Ended December 31, 2016 Low	Three Months Ended December 31, 2016 High	Year Ended December 31, 2016 Low	Year Ended December 31, 2016 High
Incentive compensation to affiliate	28,997	28,997	42,197	42,197
Deferred taxes	21,650	21,650	34,648	34,648
Interest income on residential mortgage loans, held-for-sale	5,706	5,706	18,356	18,356
Limit on RMBS discount accretion related to called deals	(23,990)	(23,990)	(30,233)	(30,233)
Adjust consumer loans to level yield	(5,071)	(5,071)	7,470	7,470
Core Earnings of equity method investees:				
Excess mortgage servicing rights	5,975	5,975	18,206	18,206
Core Earnings	**$ 149,159**	**$ 159,211**	**$ 505,039**	**$ 515,091**
Net Income Per Share of Common Stock, Diluted	$ 0.87	$ 0.91	$ 2.09	$ 2.13
Core Earnings Per Share of Common Stock, Diluted	$ 0.59	$ 0.63	$ 2.12	$ 2.16
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	251,299,730	251,299,730	238,486,772	238,486,772

The reconciliation of estimated preliminary Net Income to Core Earnings results was calculated across the low and high Net Income ranges based on our preliminary estimates of the expected base case differences between Net Income and Core Earnings. Similar to the estimated preliminary operating results noted above, our final reconciliation upon completion of our closing procedures may vary from the preliminary estimates.

We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. Core Earnings is a non-GAAP measure of our operating performance, excluding the fourth variable above, and adjusts the earnings from the consumer loan investment to a level yield basis. Core Earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations. For a further explanation of Core Earnings, see Summary Historical Financial Information.

Our Corporate Information

Our principal executive offices are located at 1345 Avenue of the Americas, 45th Floor, New York, New York 10105.

Our telephone number is 212-479-3150. Our web address is www.newresi.com. The information on or otherwise accessible through our web site does not constitute a part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference into this prospectus supplement, accompanying prospectus or any other report or document we file with or furnish to the SEC.

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THE OFFERING

Common stock offered
49,170,250 shares (or 56,545,787 shares if the underwriters exercise their option to purchase additional shares of our common stock in full)
Common stock to be outstanding after the offering
299,958,580 shares (or 307,334,117 shares if the underwriters exercise their option to purchase additional shares of our common stock in full)
NYSE symbol
NRZ
Risk factors
Investing in our common stock involves certain risks, which are described under Risk Factors beginning on page S-11 of this prospectus supplement and in our reports filed with the SEC.
Use of proceeds
We estimate that the net proceeds from our sale of common stock in this offering will be approximately $ (or $ if the underwriters exercise their option to purchase additional shares of our common stock in full) after deducting the expenses of this offering and the underwriting discount. We intend to use the net proceeds from our sale of common stock in this offering to fund a portion of the purchase price for the Citi Transaction, to make additional investments and for general corporate purposes. An affiliate of one of the underwriters for this offering is the seller in the Citi Transaction.

The number of shares of our common stock that will be outstanding after this offering is based on 250,788,330 shares of our common stock outstanding as of January 27, 2017 and excludes:

(i) options relating to an aggregate of 11,204,242 shares of our common stock held by an affiliate of our Manager;

(ii) options relating to an aggregate of 1,986,368 shares of our common stock assigned to employees of affiliates of our Manager;

(iii) options relating to an aggregate of 6,000 shares of our common stock held by our directors; and

(iv) options relating to 4,917,025 shares of our common stock (or 5,654,578 shares if the underwriters exercise their option to purchase additional shares of our common stock in full) at an exercise price per share equal to the public offering price, representing 10% of the number of shares being offered hereby, that have been approved by the compensation committee of our board of directors to be granted pursuant to and in accordance with the terms of our Nonqualified Stock Option and Incentive Award Plan, as amended (the Plan), to an affiliate of our Manager in connection with this offering, and subject to adjustment if the underwriters exercise their option to purchase additional shares of our common stock. The options are fully vested as of the date of grant, become exercisable as to 1/30 of the shares to which it is subject on the first day of each of the 30 calendar months following the first month after the date of the grant and expire on the tenth anniversary of the date of grant.

These options will be settled in an amount of cash equal to the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price, unless advance approval is made to settle the option in shares.

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SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table presents our summary historical financial information as of and for the years ended December 31, 2015, 2014 and 2013 and the historical financial information as of and for the nine months ended September 30, 2016 and 2015.

The summary historical consolidated statements of income for the years ended December 31, 2015, 2014 and 2013 and the summary historical consolidated balance sheets as of December 31, 2015 and 2014 have been derived from our audited financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheet as of December 31, 2013 has been derived from our audited financial statements not included or incorporated by reference in this prospectus supplement.

The summary historical consolidated statements of income for the nine months ended September 30, 2016 and September 30, 2015 and the summary historical consolidated balance sheet as of September 30, 2016 are derived from our unaudited condensed and consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, which is incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheets as of September 30, 2015 are derived from our unaudited condensed and consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, which is not incorporated by reference into this prospectus supplement. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of New Residential s management, include all adjustments necessary for a fair presentation of the information set forth herein. Interim results of operations are not necessarily indicative of the results to be expected for the full year or any subsequent period.

The summary historical financial information below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and New Residential s audited consolidated financial statements and related notes in New Residential s Annual Report on Form 10-K for the year ended December 31, 2015 and Management s Discussion and Analysis of Financial Condition and Results of Operations and New Residential s unaudited condensed consolidated financial statements and related notes in New Residential s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, each of which is incorporated by reference into this prospectus supplement.

(dollars in thousands, except share and per share data)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Statement of Income Data					
Interest income	$ 749,901	$ 444,891	$ 645,072	$ 346,857	$ 87,567
Interest expense	278,401	193,408	274,013	140,708	15,024
Net Interest Income	471,500	251,483	371,059	206,149	72,543
Impairment	49,683	5,702	24,384	11,282	5,454
Net interest income after impairment	421,817	245,781	346,675	194,867	67,089
Other Income	38,900	32,120	42,029	375,088	241,008

Operating Expenses	101,871	90,124	117,823	104,899	42,474
Income Before Income Taxes	358,846	187,777	270,881	465,056	265,623
Income tax expense (Benefit)	18,195	4,947	(11,001)	22,957	—
Net Income	$ 340,651	$ 182,830	$ 281,882	$ 442,099	$ 265,623
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	$ 61,355	$ 17,174	$ 13,246	$ 89,222	$ (326)
Net Income Attributable to Common Stockholders	$ 279,296	$ 165,656	$ 268,636	$ 352,877	$ 265,949
Net Income per Share of Common Stock, Basic	$ 1.19	$ 0.87	$ 1.34	$ 2.59	$ 2.10
Net Income per Share of Common Stock, Diluted	$ 1.19	$ 0.85	$ 1.32	$ 2.53	$ 2.07
Weighted Average Number of Shares of Common Stock Outstanding, Basic	233,875,067	191,259,587	200,739,809	136,472,865	126,539,024
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	234,184,611	194,081,345	202,907,605	139,565,709	128,684,128
Dividends Declared per Share of Common Stock	$ 1.38	$ 1.29	$ 1.75	$ 1.58	$ 0.99

