Risk Factors Comparison 2024-02-28 to 2023-02-16 Form: 10-K

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You should carefully consider the following risk factors together with all of the other information included in this report, including the financial statements and related notes, when deciding to invest in us. The risks and uncertainties described below could materially adversely affect our business, financial condition and results of operations in future periods and are not the only risks facing our Company. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and results of operations in future periods. Risk Factor Summary Market, Financial Reporting, Credit and Liquidity Risks • Our revenues in Originations and Servicing are highly dependent on macroeconomic and U. S. residential real estate market conditions. • Our earnings may decrease because of changes in prevailing interest rates and / or declines in home prices. • We may be unable to obtain sufficient capital to operate our business, and our substantial indebtedness may limit our financial and operating activities and our ability to incur additional debt to fund future needs. • A disruption in the secondary home loan market, including the MBS market, could have a detrimental effect on our business. • If our estimates or assumptions in our financial models prove to be incorrect, it may affect our earnings. • We may not realize all of the anticipated benefits of previous or potential acquisitions and dispositions. • Our hedging strategies may not be successful in mitigating our risks associated with interest rates. • We have third- party credit, servicer and correspondent risks **. • Changes in tax legislation and challenges from tax authorities may have an adverse impact on our financial condition** . • We may not be able to fully utilize our net operating loss (" NOL "), ~~the~~ **other tax** ~~IRS could challenge our NOL~~ carry forwards and ~~changes~~ **certain built-** in **losses** ~~legislation could negatively affect our~~ **or deductions** ~~ability to use the tax benefits associated with our NOL carry forwards~~. Business & Operational Risks • A significant increase in delinquencies for the loans that we own and service could have a material impact on our revenues, expenses and liquidity and on the valuation of our MSRs. • We may not maintain or grow our business if we do not acquire MSRs or enter into favorable subservicing agreements. • We service higher risk loans which are more expensive to service than conventional mortgage loans. • We are required to make servicing advances that can be subject to delays in recovery or may not be recoverable. • Our counterparties may terminate our servicing rights and subservicing contracts. • We could have a downgrade in our servicer ratings. • We may not be able to maintain the volumes in our loan originations business. • We may be required to indemnify or repurchase loans we sold, or will sell, if these loans fail to meet certain criteria. • We are highly dependent upon loan programs administered by the Agencies to generate revenues. Corporate / Other • Our ~~REO~~ **Real Estate** exchange business could be further impacted by delays in ~~FHA~~ foreclosure sales, as well as economic slowdowns and recessions. **9** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- ~~K 8General~~ **KGeneral** Business & Operational Risks • We may not be successful in implementing certain strategic initiatives. • Technology failures or cyber- attacks against us or our vendors could damage our business operations, and new laws and regulations could increase our costs. • Our capital investments in technology may not achieve anticipated returns. • We and our vendors have operations in India that could be adversely affected by changes in political or economic stability or by government policies. • Our vendor relationships subject us to a variety of risks. • Our risk management policies and procedures may not be effective. • We could have, appear to have or be alleged to have conflicts of interest with Xome. • Our business could suffer if we fail to attract, or retain, highly skilled employees and changes in our executive management team may be disruptive to our business. • Negative public opinion could damage our reputation and adversely affect our business. • **Issues related to the development and use of artificial intelligence could give rise to legal and / or regulatory action, damage our reputation or otherwise materially harm our business. •** We may have lapses in disclosure controls and procedures or internal control over financial reporting. • Our business is subject to the risks of natural catastrophic events and health pandemics. Regulatory **, Compliance** and Legal Risks • We operate within a highly regulated industry on federal, state and local levels. • We are subject to numerous legal proceedings, federal, state or local governmental examinations and enforcement investigations. • We are subject to state licensing and operational requirements that result in substantial compliance costs. • Our business would be adversely affected if we lose our licenses. • We may incur increased litigation costs and related losses if a court overturns a foreclosure or if a loan we are servicing becomes subordinate to a Home Owners Association lien. • Delays in residential mortgage foreclosure proceedings could have a negative effect on our ability to liquidate loans timely and slow the recovery of advances and thus impact our earnings or liquidity. Risks Related to Owning our Stock • Our common stock is subject to transfer restrictions. • Anti- takeover provisions in our charter and under Delaware law could limit certain stockholder actions. • The market price of our common stock may decrease, resulting in a loss for investors. ~~9~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **10** Risk Factors Our success depends largely on the health of the U. S. residential real estate industry, which is seasonal, cyclical and affected by changes in general economic conditions beyond our control. Economic factors such as increased interest rates, inflation, slow economic growth or recessionary conditions, the pace of home price appreciation or the lack of it, changes in household debt levels, and increased unemployment or stagnant or declining wages affect our customers' income and thus their ability and willingness to make loan payments. **Although** ~~Further,~~ inflation **has slowed during 2023, it** remains **above the** ~~high despite U. S.~~ Federal Reserve ~~continued increases in~~ **' s 2 % target, and it is expected that** interest rates **will remain elevated for some time** ~~to temper inflation, and leading economic indicators are signaling an economic recession on the horizon, which may have an adverse effect on our operations~~. Additionally, global events affect all such macroeconomic conditions. **Instability** ~~For example, the U. S. Federal Reserve' s interest rate increases have resulted~~ in ~~increased~~ **the** global **credit markets, the impact of uncertainty regarding global central bank monetary policy, the** instability **in** ~~, leading to~~ the ~~largest sovereign drawdowns~~ **geopolitical environment in**

