Mr. Cooper Group Inc.
Form PRE 14A
March 28, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

Mr. Cooper Group Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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April 11, 2019

Dear Stockholders,

On behalf of your Board of Directors, I want to invite you to attend our 2019 Annual Meeting of Stockholders. The meeting will be held on Thursday, May 16, 2019, at 9:00 a.m., central time, at the Dallas/Fort Worth Airport Marriott, 8440 Freeport Parkway, Irving, Texas 75063. Please RSVP at secretary@mrcooper.com by 5:00 p.m. central time on May 15, 2019, if you plan to attend the meeting in person. Details regarding the business to be conducted at the annual meeting are more fully described in the accompanying materials.

I would like to personally thank you for your continued investment in Mr. Cooper Group. We look forward to welcoming you to our annual meeting. Your vote is important to us - even if you do not plan to attend the meeting in person, we hope that you vote your proxy promptly so your shares are represented.

Sincerely,

Jay Bray
Chairman, President & Chief Executive Officer

REVIEW THE PROXY STATEMENT AND VOTE IN ONE OF FOUR WAYS:

VIA THE INTERNET

Visit www.investorvote/coop.com.

BY TELEPHONE

Call the telephone number on your proxy card or voting instruction form.

BY MAIL

Sign, date, and return the enclosed proxy card or voting instruction form.

IN PERSON

Attend the annual meeting in person. Please RSVP at secretary@mrcooper.com.

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8950 Cypress Waters Blvd.

Coppell, Texas 75019

April 11, 2019

NOTICE OF THE 2019 ANNUAL MEETING OF STOCKHOLDERS

9:00 a.m., central time, Thursday, May 16, 2019

Dallas/Fort Worth Airport Marriott

8440 Freeport Parkway

Irving, Texas 75063

(1) Election of Directors;

(2) Advisory vote on executive compensation (Say on Pay);

(3) Advisory vote on the frequency of Say on Pay votes;

(4) Approval of the 2019 Omnibus Incentive Plan;

(5) Ratification of Ernst & Young LLP as independent auditors;

(6) Ratification of a bylaw amendment to designate an exclusive forum for certain legal actions; and

(7) Any other business that may properly come before the meeting.

Holders of our common stock and our Series A Convertible Preferred Stock at the close of business on March 18, 2019 are entitled to vote at the annual meeting.

Please complete, sign, date and return your proxy card or submit your proxy by following the instructions contained in this Proxy Statement and on your proxy card. Even if you plan on attending in person and voting, you are encouraged to submit your proxy to ensure your vote is counted if you are unable to attend. You may revoke your proxy and vote in person at the annual meeting if you choose to do so.

If you plan to attend the meeting in person, please RSVP at secretary@mrcooper.com by 5:00 p.m. central time on May 15, 2019.

By order of the Board of Directors,

Elizabeth K. Giddens
Senior Vice President, Deputy General Counsel & Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Stockholders Meeting to Be Held on May 16, 2019: This Proxy Statement is available free of charge on the Investors section of our website (investors.mrcoopergroup.com). In addition, you may access the Proxy Statement free of charge at www.proxyvote.com, a site that does not have cookies that identify visitors to the site.

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EXECUTIVE SUMMARY

This proxy statement and the accompanying materials are being made available to Mr. Cooper Group Inc. stockholders beginning on or about April 11, 2019. You should read the entire proxy statement carefully before voting. For additional information about the 2019 Annual Meeting, please see General Information About the Annual Meeting and Voting at the end of the proxy statement.

This executive summary highlights many of our accomplishments in 2018, which we view as a transformative year. We completed the Merger with Nationstar Mortgage Holdings Inc. (Nationstar) in July 2018 (the Merger), completed a 1-for-12 reverse stock split and changed our name to Mr. Cooper Group. With our industry-leading executive team and a new ownership structure brought about through the Merger, we have and will continue to take steps to more closely align our governance and compensation programs with our strategy and with the long-term interests of stockholders. We are in the process of reviewing our compensation program and have committed to making significant revisions.

2019 ANNUAL MEETING INFORMATION

DATE AND TIME	PLACE	RECORD DATE	ADMISSION
9:00 a.m., central time Thursday, May 16, 2019	Dallas/Fort Worth Airport Marriott 8440 Freeport Parkway Irving, Texas 75063	March 18, 2019	Photo identification and proof of ownership as of the record date are required to attend the meeting

MATTERS TO BE VOTED ON AT OUR 2019 ANNUAL MEETING

		Board Recommendation	Page No.
Proposal 1:	Election of Directors	FOR each director	19
Proposal 2:	Advisory Vote on Executive Compensation (Say on Pay)	FOR	50
Proposal 3:	Advisory Vote on the Frequency of Say on Pay	EVERY YEAR	51
Proposal 4:	Approval of the 2019 Omnibus Incentive Plan	FOR	52
Proposal 5:	Ratification of the Appointment of Ernst & Young LLP as our Independent Auditors for 2019	FOR	60
Proposal 6:	Ratification of a Bylaw Amendment to Designate an Exclusive Forum for Certain Legal Actions	FOR	62

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PERFORMANCE HIGHLIGHTS

Following the financial crisis the servicing market shifted to non-banks as the government agencies and large banks recognized the importance of servicers with specialized expertise in working with customers with financial stress. From a start of $21 billion Unpaid Principal Balance (UPB) in 2008, we ve grown our portfolio to $548 billion, making us the leader among nonbank servicers. Much of this growth reflects the trust of mortgage investors in our capability to work with distressed borrowers. We have returned on average 26% of delinquent loans to performing status, which is more than double the industry average. Additionally, we have built a very efficient operating platform, with direct servicing costs well below our peers. We have also established a true customer-centric culture, which includes rebranding the company as Mr. Cooper. This culture is transforming the experience for both team members and customers, resulting in the highest team member retention and satisfaction rates in our history. Finally, we have built a number of service offerings for our customers through Xome and recapture, creating a competitive advantage. Provided below are 2018 highlights with respect to each of our operating segments on a combined basis[1].

SERVICING

- Boarded approximately $121 billion UPB, including $60 billion subservicing UPB;
- Improved delinquency rate, measured as loans that are 60 or more days behind in payments, from 3.4% in 2017 to 2.2% in 2018; and
- Provided approximately 59,800 solutions to our mortgage servicing customers, reflecting our continued commitment to foster and preserve homeownership.

ORIGINATIONS

- Funded 97,252 loans totaling approximately $21.2 billion, which included $9.7 million related to retaining customers from our servicing portfolio; and
- Achieved a recapture rate of 25%.

XOME

- Expanded third-party revenues to 43% driven primarily by our title and close business, as well as through the acquisition of Assurant Mortgage Solutions title, valuation and field service business;

Sold 10,872 properties and completed 1,072,534 Xome service orders; and

Acquired Assurant Mortgage Solutions for approximately $38 million in cash with additional consideration dependent on the achievement of certain future performance targets. The acquisition expands Xome s footprint and grows its third-party client portfolio across its valuation, title and field services businesses.

[1] See Basis of Presentation in Management s Discussion and Analysis of Financial Condition and Results of Operation in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of the presentation of results on a combined basis.

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COMPENSATION HIGHLIGHTS

We view 2018 as a transformative year for Mr. Cooper Group. Prior to and through the Merger discussions, the Company has been led by mortgage industry veterans with decades of combined tenure at the Company. We have continued to build an outstanding executive team. In the past twelve months alone, we have brought on board a new Chief Executive Officer of Xome, a Chief Business and Product Officer and a new Chief Financial Officer.

With our industry-leading executive team, a reconstituted Compensation Committee, new Compensation Committee chair and a new ownership structure brought about through the Merger, we have and will continue to take steps to more closely align our compensation program with our strategy and with the long-term interests of stockholders.

In connection with the Merger, we are in the process of reviewing our compensation program and have committed to making significant revisions to our executive compensation program. Below are some highlights of steps taken thus far.

We have begun and will complete a review of our current compensation program. In 2019, we plan to adopt a new program that closely ties executive compensation to stockholder returns. In developing this program, the Compensation Committee will consider the business risks inherent in the design of the program to ensure it does not induce executives to take unacceptable levels of business risk for the purpose of increasing their incentive awards. We will work closely with our compensation advisor and the management team to ensure that the program motivates our team, reduces retention risk and that the costs are reasonable to stockholders.

To better align with our peers, in October we revised the salaries of our senior executives to be at a level that reflects those of our peers, the planned increase in equity-based compensation, the size of the Company, the nature of the business strategy and the expectations of the Board.

As a result of the Merger, the majority of our senior executives existing equity awards vested. Accordingly in November, to incentivize our senior executives, to encourage their long-term commitment and to build stockholder value over the long term, the Compensation Committee approved a retention equity grant for our senior executives, as well as key Senior Vice Presidents and Vice Presidents. For the most senior executives, the equity will vest ratably over the next five years beginning in March 2020. For the other executives the vesting period is three years.

We believe these actions and our commitment to change the compensation program will ensure that our executive team members are compensated for their critical role in building the industry leader in mortgage servicing and driving stockholder value over the years to come.

We took further steps to ensure alignment between our executives and stockholders by adopting minimum levels of equity ownership for our officers and Board members. The ownership guidelines are consistent with industry peers.

To ensure that we have the equity we need to motivate and retain our officers, we are asking stockholders to approve a new employee equity plan. The plan has been updated to include provisions that are considered best practices. Under the terms of the proposed plan, the shares available in the current plans are no longer available for issuance. We anticipate that the shares requested in the proposed plan, 20 million fungible units or 10 million full-value shares, will meet our requirements to appropriately align management and stockholders interest for the next four to five years. The proposed upsizing combined with the current shares already awarded will represent approximately 15% of the total shares outstanding. We estimate that this level is at approximately the 50^{th} percentile of our peer group.

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Below are some highlights of our compensation program:

What We Do	What We Don t Do
Align our executive pay with performance	X Executive employment agreements
Annual say on pay advisory vote	X Tax gross-ups for change of control benefits
Set multiple challenging performance objectives	X Short sales, hedging, or pledging of stock ownership positions
Stock ownership guidelines for executive officers and directors	X Strict benchmarking of compensation to a specific percentile of our peer group
Caps on director equity awards and fees	X Excessive perquisites
Independent compensation consultant engaged by the Compensation Committee	
Annual review and approval of our compensation strategy	
Significant portion of executive compensation at risk based on corporate performance	
Double trigger equity acceleration default provision upon change of control	
Minimum equity award vesting periods	

Clawback of equity awards under specified circumstances	

CORPORATE GOVERNANCE HIGHLIGHTS

We believe that good corporate governance promotes the long-term interests of our stockholders, strengthens our Board and management accountability and leads to better business performance. After the Merger, we evaluated our corporate governance practices and made significant changes from the practices of Nationstar. We have also moved to diversify our Board through the appointment of Busy Burr, who is standing for election at the 2019 Annual Meeting. We are committed to maintaining strong corporate governance practices and will continually evaluate these practices going forward. Additionally, we value our stockholders continued interest and feedback and are committed to maintaining an active dialogue to understand the priorities and concerns of our stockholders on a variety of topics, as well as to understand stockholders perspectives on our executive compensation program, our decision-making processes, our disclosure and recent trends and events. This outreach program ensures that the Committee and Board consider the issues that matter most to our stockholders so we can address them effectively.

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Below are some highlights of our corporate governance practices. Practices in blue are either new practices that were adopted post-Merger or our practices pre-Merger that were different from Nationstar s.

Unclassified Board	Stockholder Right to Call Special Meetings and Act by Written Consent of Majority
Majority Independent Director Nominees	Year-Round Stockholder Engagement Process
Independent Lead Director	Board Risk Oversight
Majority Voting for Directors with Resignation Policy	Stock Ownership Guidelines for Officers and Directors
Director Attendance at >75% Of Meetings	Executive Succession Planning Process
100% Board Attendance at 2018 Annual Meeting	Anti-Hedging/Pledging Policy

Independent Directors Meet without Management Present	Annual Review of Committee Charters and Governance Guidelines
Annual Say-on-Pay Vote	Annual Board and Committee Evaluations
CEO Evaluation Process	Demonstrated Board Refreshment
Board Continuing Education Program	Office of Diversity and Inclusion
Code of Conduct for Directors, Officers and Employees	Appointed Diverse Director in March

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Key Areas Of Board Oversight

Our Board is responsible for, and committed to, the oversight of the business and affairs of our company. In carrying out this responsibility, our Board advises our senior management to help drive success for us and for long-term value creation for our stockholders. Our Board discusses and receives regular updates on a wide variety of matters affecting us. Our Board met 20 times in 2018.