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(dollars in thousands, except share and per share data)	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013
Other Data					
Core Earnings[(A)]	$ 355,880	$ 268,324	$ 388,756	$ 219,261	$ 129,997
Balance Sheet Data					
Investments in:					
Excess mortgage servicing rights, at fair value	$ 1,404,052	$ 1,459,690	$ 1,581,517	$ 417,733	$ 324,151
Excess mortgage servicing rights, equity method investees, at fair value	195,904	213,318	217,221	330,876	352,766
Servicer advances, at fair value	6,043,369	7,499,775	7,426,794	3,270,839	2,665,551
Real estate securities, available-for-sale	4,991,242	2,428,729	2,501,881	2,463,163	1,973,189
Residential mortgage loans, held-for-investment	—	40,813	330,178	47,838	33,539
Residential mortgage loans, held-for-sale	705,481	713,917	776,681	1,126,439	—
Real estate owned	60,459	29,454	50,574	61,933	—
Consumer loans, equity method investees	—	—	—	—	215,062
Consumer loans, held-for-investment	1,821,979	—	—	—	—
Cash and cash equivalents	388,674	348,312	249,936	212,985	271,994
Total assets	17,704,382	15,356,218	15,192,722	8,089,244	5,958,658
Total debt	12,763,153	11,019,080	11,292,622	6,057,853	4,109,329
Total liabilities	14,286,871	12,330,147	12,206,142	6,239,319	4,445,583
Total New Residential stockholders’ equity	3,128,350	2,806,533	2,795,933	1,596,089	1,265,850
Noncontrolling interests in equity of consolidated subsidiaries	289,161	219,538	190,647	253,836	247,225
Total equity	3,417,511	3,026,071	2,986,580	1,849,925	1,513,075
Supplemental Balance Sheet Data					
Common shares outstanding	250,773,117	230,458,866	230,471,202	141,434,905	126,598,987
Book value per share of common stock	$ 12.47	$ 12.18	$ 12.13	$ 11.28	$ 10.00

(A) We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. Core Earnings is a non-GAAP measure of our operating performance, excluding the fourth variable above, and adjusts the earnings from the consumer loan investment to a level yield basis. Core Earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.

While incentive compensation paid to our Manager may be a material operating expense, we exclude it from Core Earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from Core Earnings, and (ii) it is impractical to determine the portion of the expense related to Core Earnings and non- Core Earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to Core Earnings, we note that, as an example, in a given period, we may have Core Earnings in excess of the incentive compensation threshold but incur losses (which are excluded from Core Earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to Core Earnings, even though Core Earnings exceeded the incentive compensation threshold, or (b) assign a pro forma amount of incentive compensation expense to Core Earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-Core Earnings.

With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations, as they are considered by management to be similar to realized losses incurred at acquisition. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses. Non-capitalized transaction-related expenses for the year ended December 31, 2015 include a $9.1 million settlement which we agreed to pay in connection with a matter concerning HLSS Servicer Advance Receivables Trust. These costs are recorded as General and administrative expenses in our Consolidated Statements of Income. Other (income) loss set forth below excludes $14.5 million accrued during the year ended December 31, 2015 related to a reimbursement from Ocwen for certain increased costs resulting from further S&P servicer rating downgrades of Ocwen.

In the fourth quarter of 2014, we modified our definition of Core Earnings to include accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. This modification had no impact on Core Earnings in 2014 or any prior period. In the second quarter of 2015, we modified our definition of Core Earnings to exclude all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because we believe deferred taxes are not representative of current operations. This modification was applied prospectively due to only immaterial impacts in prior periods. In the fourth quarter of 2015, we modified our definition of Core Earnings to limit accreted interest income on RMBS where we receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. We made the modification in order to be able to accrete to the lower of par or the value of the underlying collateral, in instances where the net value of the underlying collateral is lower than par. We believe this amount represents the amount of accretion we would have expected to earn on such bonds had the call rights not been exercised. This modification had no impact on Core Earnings in prior periods.

Management believes that the adjustments to compute Core Earnings specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes Core Earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on Core Earnings as an indicator of the results of such decisions. Core Earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, Core Earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP Net Income which is inclusive of all of our activities.

The primary differences between Core Earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from Core Earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike Core Earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment during the nine months ended September 30, 2016 was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.

Core Earnings does not represent and should not be considered as a substitute for, or superior to, Net Income or as a substitute for, or superior to, cash flow from operating activities, each as determined in accordance with U.S. GAAP, and our calculation of this measure may not be comparable to similarly entitled measures reported by other companies. For a further description of the difference between cash flow provided by operations and Net Income, see Management s Discussion and Analysis of Financial

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Consolidation and Results of Operations—Liquidity and Capital Resources in our Annual Report on Form 10-K that is incorporated by reference in this prospectus supplement. Set forth below is a reconciliation of Core Earnings to the most directly comparable GAAP financial measure (in thousands):

	Nine Months Ended				
	September 30,	September 30,	Year Ended December 31,		
	2016	2015	2015	2014	2013
Net Income attributable to common stockholders	$ 279,296	$ 165,656	$ 268,636	$ 352,877	$ 265,949
Impairment	49,683	5,702	24,384	11,282	5,454
Other Income adjustments	(28,527)	(23,620)	(32,826)	(375,088)	(241,008)
Other Income and Impairment attributable to non-controlling interests	(9,970)	(11,084)	(22,102)	44,961	—
Non-capitalized transaction-related expenses	8,021	28,103	31,002	10,281	5,698
Incentive compensation to affiliate	13,200	7,895	16,017	54,334	16,847
Deferred taxes	12,998	5,885	(6,633)	16,421	—
Interest income on residential mortgage loans, held for-sale	12,650	20,410	22,484	—	—
Limit on RMBS discount accretion related to called deals	(6,243)	—	(9,129)	—	—
Adjust consumer loans to level yield	12,541	52,760	71,070	70,394	53,696
Core Earnings of equity method investees:					
Excess mortgage servicing rights	12,231	16,617	25,853	33,799	23,361
Core Earnings	$ 355,880	$ 268,324	$ 388,756	$ 219,261	$ 129,997

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RISK FACTORS

Investing in our common stock involves risks. Please see the risk factors set forth below as well as those risks described in our most recent Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016, June 30, 2016 and September 30, 2016, filed with the SEC, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Any of these risks, as well as other risks and uncertainties, could materially harm our business, financial condition, results of operations and liquidity and our ability to make distributions to our shareholders. In that case, the value or trading price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to the MSR Transactions

Completion of the pending MSR Transactions is subject to various closing conditions, involves significant costs, and we cannot assure you if, when or the terms on which such transactions will close. Failure to complete some or all of the pending MSR Transactions could adversely affect our future business and results of operations.

The Company and Citi have announced an agreement for the purchase and sale of approximately $97.0 billion UPB of MSRs and related servicer advances for an aggregate purchase price of approximately $982.0 million. The Company has also engaged in additional similar transactions, including an agreement for the purchase and sale of approximately $72.0 billion UPB of MSRs and related servicer advances from PHH for an aggregate purchase price of approximately $912.0 million. These transactions generally contain similar terms, representations and warranties, covenants and indemnification provisions, and are subject to similar conditions precedent, such as regulatory and GSE approvals, as described in Prospectus Supplement Summary—Recent Developments. The PHH transaction is also subject to approval by PHH stockholders. The completion of each of the pending MSR Transactions, as applicable, is subject to the satisfaction of these closing conditions, and we cannot assure you that such conditions will be satisfied and that some or all of the MSR Transactions will be successfully completed on their current terms, if at all. The closing of this offering is not conditioned on the completion of any of the MSR Transactions. In the event that any of the MSR Transactions are not consummated, we will have spent considerable time and resources, and incurred substantial costs, many of which must be paid even if the MSR Transactions are not completed.