many parts of the world (including as a result of the on **- going** ~~record, as foreign central banks have attempted to defend their currencies. Global instability, compounded by the situation in~~ Ukraine ~~, has contributed to high levels of volatility in both equity and fixed -~~ ~~income markets~~ **Russia conflict, China- Taiwan relations, and the recent eruption of hostilities in Israel and Gaza), global economic ramifications of the current economic challenges in China, and other disruptions may continue to put pressure on global economic conditions** . Weak, or a significant deterioration in economic conditions, reduces the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified potential customers to take out loans. As a result, such economic factors affect loan origination volume. Additional macroeconomic factors including, but not limited to, rising government debt levels, the withdrawal or augmentation of government interventions into the financial markets, changing U. S. consumer spending patterns, changing expectations for inflation and deflation, and weak credit markets may create low consumer confidence in the U. S. economy or the U. S. residential real estate industry. Excessive home building or high foreclosure rates resulting in an oversupply of housing in a particular area may also increase the amount of losses incurred on defaulted mortgage loans. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time and adversely affect our financial condition. Any uncertainty or deterioration in market conditions that leads to a decrease in loan originations will result in lower revenue on loans sold into the secondary market. Lower loan origination volumes generally place downward pressure on margins, thus compounding the effect of the deteriorating market conditions. Companies focusing on mortgage originations may experience severe financial distress and this may result in numerous companies exiting the mortgage business or filing bankruptcy. This could cause a contagion effect resulting in the banks which provide us financing lines to reduce the lines or increase financing costs. Such events could be detrimental to our business. Moreover, any deterioration in market conditions that leads to an increase in loan delinquencies will result in lower revenue for loans we service for the GSEs and Ginnie Mae as servicing fees are collected only for current performing loans. While increased delinquencies generate higher ancillary revenues, including late fees, these fees are sometimes unrecoverable if the related loan is liquidated. Increased delinquencies may also increase the cost of servicing the loans for all market participants. The decreased cash flow from lower servicing fees or higher cost to service could decrease the estimated value of our MSRs, resulting in recognition of losses when we write down those values. In addition, an increase in delinquencies lowers the interest income we receive on cash held in collection and increases our obligation to advance certain principal, interest, tax and insurance obligations owed by the delinquent mortgage loan borrower. An increase in delinquencies could therefore be detrimental to our business. Our profitability is directly impacted by changes in prevailing interest rates. Interest rates have risen further and faster than any time in modern history. The following are certain material risks we face related to changes in interest rates: Servicing: • a decrease in interest rates may increase prepayment speeds which lead to (i) increased amortization expense; (ii) decreased servicing fees; and (iii) decreased fair value of our MSRs; • an increase in interest rates, together with an increase in monthly payments when an adjustable mortgage loan' s interest rate adjusts upward from an initial fixed rate or a low introductory rate, may cause increased delinquency, default and foreclosure. Increased mortgage defaults and foreclosures may adversely affect our business as they increase our expenses and reduce the number of mortgages service fees that are collected. Additionally, payment savings on modifications are directly tied to market interest rates, and increasing interest rates may reduce the number of customers eligible to receive modifications or increase the likelihood of re-default for those who receive a modification. Loan modifications for government insured mortgages are more difficult in a high-rate environment, which may result in higher delinquency levels for loans in Ginnie Mae securities. An increase in interest rates also lowers unhedged early buyout (" EBO ") revenues; **11** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K ~~10~~ Originations: • an increase in interest rates could adversely affect our loan originations volume because refinancing an existing loan would be less attractive for homeowners and qualifying for a purchase money loan may be more difficult for consumers; • an increase in interest rates could also adversely affect our production margins due to increased competition among originators; Other: • an increase in interest rates could adversely affect Xome' s ~~REO~~ **Real Estate** exchange property sales, particularly non- distressed sales, as financing may become less attractive to borrowers; • an increase in interest rates could increase the cost of servicing our outstanding debt, including our ability to finance servicing advances and loan originations and for borrowing for acquisitions; and • a decrease in interest rates could reduce our earnings from our custodial deposit accounts. Home prices in many areas of the country have risen dramatically. ~~Forecasters are predicting nationwide home~~ **Home** ~~price declines in 2023, with home~~ values **may** ~~deflating~~ **deflate** significantly, especially in those areas with the highest rates of increase. Falling home prices may result in higher defaults, greater loss severity, increased foreclosures and losses to investors and stakeholders. The decrease in housing values may greatly affect mortgage loan originations for years, with dramatic decreases in volume due in part from borrowers' inability to sell or refinance their properties as a result of the lower values. In addition, as investors take losses and liquidity in capital markets evaporates, investors and originators may tighten underwriting criteria and scrutiny of loan production. These events could decrease our revenue from loan originations or loan purchases, and increase our expenses due to repurchases, the resources