DIRECTOR NOMINEES

Our director nominees are:

Name	Director Since	Committees
Jay Bray	2018	
Busy Burr	2019	
Robert Gidel	2018	Compensation (Chair) Audit & Risk Nominating & Corporate Governance
Roy Guthrie	2018	Audit & Risk (Chair) Compensation
Michael Malone	2018	Nominating & Corporate Governance (Chair) Audit & Risk Compensation
Tagar Olson	2015	Compensation
Christopher Harrington	2017	
Steven Scheiwe	2012	Audit & Risk Nominating & Corporate Governance

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Key Qualifications

The following chart sets forth information for each of our director nominees detailing their skills which illustrates the high level of experience and skills each brings to the Board.

Senior Leadership
Financial Services Industry
Accounting and Finance
Risk Management
Technology
Mergers and Acquisitions
Public Company Board and Corporate Governance
Government Relations, Regulatory or Legal
Compensation and Human Resources

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2019 PROXY STATEMENT

We view 2018 as a transformative year. We completed the Merger with Nationstar, completed a 1-for-12 reverse stock split and changed our name to Mr. Cooper Group. In connection with the Merger, we evaluated many of our governance and compensation practices and made significant changes from the practices of Nationstar. We expect to further develop our governance and compensation practices going forward to better align with the long-term interests of our stockholder.

In this proxy statement, Mr. Cooper Group, Company, we, us or our refers to Mr. Cooper Group Inc. or to it and or more of its subsidiaries. This proxy statement contains information on the matters to be presented at our 2019 Annual Meeting of Stockholders to be held on May 16, 2019, to assist you in voting your shares.

CORPORATE GOVERNANCE

Governing Documents

The following primary documents make up our corporate governance framework:

- Corporate Governance Guidelines
- Audit & Risk Committee Charter
- Compensation Committee Charter
- Nominating & Corporate Governance Committee Charter
- Code of Business Conduct and Ethics
- Code of Ethics for our CEO and Senior Financial Officers

These documents are accessible on our website at www.mrcoopergroup.com by clicking on Corporate Governance under the Investor tab. You may also obtain a free copy of any of these documents by sending a written request to Mr. Cooper Group Inc., 8950 Cypress Waters Boulevard, Coppell, Texas 75019, Attention: Corporate Secretary. Any substantive amendment to or grant of a waiver from a provision of the Code of Ethics requiring disclosure under applicable Securities and Exchange Commission (SEC) or National Association of Securities Dealers Automatic Quotations (NASDAQ) rules will be posted on our website.

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Corporate Governance Guidelines

This document sets forth the Company s primary principles and policies regarding corporate governance. The Corporate Governance Guidelines are reviewed from time to time as deemed appropriate by the Board. The matters covered by the Corporate Governance Guidelines include the following:

Board Leadership	Board and Committee Compensation
Size of the Board	Board Self-Evaluation
Board Membership Criteria	Strategic Direction of the Company
Other Public Company Directorships	Board Access to Management
Independence of Directors	Attendance of Management at Board Meetings
Ethics and Code of Conduct	Director Interaction with Outside Constituencies
Conflicts of Interest	Confidentiality

Director s Change of Job Responsibility	Board Orientation and Continuing Education
Director Retirement Age and Tenure	Director Attendance at Annual Meetings of Stockholders
Director Resignations	Succession Planning
Executive Sessions for Non-Management and Independent Directors	Leadership Development, including Evaluation of the Chief Executive Officer

Board Leadership Structure

We have a strong and active Board composed predominately of independent directors who understand our business and who work closely with our Chairman, President and Chief Executive Officer and other members of senior management. The Board has no fixed policy on whether to have an independent chairman. Currently, Jay Bray, our President & Chief Executive Officer, serves as Chairman of the Board. Our Board has determined that, at this time, this current structure, with a combined Chairman and Chief Executive Officer role and an independent lead director, is in the best interests of the Company and its stockholders. The Board believes the combined role of Chairman of the Board and Chief Executive Officer promotes unified leadership and execution of our strategic plan, facilitates information flow between management and

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the Board and enables Mr. Cooper Group to benefit from Mr. Bray s significant institutional and industry knowledge and experience. This combined role is both supplemented and enhanced by the effective oversight and independence of our Board and the leadership provided by our independent lead director. Our Board has appointed Roy Guthrie to serve as our independent lead director.

The independent lead director has broad responsibility and has authority to:

- serve as chair during executive sessions of the Board;
- call meetings of the independent directors when necessary;
- preside at meetings of the Board when the Chairman is not present;
- act as liaison between the Chairman, President & Chief Executive Officer and the Board;
- manage intra-board relationships;
- set meeting agendas; and
- if requested by major stockholders, ensure that he is available for consultation and direct communication.

In general, our independent lead director serves as the liaison between our Chairman and our independent directors. He is available to consult with our Chairman about the concerns of the Board and is available to consult with senior management regarding their concerns. Having an independent lead director fosters a Board culture of open discussion and deliberation, with a thoughtful evaluation of risk, to support sound decision-making. It encourages communication among the directors, and between management and the Board, to facilitate productive working relationships. Working with our Chairman and other Board members, our independent lead director also ensures there is an appropriate balance and focus among key Board responsibilities such as strategy development, review of operations, risk oversight and management succession planning. The Board believes it is important to maintain flexibility with the Board s leadership structure. The Board will continue to regularly review its leadership structure and exercise its discretion in recommending an appropriate and effective framework to assure effective governance and accountability, taking into consideration the needs of the Board and the Company.

Board s Role in Risk Oversight

Senior management has the responsibility to develop and implement our strategic plans and to identify, evaluate, manage, and mitigate the risks inherent in those plans. It is the responsibility of the Board to understand and oversee our strategic plans, the associated risks, and the steps that our Chief Risk and Compliance Officer and senior management are taking to manage and mitigate those risks. The Board takes an active approach to its role in overseeing the development and execution of our business strategies as well as its risk oversight role. This approach is bolstered by the Board s leadership and committee structure, which ensures proper consideration and evaluation of potential enterprise risks by the full Board. In addition to receiving information from its committees, the Board also receives updates directly from Mr. Bray who due to his position as both Chairman of the Board and President and Chief Executive Officer of the Company is particularly important in communicating with other members of management and keeping the Board updated on the important aspects of our operations. Additionally, our Board receives updates from our independent lead director who is also the chairman of the Audit & Risk Committee. As part of its strategic risk management oversight, the full Board conducts a number of reviews throughout the year to ensure that our strategy and risk management is appropriate and prudent, including:

- A comprehensive annual review of our overall strategic plan with updates throughout the year.

- Direct discussions with our Chairman, President and CEO in executive sessions held at our Board meetings about the state of the business.

- Reviews of the strategic plans and results for our business segments, including the risks associated with these strategic plans, at Board meetings during the year.

Reviews of other strategic focus areas for the Company, such as innovation, information and cybersecurity, and organizational management. The Board also has overall responsibility for leadership succession for our most senior officers and reviews succession plans on an ongoing basis.

Annual review of the conclusions and recommendations generated by management s enterprise risk management process. This process involves a cross-functional group of the Company s senior management, which identifies on a continual basis current and future potential risks facing the Company, partnering with Internal Audit, on actions to appropriately manage and mitigate those potential risks. In conjunction with our enterprise risk management process, management also analyzes emerging cybersecurity threats as well as our plans and strategies to address them.

The Board has delegated certain risk management oversight responsibilities to specific Board committees, each of which reports regularly to the full Board as follows:

Further, the Audit & Risk Committee has engaged certain third-party consultants to review and assess our compliance and risk management structure, programs and practices, including our enterprise-wide compliance risk management system.

Independent Directors

We recognize the importance of having an independent Board that is accountable to Mr. Cooper Group and its stockholders. Accordingly, our Corporate Governance Guidelines provide that a majority of our directors shall be independent in accordance with NASDAQ listing standards. Currently, nearly 90% of our Board is independent.

Board, Committee and Annual Meeting Attendance

The Board held 20 meetings during 2018. Each director attended at least 75% of the total number of meetings of the Board and committees held during the period he or she served. Directors are invited and encouraged but are not required to attend our annual meeting of stockholders. In 2018, all of our directors serving at that time attended our annual meeting of stockholders.

Presiding Non-Management Director and Executive Sessions

Our non-management and independent directors meet in executive session without management at least twice per year. Our independent lead director presides at each executive session.

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Board and Committee Evaluations

Our Board is committed to continuous improvement and recognizes the importance of a robust evaluation process to enhance board performance and effectiveness. Our Nominating & Corporate Governance Committee (the NCG Committee) oversees the annual performance evaluation of the Board and ensures that each of the Board s committees conducts an annual self-evaluation. In general, covered areas include Board alignment, governance, strategy, culture, composition, information, meetings and leadership. In 2018, the Board and its committees concluded that they were operating effectively. In 2019, the NCG Committee has engaged a third-party provider to administer online assessment questionnaires for both the Board and its committees. After completing the questionnaire, the Board and its committees will receive a full report with tailored analyses, summarized assessment results, including areas of concern for discussion, and highlights of effective practices and recommendations for ongoing development.

Communications with the Board

Any Mr. Cooper Group stockholder or other interested party who wishes to communicate with the Board or any of its members, including our independent lead director, may do so by writing to: Board of Directors (or one or more named directors) c/o Mr. Cooper Group Inc., 8950 Cypress Waters Boulevard, Coppell, Texas 75019, Attention: Corporate Secretary. Relevant communications will be distributed to the Board, or to any individual director or directors as appropriate, depending on the facts and circumstances outlined in the communication. Communications that are unrelated to the duties and responsibilities of the Board will not be forwarded, such as annual report requests, business solicitations, advertisements and job inquiries. Any communication that is screened as described above will be made available to any director upon his or her request.

Communications with the Audit & Risk Committee

Complaints and concerns relating to our accounting, financial reporting, internal accounting controls or auditing matters (together, Accounting Matters) should be communicated to the Audit & Risk Committee of the Board. Any such communications may be made on an anonymous basis. Employee concerns or complaints may be reported to the Audit & Risk Committee through a third-party vendor, The Network, Inc., which has been retained by the Audit & Risk Committee for this purpose. The Network, Inc. may be contacted toll-free at 866-919-3222 or via The Network, Inc. s website at www.nationstar.ethicspoint.com. Outside parties, including stockholders, may bring issues regarding Accounting Matters to the attention of the Audit & Risk Committee by writing to: Audit & Risk Committee c/o Executive Vice President & General Counsel, Mr. Cooper Group Inc., 8950 Cypress Waters Boulevard, Coppell, Texas 75019.

All complaints and concerns will be reviewed under the direction of the Audit & Risk Committee and oversight by the general counsel and other appropriate persons as determined by the Audit & Risk Committee. The general counsel reports to the Audit & Risk Committee on such communications.

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Criteria and Procedures for Selection of Director Nominees and Board Diversity

Although the Board retains ultimate responsibility for nominating members for election to the Board, the NCG Committee conducts the initial screening and evaluation process. As provided in our Corporate Governance Guidelines, director nominees, including those directors eligible to stand for re-election, are selected based upon requirements of applicable laws and NASDAQ listing standards and among other things, the following factors:

Strength of Character	Business Experience and Areas of Expertise	Judgment	Composition of the Board	Principles of Diversity	Time Availability and Dedication	Conflicts of Interest

Although we do not have a formal policy on diversity the NCG Committee appreciates the benefits that diversity, including gender diversity, can bring to a board of directors. Last year, the NCG Committee embarked on a search for female candidates with skills that would complement our Board s strategic oversight role and engaged an independent director search firm to assist in identifying and recruiting female Board candidates and who subsequently identified and recommended Ms. Burr to the NCG Committee. In early 2019, upon recommendation of the NCG Committee, the Board appointed Ms. Burr to our Board.

In conducting the screening and evaluation of potential director nominees, the NCG Committee considers candidates recommended by directors and our management, as well as recommendations from our stockholders. To recommend a candidate for election to the Board, a stockholder must submit the information required by our Bylaws, including, among other things, the following information, to Mr. Cooper Group Inc., 8950 Cypress Waters Boulevard, Coppell, Texas 75019, Attention: Corporate Secretary, generally not less than 90 days nor more than 120 days in advance of the one-year anniversary of the date on which our proxy statement was released to stockholders in connection with the previous year s annual meeting of stockholders:

- the name, age, business and residence address and the principal occupation and employment of the nominee;
- a completed written questionnaire regarding the background and qualification of the nominee;
- the nominee s consent to being named in the proxy statement as a nominee and all information that would be required to be disclosed in a proxy statement or other filings about the nominee;
- a written representation and agreement regarding voting arrangements that have not been disclosed; compliance with applicable laws; intention to serve a full term if elected and that the nominee will provide true, correct and non-misleading information in all material respects; and

a description of all monetary arrangements during the past three years and any other material relationships between the nominee and a stockholder.