Our business and the value of our assets could be materially and adversely affected if the any of the counterparties to the MSR Transactions is unable to adequately perform its duties as a result of, among other things:

- its failure to comply with applicable laws and regulation;
- its failure to maintain sufficient liquidity or access to sources of liquidity;
- its failure to perform its loss mitigation obligations;
- its failure to perform adequately in its external audits;
- a failure in or poor performance of its operational systems or infrastructure;
- regulatory or legal scrutiny, enforcement proceedings, consent orders or similar actions regarding any aspect of its operations, including, but not limited to, servicing practices and foreclosure processes lengthening foreclosure timelines;
- its failure to subservice the mortgage loans related to any MSRs acquired by us in accordance with applicable laws, requirements or our subservicing agreement with the counterparties to the MSR Transactions; or
- any other reason.

In addition, if a servicer, subservicer or other counterparty experienced any of the failures or regulatory scrutiny described above, then we could become subject to heightened regulatory or legal scrutiny by virtue of being a counterparty of these entities. Such scrutiny could result in our incurring meaningful additional costs or fines or being subject to material operational requirements or restrictions, each of which could adversely affect our business and results of operations.

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We rely heavily on mortgage servicers and subservicers to achieve our investment objectives and have no direct ability to influence their performance.

The value of the assets we may acquire pursuant to the MSR Transactions will be dependent on the satisfactory performance of the servicing obligations of the relevant mortgage servicer or subservicer under our subservicing agreement or interim servicing agreement with these counterparties. Our duties and obligations with respect to the MSRs and advances that we may acquire from these counterparties are defined through contractual agreements with the related GSEs, generally referred to as Servicing Guides (the Servicing Guidelines), or private-label servicing contracts. Our investment in MSRs is subject to all of the terms and conditions of the applicable Servicing Guidelines or private-label servicing contracts. Under the Servicing Guidelines or any such private-label servicing contract, a servicer may be terminated by the applicable GSE or securitization counterparty for any reason, with or without cause, for all or any portion of the loans being serviced for such GSE or related securitization trust. We will be the legal owner of the MSRs acquired in the MSR Transactions. If the relevant servicers or subservicers in the MSR Transactions do not perform in accordance with the Servicing Guidelines, the related private-label servicing contract or our subservicing agreement, or otherwise cease to be viewed by the related counterparty as a credible servicer, we may be terminated by such counterparty and may lose all, or a portion of, our investments serviced by these counterparties.

In order to realize any value on our MSRs if we are terminated, among other things, in many cases, a new servicer must be willing to pay for the right to service the applicable mortgage loans while assuming responsibility for the liabilities associated with origination and prior servicing of such mortgage loans. In addition, any payment received from a successor servicer may not be in an amount sufficient to cover the value of our MSRs or allocated to us at all.

We will have significant counterparty concentration risk in Citi, PHH, Ditech and Nationstar.

If the pending MSR Transactions are consummated, a material portion of our MSR portfolio will be subserviced by each of Citi, PHH, Ditech or Nationstar (each, a Subservicer and together, the Subservicers). Nationstar is currently the servicer for a significant portion of our loans, and the loans underlying our Excess MSRs and servicer advances. The selection of Nationstar as subservicer in the Citi Transaction extends our relationship with Nationstar, which could further exacerbate our counterparty concentration and default risks. If each Subservicer s respective servicing performance deteriorates, or in the event that a Subservicer files for bankruptcy or if a Subservicer is unwilling or unable to continue to subservice MSRs for us, our expected returns on these investments would be severely impacted. In addition, if a Subservicer becomes subject to a regulatory consent order or similar enforcement proceeding, that regulatory action could adversely affect us in several ways. For example, the regulatory action could result in delays of transferring servicing from an interim Subservicer to our designated successor Subservicer or cause the Subservicer s performance to degrade. Any such development would negatively affect our expected returns on these investments, and such affect could be material to our business and results of operations. On January 23, 2017, the CFPB announced a consent order against Citi. We do not know what, if any, impact this order may have on Citi or our expected investment returns on the Citi Transaction. We closely monitor each Subservicer s mortgage servicing performance and overall operating performance, financial condition and liquidity, as well as its compliance with applicable regulations and GSE servicing guidelines. We have various information, access and inspection rights in our respective agreements with the Subservicers that enable us to monitor their financial and operating performance and credit quality, which we periodically evaluate and discuss with each Subservicer s respective management. However, we have no direct ability to influence each Subservicer s performance, and our diligence cannot prevent, and may not even help us anticipate, a severe deterioration of each Subservicer s respective servicing performance on our MSR portfolio.

Our ability to finance assets serviced by the servicer and subservicer of the assets acquired in the MSR Transactions may depend on these parties cooperation with our lenders and compliance with certain covenants.

We intend to finance some or all of the MSRs or servicer advances acquired in the MSR Transactions, and as a result, we will be subject to substantial operational risks associated with these parties in connection with any such financing. In our current financing facilities for Excess MSRs and servicer advances, the failure of the related servicer to satisfy various covenants and tests can result in an amortization event and/or an event of default. Our lenders may require us to include similar provisions in any financing we obtain relating to the MSRs and servicer advances serviced by the servicer and subservicer of the assets acquired in the MSR Transactions. If we decide to finance such assets, we will not have direct ability to control any party s compliance with any such

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covenants and tests and the failure of any party to satisfy any such covenants or tests could result in a partial or total loss on our investment. Some lenders may be unwilling to finance any assets subserviced by any servicer or subservicer of the assets acquired in the MSR Transactions under any circumstances.

In addition, any financing for the MSRs and servicer advances related to MSRs acquired in the MSR Transactions is subject to regulatory approval and the agreement of the relevant servicer or subservicer to be party to such financing agreements. If we cannot get regulatory approval or these parties do not agree to enter into such financing agreements, we may not be able to obtain financing on favorable terms or at all.

A sale of MSRs and servicer advances from any counterparty to the MSR Transactions could be re-characterized as a pledge of such assets in a bankruptcy proceeding.

We believe that these counterparties transfer to us of MSRs and servicer advances pursuant to the MSR Transactions will constitute a sale of such assets, in which case such assets would not be part of these counterparties bankruptcy estate. A bankruptcy trustee, or any other counterparty in interest in a bankruptcy proceeding, however, might assert that MSRs and servicer advances transferred to us were not sold to us but were instead pledged to us as security for these counterparties obligation to repay amounts paid by us to these counterparties pursuant to the related purchase agreement. We generally create and perfect security interests with respect to the MSRs that we acquire, though we do not do so in all instances, including certain of the MSR Transactions. If such assertion were successful, all or part of the MSRs and servicer advances transferred to us pursuant to the related purchase agreement would constitute property of these counterparties bankruptcy estate, and our rights against these counterparties would, at best, be those of a secured creditor with a lien on such assets. Under such circumstances, cash proceeds generated from our collateral would constitute cash collateral under the provisions of the U.S. bankruptcy laws. Under U.S. bankruptcy laws, the servicer could not use our cash collateral without either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under the U.S. bankruptcy laws.

If such a recharacterization occurs, the validity or priority of our security interest in the MSRs and servicer advances acquired from these counterparties could be challenged in a bankruptcy proceeding of these counterparties.

If the purchases pursuant to the related purchase agreement are recharacterized as set forth above, we nevertheless generally have created and perfected or, prior to, or simultaneously with, acquiring the related MSRs, will perfect, security interests with respect to the MSRs that we may have purchased from these counterparties by including a pledge of collateral in the related purchase agreement and filing financing statements in appropriate jurisdictions. Nonetheless, to the extent we have created and perfected a security interest, our security interests may be challenged and ruled unenforceable, ineffective or subordinated by a bankruptcy court. If this were to occur, or if we have not created a security interest, then these counterparties obligations to us with respect to purchased MSRs and servicer advances would be deemed unsecured obligations, payable from unencumbered assets to be shared among all of these counterparties unsecured creditors. In addition, even if the security interests are found to be valid and enforceable, if a bankruptcy court determines that the value of the collateral is less than these counterparties underlying obligations to us, the difference between such value and the total amount of such obligations will be deemed an unsecured deficiency claim and the same result will occur with respect to such unsecured claim. In addition, even if the security interest is found to be valid and enforceable, these counterparties would have the right to use the proceeds of our collateral subject to either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with adequate protection under U.S. bankruptcy laws. These counterparties also would have the ability to confirm a chapter 11 plan over our objections if the plan complied with the cramdown requirements under U.S. bankruptcy laws.