needed to validate claims, and servicing costs to manage higher defaults and foreclosures. Any of the foregoing could adversely affect our business, financial condition and results of operations. Demand in the secondary market and our ability to complete the sale or securitization of our mortgage loans depends on a number of factors, many of which are beyond our control. This includes general economic conditions, general conditions in the banking system, the willingness of lenders to provide funding for mortgage loans, the willingness of investors to purchase mortgage loans and MBS, and changes in regulatory requirements. In September 2022, the U. S. Federal Reserve withdrew from the mortgage securities market and ceased purchasing MBS. Additionally, the yield on U. S. Treasury bonds, often referred to as one of the primary market indicator rates, **remains high** ~~has increased sharply,~~ and the spread between mortgage rates and 10-year Treasury yield **continues** ~~has widened~~ to **remain at** 2008 financial crisis levels. Customers have little to no rate incentive to refinance and there is minimal demand from buyers of MBS. Any continued significant disruption or period of illiquidity in the general MBS market could directly affect our liquidity because no existing alternative secondary market would likely be able to accommodate on a timely basis the volume of loans that we typically sell in any given period. Accordingly, if the MBS market experiences a period of illiquidity, we may be prevented from selling the loans that we produce into the secondary market in a timely manner or at favorable prices, which could be detrimental to our business. We may be unable to obtain sufficient capital to operate our business. Our financing strategy includes the use of significant leverage because, to make servicing advances and fund originations, we require liquidity in excess of the capital generated by our operations. Accordingly, our ability to finance our operations depends on our ability to secure financing on acceptable terms and to renew and / or replace existing financings as they expire. These financings may not be available on acceptable terms or at all. ~~Currently, credit default swaps for money center banks are now at levels last seen in late 2012, which could result in reduced availability and less favorable terms for liquidity facilities, especially for the mortgage industry.~~ If we are unable to obtain these financings, we may need to raise the funds we require in the capital markets or through other means, any of which may increase our cost of funds. We are generally required to renew a significant portion of our debt financing arrangements each year, which exposes us to refinancing and interest rate risks. Our ability to refinance existing debt and borrow additional funds is affected by a variety of factors including: ~~11~~ **• the available liquidity in the credit markets;** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **12** ~~• the available liquidity in the credit markets;~~ • prevailing interest rates; • an event of default, a negative ratings action by a rating agency and limitations imposed on us under the indentures governing our current debt that contain restrictive covenants and borrowing conditions that may limit our ability to raise additional debt; • the strength of the lenders from which we borrow; and • limitations on borrowings on advance facilities imposed by the amount of eligible collateral pledged, which may be less than the borrowing capacity of the advance facility. **Additionally, the Basel III " endgame " regulations released in response to recent regional bank failures are expected to discourage banks from investing in MSRs and other mortgage assets, which may make it more difficult to secure or to obtain acceptable terms for our various debt facilities.** If we are unable to obtain sufficient capital on acceptable terms for any of the foregoing reasons, this could adversely affect our business, financial condition and results of operations. Our substantial indebtedness may limit our financial and operating activities and our ability to incur additional debt to fund future needs. As of December 31, ~~2022~~ **2023**, the aggregate principal amount of our unsecured senior notes was $ ~~2~~ **3**, ~~700~~ **200** million. Although we and our subsidiaries have substantial indebtedness, we believe we have the ability to incur additional indebtedness in the future, subject to the limitations contained in the agreements governing our indebtedness. These agreements generally restrict us and our restricted subsidiaries from incurring additional indebtedness; however, these restrictions are subject to important exceptions and qualifications. If we incur additional debt, the related risks could be magnified and could limit our financial and operating activities. Our current and any future indebtedness could: • require us to dedicate a substantial portion of cash flow from operations to the payment of principal and interest on our current indebtedness and any indebtedness we may incur in the future, thereby reducing the funds available for other purposes; • make it more difficult for us to satisfy and comply with our obligations with respect to the unsecured senior notes; • subject us to increased sensitivity to increases in prevailing interest rates; • place us at a competitive disadvantage to competitors with relatively less debt in economic downturns, adverse industry conditions or catastrophic external events; or • reduce our flexibility in planning for or responding to changing business, industry and economic conditions. In addition, our substantial level of indebtedness could limit our ability to obtain financing or additional financing on acceptable terms to fund future acquisitions, working capital, capital expenditures, debt service requirements, and / or general corporate and other purposes, which could have a material adverse effect on our business and financial condition. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors outside of our control. Our substantial obligations could have other important consequences. For example, our failure to comply with the restrictive covenants in the agreements governing our indebtedness, which limit our ability to incur liens, to incur debt and to sell assets, could result in an event of default that, if not cured or waived, could harm our business or prospects and could result in our bankruptcy. **13 Mr. Cooper Group Inc.