In considering candidates recommended by stockholders, the NCG Committee will take into consideration the needs of the Board and the qualifications of the candidate. While a stockholder may submit a director nominee pursuant to these criteria and procedures, the nomination would continue to remain subject to the rights of Kohlberg Kravis Roberts & Co. L.P. (KKR) as discussed below under the caption Certain Relationships and Related-Party Transactions Our Relationship with KKR.

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OTHER GOVERNANCE POLICIES AND PRACTICES

Stockholder Engagement

We believe that effective corporate governance includes regular, active dialogue with analysts, investors in our equity and senior notes, and other market participants, and we take into account their feedback on our executive compensation program as well as the Company s strategy, financial results and disclosures, and industry and market trends. In connection with the Merger and our transition from controlled company status to a more diversified investor base, we have invested additional resources into our investor relations program, including hiring experienced staff. We are working to further improve our engagement by increasing our participation in investor conferences and non-deal roadshows, revising selected disclosures to increase clarity, and improving the consistency and effectiveness of our communications.

Employee Diversity and Inclusion Initiatives

Our success as a business is directly tied to our ongoing efforts to attract and retain diverse talent and maintain an inclusive and progressive environment where each employee can thrive. Defined broadly, diversity can include any number of characteristics that make us unique including age, disability status, culture, sexual orientation, gender identity, race, color, gender, religion, national origin, parental status, educational background, socioeconomic status, intellectual perspective, organizational level and more. To formalize our values of embracing and leveraging diversity, we created the Office of Diversity and Inclusion to serve as a driver and a resource for our team members. Since its inception, the Office of Diversity and Inclusion has spearheaded numerous programs including a diversity and inclusion campaign and also assisted team members with the formation of several Cooper Resource Teams which are comprised of team members who have similar interests and backgrounds that serve as a resource for their members and the Company by fostering a diverse and inclusive workplace aligned with our mission, values, goals, business practices, and objectives. Embracing and leveraging diversity through an inclusive work environment fosters new ideas, new insights, and constant innovation, which will allow us to keep the dream of homeownership alive. For more information please visit www.mrcooper.com/corporate_responsibility/outreach.

Corporate Responsibility and Sustainability

Corporate responsibility and sustainability play an important role in our business, operating strategies and long-term value creation for our stockholders, customers and team members. We believe that environmental, social and governance (ESG) practices are critical to attracting and retaining the best talent, meeting the evolving needs of our customers and being good stewards of our communities.

We are committed to our customers and homeownership, so alongside government and non-profit housing organizations, we regularly visit local communities to meet homeowners face-to-face to answer their housing questions, provide free-counseling and education, build and donate properties and organize local assistance programs. Additionally, we encourage our team members to volunteer their time and efforts to support their local communities either as part of a company initiative or on their own with their non-profit organization of choice. All Mr. Cooper Group team members are given time off for volunteer activities full-time team members are eligible for up to eight hours of pay, and part-time employees are eligible for up to four hours of pay in a calendar year.

We are committed to conducting operations and activities in a manner that provides and maintains safe and healthful working conditions, protects the environment and conserves natural resources. We maintain practices so that our operations are managed and operated in compliance with applicable laws and regulations. As part of our green initiatives, we promote environment-friendly solutions within our buildings for team members to access, including a recycling program and a reduction in paper products. For our customers, we offer electronic statements and communications rather than relying on paper.

We recognize the importance of ESG considerations and are firmly committed to conducting business in a responsible manner. For more information please visit www.mrcooper.com/corporate_responsibility/outreach.

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BOARD OF DIRECTORS

Prior to the completion of the Merger, our Board consisted of Steve Scheiwe (Chairman), William Gallagher, Diane Glossman, Christopher Harrington, Tagar Olson, Michael Renoff and Michael Willingham. In connection with the Merger, Ms. Glossman and Messrs. Gallagher, Renoff and Willingham resigned from the Board, and Jay Bray, Robert Gidel, Roy Guthrie and Michael Malone joined our Board and in March our Board appointed Ms. Burr to the Board. Our Amended and Restated Certificate of Incorporation provides that the Board consist of not more than 11 directors, or such greater number as may be determined by the Board. As of the date of this proxy statement, the Board consists of eight members who are elected each year at the Annual Meeting of Stockholders to hold office until the next annual meeting. Our current Board is as follows:

Jay Bray	Christopher Harrington
Busy Burr	Michael Malone
Robert Gidel	Tagar Olson
Roy Guthrie	Steven Scheiwe

The Board has determined that each of the directors, other than Mr. Bray, satisfies our independence standards and further that each of them is independent of us and our management within the meaning of NASDAQ s listing standards.

Our Amended and Restated Certificate of Incorporation does not provide for cumulative voting in the election of directors, and in 2018, we amended our bylaws to provide that directors are elected by a majority of the votes present in person or by proxy entitled to vote.

Committees of the Board

The Board currently has three principal standing committees Audit & Risk, Compensation and NCG. The Corporate Strategy and Development Committee, whose general purpose was to assist the Board with the identification of potential acquisition candidates and other strategic or business investment opportunities, was disbanded in connection with the Merger. The Board has determined that each member of these committees is independent, as defined under NASDAQ s listing standards and for the purpose of the committees upon which such directors serve.

Nominating & Corporate Governance Committee

Mike Malone, Chair

The members of the NCG Committee are Messrs. Malone, Gidel and Scheiwe. Each member of our NCG Committee is independent, as defined under NASDAQ s listing standards. The NCG Committee met three times in 2018.

The NCG Committee s purpose is to:

- assist the Board in identifying individuals qualified to serve as members of the Board and its committees;

- develop and recommend to the Board a set of corporate governance guidelines for the Company;
- oversee the evaluation of the Board and its committees;
- review, approve or ratify related-party transactions and other matters which may pose conflicts of interest; and
- otherwise taking a leadership role in shaping our corporate governance.

A copy of the NCG Committee Charter is available on our website. For more information about the process for identifying and evaluating nominees for director, see the Corporate Governance Criteria and Procedures for Selection of Director Nominees section above.

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Audit & Risk Committee

Roy Guthrie, Chair

The members of the Audit & Risk Committee are Messrs. Guthrie, Gidel, Malone and Scheiwe. The Board has determined that (a) each is independent ; (b) each is financially literate; and (c) Mr. Guthrie is an audit committee financial expert, as these terms are defined by the Securities Exchange Act of 1934 (the Exchange Act) and NASDAQ. The Audit & Risk Committee met eight times in 2018.

The Audit & Risk Committee s purpose is to assist the Board in its oversight of:

- our accounting and financial reporting processes and the audits of our financial statements;
- the qualifications, independence and performance of our independent registered public accounting firm;
- our internal audit function, and the performance of our internal accounting and financial controls;
- risk management, including cyber risks; and
- our compliance with legal, ethics and regulatory requirements.

A copy of the Audit & Risk Committee s Charter is available on our website.

Compensation Committee

Robert Gidel, Chair

The members of the Compensation Committee are Messrs. Gidel, Guthrie, Malone and Olson. Each member of our Compensation Committee is independent, as defined under NASDAQ s listing standards. All directors, except for Mr. Olson, are also non-employee directors as defined in Rule 16b-3(b)(3) under the Exchange Act. The Compensation Committee met eight times in 2018.

The Compensation Committee s purpose is to:

- discharge the Board s responsibilities relating to the compensation of our Chairman, President and Chief Executive Officer and other executive officers;
- oversee our compensation policies and programs for our executive officers and directors of the Board;

- review and discuss with management our compensation discussion and analysis to be included in our annual proxy statement and annual report filed with the SEC;
- develop a succession plan for our executive officers; and
- prepare the Compensation Committee Report as required by the rules of the SEC.

A copy of the Compensation Committee Charter is available on our website. For additional information regarding the Compensation Committee s processes and procedures for consideration of director compensation and executive compensation see Director Compensation and Compensation Discussion and Analysis, respectively.

Equity Plan & Incentive Awards Committees

In August 2018, our Compensation Committee formed a subcommittee, the Equity Plan Committee, comprised of its non-employee directors, Messrs. Gidel, Guthrie and Malone. The primary purpose of the Equity Plan Committee is to administer our incentive compensation plan and to grant equity awards thereunder primarily to our Section 16 officers, without limiting the authority of our Compensation Committee. The Compensation Committee has further delegated to the Incentive Awards Committee, which consists of Jay Bray, our Chairman, President & Chief Executive Officer, the authority to make certain awards under our incentive compensation plan to our employees who are not executive officers.

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Compensation Advisor

The Compensation Committee has the authority, in its sole discretion, to retain and terminate compensation advisors, including approval of the terms and fees of any such arrangement. Nationstar s Compensation Committee engaged Pearl Meyer to assist the Compensation Committee with its responsibilities related to developing our executive and Board compensation programs for 2018. After the Merger, in October 2018, the Compensation Committee retained Gresslle & McGinley LLC (Gressle & McGinley) to serve as the Compensation Committee s independent compensation advisor. Neither Pearl Meyer nor Gressle & McGinley provides other services to Mr. Cooper Group. Additionally, based on (a) standards promulgated by the SEC and NASDAQ to assess compensation advisor independence, which are identified in the Compensation Committee s Charter and (b) the analysis conducted by each of Pearl Meyer and Gressle & McGinley in its independence review, the Compensation Committee concluded that each of Pearl Meyer and Gressle & McGinley is an independent advisor to Mr. Cooper Group and that the work performed by Pearl Meyer and Gressle & McGinley did not raise any conflicts of interest. For more information on the compensation advisor, see Role of Compensation Advisor in the Compensation Discussion and Analysis section of this proxy statement.

Compensation Committee Interlocks and Insider Participation

There is not, nor was there during 2018, any compensation committee interlock or insider participation on the Compensation Committee.

Director Compensation

After the Merger, the Compensation Committee, in consultation with Gressle & McGinley, reviewed the compensation of the Board and compared it to a peer sample that was developed using companies that (a) were identified by management and the Compensation Committee, (b) use us as a peer company, and (c) are in the same or similar Standard Industrial Classification (SIC) and Global Industry Classification Standard (GICS) codes. Based on this review, the Compensation Committee noted that our Board and its committees carry a significant workload as seen in the number of meetings held during the year and only five Board members receive director fees, among the lowest in the sample. As a result, our aggregate board fees were comparable to our peer sample. After review, the Compensation Committee recommended to the Board that the director fees continue at the same level as the Nationstar director fees, except that the independent lead director fee should be increased to $85,000 per year beginning in December 2018. The independent director fees are payable in semi-annual installments in arrears, based on the following annual fees:

Cash Retainer	Lead Director	Audit & Risk Committee Chair	Compensation Committee Chair	NCG Committee Chair	Audit & Risk Committee Member	Compensation Committee Member	NCG Committee Member
$125,000	$85,000	$85,000	$60,000	$45,000	$35,000	$25,000	$20,000

On May 17, 2018, Messrs. Gidel, Guthrie and Malone were granted restricted stock units from Nationstar with a fair market value of $330,000. Upon the Merger, these awards were converted to restricted stock unit awards for Mr. Cooper Group common stock that continue to vest on each of the first three anniversaries of the grant of the award. This award is intended to cover equity award grants for 2018, 2019 and 2020. On June 29, 2018, Mr. Scheiwe received a restricted stock award of $100,000, which vests in equal installments over a period of three years. In connection with Ms. Burr joining the Board, she will be granted $110,000 of restricted stock units on the date of our annual stockholders meeting which vest the earlier of (a) the first anniversary of the grant date or (b) the date of our next annual stockholders meeting following the grant date. In addition, Ms. Burr will receive an additional grant of $18,500 of restricted stock units for her service in April and May 2019, which will also be granted at our annual stockholders meeting.

The independent directors have the option to defer the date that some or all vested restricted stock units are converted into shares of common stock and delivered to the director. Our proposed 2019 Omnibus Incentive Plan places an aggregate yearly limit of $750,000 for the value of awards that can be granted together with cash fees paid to our non-employee directors.

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The following table sets forth certain information regarding the compensation paid in 2018 to our independent directors. Mr. Harrington and Mr. Olson, as employees of KKR, do not receive any compensation for their services on our Board:

Name	Fees earned or paid in cash ($)(1)(2)	Stock Awards ($)(3)	Total ($)
Current Directors:			
Robert H. Gidel	261,903	330,000(4)	591,903
Roy A. Guthrie	300,871	330,000(4)	630,871
Christopher J. Harrington			
Michael D. Malone	286,903	330,000(4)	616,903
Tagar C. Olson			
Steven D. Scheiwe(5)	113,750	100,000	213,750
Former Directors:			
Diane B. Glossman	63,750	100,000	163,750
Michael J. Renoff	60,000	100,000	160,000
Michael L. Willingham	67,500	100,000	167,500

(1) Represents fees actually paid in 2018.