Even if we are successful in arguing that we own the MSRs and servicer advances purchased under the purchase agreement with these counterparties, we may need to seek relief in the bankruptcy court to obtain turnover and payment of amounts relating to such assets, and there may be difficulty in recovering payments in respect of such assets that may have been commingled with other funds of these counterparties.

The interim servicing agreement and subservicing agreements with the servicer and subservicer of the assets acquired in the MSR Transactions could be rejected in a bankruptcy proceeding.

If any servicer or subservicer of the assets acquired in the MSR Transactions were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code or similar state insolvency laws, such party (as debtor-in-possession in the bankruptcy proceeding) or the bankruptcy trustee could reject its interim servicing or subservicing agreement, as applicable, with us and terminate its obligation to service the

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MSRs or servicer advances in which we have an investment. Any claim we have for damages arising from the rejection of an interim servicing or subservicing agreement would be treated as a general unsecured claim for purposes of distributions from the party s bankruptcy estate.

Any purchase agreement pursuant to which we purchase MSRs or servicer advances from a counterparty to the MSR Transactions could be rejected in a bankruptcy proceeding of such counterparty.

Any counterparty to the MSR Transactions (as debtor-in-possession in the bankruptcy proceeding) or a bankruptcy trustee appointed in such counterparty s bankruptcy proceeding could seek to reject our purchase agreement or subservicing agreement with such counterparty and thereby terminate such counterparty s obligation to acquire the MSRs and servicer advances or service the MSRs and servicer advances transferred pursuant to our subservicing agreement. If the bankruptcy court approved the rejection, we would have a claim against such counterparty for any damages from the rejection and the resulting transfer of servicing of our MSRs to another subservicer may result in significant cost and may negatively impact the value of our MSRs.

The servicer or subservicer of the assets acquired in the MSR Transactions could discontinue servicing or may be unwilling to continue servicing or subservicing for us.

Upon a discontinuance or bankruptcy of any servicer or subservicer of the assets acquired in the MSR Transactions, because we do not and in the future may not have the employees, servicing platforms, or technical resources necessary to service mortgage loans, we would need to engage an alternate servicer or subservicer which may not be readily available on acceptable terms or at all.

A bankruptcy of any of our Subservicers may default our MSR and advance financing facilities and negatively impact our ability to continue to purchase MSRs and servicer advances.

If any of our Subservicers were to file for bankruptcy or to become the subject of a bankruptcy proceeding, it could result in an event of default under certain of our financing facilities. We would not have the ability to continue funding the purchase of MSRs and servicer advances under such financing facilities that we may have previously agreed to purchase. Notwithstanding this inability to fund, such Subservicer may try to force us to continue making such purchases. If it is determined that we are in breach of our obligations under our purchase agreements, any claims that we may have against such Subservicer may be subject to offset against claims such Subservicer may have against us by reason of this breach.

The performance of loans underlying MSRs acquired in the MSR Transactions may be adversely affected by the performance of parties who service or subservice these mortgage loans.

The performance of the acquired assets is subject to risks associated with inadequate or untimely servicing. Our ability to monitor the activities of our servicers or subservicers is limited. If our servicers or subservicers commit a material breach of their obligations as a servicer, we may be subject to damages if the breach is not cured within a specified period of time following notice. Poor performance by a servicer or subservicer may result in greater than expected delinquencies and foreclosures and losses on the mortgage loans underlying our MSRs. A substantial increase in our delinquency or foreclosure rate or the inability to process claims could adversely affect our ability to access the capital and secondary markets for our financing needs.

Mortgage servicing is heavily regulated at the U.S. federal, state and local levels and the selection of Nationstar to be the subservicer in connection with the Citi Transaction may not obtain regulatory approval.

Mortgage servicers must comply with U.S. federal, state and local laws and regulations. These laws and regulations cover topics such as licensing; allowable fees and loan terms; permissible servicing and debt collection practices; limitations on forced-placed insurance; special consumer protections in connection with default and foreclosure; and protection of confidential, nonpublic consumer information. The volume of new or modified laws and regulations has increased in recent years, and states and individual cities and counties continue to enact laws that either restrict or impose additional obligations in connection with certain loan origination, acquisition and servicing activities in those cities and counties. The laws and regulations are complex and vary greatly among the states and localities, and in some cases, these laws are in conflict with each other or with U.S. federal law. In connection with the Citi Transaction, there is no assurance that the servicing transfer agreement and the selection of Nationstar will obtain regulatory approval. If regulatory approval for such transfer is not obtained, we may incur incremental costs and expenses in the approval of another replacement subservicer.

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The counterparties to the MSR Transactions have been and are subject to certain federal and state regulatory matters and certain other litigation.

The counterparties to the MSR Transactions have been and continue to be subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations and threatened legal actions and proceedings. In connection with formal and informal inquiries, the respective counterparties to the MSR Transactions may receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of its activities, including whether certain of its residential loan servicing and originations practices, bankruptcy practices and other aspects of its business comply with applicable laws and regulatory requirements. Such counterparties cannot provide any assurance as to the outcome of any of the aforementioned actions, proceedings or inquiries, or that such outcomes will not have a material adverse effect on its reputation, business, prospects, results of operations, liquidity or financial condition.

We have engaged and may in the future engage in a number of acquisitions (including the MSR Transactions), and we may be unable to successfully integrate the acquired assets and assumed liabilities in connection with such acquisitions.

As part of our business strategy, we regularly evaluate acquisitions of complementary assets. Achieving the anticipated benefits of such acquisitions is subject to a number of uncertainties, including, without limitation, whether we are able to integrate the acquired assets and manage the assumed liabilities efficiently. It is possible that the integration process could take longer than anticipated and could result in additional and unforeseen expenses, the disruption of our ongoing business, processes and systems, or inconsistencies in standards, controls, procedures, practices and policies, any of which could adversely affect our ability to achieve the anticipated benefits of such acquisitions. There may be increased risk due to integrating the assets into our financial reporting and internal control systems. Difficulties in adding the assets into our business could also result in the loss of contract counterparties or other persons with whom we or the respective counterparties to such acquisitions conduct business and potential disputes or litigation with contract counterparties or other persons with whom we or such counterparties conduct business. We could also be adversely affected by any issues attributable to any counterparty s operations that arise or are based on events or actions that occur prior to the closing of such acquisitions. The integration process is subject to a number of uncertainties, and no assurance can be given that the anticipated benefits will be realized in their entirety or at all or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect our future business, financial condition, operating results and cash flows. Due to the costs of engaging in a number of acquisitions (including the MSR Transactions), we may also have difficulty completing more acquisitions in the future.

There may be difficulties with integrating the loans into Nationstar s servicing platform, which could have a material adverse effect on our results of operations, financial condition and liquidity.

In connection with the Citi Transaction, all of Citi s interim servicing obligations will be subsequently transferred to Nationstar, subject to GSE and other regulatory approvals. The ability to integrate and service the assets acquired in the Citi Transaction and in all similar future transactions will depend in large part on the success of Nationstar s development and integration of expanded servicing capabilities with Nationstar s current operations. We may fail to realize some or all of the anticipated benefits of the transaction if the integration process takes longer, or is more costly, than expected.