- 2023 Annual Report on Form 10- K** We use financial models that rely heavily on estimates in determining the fair value of certain assets and liabilities, such as MSRs and MSR financing liabilities, and if our estimates or assumptions prove to be incorrect, it may affect our earnings. We use internal financial models that utilize, wherever possible, market participant data to value certain of our assets, including our MSRs and MSR financing liabilities and for purposes of financial reporting. These models are complex and use asset- specific collateral data and market inputs for interest and discount rates. In addition, the modeling requirements of MSRs are complex because of the high number of variables that drive cash flows associated with MSRs. Even if the general accuracy of our valuation models is validated, valuations are highly dependent upon the reasonableness of our assumptions and the predictability of the relationships that drive the results of the models. In determining value for MSRs, we make certain assumptions, many of which are beyond our control, including, among other things: ~~Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K 12~~ • the rates of prepayment and repayment within the underlying pools of mortgage loans and our ability to recapture mortgage prepayments through the origination platform; • projected rates of delinquencies, defaults and liquidations; • future interest rates; • cost to service the loans; • ancillary revenues; and • amounts of future servicing advances. If these assumptions or relationships prove to be inaccurate, if market conditions change or if errors are found in our models, the value of certain assets and liabilities could materially vary, which could impact our ability to satisfy minimum net worth covenants and borrowing conditions in our debt agreements and adversely affect our business, financial condition and results of operations. Our ability to realize the anticipated benefits of previous or potential acquisitions, including the acquisition of assets, will depend, in part, on our ability to scale- up to appropriately service these assets and integrate the businesses of the acquired companies with our business. The risks associated with acquisitions include, among others: • unknown or contingent liabilities; • unanticipated issues in integrating information, management style, controls and procedures, servicing practices, communications and other systems including information technology systems; • the value of non- cash consideration received and its potential change in value; • unanticipated incompatibility of purchasing, logistics, marketing and administration methods; • not retaining key employees or clients; and • inaccuracy of valuation and / or operating assumptions supporting our purchase price. **When** ~~In the event that~~ we acquire a platform, we may elect to operate this platform in addition to our current platform for a period of time or indefinitely. Individually or collectively, these transactions could substantially increase the UPB, or alter the composition of our portfolio of mortgage loans that we service or have an otherwise significant impact on our business. Additionally, we may make potentially significant acquisitions which could expose us to greater risks than we currently experience in servicing our current portfolio and adversely affect our business, financial condition and results of operations. ~~13~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **14** The risks associated with disposition include, among other things: • difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner; • destabilization of the applicable operations; • loss of key personnel; • ability to obtain necessary governmental or regulatory approvals; • post- disposal disputes and indemnification obligations; • access by purchasers to certain of our systems and tools during transition periods; • the migration of data and separation of systems; and • data privacy matters. We can provide no assurances that we will enter into any such agreements or as to the timing of any potential strategic transactions. The strategic transaction process may disrupt our business including diverting management' s attention from ongoing business concerns. We also may not realize all of the anticipated benefits of potential future strategic transactions, which could adversely affect our business, financial condition and results of operations. **We** ~~In our Originations segment, we~~ use various derivative financial instruments to provide a level of protection against interest rate risks **related to our both our pipeline (LHFS and IRLCs spanning our Originations and Servicing segments) and our MSR portfolio (in our Servicing segment)** , but no hedging strategy can protect us completely ~~. We also hedge MSRs in the current rate environments~~ . The nature and timing of hedging transactions influence the effectiveness of these strategies. Poorly designed strategies, improperly executed and documented transactions or inaccurate assumptions could increase our risks and losses. In addition, hedging strategies involve transaction and other costs. Our hedging strategies and the derivatives that we use may not be able to adequately offset the risks of interest rate volatility, and our hedging transactions may result in or magnify losses. Furthermore, interest rate derivatives may not be available on favorable terms or at all, particularly during periods of heightened volatility or economic downturns. Any of the foregoing risks could adversely affect our business, financial condition and results of operations. We have third-party credit, servicer and correspondent risks which could have a material adverse effect on our business, liquidity, financial condition and results of operation. Consumer Credit Risk: We provide representations and warranties to purchasers and insurers of the loans that we sell that range between three years and the life of the loan. In the event of a breach of these representations and warranties, we may be required to repurchase a mortgage loan or indemnify the purchaser, and any subsequent loss on the mortgage loan may be borne by us. Our loss estimates are affected by factors both internal and external in nature, including, level of loan sales, as well as to whom the loans are sold, the expectation of credit loss on repurchases and indemnifications, our success rate at appealing repurchase demands, our ability to recover any losses from third parties, the overall economic condition in the housing market, the economic condition of borrowers, the political environment at investor agencies and the overall U. S. and world economies. Many of the factors are beyond our control and may lead to judgments that are susceptible to change. In adverse market conditions, loans may decrease in value due to an increase in delinquencies, borrower defaults and non- payments. In addition, property values may experience losses at liquidation due to extensions in foreclosure and **real estate owned ("** REO **")** sales timelines, as well as home price depreciation. Counterparty Credit Risk: We are exposed to counterparty credit risk in the event of non- performance by counterparties to various agreements. Although