(2) In addition to the standard director and committee fees described above, the former Nationstar independent directors received fees related to their service on a special committee of the Nationstar board of directors which was formed to consider certain strategic alternatives, including the Merger. For their service on the special committee (a) Messrs. Gidel and Malone each received payments in the aggregate amount of $56,903, including fees earned in 2017 and paid in 2018, and (b) Mr. Guthrie who served as chair of the special committee received payments in the aggregate amount of $75,871, including fees earned in 2017 and paid in 2018.

(3) Represents the aggregate grant date fair value, as computed in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718, Compensation Stock Compensation excluding the effect of estimated forfeitures during the applicable vesting periods of (a) restricted stock units granted to each of Messrs. Gidel, Guthrie and Malone which represent restricted stock units granted as of May 17, 2018 from Nationstar with a fair market value of $330,000 converted to restricted stock unit awards for Mr. Cooper Group common stock and (b) restricted stock grants to Messrs. Renoff, Scheiwe and Willingham and Ms. Glossman which represent restricted stock granted on June 29, 2018 from Mr. Cooper Group with a fair

market value of $100,000. With respect to Messrs. Gidel, Guthrie and Malone, the awards were made under the terms of the Nationstar Second Amended and Restated Incentive Compensation Plan, as amended; with respect to Messrs. Renoff, Scheiwe and Willingham and Ms. Glossman, the awards were made under the terms of the 2012 Long-Term Incentive Plan, as amended (the Incentive Plan). Upon the Merger, the awards to Messrs. Renoff and Willingham and Ms. Glossman fully vested. The aggregate number of stock awards outstanding at December 31, 2018 for our directors can be found in the Security Ownership Of Certain Beneficial Owners And Management section below.

(4) This award is intended to cover equity award grants for 2018, 2019 and 2020.

(5) Includes $25,000 in fees paid to Mr. Scheiwe in connection with his service as a director at WM Mortgage Reinsurance Company, Inc., our subsidiary, which is in wind-down mode.

Fees to independent directors may be made by issuance of Mr. Cooper Group common stock, based on the value of common stock at the date of grant, rather than in cash, provided that any such issuance does not prevent a director from being independent and the shares are granted pursuant to a stockholder approved plan. Directors who are also our employees receive no additional compensation for their services on the Board. All members of the Board are reimbursed for reasonable costs and expenses related to attending Board or committee meetings or other meetings with management and for expenses related to director education programs.

Director Stock Ownership Guidelines

In February 2019, our Board revised our stock ownership guidelines. Under our revised guidelines, non-employee directors are expected to accumulate, within five years of their election to the board, shares of Mr. Cooper Group stock equal in value to at least five times the amount of their annual cash retainer. Shares counted toward these guidelines include any shares held by the director directly or indirectly, including deferred vested awards, and unvested restricted stock units. Our

Board established this particular level of stock ownership for our non-employee directors to have the interests of our non-employee directors to be aligned with the investment interests of our stockholders.

PROPOSAL 1: ELECTION OF DIRECTORS

Our stockholders will be asked to consider eight nominees for election to our Board to serve for a one-year term until the next annual meeting of stockholders and until their successors have been duly elected and qualified, subject to their earlier death, resignation or removal.

The names of the nominees for director and biographical information follow. All of the nominees, with the exception of Mr. Bray, have been determined by the Board to be independent under NASDAQ listing standards. Our NCG Committee has reviewed the qualifications of each of the nominees and has recommended to the Board that each nominee be submitted to a vote at the 2019 Annual Meeting.

In determining whether to nominate our directors for another term, the Board considered the factors discussed above under Corporate Governance Criteria and Procedures for Selection of Director Nominees as well as each director s qualifications as discussed below and concluded that each of the directors possess those talents, backgrounds, perspectives, attributes and skills that will enable him or her to continue to provide valuable insights to our management and play an important role in helping us achieve our goals and objectives. The age, principal occupation and certain other information for our director nominees are set forth below. It is our general policy that no director having obtained the age of 70 years will stand for re-election.

Directors are elected by a majority of the votes present in person or by proxy entitled to vote, meaning that each director nominee must receive more votes cast for than against his or her election. If an incumbent director does not receive more votes cast for than against his or her election, then the director must tender his or her resignation to the Board. In that situation, the NCG Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Within 90 days from the date the election results are certified, the Board would act on the NCG Committee s recommendation and publicly disclose its decision and rationale behind it.

The Board believes that the each of the director nominees will be able to stand for election.

THE BOARD RECOMMENDS A VOTE FOR THE NOMINEES NAMED BELOW.

Jay Bray

Age 52

Director Since 2018 (Chair)
Committees

None

BACKGROUND

Mr. Bray has served as the Company s Chairman of the Board, President and Chief Executive Officer since the Merger in July 2018. Mr. Bray has also served as a director of Nationstar since 2012. He has also served as Nationstar s President since June 2015 and as Chief Executive Officer since February 2012, prior to which he served as Nationstar s Executive Vice President & Chief Financial Officer from May 2011 to February 2012. In addition, he has served as the President of Nationstar s wholly-owned subsidiary, Nationstar Mortgage LLC, since July 2011, as the Chief Executive Officer of Nationstar Mortgage LLC since October 2011, as the Chief Financial Officer of Nationstar Mortgage LLC from the time he joined Nationstar in May 2000 until September 2012, as a Manager of Nationstar Mortgage LLC since October 2011, as the Executive Chairman of Xome Holdings LLC since September 2015 and as a Director of another subsidiary, Nationstar Capital Corporation, since March 2010. Mr. Bray has more than 25 years of experience in the mortgage servicing and originations industry. From 1988 to 1994, he worked with Arthur Andersen in Atlanta, Georgia, where he served as an audit manager from 1992 to 1994. From 1994 to 2000, Mr. Bray held a variety of leadership roles at Bank of America and predecessor entities, where he managed the Asset Backed Securitization process for mortgage-related products, developed and implemented a secondary execution strategy and profitability plan and managed investment banking relationships, secondary marketing operations and investor relations. Additionally, Mr. Bray led the portfolio acquisition, pricing and modeling group at Bank of America.

QUALIFICATIONS

Mr. Bray played a critical role in leading the servicing market shift to non-banks following the financial crisis and led the growth of our portfolio from a start of $21 billion UPB in 2008 to $548 billion today, making us the largest nonbank servicer. Mr. Bray s in-depth experience and understanding of financial services and Mr. Cooper s business and operations qualify him to serve as a Mr. Cooper Group director.

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Busy Burr

Age 57

Independent Director Since 2019
Committees

None

BACKGROUND

Ms. Burr was at Humana, Inc., a for-profit health insurance company, from March 2015 to September 2018, where she served as the Chief Innovation Officer and Vice President of Healthcare Trend. Prior that that, she was Managing Director of Citi Ventures and Global Head of Business Incubation of Citigroup, Inc. from January 2011 to January 2015. Ms. Burr also served as an Entrepreneur-in-Residence at eBay, Inc. from January 2010 to January 2011. Prior to joining eBay, she co-founded and served as Chief Executive Officer of Lucy & Lily (Alterdot) from March 2004 to June 2009. Ms. Burr has held various senior-leadership roles at Credit Suisse Group AG (formerly Credit Suisse First Boston), Homestead Technologies Inc. and Gap Inc., and was an investment banker for Morgan Stanley. She has served on the Board of Directors of Satellite Healthcare Inc., a not-for-profit provider of kidney dialysis and related services, since December 2018 and has previously served as a board observer for three healthcare companies, Omada Health, Inc. Aspire Health, Inc. and Livongo Health, Inc.

QUALIFICATIONS

Ms. Burr s experience in innovation, marketing, product development and technology, including customer-centric platforms and the financial services industry qualify her to serve as a Mr. Cooper Group director.

Robert Gidel

Age 67

Independent Director since 2018
Committees

Audit & Risk

Compensation (Chair)

NCG

BACKGROUND

Mr. Gidel served as an independent director of Nationstar from 2012 until the Merger in July 2018. Mr. Gidel has been a principal in Liberty Partners, LLC, a company that invests in both private and publicly-traded real estate and finance focused operating companies, since 1998. Mr. Gidel has served on multiple private and publicly-held companies boards of directors, including American Industrial Properties, Brazos Asset Management, certain registered investment companies of Fortress Investment Group, Global Signal Inc., LNR Property Holdings, Lone Star Funds, Meridian Point Realty Trust VIII, Paragon Group, Inc. and US Restaurant Properties.

QUALIFICATIONS

Mr. Gidel is a National Association of Corporate Directors Board Leadership Fellow, and his extensive experience in real estate finance and private equity, as well as wide-ranging prior experience as a director qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
None	Nationstar
	DDR Corp. (now known as SITE Centers Corp.)

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Roy Guthrie

Age 66

Independent Director Since 2018

(Independent Lead Director)

Committees

Audit & Risk (Chair)

Compensation

BACKGROUND

Mr. Guthrie served as an independent director of Nationstar from 2012 until the Merger in July 2018 and was its independent lead director from 2017 until the Merger. Mr. Guthrie has been the Chairman of the Executive Committee of Renovate America, Inc. (a privately-held corporation), which provides an energy efficiency and renewable energy home improvement financing platform, since September 2018, and served as Chief Executive Officer from October 2017 to September 2018. Prior to this Mr. Guthrie was the Executive Vice President of Discover Financial Services, a direct banking and payment services company, from 2005 to 2012; he previously served as Chief Financial Officer from 2005 to 2011 and as Treasurer from 2009 to 2010. Mr. Guthrie was President & Chief Executive Officer of CitiFinancial International, LTD, a consumer finance business of Citigroup Inc., from 2000 to 2004, serving on Citigroup s Management Committee throughout this period. Mr. Guthrie was also Chief Financial Officer of Associates First Capital Corporation from 1996 to 2000, while it was a public company, and he served as a member of its board of directors from 1998 to 2000.

QUALIFICATIONS

Mr. Guthrie s valuable expertise in financial services as well as extensive experience as an executive officer and director of public companies qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
OneMain Holdings, Inc.	Nationstar
Synchrony Financial	Garrison Capital, Inc.
	Lifelock, Inc.

Christopher Harrington

Age 38

Independent Director Since 2017

Committees

BACKGROUND

Mr. Harrington has served as a director since June 2017 and is a Member of KKR, a global asset manager working in private equity and fixed income. He joined KKR in 2008 and is a senior member of the firm s financial services industry team within the Americas Private Equity platform. Mr. Harrington has been involved with KKR s investments in multiple companies, including

None

Mr. Cooper Group. Mr. Harrington currently serves on the boards of directors of several public and privately-held companies. Previously, Mr. Harrington was with Merrill Lynch & Co. in New York, where he was involved in a variety of acquisitions, divestitures, and other corporate advisory transactions.

QUALIFICATIONS

Mr. Harrington s extensive experience in corporate financings, mergers, acquisitions, investments and strategic transactions qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
Focus Financial Partners Inc.	None

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Michael Malone

Age 65
Independent Director Since 2018

Committees

NCG (Chairman)

Audit & Risk

Compensation

BACKGROUND

Mr. Malone served as an independent director of Nationstar from 2012 until the Merger in July 2018. Mr. Malone is the former Managing Director of Fortress Investment Group LLC, a global investment management group, a position he held from February 2008 until February 2012, where he led the Charlotte, North Carolina office and was responsible for the business of the capital formation group in the southeast and southwest regions of the United States. Mr. Malone retired from Bank of America in November 2007, after nearly 24 years of service as Senior Executive Banker and Managing Director. Over those years Mr. Malone worked in and ran a number of investment banking businesses for the bank and its subsidiary, Banc of America Securities LLC, including real estate, gaming, lodging, leisure and the financial sponsors businesses.

QUALIFICATIONS

Mr. Malone s extensive experience in financial services and real estate and service on other public companies boards qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
New Senior Investment Group	Nationstar
Walker & Dunlop, Inc.	

Tagar Olson

Age 41
Independent Director Since 2015

BACKGROUND

Mr. Olson has served as a director since May 2015 and is a Member of KKR. He joined KKR in 2002 and currently serves as head of KKR s financial services

Committees

Compensation

and hospitality and leisure industry teams. He serves as a member of (a) the Investment Committee and Portfolio Management Committee within the KKR America s Private Equity platform and (b) KKR s Global Investment, Markets and Distribution Committee. Mr. Olson has played a significant role in many of KKR s other investments in the financial services sector. Mr. Olson currently serves on the boards of directors of a number of public and privately-held companies. Prior to joining KKR, Mr. Olson was with Evercore Partners Inc. He is also a member of the Board of Overseers at NYU Langone Medical Center.