Potential difficulties we may encounter during the integration process with the assets acquired in the Citi Transaction or future similar acquisitions include, but are not limited to, the following:

- the integration of the portfolio into Nationstar’s information technology platforms and servicing systems;

- the quality of servicing during any interim servicing period after we purchase the portfolio but before Nationstar assumes servicing obligations from the seller or its agents;
- the disruption to our ongoing businesses and distraction of our management teams from ongoing business concerns;
- incomplete or inaccurate files and records;
- the retention of existing customers;
- the creation of uniform standards, controls, procedures, policies and information systems;

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- the occurrence of unanticipated expenses; and
- potential unknown liabilities associated with the transactions, including legal liability related to origination and servicing prior to the acquisition.

Our failure to meet the challenges involved in successfully integrating the assets acquired in the Citi Transaction and in all similar future transactions with our current business could impair our operations. For example, it is possible that the data Nationstar acquires upon assuming the direct servicing obligations for the loans may not transfer from the Citi platform to its systems properly. This may result in data being lost, key information not being locatable on Nationstar s systems, or the complete failure of the transfer. If Nationstar s employees are unable to access customer information easily, or if Nationstar is unable to produce originals or copies of documents or accurate information about the loans, collections could be affected significantly, and Nationstar may not be able to enforce its right to collect in some cases. Similarly, collections could be affected by any changes to Nationstar s collections practices, the restructuring of any key servicing functions, transfer of files and other changes that occur as a result of the transfer of servicing obligations from Citi to Nationstar.

Risks Related to our Common Stock

There can be no assurance that the market price for our stock will not fluctuate widely in the future.

Our common stock began trading (on a when issued basis) on the NYSE on May 2, 2013. There can be no assurance that an active trading market for our common stock will develop or be sustained in the future, and the market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to qualify as a REIT, maintain our exemption under the 1940 Act or satisfy the NYSE listing requirements;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our common stock.

Sales or issuances of substantial amounts of shares of our common stock, or the perception that such sales or issuances might occur, could adversely affect the market price of our common stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common stock. We have an effective registration statement on file to sell common stock or convertible securities in public offerings.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is

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complex and may be revised over time to adapt to changes in our business or changes in applicable accounting rules. We have made investments through joint ventures, such as our investment in consumer loans, and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing. We have adopted the Plan, which provides for the grant of equity-based awards, including restricted stock, options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisor of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We reserved 15 million shares of our common stock for issuance under the Plan. As of September 30, 2016, rights relating to 9,981,039 shares of our common stock were outstanding under the Plan. The term of the Plan expires in 2023. On the first day of each fiscal year beginning during the term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of the number of shares of our common stock newly issued by us during the immediately preceding fiscal year. In connection with any offering of our common stock, we will issue to affiliates of our Manager options relating to shares of our common stock, representing 10% of the number of shares being offered. Our board of directors may also determine to issue options to the Manager that are not subject to the Plan, provided that the number of shares relating to any options granted to the Manager in connection with an offering of our common stock would not exceed 10% of the shares sold in such offering and would be subject to NYSE rules.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common stock.

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We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

We intend to make quarterly distributions of our REIT taxable income to holders of our common stock out of assets legally available therefor. We have not established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors included or incorporated by reference herein. Any distributions will be authorized by our board of directors and declared by us based upon a number of factors, including our actual and anticipated results of operations, liquidity and financial condition, restrictions under Delaware law or applicable financing covenants, our REIT taxable income, the annual distribution requirements under the REIT provisions of the Code (as defined herein), our operating expenses and other factors our directors deem relevant.

On January 26, 2017, our board of directors approved an increase in our quarterly dividend to $0.48 per common share for the first quarter of 2017, which will result in reduced cash flows. Although we have other sources of liquidity, such as sales of and repayments from our investments, potential debt financing sources and the issuance of equity securities, there can be no assurance that we will generate sufficient cash or achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future.

Furthermore, while we are required to make distributions in order to maintain our REIT status, we may elect not to maintain our REIT status, in which case we would no longer be required to make such distributions. Moreover, even if we do elect to maintain our REIT status, we may elect to comply with the applicable requirements by, after completing various procedural steps, distributing, under certain circumstances, a portion of the required amount in the form of shares of our common stock in lieu of cash. If we elect not to maintain our REIT status or to satisfy any required distributions in shares of common stock in lieu of cash, such action could negatively and materially affect our business, results of operations, liquidity and financial condition as well as the market price of our common stock. No assurance can be given that we will make any distributions on shares of our common stock in the future.

We may in the future choose to make distributions in our own stock, in which case you could be required to pay income taxes in excess of any cash distributions you receive, but it is unclear whether and to what extent we will be able to pay taxable distributions in cash and stock in later years.

We may in the future distribute taxable distributions that are payable in cash and shares of our common stock at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such distributions in excess of the cash distributions received. If a U.S. stockholder sells the stock that it receives as a distribution in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distributions, including in respect of all or a portion of such distribution that are payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on distributions, it may put downward pressure on the market price of our common stock.

It is unclear whether and to what extent we will be able to pay taxable distributions in cash and stock in later years. Moreover, various aspects of such a taxable cash/stock distribution are uncertain and have not yet been addressed by the IRS. No assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our common stock could decrease as potential investors may require a

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higher distribution yield on our common stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future variable rate debt and future fixed rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay distributions.

Provisions in our certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our common stock.

Our certificate of incorporation, bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors for cause only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- provisions regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition, in our certificate of incorporation, stating that no holder of shares of our common stock will have cumulative voting rights in the election of directors, which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election; and
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

ERISA may restrict investments by plans in our common stock.

A plan fiduciary considering an investment in our common stock should consider, among other things, whether such an investment is consistent with the fiduciary obligations under the Employee Retirement Income Security Act of 1974, as amended (ERISA), including whether such investment might constitute or give rise to a prohibited transaction under ERISA, the Code or any substantially similar federal, state or local law and, if so, whether an exemption from such prohibited transaction rules is available.

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USE OF PROCEEDS

We estimate that the net proceeds from our sale of common stock in this offering will be approximately $ (or $ if the underwriters exercise their option to purchase additional shares of our common stock in full), after deducting the expenses of this offering and the underwriting discount. We intend to use the net proceeds from our sale of common stock in this offering to fund a portion of the purchase price for the Citi Transaction, to make additional investments and for general corporate purposes. An affiliate of one of the underwriters for this offering is the seller in the Citi Transaction.

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PRICE RANGE OF OUR COMMON STOCK

We have one class of common stock, which is listed on the NYSE under the symbol NRZ. The following table sets forth, for the periods indicated, the high, low and last sale prices in U.S. dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated.

2017	High	Low	Last Sale	Distributions Declared
First Quarter (through January 27, 2017)	$ 16.33	$ 15.58	$ 16.27	$ 0.48

2016	High	Low	Last Sale	Distributions Declared
First Quarter	$ 12.50	$ 9.07	$ 11.63	$ 0.46
Second Quarter	$ 13.98	$ 11.36	$ 13.84	$ 0.46
Third Quarter	$ 14.89	$ 12.73	$ 13.81	$ 0.46
Fourth Quarter	$ 16.43	$ 13.30	$ 15.72	$ 0.46

2015	High	Low	Last Sale	Distributions Declared
First Quarter	$ 15.61	$ 12.10	$ 15.03	$ 0.38
Second Quarter	$ 17.91	$ 14.98	$ 15.24	$ 0.45
Third Quarter	$ 15.95	$ 12.66	$ 13.10	$ 0.46
Fourth Quarter	$ 13.34	$ 10.35	$ 12.16	$ 0.46

On January 27, 2017, the closing sale price for our common stock, as reported on the NYSE, was $16.27. As of January 27, 2017, there were approximately 33 record holders of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name.