certain credit facilities and warehouse lines are committed, we may experience a disruption in operations due to a lender withholding funds of a borrowing request on the respective credit facility. **15** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K ~~14~~ Prior Servicer Risk: We service mortgage loans under guidelines set forth by regulatory agencies and GSEs. Failure to meet stipulations of the servicing guidelines can result in the assessment of fines and loss of reimbursement of loan related advances, expenses, interest and servicing fees. When the servicing of a portfolio is assumed either through purchase of servicing rights or through a subservicing arrangement, various loans in the acquired portfolio may have been previously serviced in a manner that will contribute towards our not meeting certain servicing guidelines. If not recovered from a prior servicer, such events frequently lead to the eventual realization of a loss to us. The recovery process against a prior servicer can be prolonged based upon the time required by us to meet minimum loss deductibles under the indemnification provisions in our agreements with the prior servicer and for the time requirements by the prior servicer to review underlying loss events and our request for indemnification. The amounts ultimately recovered from prior servicers may differ from our estimated recoveries recorded based on the prior servicer' s interpretation of responsibility for loss, which could lead to our realization of additional losses. Correspondent Risk: We purchase closed loans from correspondent lenders. The failure of these correspondent lenders to comply with any applicable laws, regulations and rules may subject us to monetary penalties or other losses. Although we have controls and procedures designed to assess areas of risk with respect to these acquired loans, including, without limitation, diligence regarding compliance with underwriting guidelines and applicable laws or regulations, we may not detect every violation of law by these correspondent lenders. In an economic downturn, a number of these correspondent lenders may not be financially viable, and any issues with respect to loans purchased from them and sold to Fannie Mae and Freddie Mac would transfer any manufacturing defect risk of origination to us. Additionally, we expect occupancy fraud and income fraud in the correspondent channel to increase. As housing prices and interest rates increase, loan terms become less favorable, and affordability becomes more challenging. As a result, borrowers may be more inclined to either inflate their income or misrepresent their occupancy intentions. Any of the above could adversely affect our business, liquidity, financial condition and results of operations. **U. S. federal and state tax authorities may periodically revise legislation that may result in changes to the interpretation of established tax concepts. Future revisions in tax legislation and interpretations thereof could adversely impact our provision for income taxes, cash flow and financial condition. In addition, challenges arising from taxing authorities, including the Internal Revenue Service (IRS) and state and local jurisdictions, on the interpretation of tax laws and regulations could result in adjustments to our effective tax rate, the amount of taxes due or otherwise have an adverse**

impact on our financial condition. We may not be able to fully utilize our ~~NOL~~ **NOLs** ~~and~~ **,** other tax carry forwards **and certain built- in losses or deductions** . As of December 31, ~~2012~~ - **2023** , we had U. S. federal NOLs of ~~approximately~~ $ **354** ~~7. 5 billion~~ **million** ~~, of which approximately $ 6. 0 billion was allocated to the portion of 2012 after the ownership change described below, that, if unused, will begin to expire in 2031. As of December 31, 2022, we had U. S. federal NOLs of approximately $ 0. 5 billion~~ , of which $ **186** ~~0. 3 billion~~ **million** were not subject to limitation under Section 382 of the United States Internal Revenue Code of 1986, as amended (the " Code "). Our ability to utilize NOLs ~~and~~ **,** other tax carry forwards **and certain built- in losses or deductions** to reduce taxable income in future years could be limited for various reasons, including if projected future taxable income is insufficient to recognize the full benefit of such NOL carry forwards prior to their expiration ~~and / or the Internal Revenue Service (" IRS ") challenges that a transaction or transactions were concluded with the principal purpose of evasion or avoidance of Federal income tax. There can be no assurance that we will have sufficient taxable income in later years to enable us to use the NOLs before they expire, or that the IRS will not challenge the use of all or any portion of the NOLs~~ . Although we have certain transfer restrictions in place under our Certificate of Incorporation, our Board could issue additional shares of stock or permit or effect future conversions, amendments or redemptions of our stock, which, depending on their magnitude, could result in ownership changes that would trigger the imposition of additional limitations on the utilization of our NOLs under Sections 382 and 383 of the Code **. Similar provisions of state tax law may also apply** . In an attempt to minimize the likelihood of an additional ownership change occurring, our Certificate of Incorporation contains transfer restrictions limiting the acquisition (and disposition) of our stock or any other instrument treated as stock for purposes of Section 382 by persons or group of persons treated as a single entity under Treasury Regulation Section 1. 382- 3 owning (actually or constructively), or who would own as a result of the transaction, 4. 75 % of the total value of our stock (including any other interests treated as stock for purposes of Section 382). Nevertheless, it is possible that we could undergo an ownership change, either by events within or outside of the control of our Board, e. g., indirect changes in the ownership of persons owning 5 % of our stock. In the event of a subsequent ownership change, all or part of the NOLs ~~from 2012 and subsequent years~~ **or built- in losses** that were not previously subject to limitations under Section 382 could also become subject to an annual limitation. Section 384 may also apply in the event of an ownership change resulting from an acquisition, which would limit the utilization of our NOLs to only certain income or gains generated from assets owned subsequent to the acquisition. ~~The IRS could challenge the amount, timing and / or use of our NOL carry forwards. The amount of our NOL carry forwards has not been audited or otherwise validated by the IRS. Among other things, the IRS could challenge whether an ownership change occurred with the merger with Nationstar, as well as the amount, the timing and / or our use of our NOLs. Any such challenge, if successful, could significantly limit our ability to utilize a portion or all of our NOL carry forwards.