QUALIFICATIONS

Mr. Olson s extensive experience in corporate financings, mergers, acquisitions, investments and strategic transactions, his relationships in the investment banking and private equity industries and his experience in identifying potential merger and acquisition candidates qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
First Data Corporation	Santander Consumer USA

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Steven Scheiwe

Age 58
Independent Director Since 2012

Committees

Audit & Risk

NCG

BACKGROUND

Mr. Scheiwe has been President of Ontrac Advisors, Inc., a privately-held company which offers analysis and management services to private equity groups, privately held companies and funds managing distressed corporate debt issues, since 2001. Mr. Scheiwe has also served on the boards of directors of several public and privately-held companies in the last ten years.

QUALIFICATIONS

Mr. Scheiwe s high level of financial literacy, broad experience serving as a board member of public and private companies, his experience in mergers, acquisitions and financing, his legal acumen and his experience serving on audit committees qualify him to serve as a Mr. Cooper Group director.

OTHER PUBLIC COMPANY BOARDS

Current	Past Five Years
Verso Corporation	Alimco Financial Corporation
	Hancock Fabrics, Inc.
	Mississippi Phosphates Corporation
	Primus Telecommunications Group, Inc.

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EXECUTIVE OFFICERS

The following summarizes the business experience of our executive officers (ages are as of the date of the annual meeting) other than Mr. Bray:

Anthony Ebers	**BACKGROUND**
Age 53 Executive Vice President & Chief Operating Officer	Mr. Ebers has served as the Company s Executive Vice President & Chief Operating Officer since July 31, 2018. He has held the same position at Nationstar and Nationstar Mortgage LLC since April 2018, prior to which he served as Nationstar s and Nationstar Mortgage LLC s Executive Vice President, Originations from July 2015 to April 2018. Prior to joining the Company, Mr. Ebers served as the Division President, Originations for ServiceLink, a Black Knight company and national provider of transaction services to the mortgage and finance industries, from April 2015 to July 2015. From March 2009 to April 2015 Mr. Ebers held various leadership roles at OneWest Bank, most recently serving as EVP, Head of Mortgage Lending and Servicing. Prior to OneWest Bank, Mr. Ebers held various executive leadership roles at IndyMac Bancorp Inc.
	INDUSTRY EXPERIENCE
	Mr. Ebers has held key leadership positions in mortgage lending, servicing and real estate transaction related services for more than 25 years. Additionally, throughout his career, Mr. Ebers has been a member of the Mortgage Bankers Association (MBA) Servicing Committee and served on multiple industry advisory boards.
Christopher Marshall	**BACKGROUND**
Age 59 Vice Chairman & Chief Financial Officer	Mr. Marshall has served as the Company s Vice Chairman since January 2019 and as Chief Financial Officer since March 11, 2019. Prior to joining the Company, he served as Executive Chairman at Tax Guard Inc., which is the leading provider of federal tax payment data to banks and specialty lenders, prior to which he served as Co-Founder and Executive Vice President & Chief

Financial Officer at Capital Bank Financial Corp. from October 2009 until its acquisition by First Horizon National Capital Corporation in December 2017. Previously, Mr. Marshall served as Chief Restructuring Officer of GMAC, Inc., now Ally Financial, Inc., from May 2009 to October 2009; as an advisor to The Blackstone Group, L.P. from July 2008 to March 2009; and as Executive Vice President & Chief Financial Officer of Fifth Third Bancorp from 2006 to 2008. Prior to joining Fifth Third Bancorp, Mr. Marshall held several senior executive roles at Bank of America Corporation, including serving as Chief Financial Officer and Chief Operating Officer of the Global Consumer and Small Business Bank and was a member of the management operating committee. He also served in various senior-leadership roles at Honeywell International Inc., AlliedSignal Technical Services Corporation and TRW, Inc.

INDUSTRY EXPERIENCE

Mr. Marshall has held key leadership positions in the banking and finance industry for the past 17 years.

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Rayman Mathoda	BACKGROUND
Age 44 Executive Vice President & Chief Executive Officer Xome	Ms. Mathoda has served as Executive Vice President & Chief Executive Officer of the Company s indirect wholly-owned subsidiary Xome Holdings LLC since August 2018. Prior to joining the Company, she served as Co-Chief Executive Officer and a member of the Board of Directors at Genesis Capital LLC, one of the nation s leading specialty finance companies focused on commercial loans in residential real estate markets, from December 2014 until its acquisition by an affiliate of Goldman Sachs in January 2018. Previously, Ms. Mathoda was Chairwoman of Global Property Exchange and its wholly owned subsidiary Hudson & Marshall, an online real estate auction platform, from 2015 until it was sold to Fidelity National Financial in May 2017. In the past 15 years, prior to Global Property Exchange, Ms. Mathoda held transformation-focused President or C-level roles at several key financial services and housing sector firms including ALAW, Oversite Data Services and Indymac Bank. Prior to joining the financial services/ housing sectors, Ms. Mathoda was co-leader of the west coast healthcare practice at McKinsey & Company. Ms. Mathoda is also a partner at Emerge Ventures, a Singapore-based venture firm, which invests in data and technology platforms with a primary focus on the global genomics and life sciences industry.
	INDUSTRY EXPERIENCE
	Ms. Mathoda has over 15 years of experience in the financial services and housing industries.

Michael Rawls	BACKGROUND
Age 49 Executive Vice President Servicing	Mr. Rawls has served as the Company s Executive Vice President, Servicing since July 31, 2018. He has held the same position at Nationstar and Nationstar Mortgage LLC since June 2015. Prior to this he served as Nationstar s President of Champion Mortgage from 2014 to June 2015; as its Executive Vice President, Default from 2013 to 2014; and as its Senior Vice President, Loss Mitigation from 2008 to 2013. In addition, Mr. Rawls has held other key positions since joining Nationstar in 2000.

INDUSTRY EXPERIENCE

Mr. Rawls has over 20 years of expertise in mortgage operations, with a concentration in loss mitigation, foreclosure, bankruptcy and real estate owned portfolios.

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Anthony Villani	**BACKGROUND**
Age 62 Executive Vice President & General Counsel	Mr. Villani has served as the Company s Executive Vice President and General Counsel since July 2018. Since 2012, he held the same position at Nationstar and Nationstar Mortgage LLC, which he joined in October 2011 as an Executive Vice President. Prior to joining Nationstar, Mr. Villani was Vice President and Associate General Counsel of Goldman, Sachs & Co. where he served as the managing attorney for Litton Loan Servicing LP, a Goldman Sachs company, from June 2008 until September 2011.
	INDUSTRY EXPERIENCE
	Mr. Villani has over 30 years of experience serving as in-house counsel in the banking and mortgage industries.

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COMPENSATION DISCUSSION AND ANALYSIS[1]

Executive Summary

We view 2018 as a transformative year for Mr. Cooper Group. Operating performance has been strong as highlighted at the outset of this proxy. At the same time, the Merger with Nationstar provides an opportunity for the Board and management to bring clarity to our strategic intent and focus to our execution.

Prior to and through the Merger discussions, the Company has been led by mortgage industry veterans with decades of combined tenure at the Company, and we have continued to build an outstanding executive team. In the past twelve months alone, we have brought on board a new Chief Executive Officer of Xome, a Chief Business and Product Officer and a new Chief Financial Officer.

With our industry-leading executive team, a reconstituted Compensation Committee, new Compensation Committee chair and a new ownership structure brought about through the Merger, we have and will continue to take steps to more closely align our compensation program with our strategy and with the long-term interests of stockholders.

Since its initial public offering Nationstar had a stakeholder who owned approximately 70% its outstanding equity. Under the leadership of this stakeholder, the compensation program was heavily weighted toward an annual cash bonus award tied to financial and operating metrics. This program served us well in a time when it was critical that we meet annual financial objectives, as well as, compliance and customer needs. At the same time, equity compensation was low compared to our peers.

With the completion of the Merger in July of last year, our stockholders are more diverse (our largest stockholder owns approximately 17% of the equity). Now it is critical that we craft and execute a strategy that creates stockholder value at a challenging time for our industry. It is our objective that our compensation program complement our strategic intent.

In connection with the Merger, we are in the process of reviewing our compensation program and have committed to making significant revisions to our executive compensation program. Below are some highlights of steps taken thus far.

- We have begun and will complete a review of our current compensation program. In 2019, we plan to adopt a new program that closely ties executive compensation to stockholder returns. In developing this program, the Compensation Committee will consider the business risks inherent in the design of the program to ensure it does not induce executives to take unacceptable levels of business risk for the purpose of increasing their incentive awards. We will work closely with our compensation advisor and the management team to ensure that the program motivates our team, reduces retention risk and that the costs are reasonable to stockholders.

- To better align with our peers, in October we revised the salaries of our senior executives to be at a level that reflects those of our peers, the planned increase in equity-based compensation, the size of the Company, the nature of the business strategy and the expectations of the Board.

As a result of the Merger, the majority of our senior executives existing equity awards vested. Accordingly in November, to incentivize our senior executives, to encourage their long-term commitment and to build stockholder value over the long term, the Compensation Committee approved a retention equity grant for our senior executives, as well as key Senior Vice Presidents and Vice Presidents. For the most senior executives, the

[1] Since we had limited operations prior to the Merger and acquired Nationstar at the end of July 2018, the Compensation Committee analyzed the compensation of our executive officers and decided to continue Nationstar s compensation program post-Merger for the remainder of 2018. Accordingly, as it relates to 2018 compensation decisions, this Compensation Discussion and Analysis primarily focuses on the Nationstar compensation program as continued by Mr. Cooper Group.

equity will vest ratably over the next five years beginning in March 2020. For the other executives the vesting period is three years.

We believe these actions and our commitment to change the compensation program will ensure that our executive team is compensated for their critical role in building the industry leader in mortgage servicing and driving stockholder value over the years to come.

We took further steps to ensure alignment between our executives and stockholders by adopting minimum levels of equity ownership for our officers and Board members. The ownership guidelines are consistent with industry peers.

To ensure that we have the equity we need to compensate, motivate and retain our officers, we are asking stockholders to approve a new employee equity plan. The plan has been updated to include provisions that are considered best practices. Under the terms of the proposed plan, the shares available in the current plans are no longer available for issuance. We anticipate that the shares requested in the proposed plan, 20 million fungible units or 10 million full-value shares, will meet our requirements to appropriately align management and stockholders interest for the next four to five years. The proposed upsizing combined with the current shares already awarded will represent approximately 15% of the total shares outstanding. We estimate that this level is at approximately the 50th percentile of our peer group.

On an important and related matter, we have moved to diversify our Board through the appointment of Busy Burr. She will stand for election along with all other Board members at our annual meeting this May.

We proactively meet with our largest stockholders from time to time in order to discuss a variety of topics regarding the Company and to give these investors an opportunity to raise questions and provide our management team with feedback. Based on these discussions, we believe that these investors understand we are in the process of revising our executive compensation program and have a favorable view of how we intend to align compensation and performance through the use of performance-based and time-based equity.

Consideration of Say on Pay Results

At our 2018 Annual Meeting of Stockholders approximately 98% of the votes cast were in favor of our executive officers compensation (Say on Pay). Our 2018 compensation program for the second half of 2018 is primarily focused on the Nationstar compensation program. Nationstar did not hold a Say on Pay vote in 2018 because it held triennial Say on Pay votes. However, at Nationstar s last Say on Pay vote approximately 92% of the votes cast were in favor of Nationstar s named executive officers compensation, and given the results of that vote, Nationstar s Compensation Committee did not make any significant changes to the compensation of the Nationstar executive officers when designing the program for 2018 or after the Merger.

This year, we are providing stockholders with an opportunity to indicate how frequently we should seek an advisory vote on the compensation of our named executive officers, and have recommended a vote for one year. Say on Pay votes allow stockholders to provide the Compensation Committee with measurable feedback on our compensation program, and we will always consider the input of our stockholders. Additionally, we are committed to maintaining an active dialogue with stockholders to understand stockholders perspectives on our executive compensation program, and we plan to continue this dialogue in 2019. Stockholders are always welcome to communicate their views as described under Communications with the Board in this proxy statement.

Executive Compensation Philosophy & Objective

Our primary executive compensation philosophy is to attract, motivate and retain the most talented and dedicated executives and to align their annual and long-term incentives with Company performance while enhancing stockholder value. To achieve these goals, we seek to maintain compensation programs that:

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Align compensation with Company and business unit goals to enhance ownership and accountability

Provide a competitive pay opportunity that is commensurate with performance

Drive continued achievement of Company, business unit and individual goals in the short-and long-term

Deliver a compensation mix of fixed and at-risk compensation

True to our philosophy, 96% of our President, Chairman and CEO s 2018 compensation is tied to Company and individual performance. On average 87% of our named executive officers compensation is also tied to the Company s and their individual performance.