On January 26, 2017, our board of directors declared a quarterly dividend of $0.48 per common share for the first quarter of 2017, or approximately a 4% increase over the dividend for the quarter ended December 31, 2016. The dividend is payable on April 28, 2017 to shareholders of record on March 27, 2017. There can be no assurance that we will pay dividends at this level, or at all, in the future. See Risk Factors—Risks Related to our Common Stock—We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

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DISTRIBUTION POLICY

We intend to make regular quarterly distributions, which include all or substantially all of our REIT taxable income, to holders of our common stock out of assets legally available therefor. We have declared a quarterly dividend as set forth above. The amount of any future dividend is subject to board approval and depends on a variety of factors, as set forth below. As a result, the amount of any future dividend is uncertain, and any dividends declared in future periods may differ materially from dividends declared in past periods.

To qualify as a REIT we must distribute annually to our stockholders an amount at least equal to:

- 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains (which does not necessarily equal net income as calculated in accordance with GAAP); plus
- 90% of the excess of our taxable income from foreclosure property (as defined in Section 856 of the Internal Revenue Code of 1986, as amended (the Code)) over the tax imposed on such income by the Code; less
- Any excess non-cash income (as determined under the Code). See U.S. Federal Income Tax Considerations in the accompanying prospectus.

We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See U.S. Federal Income Tax Considerations—Taxation of New Residential—Annual Distribution Requirements in the accompanying prospectus. Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes.

Any distributions will be authorized by our board of directors and declared by us based upon a number of factors, including actual and anticipated results of operations, liquidity and financial condition, prohibitions or restrictions under Delaware law or applicable financing covenants, our taxable income, the annual distribution requirements under the REIT provisions of the Code, our operating expenses and other factors our directors deem relevant. Our ability to make distributions to our stockholders will depend upon the performance of our asset portfolio, and, in turn, upon our Manager s management of our business. Any declared distributions will be made in cash to the extent that cash is available for distribution. We may not be able to generate sufficient investment results to pay distributions to our stockholders. In addition, our board of directors may change our distribution policy in the future. See Risk Factors—Risks Related to our Common Stock—We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

Distributions to stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of such distributions may be designated by us as long-term capital gain to the extent that such portion is attributable to our sale of capital assets held for more than one year. If we pay distributions in excess of our current and accumulated earnings and profits, such distributions will be treated as a tax-free return of capital to the extent of each stockholder s tax basis in our common stock and as capital gain thereafter. We will furnish annually to each of our stockholders a statement setting forth distributions paid during the preceding year and their U.S. federal income tax status. For a discussion of the U.S. federal income tax treatment of our distributions, see U.S. Federal Income Tax Considerations—Taxation of New Residential and U.S. Federal Income Tax Considerations—Taxation of Stockholders in the accompanying prospectus.

Our certificate of incorporation allows us to issue preferred stock that could have a preference on distributions. We currently have no intention to issue any preferred stock, but if we do, the distribution preference on the preferred stock could limit our ability to make distributions to the holders of our common stock.

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UNDERWRITING

We are offering the shares of our common stock described in this prospectus supplement and the accompanying prospectus through the underwriters named below. Citigroup Global Markets Inc., Barclays Capital Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC are joint book-running managers of this offering and representatives of the underwriters. We have entered into an underwriting agreement with the representatives. Subject to the terms and conditions of the underwriting agreement, each of the underwriters has severally agreed to purchase and we have agreed to sell to the underwriters, the number of shares of common stock listed next to its name in the following table.

Underwriters	Number of shares
Citigroup Global Markets Inc.	
Barclays Capital Inc	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Credit Suisse Securities (USA) LLC	
BTIG, LLC	
FBR Capital Markets & Co.	
Total	49,170,250

The underwriting agreement provides that the underwriters must buy all of the shares of our common stock in this offering from us if they buy any of them. However, the underwriters are not required to take or pay for the shares of our common stock covered by the underwriters option to purchase additional shares of our common stock described below.

Our common stock is offered subject to a number of conditions, including:

- receipt and acceptance of our common stock by the underwriters; and
- the underwriters’ right to reject orders in whole or in part.

In connection with this offering, the underwriters may distribute prospectuses electronically.

Commissions and Discounts

The underwriters have advised us that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus supplement and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

Certain officers and directors may purchase shares of our common stock in this offering directly from the underwriters.

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$

Underwriting discount	$	$	$
Proceeds, before expenses, to us	$	$	$

The expenses of the offering, not including the underwriting discount, are estimated at approximately $ and are payable by us.

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Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus supplement, to purchase up to 7,375,537 additional shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares of our common stock approximately in proportion to amounts specified in the table above.

Price Stabilization; Short Positions

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, which may include purchases pursuant to the underwriters option to purchase additional shares of common stock. Short sales involve secondary market sales by the underwriters of a greater number of shares of common stock than they are required to purchase in the offering.

- Covered short sales are sales of common stock in an amount up to the number of shares of common stock represented by the underwriters' option to purchase additional shares.
- Naked short sales are sales of shares of common stock in an amount in excess of the number of shares of common stock represented by the underwriters' option to purchase additional shares.
- Covering transactions involve purchases of shares of common stock either pursuant to the underwriters' option to purchase additional shares of common stock or in the open market after the distribution has been completed in order to cover short positions.
- To close a naked short position, the underwriters must purchase shares of common stock in the open market after the distribution has been completed. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares of common stock in the open market after pricing that could adversely affect investors who purchase in the offering.
- To close a covered short position, the underwriters must purchase shares of common stock in the open market after the distribution has been completed or must exercise the option to purchase additional shares of common stock. In determining the source of shares of common stock to close the covered short position, the underwriters will consider, among other things, the price of shares of common stock available for purchase in the open market as compared to the price at which it may purchase shares of common stock through their option to purchase additional shares.

Purchases to cover short positions, as well as any other purchases by an underwriter for its own account, may have the effect of preventing or retarding a decline in the market price of the common stock. They may also cause the price of the common stock to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

No Sales of Similar Securities

We have agreed that, subject to specified exceptions (including issuances of our common stock in connection with acquisitions and the filing of certain registration statements), without the prior written consent of Citigroup Global Markets Inc., we will not, directly or indirectly, offer for sale, sell, pledge, enter into any swap or other derivatives transaction that transfers to another any of the economic benefits or risks of ownership of our common stock, or otherwise dispose of any shares of our common stock or any securities that may be converted into or exchanged for any shares of our common stock for a period ending 30 days after the date of this prospectus supplement.

Our Manager, our executive officers and our directors have entered into lock-up agreements with the representatives. Under these agreements, subject to certain exceptions (including existing pledges and refinancing thereof, transfers for charitable and estate planning purposes and selling shares to cover taxes upon the exercise of options), none of our Manager, our executive officers or our directors may, without the prior written consent of Citigroup Global Markets Inc., directly or indirectly, offer for sale, sell, pledge, enter into any swap or other

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derivatives transaction that transfers to another any of the economic benefits or risks of ownership of our common stock, or otherwise dispose of any shares of our common stock or any securities that may be converted into or exchanged for any shares of our common stock for a period ending 30 days after the date of this prospectus supplement. At any time and without public notice, Citigroup Global Markets Inc. may, in its sole discretion, release some or all of the securities from these lock-up agreements.

Indemnification

We have agreed to indemnify the underwriters against certain liabilities, including certain liabilities under the Securities Act of 1933, as amended. If we are unable to provide the required indemnification, we have agreed to contribute to payments the underwriters may be required to make in respect of those liabilities.

NYSE Listing

Our common stock is listed on the NYSE under the symbol NRZ.

Affiliations

Certain of the underwriters and their affiliates have in the past provided, are currently providing and may in the future from time to time provide, investment banking and other financing, trading, banking, research, transfer agent and trustee services to us, our subsidiaries and our affiliates, for which they have in the past received, and may currently or in the future receive, fees and expenses. A portion of the net proceeds from our sale of common stock in this offering will be used to fund the Citi Transaction. Additionally, certain of the underwriters and their affiliates may sell assets to us from time to time.