~~ In addition, **at the state level,** ~~calculating whether an ownership change has occurred within the~~ **there** ~~meaning~~ **may be periods during which the use** of **NOLs** ~~Section 382~~ is **suspended** ~~subject to inherent uncertainty, both because of the complexity of applying Section 382 and because of limitations on a publicly traded Company' s knowledge as to the ownership of, and transactions in, its securities. Therefore, the calculation of the amount of our~~ - **or** ~~utilizable NOL carry forwards~~ **otherwise limited, which** could **accelerate** ~~be changed as a result of a successful challenge by the IRS or as a result of new information about the ownership of, and transactions in, our~~ - **or** ~~securities~~ **permanently increase state taxes owed** . ~~15~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **16** ~~Possible changes in legislation could negatively affect our ability to use the tax benefits associated with our NOL carry forwards. The rules relating to U. S. federal income taxation are periodically under review by persons involved in the legislative and administrative rulemaking processes, by the IRS and by the U. S. Department of the Treasury, resulting in revisions of regulations and revised interpretations of established concepts as well as statutory changes, including decreases in the tax rate. Future revisions in U. S. federal tax laws and interpretations thereof could adversely impact our ability to use some or all of the tax benefits associated with our NOL carry forwards.~~ • Revenue. An increase in delinquencies will result in lower revenue for loans we service for GSEs and Ginnie Mae as servicing fees are collected only for current performing loans. Additionally, while increased delinquencies generate higher ancillary revenues, including late fees, these fees do not offset the higher cost to service a delinquent loan and are sometimes unrecoverable if the loan is liquidated. In addition, an increase in delinquencies reduces cash held in collections and other accounts and lowers the interest income we receive. • Expenses. An increase in delinquencies will result in a higher cost to service due to the increased time and effort required to collect payments from delinquent borrowers and an increase in interest expense as a result of an increase in our advancing obligations. • Liquidity. An increase in delinquencies could also negatively impact our liquidity because of an increase in servicing advances resulting in an increase in borrowings under advance facilities and / or insufficient financing capacity to fund increases in advances. • Valuation of MSRs. We base the price we pay for MSRs on, among other things, our projections of the cash flows from the related pool of mortgage loans based on market participant assumptions. Expectation of delinquencies is a significant assumption underlying those cash flow projections. If delinquencies were significantly greater than expected, the estimated fair value of our MSRs could be diminished. If the estimated fair value of MSRs is reduced, we would record a loss which would adversely impact our ability to satisfy borrowing conditions in our debt agreements which could have a negative impact on our financial results. An increase in delinquency rates could therefore adversely affect our business, financial condition and results of operations. We may not be able to maintain or grow our business if we do not acquire MSRs or enter into additional subservicing agreements on favorable terms. Our servicing portfolio is subject to " run off, " meaning that mortgage loans serviced by us may be prepaid prior to maturity or repaid through standard amortization of principal. As a result, our ability to maintain the size of our servicing portfolio depends on our ability to acquire the right to service additional pools of residential mortgages, enter into additional subservicing agreements or to retain the servicing rights on newly originated mortgages. We have also shifted the mix of our servicing portfolio to a greater mix of subserviced loans. While we expect this strategy to have longer- term benefits, in the short- term, since subservicing revenues are earned on a fee per loan basis, this shift in our servicing portfolio to subservicing could reduce our revenue and earnings. In addition, we may not be able to maintain our pipeline of subservicing opportunities **. and do not have control of whether a subservicing client sells off its portfolio or the volume and timing of such sales** . The Federal Housing Finance Agency (" FHFA ") could enact more stringent requirements on the GSEs, or other federal or state agencies may enact additional requirements that are more stringent regarding the purchase or sale of MSRs. Additionally, if we do not comply with our seller / servicer obligations, the investors may not consent to approve future transfers of MSRs. If we do not acquire MSRs or enter into additional subservicing agreements on terms favorable to us, our business, financial condition and results of operations could be adversely affected. **17** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K ~~16~~ Some of the loans we service are higher risk loans, which are more expensive to service than conventional mortgage loans and may lead to liquidity challenges. Some of the mortgage loans we service are higher risk loans, meaning that the loans are to less credit worthy borrowers, delinquent or for properties the value of which has decreased. These loans are more expensive to service because they require more frequent interaction with customers and greater monitoring and oversight. Additionally, in connection with the ongoing mortgage market reform and regulatory developments, servicers of higher risk loans are subject to increased scrutiny by state and federal regulators and will experience higher compliance and regulatory costs, which could result in a further increase in servicing costs. We may not be able to pass along any of the additional expenses we incur in servicing higher risk loans to our servicing clients. The greater cost of servicing higher risk loans, which may be further increased through regulatory reform, consent decrees or enforcement, could adversely affect our business, financial condition and results of operations. We have a portfolio of higher risk loans guaranteed by Ginnie Mae. In an adverse economic scenario or a pandemic similar to COVID- 19, where defaults rise rapidly and unexpectedly, we may have funding challenges since Ginnie Mae does not allow the separate utilization of advances as a form of collateral, and we may not be able to secure financing for advances