COMPENSATION MIX

Process for Setting Executive Officer Compensation

Role of Compensation Committee

The Compensation Committee administers our compensation plans, programs and policies relating to our named executive officers. The Compensation Committee conducts periodic reviews, at least annually, and monitors our overall compensation strategy to ensure that executive compensation supports our business objectives. It also conducts an annual evaluation of our Chairman, President and Chief Executive Officer s performance. As part of this compensation setting process, the Compensation Committee, with assistance from its compensation advisor, reviews the compensation (including base salary, annual cash incentives, long-term incentives and other benefits) of similarly-situated executive officers in our comparator group.

Role of Named Executive Officers

Other than the Chairman, President and Chief Executive Officer and the Chief Financial Officer, our named executive officers do not, either individually or as a group, play a direct role in determining executive compensation. The Chairman, President and Chief Executive Officer advises the Compensation Committee from time to time of his own evaluation of the job performance of the other named executive officers and, together with the Chief Financial Officer, offers for consideration recommendations as to their compensation levels. The Compensation Committee considers these recommendations but makes all compensation decisions related to our executive officers.

Role of Compensation Advisor

The Compensation Committee has the authority under its charter, in its sole discretion, to engage the services of a compensation advisor or other advisors to assist the Compensation Committee in the performance of its duties. Nationstar s Compensation Committee retained Pearl Meyer to serve as the Compensation Committee s independent compensation advisor on matters related to executive and board of director compensation for the majority of 2018. The compensation advisor regularly attended Compensation Committee meetings and reported directly to the Compensation Committee on matters relating to the compensation of our executive officers and directors, including compensation related to the Merger.

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During 2018, the Compensation Committee requested that our compensation advisor:

- Review our comparator group;
- Conduct an analysis of compensation for our executive officers and directors;
- Assess how compensation aligned with our philosophy and objectives;
- Assist the Compensation Committee in the review of incentive plan design and related benefit programs; and
- Provide the Compensation Committee with ongoing advice and counsel on market compensation and governance trends including their impact on our executive and director compensation programs.

The Compensation Committee annually reviews and establishes the scope of the engagement of the compensation advisor, which is reflected in an engagement letter between the compensation advisor and the Compensation Committee.

After the Merger, commencing October 1, 2018, the Compensation Committee retained Gressle & McGinley LLC (Gressle & McGinley) to serve as the Compensation Committee s independent compensation advisor on matters related to executive and board of director compensation.

Compensation Peer Group

The Compensation Committee with assistance from our compensation advisor annually assesses market conditions through a review of compensation from a group of comparator companies (the Comparator Group). In the second half of 2017, Nationstar s Compensation Committee reviewed the composition of the Comparator Group to be used to calibrate our executive compensation program at the beginning of 2018 and did not make any changes from the previous year. In October 2018, PHH Corporation was removed from the group due to its acquisition by Ocwen Financial Corporation. In November 2018, the Compensation Committee adopted a revised Comparator Group. The revised peer sample includes 17 companies that the Compensation Committee has selected for purposes of benchmarking executive pay and comparing compensation practices. Of the 17 companies in the peer sample, six companies were used in the 2018 peer sample. The Compensation Committee also uses additional peer benchmarking for certain compensation decisions, including the salary adjustments for certain executive officers described below. The Compensation Committee used findings from the compensation review to assess our named executive officers pay position, our overall program design and program leverage relative to peers. The Compensation Committee does not target any particular range of pay relative to pay of the Comparator Group.

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Company Name	Ticker	Peer Group Pre-Merger	Peer Group Revised 2018
Arbor Realty Trust	ABR		
Black Knight, Inc.	BKI		
Chimera Investment	CIM		
Ellie Mae	ELLI		
Ladder Capital Corp	LADR		
LendingClub Corporation	LC		
LendingTree	TREE		
MFA Financial	MFA		
OneMain Holdings, Inc.	OMF		
Radian Group	RDN		
Walker & Dunlop	WD		
Altisource Portfolio Solutions S.A.	ASPS		
CoreLogic	CLGX		
PennyMac Combined Entities	PFSI		
Redwood Trust Inc.	RWT		
Ocwen	OCN		
Zillow Group	Z		
Capital One Financial	COF		
CIT Group	CIT		
Comerica	CMA		
Ditech Holdings Corp.	DHCP		
Equifax Inc.	EFX		
Equinix Inc.	EQIX		
Expedia Inc.	EXPE		
Fidelity National Information Services Inc.	FIS		
First Republic Bank	FRC		

Huntington Bancshares	HBAN
Realogy Holdings Corp.	RLGY
Trip Advisor, Inc.	TRIP

Elements of Compensation

The total compensation of our named executive officers in 2018 consisted of three principal elements:

- Base salary;
- Annual cash incentives; and
- Long-term incentive awards.

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The goal of the Compensation Committee is to set overall compensation at an appropriate level to be able to attract and retain top talent. In this regard, the Compensation Committee considers which different compensation elements are at-risk in setting the levels for each other element. For example, a named executive officer s base salary is considered when determining the amount of any cash bonus or equity award. The relationship among the elements, however, is not strictly formulaic due to the need to evaluate the likelihood that the at-risk components of compensation will actually be paid at any particular level. The overall compensation packages of each of our named executive officers are variable from year to year and are based on their respective experience and individual performance, current market conditions, business trends and overall Company performance.

Base Salary

Base salaries are set depending on the scope of each named executive officer s respective responsibilities and what is necessary to recruit and retain skilled executives. Base salaries are reviewed annually in accordance with our named executive officer s annual performance evaluation and may be modified from time to time in view of our named executive officer s individual responsibilities, individual and company performance, and experience. Periodic base salary adjustments are intended to reward individual performance and are also intended to ensure that the individual s base salary, in conjunction with the other compensation elements, remains competitive for the position and responsibilities. Base salaries are intended to complement the performance-oriented components (non-equity annual incentive and long-term incentive awards) of our compensation program by assuring that our named executive officers will receive an appropriate minimum level of compensation. In general, base salary is the smallest component of the overall compensation package, representing approximately 20% of total direct compensation.

In determining base salary for our named executive officers for 2018 from Nationstar, Nationstar s Compensation Committee considered our pay-for-performance culture, our philosophy to have low fixed and high performance-based compensation, and the performance of the given named executive officer. At the beginning of 2018, Nationstar s Compensation Committee decided that none of the named executive officers would receive a base salary increase in 2018. However, as a result of the Merger, the Compensation Committee reviewed the base salaries of the Chairman, President and Chief Executive Officer, Chief Financial Officer and Chief Operating Officer and requested that Gressle & McGinley analyze a potential increase for these officers. Based on compensation survey data and a peer group analysis, Gressle & McGinley determined that the proposed increases in base salaries for these officers were at market level. As a result, the Compensation Committee approved increases in base salary for Messrs. Bray, Patel and Ebers to reflect their continued role in building and managing the largest non-bank mortgage servicer in the country. The increases which were effective on the date of the Merger and are reflected below. The following table sets forth information regarding our named executive officers annual base salaries for 2018.

Name	Post-Merger 2018 Base Salary	Pre-Merger 2018 Base Salary	2017 Base Salary	Change from 2017 to 2018 Post-Merger
Jay Bray	$1,000,000	$450,000	$450,000	$550,000
Amar Patel	$600,000	$375,000	$375,000	$225,000
Anthony Ebers	$750,000	$450,000	$450,000	$300,000
Michael Rawls	$400,000	$400,000	$400,000	
Anthony Villani	$375,000	$375,000	$375,000	

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Annual Incentive Bonus Opportunities

In 2018, our named executive officers participated in our Executive Management Incentive Plan (EMIP). The annual bonus opportunity for each named executive officer under the EMIP is linked to achieving challenging financial and strategic objectives of the Company. Individual performance and its impact on financial, strategic, business unit or individual objectives may also be considered.

EMIP Overview

The EMIP is entered into pursuant to the provisions of the Company s Incentive Plan and is an annual bonus program for our executive officers. The EMIP is designed to motivate and reward achievement of the Company s business goals and to attract and retain highly talented individuals. Generally, bonuses under this plan are performance-based and are paid only to the extent that the performance goals are achieved. Under the EMIP, the Compensation Committee approves the amount of the annual bonus paid to each named executive officer based on application of any objective or subjective criteria that the Compensation Committee may select at any time prior to payment of the annual bonuses, including the corporate goals discussed below. The Compensation Committee may adjust awards in a non-uniform manner among the participants.

2018 Corporate Goals

The Compensation Committee reviews the achievement of corporate goals by each named executive officer, which were established at the beginning of the year by the Compensation Committee. Following year end, the named executive officers are rated on the results for each corporate goal on a scale of one to five. The rating is multiplied by the weight of each corporate goal to obtain a weighted score, with five being the highest possible score. The weighted score is converted into a percentage, which is multiplied by the named executive officer s bonus opportunity (set in terms of a percentage of base salary) and base salary to result in an annual bonus amount. For 2018, in developing the corporate goals and their weightings the Compensation Committee and management considered the importance of shared goals for all the named executive officers, and analyzed the relative importance of each goal to the Company s business strategy and the anticipated difficulty of achieving the goals in the aggregate.

The 2018 corporate goals included goals related to:

1. **Financial performance, including company and segment adjusted EBT and core functional expenses, and**

2. **Strategic objectives for employee engagement, customer and compliance initiatives.**

At the end of 2018, the Compensation Committee reviewed actual performance against the corporate goals, and the respective weightings for each goal, for each named executive officer. The achievement of the corporate goals was, on average, 3 on a scale of 1 to 5, with 5 being the highest. The following table shows the 2018 corporate goals, their relative weighting for each named executive officer and levels of achievement:

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Financial Targets (60%)

Executive	Adjusted EBT	Servicing Profitability (bps)	Originations Adjusted EBT	Xome Adjusted EBT	Core Functional Expenses Finance	Core Functional Expenses Legal
Weighting:						
Jay Bray	60%					
Amar Patel	40%				20%	
Anthony Ebers	30%		20%	10%		
Michael Rawls	30%	30%				
Anthony Villani	40%					20%
Performance:						
Target	$310M	6.0 bps	$140M	$60M	$(57.6M)	$(14.8M)
Results	$279M	6.4 bps	$107M	$46M	$(56.10M)	$(15.8M)
Rating (1-5):	2	4	1	1	3.5	3.5

Strategic Initiatives (40%)

Executive	Employee Engagement	Customer	Compliance
Weighting:			
Jay Bray	10%	15%	15%
Amar Patel	10%	15%	15%
Anthony Ebers	10%	15%	15%
Michael Rawls	10%	15%	15%
Anthony Villani	10%	15%	15%
Performance:			
Target	See below	See below	See below
Results	Exceeded Target	Exceeded Target	Exceeded Target
Rating (1-5):	4.4	4.6	5

For the financial targets:

Adjusted EBT is a non-GAAP measure that begins with the GAAP pre-tax income of the total Company and excludes non-GAAP adjustment items and any changes in fair value. Servicing Profitability (Adjusted EBT bps) begins with GAAP pre-tax income for the segment and excludes non-GAAP adjustment items and any changes in fair value, and bps is calculated as adjusted EBT/Total average UPB X 10000. Originations adjusted EBT begins with GAAP pre-tax income for the segment and excludes any non-GAAP adjustment items.

Core Functional Expenses is a non-GAAP measure that begins with pre-allocation corporate functional expenses and excludes any non-GAAP adjustment items.

For the strategic initiatives:

Employee Engagement (a) 70% weighting on establishing an action plan focusing on identified focus areas, with a target of establishing an action plan and showing demonstrated results in a single focus area (actual results were that action plans were established and demonstrated results were achieved in all areas of focus) and (b) 30% weighting on annual voluntary turnover rate with a target of 16.6-18.8% turnover rate (actual results were a 16.8% turnover rate).

Customer (a) 50% weighting was given to reducing our customer complaint rate with a target complaint rate of 0.30 to 0.31 per 1,000 loans serviced (actual results were a complaint rate of 0.20 per 1,000 loans) and (b) 50% weighting was given to JD Power Survey results with (i) 25% of the weighting given for improving our annual ratings in our originations and servicing segments with a target of third most improved score (actual results were Originations: most improved score and Servicing: same as last year) and (ii) 75% of the weighting for achieving a quarterly ratings goal for our originations and servicing segments with a target of 2 out of 4 (actual results were Originations: 4 out of 4 and Servicing: 3 out of 4).

Compliance (a) 70% weighting was given to federal and state regulatory compliance examination issue resolution with the target of no repeat federal and state regulator compliance findings and issue resolution at a 85% or greater validation rate by internal audit (actual results were no repeat findings and 100% validation rate) and (b) 30% weighting was given to internal audit ratings with a target of no repeat findings and internal audit identified issues resolved at 85% or greater validation rate (actual results were no repeat findings and 94% validation rate).