In addition, in the ordinary course of its business activities, certain of the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in Hong Kong

The shares of our common stock may not be offered or sold in Hong Kong, by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares of our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia (Corporations Act)) in relation to the shares of our common stock has been or will be lodged with the Australian Securities & Investments Commission (ASIC). This prospectus supplement has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this prospectus supplement in Australia:

(a) you confirm and warrant that you are either:

(i) sophisticated investor under Section 708(8)(a) or (b) of the Corporations Act;

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(ii) a sophisticated investor under Section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) a person associated with us under Section 708(12) of the Corporations Act; or

(b) a professional investor within the meaning of Section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act any offer made to you under this document is void and incapable of acceptance; and

(c) you warrant and agree that you will not offer any of the shares of our common stock for resale in Australia within 12 months of the shares of our common stock being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under Section 708 of the Corporations Act.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with exempt offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this prospectus supplement. The shares of our common stock to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares of our common stock offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

Notice to Prospective Investors in Canada

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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LEGAL MATTERS

Certain legal matters will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP, New York, New York. Sidley Austin LLP, New York, New York will act as counsel to the underwriters. Sidley Austin LLP has represented us in the past and continues to represent us on a regular basis on a variety of matters.

EXPERTS

The consolidated financial statements of New Residential Investment Corp. and subsidiaries appearing in New Residential Investment Corp. s Annual Report (Form 10-K) for the year ended December 31, 2015, and the effectiveness of New Residential Investment Corp. and subsidiaries internal control over financial reporting as of December 31, 2015 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference and in the accompanying prospectus, which, as to the consolidated financial statements of New Residential Investment Corp. for the year 2013, is based in part on the report of PricewaterhouseCoopers LLP, independent accountants. The financial statements referred to above are incorporated herein by reference and in the accompanying prospectus in reliance upon such reports given on the authority of such firms as experts in accounting and auditing.

The combined financial statements of SpringCastle Finance, LLC, SpringCastle Credit, LLC, SpringCastle America, LLC and SpringCastle Acquisition, LLC incorporated in this prospectus supplement by reference to the Annual Report on Form 10-K of New Residential Investment Corp. for the year ended December 31, 2015 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of Home Loan Servicing Solutions, Ltd. and subsidiaries incorporated by reference in this prospectus supplement and elsewhere in registration statement from the Current Report on Form 8-K of New Residential Investment Corp. dated April 7, 2015 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference (which report (1) expresses an unqualified opinion on the financial statements and includes an explanatory paragraph related to material transactions with a significant related party and the sale of substantially all of the Company s assets and (2) expresses an unqualified opinion on the effectiveness of its internal control over financial reporting). Such financial statements have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

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PROSPECTUS

NEW RESIDENTIAL INVESTMENT CORP.

COMMON STOCK
PREFERRED STOCK
DEPOSITARY SHARES
DEBT SECURITIES
WARRANTS
SUBSCRIPTION RIGHTS
PURCHASE CONTRACTS
AND
PURCHASE UNITS

We may offer, issue and sell from time to time, together or separately, shares of our common stock; shares of our preferred stock, which we may issue in one or more series; depositary shares representing shares of our preferred stock; our debt securities, which may be senior, subordinated or junior subordinated debt securities; warrants to purchase debt or equity securities; subscription rights to purchase shares of our common stock, shares of our preferred stock or our debt securities; purchase contracts to purchase shares of our common stock, shares of our preferred stock or our debt securities; or purchase units, each representing ownership of a purchase contract and debt securities, preferred securities or debt obligations of third-parties, including U.S. treasury securities, or any combination of the foregoing, securing the holder s obligation to purchase our common stock or other securities under the purchase contracts.

We will provide the specific terms of these securities in supplements to this prospectus. We may describe the terms of these securities in a term sheet that will precede the prospectus supplement. You should read this prospectus and the accompanying prospectus supplement carefully before you make your investment decision.

THIS PROSPECTUS MAY NOT BE USED TO SELL SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

We may offer securities through underwriting syndicates managed or co-managed by one or more underwriters, through agents or directly to purchasers. These securities also may be resold by selling stockholders, whether owned on the date hereof or hereafter.The prospectus supplement for each offering of securities will describe in detail the plan of distribution for that offering and the identities of any selling stockholders. For general information about the distribution of securities offered, please see Plan of Distribution in this prospectus.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the trading symbol NRZ. Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange.

Unless otherwise provided in the applicable prospectus supplement, in the event that we offer common stock to the public, we will simultaneously grant to our manager, FIG LLC (our Manager), or to an affiliate of our Manager, an option with respect to a number of shares equal to 10% of the aggregate number of shares being offered in such offering at an exercise price per share equal to the public offering price per share. These options will be settled in an amount of cash equal to the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price, unless advance approval is made to settle the option in shares.

INVESTING IN OUR SECURITIES INVOLVES RISKS. BEFORE BUYING OUR SECURITIES, YOU SHOULD REFER TO THE RISK FACTORS INCLUDED IN OUR PERIODIC REPORTS, IN PROSPECTUS SUPPLEMENTS RELATING TO SPECIFIC OFFERINGS OF SECURITIES AND IN OTHER INFORMATION THAT WE FILE WITH THE SECURITIES AND EXCHANGE COMMISSION. SEE RISK FACTORS ON PAGE 7.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS OR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is August 10, 2016.

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Unless otherwise stated or the context otherwise requires, references in this prospectus to NRZ, New Residential, we, our, and us refer to New Residential Investment Corp. and its direct and indirect subsidiaries.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the Commission) using a shelf registration process. Under this shelf process, we or the selling stockholders may, from time to time, sell any combination of the securities described in this prospectus, in one or more offerings at an unspecified aggregate initial offering price.

This prospectus provides you with a general description of the securities we or the selling stockholders may offer. Each time we offer to sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement together with additional information described under the headings Where You Can Find More Information and Incorporation of Certain Documents by Reference.

You should rely on the information contained or incorporated by reference in this prospectus. Neither we nor any selling stockholder have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. Neither we nor any selling stockholder are making an offer to sell or soliciting an offer to buy securities in any jurisdiction where the offer or sale thereof is not permitted.

You should assume that the information in this prospectus is accurate as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus contains summary descriptions of the common stock, preferred stock, depositary shares, debt securities, warrants, subscription rights, purchase contracts and purchase units that we or selling stockholders may sell from time to time. These summary descriptions are not meant to be complete descriptions of each security. The particular terms of any security will be described in the related prospectus supplement.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the Commission. Our filings can be read and copied at the Commission s Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may obtain information on the operation of the public reference room by calling the Commission at 1-800-SEC-0330. Our Commission filings are also available on the Internet at the Commission s website at http://www.sec.gov. Our common stock is listed on the NYSE under the trading symbol NRZ. Our reports, proxy statements and other information can also be read at the offices of the NYSE, located at 20 Broad Street, New York, New York 10005.