on acceptable terms or at all. If we are unable to obtain these financings, we may need to raise the funds we require in the capital markets or through other means, any of which may increase our cost of funds. Additionally, Ginnie Mae issued new guidelines on early buyouts of reperforming loans which could affect our liquidity. As a result of the COVID pandemic, most investors have changed their loss mitigation program procedures and requirements. New program interpretation, implementation, and testing are time intensive and are subject to operational risk. While we have extensive validation in place to ensure timeliness and accuracy of these updated loss mitigation programs, the multitude of changes and differences in programs announced by each investor creates risk of error. The risk subjects us to loss indemnification requirements. We are required to make servicing advances that can be subject to delays in recovery or may not be recoverable in certain circumstances. During any period in which a borrower is not making payments, we are required under most of our servicing agreements to advance our own funds to meet contractual principal and interest remittance requirements for investors, pay property taxes and insurance premiums, legal expenses and other protective advances. We also advance funds to maintain, repair and market real estate properties on behalf of investors. As home values change, we may have to reconsider certain of the assumptions underlying our decisions to make advances, and in certain situations our contractual obligations may require us to make certain advances for which we may not be reimbursed. In addition, when a mortgage loan serviced by us defaults or becomes delinquent, the repayment to us of the advance may be delayed until the mortgage loan is repaid or refinanced or liquidation occurs. Market disruptions **where** ~~such as the COVID- 19 pandemic and the response by the CARES Act and the GSEs, through which~~ a temporary period of forbearance ~~is being~~ **may be** offered for customers unable to pay on certain mortgage loans may also increase the number of defaults, delinquencies or forbearances related to the loans we service, increasing the advances we make for such loans. We have sold to a joint venture capitalized by certain entities formed and managed by **Rithm Capital** ~~New Residential Investment~~ Corp. (" **Rithm** ~~New Residential~~ ") and certain third- party investors the rights to mortgage servicing rights and servicer advances related to certain loan pools. In connection with these transactions, **Rithm** ~~New Residential~~ purchased the equity of wholly owned special purpose subsidiaries of Mr. Cooper Group that issued limited recourse funding to finance the advances. We continue to service these loans. In the event that **Rithm** ~~New Residential~~ receives requests for advances in excess of amounts that they or their co- investors are willing or able to fund, we are obligated to fund these advance requests. Since we have transferred the related advance facilities to **Rithm** ~~New Residential~~ , we may have to obtain other sources of financing which may not be available. Our inability to fund these advances could result in a termination event under the applicable servicing agreement, an event of default under the advance facilities and a breach of our purchase agreement with **Rithm** ~~New Residential~~ . Our inability to fund these advance requests could adversely affect our business, financial condition and results of operations. The owners of the loans we service and the primary servicers of the loans we subservice may, under certain circumstances, terminate our MSRs or subservicing contracts, respectively. Agency Servicing: We are party to seller / servicer agreements and / or subject to guidelines and regulations (collectively, seller / servicer obligations) with both of the GSEs, FHA and Ginnie Mae. As is standard in the industry, under the terms of these seller / servicer agreements, the agencies have the right to terminate us as servicer of the loans we service on their behalf at any time and also have the right to cause us to sell the MSRs to a third party. ~~17~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **18** We are subject to minimum financial eligibility requirements established by the Agencies. These minimum financial requirements, include net worth, capital ratio and / or liquidity criteria in order to set a minimum level of capital needed to adequately absorb potential losses and a minimum amount of liquidly needed to service Agency mortgage loans and MBS and cover the associated financial obligations and risks. To meet these minimum financial requirements, we are required to maintain cash and cash equivalents in amounts that could impede us from growing our business and place us at a competitive disadvantage in relation to federally chartered banks and certain other financial institutions. These seller / servicer obligations include financial covenants that include capital requirements related to tangible net worth. **The** ~~On August 17, 2022, the~~ FHFA and Ginnie Mae ~~announced~~ **have** updated **their** minimum financial eligibility requirements for GSE seller / servicers and Ginnie Mae issuers **, the majority of which became effective on September 30, 2023** . The updated minimum financial eligibility requirements modify the definitions of tangible net worth and eligible liquidity, modify their minimum standard measurement and include a new risk- based capital ratio, among other changes ~~. The majority of the updated requirements will become~~

~~effective on September 30, 2023~~ . On October 21, 2022, Ginnie Mae extended the compliance date for its risk- based capital requirements to December 31, 2024. Although we believe that we will be in compliance with these updated requirements, to the extent that these capital and liquidity requirements are not met, the applicable agency may suspend or terminate these agreements, which would prohibit us from further servicing these specific types of mortgage loans or being an approved servicer. If we are unable to meet these capital and liquidity requirements, this could adversely affect our business, financial condition and results of operations. Subservicing: Our subservicing portfolio is highly concentrated with a small number of parties who may elect to transfer their subservicing relationship to other counterparties or may go out of business. As of December 31, ~~2022~~ **2023** , ~~88~~ **93** % of our subservicing portfolio is with ~~seven~~ **6** counterparties. Under our subservicing contracts, the primary servicers for which we conduct subservicing activities have the right to terminate our subservicing contracts with or without cause, with limited notice and with no termination fee upon a change of control. Entering into additional