Approved EMIP Payouts

In determining the amount payable to each named executive officer, the Compensation Committee may, in its sole discretion, adjust the amount of any bonus otherwise payable to any participant based on a participant s individual performance or any other objective or subjective factor that the Compensation Committee deems relevant. Following the completion of 2018, our Chairman, President and Chief Executive Officer considered achievement under the 2018 corporate goals, the Company s overall performance, including stock performance, the Merger, and the individual performance of each participant and recommended to the Compensation Committee bonus amounts for each named executive officer, with certain officer s receiving a higher recommended amount than their calculated bonus due to their exceptional performance in connection with the Merger. After consideration of the Company s pay-for-performance culture, the Chairman, President and Chief Executive Officer s recommendation and discussion regarding the Chairman, President and Chief Executive Officer s and the Chief Financial Officer s performance in connection with the Merger, the Compensation Committee approved the bonus amounts as recommended.

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The following table shows for each named executive officer: (a) the calculated bonus based on the achievement of the corporate goals and (b) the final 2018 bonus amount approved by the Compensation Committee and paid to the named executive officer.

Executive	Calculated Bonus ($)	Approved Bonus ($)
Jay Bray	4,140,000	4,250,000
Amar Patel	900,000	1,050,000
Anthony Ebers	1,500,000	1,500,000
Michael Rawls	1,050,000	1,050,000
Anthony Villani	720,000	720,000

Long-Term Incentive Awards

Incentive Plan

The Incentive Plan enables us to offer certain key employees, consultants and non-employee directors equity- and cash-based awards. It enhances our ability to attract, retain and reward these individuals, while strengthening the mutuality of interests between those individuals and our stockholders. Time-based awards of restricted stock units are granted to retain key talent and establish a common interest of the key executives with our stockholders through stock ownership. Each restricted stock unit is equivalent in value to one share of our common stock and generally vests in one-third installments on each of the first three anniversaries of the award, provided the participant remains continuously employed with us during that time. In addition, upon death, disability or a change in control of the Company, the unvested restricted stock units will vest. We believe that the time-based vesting requirements provide a strong retention mechanism. The ultimate value of the award, however, depends on the market value of our common stock on the vesting date, and accordingly time-based equity awards effectively align the interests of the participants with our stockholders. It is expected that time-based equity awards will continue to play a significant part of our compensation programs for named executive officers.

Annual Equity Awards

The Board, upon the recommendation of our Compensation Committee, grants equity awards to our executive officers at its regularly-scheduled meeting during the first quarter of each year, which is scheduled more than a year in advance. The grant date of these awards is the first business day of the following month. In February 2018, upon recommendation of Nationstar s Compensation Committee, Nationstar s Board approved awards of restricted stock units as follows:

Executive	Monetary Value of RSUs ($)
Jay Bray	1,000,000
Amar Patel	500,000

Anthony Ebers	500,000
Michael Rawls	500,000
Anthony Villani	375,000

These awards were granted on March 1, 2018 and were converted to restricted stock units for Mr. Cooper Group common stock that continue to vest in installments of 33.3%, 33.3% and 33.4% respectively on each of the first three anniversaries of the grant date of the awards.

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Retention Equity Awards

As a result of the change in control following the Merger, the majority of our executive officers existing equity awards vested. To incentivize these executives, encourage their long-term commitment and to build stockholder value over the long term, the Compensation Committee, in consultation with Gressle & McGinley, conducted a market analysis of retention equity awards granted to similarly-situated executives. In particular, the Compensation Committee considered the critical role Mr. Bray played in leading the servicing market shift to non-banks following the financial crisis and how he led the growth of our portfolio from a start of $21 billion UPB in 2008 to $548 billion today, making us the largest nonbank servicer. In November 2018, upon recommendation of the Compensation Committee, our Board approved awards of restricted stock units as follows:

Executive	Monetary Value of RSUs ($)
Jay Bray	17,500,000
Amar Patel	1,000,000
Anthony Ebers	8,000,000
Michael Rawls	998,790
Anthony Villani	249,089

These awards were granted on December 1, 2018 and vest in 5 equal installments beginning on March 1, 2020, except for Messrs. Rawls and Villani whose awards vest over three years beginning on March 1, 2020.

Stock Ownership Guidelines

In 2019, the Compensation Committee adopted stock ownership guidelines for our executive officers. Under these guidelines, each named executive officer must own common shares of Mr. Cooper Group common stock with an aggregate market value of no less than the applicable multiple of the officer s annual base salary for the immediately preceding year as follows:

	Multiple of Annual Salary
Chief Executive Officer	5x
Chief Financial Officer	3x
Chief Operating Officer	3x
All Other Executive Officers	2x

Our Board established these particular levels of stock ownership for our executive officers because we want to have the interests of our executive officers aligned with the investment interests of our shareholders. The minimum share ownership requirement must be satisfied by no later than the fifth anniversary of March 1, 2019 or the date an officer receives his or her first grant as an executive officer.

Hedging and Pledging Policy

Our directors and executive officers are prohibited from (a) engaging in certain hedging transactions involving the Company s stock, and (b) pledging Company stock as collateral for a loan because the Board determined that such a policy is in the best interests of the Company and our stockholders. Currently, all named executive officers and directors are in compliance with the Company s policy.

Risk Considerations

In developing and reviewing the Company s executive incentive programs, the Compensation Committee considers the business risks inherent in the design of compensation arrangements to ensure they do not induce executives to take unacceptable levels of business risk for the purpose of increasing their incentive plan awards. The Compensation Committee believes that the mix of compensation components used in the determination of our named executive officers compensation reflects the performance of the Company and the performance of the individual employee and does not encourage our named executive officers to take unreasonable risks relating to the business. Our named executive officers ownership interest in the Company aligns their interests with our long-term performance and discourages excessive risk taking. The Compensation Committee does not believe our compensation programs are reasonably likely to have a material adverse effect on the Company.

Tax Considerations

Section 162(m) of the Internal Revenue Code places a limit of $1,000,000 on the amount of compensation that we may deduct from taxable income in any given year with respect to the Chief Executive Officer and certain other of our most highly compensated executive officers. Historically, this deduction limitation did not apply to certain performance based compensation, and the Compensation Committee considered whether particular payments and awards to our named executive officers were deductible for federal income tax purposes, along with such other factors as was relevant in the circumstances, in establishing executive compensation programs. As a result of The Tax Cuts and Jobs Act, compensation paid to our named executive officers (including our Chief Financial Officer), which includes the payments described in the Approved EMIP Payouts section above, will be subject to the limitations on deductibility under Section 162(m), and we no longer deduct performance based compensation to our named executive officers who receive annual compensation in excess of $1,000,000. However, we intend to continue to grant performance-based awards.

Other Compensation Components

All of our named executive officers are eligible to participate in our employee benefit plans, including medical, dental, life insurance and 401(k) plans. These plans are available to all employees and do not discriminate in favor of our named executive officers. While we do not view perquisites as a significant element of our compensation structure, we believe that limited perquisites facilitate the attraction and retention of superior management talent. The value of these benefits to our named executive officers is set forth in the Summary Compensation Table under the column All Other Compensation. For 2018, these perquisites primarily related to contributions to a named executive officer s 401(k) plan account.

Employment Agreements & Offer Letters

We have not entered into employment agreements with our named executive officers. We have, however, entered into offer letters with certain of our named executive officers upon their hire or promotion. In 2018, the following offer letters were in effect.

Mr. Ebers. In connection with Mr. Ebers joining Nationstar, Mr. Ebers received an offer letter outlining the conditions of his employment with us. The offer letter provides that upon termination of Mr. Ebers employment by us without cause, he will receive severance benefits of (a) 12 months base salary plus a pro rata portion of his target bonus amount and (b) continuation of medical benefits for up to 12 months. Mr. Ebers is also subject to non-competition and non-solicitation provisions for the 12-month period immediately following the date of termination of his employment with us.

Mr. Rawls. In connection with Mr. Rawls assuming the position of Executive Vice President, Servicing, Mr. Rawls received an offer letter outlining the conditions of his employment with us. The offer letter provides that upon termination of Mr. Rawls employment by us without cause, he will receive severance benefits of (a) 12 months base salary plus a pro rata portion of his target bonus amount and (b) continuation of medical benefits for up to 12 months. Mr. Rawls is also subject to non-competition and non-solicitation provisions for the 12-month period immediately following the date of termination of his employment with us.

Severance Pay Agreements

On February 12, 2018, in connection with the Merger, Nationstar entered into Severance Pay Agreements with our named executive officers from Nationstar. These agreements provide for certain payments and benefits upon a termination of the executive s employment without Cause or by the executive for Good Reason (as both capitalized terms are defined therein) that occurs within 12 months following the effective time of a change in control, subject to the execution of a release of claims and compliance with restrictive covenants. These payments and benefits include (a) cash severance equal to the sum of (i) 12 months base salary (18 months, in the case of Mr. Bray) plus (ii) 100% of the executive s annual bonus for the prior year, paid in installments over the 12 months following termination and (b) continuation of medical coverage at active employee rates for 12 months after the termination date or, if earlier, until the executive becomes eligible for another medical benefits program. The Severance Pay Agreements include restrictive covenants requiring the executive to maintain the confidentiality of company information at any time (including after his employment ends), and, for one year following any termination of employment, comply with provisions regarding non-competition (18 months, in the case of Mr. Bray), customer and client noninterference and non-solicitation and employee non-solicitation. Additional information regarding the severance payments, including a quantification of benefits that would have been received by our named executive officers if termination of their employment occurred on December 31, 2018, is listed in the Potential Payments Upon Termination or Change of Control table below.

Retention Agreements

On February 12, 2018, in connection with the Merger, Nationstar entered into Retention Bonus Agreements (the Retention Agreements) with our named executive officers to induce these executives to remain with us through the Merger and for a period of time thereafter. The Retention Agreements each provide for the potential to receive cash bonus payments (the Retention Amount) in connection with a change in control transaction in amounts based on a percentage of the final transaction value. Upon determination of the transaction value, the total bonus pool equaled an aggregate of 0.5% of the transaction value and became payable to employees covered by the Retention Bonus Agreements as set forth below. Fifty percent of the Retention Amounts was paid in August 2018, and the additional 50% was paid in February 2019.

Executive Officer	% of Total Pool	Total Retention Amount ($)
Jay Bray	35	3,367,019
Amar Patel	20(1)	1,924,011
Anthony Ebers	14	1,346,807
Michael Rawls	12	1,154,406
Anthony Villani	7	673,404

(1) Mr. Patel s Retention Agreement provided for an allocation of 14% of the bonus pool, and another executive s Retention Agreement provided for an allocation of 6% of the bonus pool. Based on Mr. Patel s performance, the CEO recommended to the Compensation Committee that the other executive s portion of the bonus pool be reallocated to Mr. Patel, which the Compensation Committee approved and ratified.

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Compensation Objectives and Philosophy Prior to Merger

The primary objectives of the executive compensation program established prior to the Merger with Nationstar were to retain executive officers capable of: (a) identifying and assessing potential acquisition opportunities, (b) ensuring our compliance with debt-related agreements, (c) operating our reinsurance subsidiary in runoff mode and (d) complying with the periodic disclosure and other obligations of a publicly traded company. To achieve the objectives of attracting and retaining suitable executive officers, the 2018 executive compensation philosophy was comprised of the following key principles:

- establish executive compensation appropriate for the varying degrees of executive responsibility, accountability and impact on our business;
- ensure compensation is reasonably competitive relative to similarly sized companies, taking into account that our only operating business is being operated in runoff mode and to identify and assess possible acquisitions; and
- ensure a flexible compensation structure to facilitate acquisitions or restructuring.

Mr. Gallagher was our Chief Executive Officer until the Merger. He served an integral role in assessing potential acquisitions for us and a significant portion of his compensation was linked to our successful completion of the Merger. Mr. Jaeger provided services as Interim Chief Financial Officer pursuant to an engagement agreement with us with a rate of compensation of $22,000 per month.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board has reviewed and discussed the above Compensation Discussion and Analysis with the Company s management. Based on this review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in the Company s 2019 Proxy Statement and the Company s Annual Report on Form 10-K for the year ended December 31, 2018.

This report was submitted by the Compensation Committee and shall not be deemed to be soliciting material or to be filed with the SEC or subject to Regulation 14A promulgated by the SEC or Section 18 of the Exchange Act.

Members of the Compensation Committee:

Robert Gidel, Chair

Roy Guthrie

Michael Malone

Tagar Olson

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HISTORICAL EXECUTIVE COMPENSATION INFORMATION

Prior to the Merger, we had limited operations other than our reinsurance business that operated in runoff mode. Since our operations before the Merger were insignificant relative to Nationstar s operations, the SEC granted our request to consider Nationstar as the predecessor company in the Merger for financial statement purposes. Additionally, all of our current named executive officers were executive officers of Nationstar, and we continued the Nationstar compensation program for the second half of 2018. As a result, this Historical Executive Compensation Information section provides an overview of the full-year compensation program for 2018 for the Nationstar executive officers who are our named executive officers along with our former Chief Executive Officer and former Interim Chief Financial Officer.