We have filed with the Commission a registration statement on Form S-3 relating to the securities covered by this prospectus. This prospectus is part of the registration statement and does not contain all the information in the registration statement. You will find additional information about us in the registration statement. Any statement made in this prospectus concerning a contract or other document of ours is not necessarily complete, and you should read the documents that are filed as exhibits to the registration statement or otherwise filed with the Commission for a more complete understanding of the document or matter. Each such statement is qualified in all respects by reference to the document to which it refers. You may inspect without charge a copy of the registration statement at the Commission s Public Reference Room, as well as through the Commission s website.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Commission allows us to incorporate by reference into this prospectus information that we file with the Commission. This permits us to disclose important information to you by referring to these filed documents. Any information referenced this way is considered to be a part of this prospectus and any such information filed by us with the Commission subsequent to the date of this prospectus will automatically be deemed to update and supersede this prospectus. We incorporate by reference into this prospectus and any accompanying prospectus supplement the following documents that we have already filed with the Commission except that any information which is furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including financial statements or exhibits relating thereto furnished pursuant to Item 9.01) and not filed shall not be deemed incorporated by reference herein:

- Annual Report on Form 10-K for the year ended December 31, 2015;
- Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016;
- Current Reports on Form 8-K filed on April 7, 2015 (solely with respect to Exhibit 99.2), June 9, 2015 (solely with respect to Exhibit 99.1) January 19, 2016, March 24, 2016, April 1, 2016, April 6, 2016, May 13, 2016, May 27, 2016, June 3, 2016, July 7, 2016 and July 18, 2016;
- The portions of our Definitive Proxy Statement on Schedule 14A for our 2016 Annual Meeting of Stockholders, filed on April 13, 2016, which are incorporated by reference in our above-mentioned Annual Report on Form 10-K; and
- the description of our common stock set forth in our Registration Statement on Form 10, as amended, filed on April 29, 2013, including any amendment or report filed for the purpose of updating such description.

Whenever after the date of this prospectus we file reports or documents under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), those reports and documents will be deemed to be a part of this prospectus from the time they are filed (other than documents or information deemed to have been furnished and not filed in accordance with Commission rules). Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge, upon written or oral request, a copy of any or all of the documents that are incorporated by reference into this prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part. Requests should be directed to New Residential Investment Corp., 1345 Avenue of the Americas, 45th Floor, New York, New York, 10105, Attention: Investor Relations (telephone number (212) 479-3150 and email address ir@newresi.com). Our SEC filings are also available free of charge at our website (www.newresi.com). The information on or accessible through our website is not incorporated by reference into this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, ende seek, anticipate, estimate, overestimate, underestimate, believe, could, project, predict, continue or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, cash flows or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. As set forth more fully under the heading Risk Factors contained in Part I, Item 1A. in our Annual Report on Form 10-K for the year ended December 31, 2015 and under the heading Risk Factors contained in Part II, Item 1A. in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, which are incorporated by reference herein, factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- reductions in cash flows received from our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our investment in servicer advances;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar Mortgage LLC (Nationstar), Ocwen Financial Corporation (Ocwen), OneMain Holdings, Inc. and other third-parties;
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;
- the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our excess mortgage servicing rights (Excess MSRs), servicer advances, residential mortgage backed securities (residential MBS or RMBS) and consumer loan portfolios;
- the risks that default and recovery rates on our Excess MSRs, servicer advances, real estate securities, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;
- changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our Excess MSRs;
- the risk that projected recapture rates on the loan pools underlying our Excess MSRs are not achieved;
- the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;
- the relative spreads between the yield on the assets in which we invest and the cost of financing;
- changes in economic conditions generally and the real estate and bond markets specifically;
- adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all;
- changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;

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- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;
- the availability and terms of capital for future investments;
- competition within the finance and real estate industries;
- the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to stabilize the economy, the federal conservatorship of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) and legislation that permits modification of the terms of loans;
- our ability to maintain our qualification as a real estate investment trust (REIT) for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;
- our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the 1940 Act), and the fact that maintaining such exclusion imposes limits on our operations;
- the risks related to Home Loan Servicing Solutions, Ltd. (HLSS) liabilities that we have assumed;
- the impact of current or future legal proceedings and regulatory investigations and inquiries;
- the impact of any material transactions with the Manager or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- events, conditions or actions that might occur at Ocwen;
- various risks relating to the proposed acquisition of approximately $33 billion unpaid balance (UPB) of conventional mortgage servicing rights (MSRs) from Walter Investment Management Corp. (Walter) and approximately $35 billion UPB of MSRs representing substantially all of the assets of Walter Capital Opportunity, LP and its subsidiaries, and certain related assets of Walter, based on an agreement in principle, including risks in respect of the satisfaction of closing conditions to such transactions, unanticipated difficulties financing the purchase prices for such transactions, unanticipated expenditures relating to such transactions, uncertainties as to the timing of such transactions, litigation relating to such transactions, and the inability to obtain, or delays in achieving, the expected benefits of such transactions; and
- other risks detailed from time to time in our reports filed with the Commission, which are incorporated by reference herein. See Incorporation of Certain Documents By Reference.

Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management s views as of the date of this prospectus. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this report to conform these statements to actual results.

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NEW RESIDENTIAL INVESTMENT CORP.

Our Company

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. We were formed as a wholly owned subsidiary of Newcastle Investment Corp. (Newcastle) in September 2011 and were spun-off from Newcastle on May 15, 2013, which we refer to as the distribution date. Our stock is traded on the New York Stock Exchange under the symbol NRZ. We are externally managed and advised by our Manager, an affiliate of Fortress Investment Group LLC (Fortress) pursuant to a management agreement (the Management Agreement).

Our goal is to drive strong risk-adjusted returns primarily through our investments, and our investment guidelines are purposefully broad to enable us to make investments in a wide array of assets in diverse markets, including non-real estate related assets such as consumer loans. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation. We aim to generate attractive risk-adjusted returns for our stockholders, which at times incorporates the use of leverage.

We intend to continue to invest opportunistically across the residential real estate market. We expect our asset allocation and target assets to change over time depending on the types of investments our Manager identifies and the investment decisions our Manager makes in light of prevailing market conditions.

Our Manager

We are managed by our Manager, an affiliate of Fortress. We are able to draw upon the long-standing expertise and resources of Fortress, a global investment management firm with $70.2 billion of alternative and traditional assets under management as of June 30, 2016. As of June 30, 2016, New Residential conducted its business through the following segments: (i) investments in Excess MSRs, (ii) investments in servicer advances (including the basic fee component of the MSRs), (iii) investments in real estate securities, (iv) investments in real estate loans, (v) investments in consumer loans and (vi) corporate.

Pursuant to the terms of our Management Agreement with our Manager, our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. For its services, our Manager is entitled to an annual management fee and is eligible to receive incentive compensation, depending upon our performance.

Our Manager may determine, in its discretion, to make a particular investment through an investment vehicle other than us. Investment allocation decisions will reflect a variety of factors, such as a particular vehicle s availability of capital (including financing), investment objectives and concentration limits, legal, regulatory, tax and other similar considerations, the source of the investment opportunity and other factors that the Manager, in its discretion, deems appropriate. Our Manager does not have an obligation to offer us the opportunity to participate in any particular investment, even if it meets our investment objectives.

General

Our stock is traded on the NYSE under the symbol NRZ. We are a REIT for federal income tax purposes.

We are incorporated in Delaware and the address of our principal executive office is 1345 Avenue of the Americas, 45th Floor, New York, New York 10105. Our telephone number is (212) 479-3150. Our Internet address is www.newresi.com. newresi.com is an interactive textual reference only, meaning that the information contained on the website is not part of this prospectus and is not incorporated into this prospectus or any accompanying prospectus supplement by reference.

RISK FACTORS

Before you invest in any of our securities, in addition to the other information in this prospectus and any prospectus supplement or other offering materials, you should carefully consider the risk factors in any prospectus supplement as well as under the heading Risk Factors contained in Part I, Item 1A. in our Annual Report on Form 10-K for the year ended December 31, 2015 and under the heading Risk Factors contained in Part II, Item 1A. in our Quarterly Reports on Form 10-Q for the periods ended March 31, 2016 and June 30, 2016, which are incorporated by reference into this prospectus and any prospectus supplement, as the same may be amended, supplemented or superseded from time to time by our filings under Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act. These risks could