Summary Compensation Table

The following table sets forth the annual compensation for our named executive officers serving at the end of 2018.

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Stock Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Jay Bray	2018	672,116	1,683,509	18,502,451	4,250,000[3]	11,000[4]	25,119,076
Chairman, President &	2017	450,000		1,000,006	4,250,000	10,679	5,710,685
Chief Executive Officer	2016	450,000		800,005	4,100,000	10,385	5,360,390
Amar R. Patel	2018	465,000	962,005	1,501,225	1,050,000[3]	4,365	3,982,595
Executive Vice President & Former Chief Financial Officer	2017	288,462		500,007	1,050,000	4,201	1,842,670
Anthony L. Ebers	2018	570,000	673,404	8,501,226	1,500,000[3]	9,583	11,254,213
Executive Vice President &	2017	450,000		500,012	1,750,000	8,017	2,708,029
Chief Operating Officer	2016	450,000		450,003	1,900,000	6,541	2,806,544
Michael R. Rawls	2018	400,000	577,203	1,500,002	1,050,000[3]	8,729	3,535,934
Executive Vice President of	2017	400,000		500,002	1,050,000	8,325	1,958,337
Servicing	2016	383,654		500,003	1,100,000	8,402	1,992,059
Anthony W. Villani	2018	375,000	336,702	625,010	720,000[3]	421,639[4]	2,478,351
Executive Vice President &	2017	375,000		375,018	840,000	11,075	1,601,093
General Counsel	2016	375,000		375,008	900,000	10,834	1,660,842
William C. Gallagher[5]	2018	297,436		721,269	500,000	27,959[4]	1,546,664
Former Chief Executive	2017	500,000					500,000
Officer	2016	500,000					500,000
Timothy F. Jaeger[5]	2018	264,000			250,000		514,000
	2017	264,000					264,000

Former Interim Chief Financial Officer	2016	264,000	264,000

(1) These amounts represent retention bonus awards paid in connection with the Merger.

(2) Represents the aggregate grant date fair value, as computed in accordance with FASB ASC Topic 718, *Compensation Stock Compensation* excluding the effect of estimated forfeitures during the applicable vesting periods, of equity awards granted to our named executive officers. Assumptions used for determining the value of the awards reported in these columns are set forth in our Annual Report on Form 10-K for the year ended December 31, 2018 in Note 14 to the Consolidated Financial Statements, Share-Based Compensation and Equity. Annual awards are based,

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in part, on individual performance in the previous year and retention equity awards were granted on December 1, 2018. Information with respect to vesting of these awards is disclosed in the Grants of Plan Based Awards table and the accompanying notes.

(3) These amounts represent non-equity payments for annual bonus awards which were paid in the first quarter of 2019 but represent awards with respect to the Company s and individual performance in 2018.

(4) Represents for 2018 (a) a contribution to Mr. Bray s 401(k) Plan account, (b) for Mr. Villani, a telephone allowance of $325, a contribution to his 401(k) Plan account of $10,966 and the Merger-related accelerated restricted stock unit vesting cash election of $410,348 and (c) for Mr. Gallagher a healthcare coverage cash payout.

(5) Mr. Gallagher resigned from the Company effective July 31, 2018, and Mr. Jaeger resigned as the Company s Interim Chief Financial Officer on July 31, 2018 and from the Company on December 31, 2018.

Grants of Plan Based Awards for 2018

The following table sets forth, for each of our named executive officers, the grants of awards under any plan during the year 2018, as described in further detail in the sections titled Annual Incentives and Long-Term Incentive Awards.

Name	Grant Date	Date of Compensation Committee Approval	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)(2)	Grant Date Fair Value of Stock Awards ($)(3)(4)
Jay Bray							
EMIP				4,100,000			
Incentive Plan	3/1/2018	2/27/2018				61,879	1,002,440
	12/1/2018	11/19/2018				1,172,923	17,500,011
Amar R. Patel							
EMIP				900,000			
Incentive Plan	3/1/2018	2/27/2018				30,939	501,212
	12/1/2018	11/19/2018				67,025	1,000,013
Anthony L. Ebers							
EMIP				2,000,000			
Incentive Plan	3/1/2018	2/27/2018				30,939	501,212
	12/1/2018	11/19/2018				536,194	8,000,014
Michael R. Rawls							
EMIP				900,000			
Incentive Plan	3/1/2018	2/27/2018				30,939	501,212

	12/1/2018	11/19/2018		66,943	998,790
Anthony W. Villani					
EMIP			675,000		
Incentive Plan	3/1/2018	2/27/2018		23,205	375,921
	12/1/2018	11/19/2018		16,695	249,089
William C. Gallagher					
Incentive Plan	7/31/2018	05/12/2015		42,328	721,269
Timothy F. Jaeger					
Incentive Plan					

(1) The amounts reported in the Estimated Future Payouts Under Non-Equity Incentive Plan Awards column represent the potential payouts of awards under the EMIP subject to the achievement of certain performance measures. The actual amount of the awards made to our named executive officers is included in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

(2) Represents awards of time-based restricted stock units to Messrs. Bray, Patel, Ebers, Rawls and Mr. Villani under the Nationstar Mortgage Holdings Inc. Second Amended and Restated 2012 Incentive Compensation Plan which, with respect to awards granted on (a) March 1, 2018, vest 33.3%,

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33.3% and 33.4% on the first, second and third anniversaries of the grant date and (b) December 1, 2018, vest (i) 20% on March 1 of 2020, 2021, 2022, 2023 and 2024 for each of Messrs. Bray, Ebers and Patel and (ii) 33.3% on March 1, 2020, 33.3% on March 1, 2021 and 33.4% on March 1, 2022 for each of Messrs. Rawls and Villani. Represents an award of restricted stock to Mr. Gallagher under the WMI Holdings Corp. 2012 Long-Term Incentive Plan which fully vested on the grant date.

(3) Represents number of shares of stock on a post reverse stock split basis.

(4) Represents the aggregate grant date fair value, as computed in accordance with FASB ASC Topic 718, Compensation Stock Compensation excluding the effect of estimated forfeitures during the applicable vesting periods, of awards of (a) restricted stock units granted to Messrs. Bray, Patel, Ebers, Rawls and Villani and (b) restricted stock granted to Mr. Gallagher pursuant to his employment agreement dated May 15, 2015. Each of the March 1, 2018, awards was valued at $16.16 per share and each of the December 1, 2018, awards was valued at $14.92 per share. The value of each award to Messrs. Bray, Patel, Ebers, Rawls and Villani was determined by the average of the high and low share price of the last trading date prior to the grant date. The value of the award to Mr. Gallagher was determined by the closing share price of the last trading date prior to the grant date.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth, for each of our named executive officers, their outstanding equity awards as of December 31, 2018, as described in greater detail in the in the section Long-Term Incentive Awards.

	Stock Awards	
Name	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value[1] of Shares or Units of Stock that Have Not Vested ($)
Jay Bray	61,879[2]	722,128
	1,172,923[3]	13,688,011
Amar R. Patel	30,939[4]	361,058
	67,025[5]	782,182
Anthony L. Ebers	30,939[4]	361,058
	536,194[6]	6,257,384
Michael R. Rawls	30,939[4]	361,058
	66,943[7]	781,225
Anthony W. Villani	23,205[8]	270,802
	16,695[9]	194,831
William C. Gallagher		

Timothy F. Jaeger

(1) Based on the closing market price of Mr. Cooper Group common stock on December 31, 2018, which was $11.67.

(2) This award of restricted stock units is subject to vesting. 20,605 shares vested on March 1, 2019; 20,605 shares will vest on March 1, 2020 and 20,669 shares will vest on March 1, 2021.

(3) This award of restricted stock units is subject to vesting. 234,584 units will vest on March 1, 2020; 234,585 units will vest on March 1, 2021; 234,584 units will vest on March 1, 2022; 234,585 units will vest on March 1, 2023 and 234,585 units will vest on March 1, 2024.

(4) This award of restricted stock units is subject to vesting. 10,302 units vested on March 1, 2019; 10,303 units will vest on March 1, 2020 and 10,334 units will vest on March 1, 2021.

(5) This award of restricted stock units is subject to vesting. 13,405 units will vest on March 1, 2020; 13,405 units will vest on March 1, 2021; 13,405 units will vest on March 1, 2022; 13,405 units will vest on March 1, 2023 and 13,405 units will vest on March 1, 2024.

(6) This award of restricted stock units is subject to vesting. 107,238 units will vest on March 1, 2020; 107,239 units will vest on March 1, 2021; 107,239 units will vest on March 1, 2022; 107,239 units will vest on March 1, 2023 and 107,239 units will vest on March 1, 2024.

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(7) This award of restricted stock units is subject to vesting. 22,292 units will vest on March 1, 2020; 22,292 units will vest on March 1, 2021 and 22,292 units will vest on March 1, 2022.

(8) This award of restricted stock units is subject to vesting. 7,727 units vested on March 1, 2019; 7,727 units will vest on March 1, 2020 and 7,751 units will vest on March 1, 2021.

(9) This award of restricted stock units is subject to vesting. 5,559 shares will vest on March 1, 2020; 5,559 shares will vest on March 1, 2021 and 5,577 units will vest on March 1, 2022.

Stock Vested for 2018

The following table provides information on the vesting of shares of (a) Mr. Cooper Group common stock for Mr. Gallagher and (b) Nationstar common stock that was converted to Mr. Cooper Group common stock in connection with the Merger for our other named executive officers in 2018.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Jay Bray	490,310	2,001,609
Amar R. Patel	278,529	570,688
Anthony L. Ebers	456,283	1,414,470
Michael R. Rawls	268,621	1,098,722
Anthony W. Villani	25,922	401,196
William C. Gallagher	190,476	3,245,711
Timothy F. Jaeger		

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Potential Payments upon Termination or Change of Control

The following table sets forth the value of benefits that would have been payable to our named executive officers assuming a termination of employment or change of control on December 31, 2018, given their compensation levels and, where applicable, Mr. Cooper Group s closing stock price on that date. The amounts shown in the table do not include payments and benefits, such as accrued salary and accrued vacation, to the extent that they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. If the termination of employment was due to disability, all salaried employees, including our named executive officers, are entitled to receive a monthly long-term benefit of up to $25,000, which would begin six months following the determination of disability and continue until the person reaches the age of 65 years. The actual amounts to be paid can only be determined at the time of a named executive officer s separation from the Company or a change in control and include the accelerated vesting of previously awarded but unvested equity awards. Neither Mr. Gallagher, who resigned from the Company effective July 31, 2018, nor Mr. Jaeger, who resigned as the Company s Interim Chief Financial Officer on July 31, 2018, and from the Company on December 31, 2018, received any termination payments in connection with their resignations, except that Mr. Gallagher received a healthcare coverage cash payout of approximately $28,000.

Name	Death ($)	Disability ($)	Termination Without Cause ($)	After Change in Control ($)
Jay Bray				
Salary			1,500,000(1)	
Annual Bonus			4,250,000(2)	
Deal Retention Bonus			1,683,509	
Accelerated Vesting of Equity Awards	14,410,139(3)	14,410,139(3)	722,128(4)	14,410,139(3)
Medical Coverage			15,156(6)	
Life Insurance	500,000(5)			
Total	14,910,139	14,410,139	8,297,716	14,410,139
Amar R. Patel				
Salary			600,000(1)	
Annual Bonus			1,050,000(2)	
Deal Retention Bonus			962,005	
Accelerated Vesting of Equity Awards	1,143,240(3)	1,143,240(3)	361,058(4)	1,143,240(3)
Medical Coverage			14,244(6)	
Life Insurance	500,000(5)			

Total	1,643,240	1,143,240	3,051,922	1,143,240
Anthony L. Ebers				
Salary			750,000(1)	
Annual Bonus			1,750,000(2)	
Deal Retention Bonus			673,404	
Accelerated Vesting of Equity Awards	6,618,442(3)	6,618,442(3)	361,058(4)	6,618,442(3)
Medical Coverage			14,244(6)	
Life Insurance	500,000(5)			
Total	7,118,442	6,618,442	3,629,475	6,618,442

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Name	Death ($)	Disability ($)	Termination Without Cause ($)	After Change in Control ($)
Michael R. Rawls				
Salary			400,000(1)	
Annual Bonus			1,050,000(2)	
Deal Retention Bonus			577,203	
Accelerated Vesting of Equity Awards	1,142,283(3)	1,142,283(3)	361,058(4)	1,142,283(3)
Medical Coverage			14,244(6)	
Life Insurance	500,000(5)			
Total	1,642,283	1,142,283	2,453,274	1,142,283