subservicing contracts will expose us to similar risks with new counterparties. If our servicing rights or subservicing contracts are terminated on a material portion of our servicing portfolio, this could adversely affect our business, financial condition and results of operations. Standard & Poor' s and Fitch rate us as a residential loan servicer. Favorable ratings from these agencies are important to the conduct of our loan servicing business. Downgrades in servicer ratings could: • adversely affect our ability to finance servicing advances and maintain our status as an approved servicer by Fannie Mae, Freddie Mac, Ginnie Mae, and other investors; • lead to the early termination of existing advance facilities and affect the terms and availability of advance facilities that we may seek in the future; • cause our termination as servicer in our servicing agreements that require that we maintain specified servicer ratings; and • further impair our ability to consummate future servicing transactions. Any of the above could adversely affect our business, financial condition and results of operations. **19** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K ~~18~~ We may not be able to maintain the volumes in our loan originations business, which would adversely affect our ability to replenish our servicing business. The volume of loans funded within our loan originations business is subject to multiple factors, including changes in interest rates and availability of government programs. Volume in our originations business is based on the refinancing of existing mortgage loans that we service, which is highly dependent on interest rates and other macroeconomic factors, and originations through our Correspondent channel. Our loan origination volume may decline if interest rates increase, if government programs terminate and are not replaced with similar programs or if we cannot replace this volume with other loan origination channels such as Correspondent, new customer acquisitions or purchase money loans. Any such slowdown may materially decrease the number and volume of mortgages we originate. As interest rates have rapidly risen, our refinancing volumes have significantly decreased as fewer consumers are incentivized to refinance their mortgages. As a result, our Originations revenues have decreased substantially. In addition, consumers are increasingly completing the mortgage process using online and / or digital tools. The proliferation of these tools and their ease of use may present challenges in retaining and attracting new loan applicants if we are unable to effectively implement new technology- driven products and services as quickly as competitors or be successful in marketing these products and services to consumers. Additionally, newer market participants, often called " disruptors, " are reinventing aspects of the mortgage loan industry and capturing profit pools historically collected by existing market participants. As a result, the lending industry could become even more competitive if new market participants are successful in capturing market share from existing market participants such as ourselves. If we are unable to maintain our loan originations volume, our business, financial condition and results of operations could be adversely affected. We may be required to indemnify or repurchase loans we sold, or will sell, if these loans fail to meet certain criteria or characteristics or under other circumstances. The indentures governing our securitized pools of loans and our contracts with purchasers of our whole loans contain provisions that require us to indemnify or repurchase the related loans under certain circumstances. While our contracts vary, they contain provisions that require us to repurchase loans if: • our representations and warranties concerning loan quality and loan circumstances are inaccurate, including representations concerning the licensing of a mortgage broker; • we fail to secure adequate mortgage insurance within a certain period after closing; • a mortgage insurance provider denies coverage; • we fail to comply, at the individual loan level or otherwise, with regulatory requirements in the current dynamic regulatory environment; or • the borrower fails to make certain initial loan payments due to the purchaser, or terminates employment between the time validation is performed and the time the loan funds. We are subject to repurchase claims and may continue to receive claims in the future. If we are required to indemnify or repurchase loans that we originate or have previously originated and sell or securitize that result in losses that exceed our reserve, this could adversely affect our business, financial condition and results of operations. We are highly dependent upon loan programs administered by Fannie Mae, Freddie Mac, the Federal Housing Administration, the Department of Veterans Affairs, the US Department of Agriculture and Ginnie Mae (collectively, the " Agencies ") to generate revenues through mortgage loan sales to institutional investors. There are various proposals which deal with GSE reform, including winding down the GSEs and reducing or eliminating over time the role of the GSEs in guaranteeing mortgages and providing funding for mortgage loans, as well as proposals to implement reforms relating to borrowers, lenders and investors in the mortgage market, including reducing the maximum size of loans that the GSEs can guarantee, phasing in a minimum down payment requirement for borrowers, improving underwriting standards and increasing accountability and transparency in the securitization process. **Uncertainty remains regarding** ~~In September 2019,~~ the ~~Trump Administration~~ **future of the GSE** ' s ~~Treasury Department released its report on mortgage finance~~ **, including with respect to the duration of conservatorship, the extent of their roles in the market and what forms they will have, and whether they will be government agencies, government- sponsored agencies or private for- profit entities. The extent and timing of any regulatory** reform **regarding** ~~that commits to move~~ the GSEs ~~out of conservatorship~~ and ~~shrink their~~ -- **the U. S.** ~~role and that of any possible additional chartered guarantors in the overall~~ housing finance market **,** ~~. The Biden Administration has~~ - **as** ~~replaced the director of the FHFA~~ **well as any effect on our business operations and financial results** , **are uncertain. It** is **not yet possible** ~~rolling back GSE reforms and is expected~~ to **determine whether such proposals will be enacted and** ~~reverse the Trump Administration' s~~

~~plans to end the conservatorship of the GSEs. Thus~~ , ~~the long- term future of the GSEs is still uncertain~~ **if so, when, what form any final legislation or policies might take or how proposals, legislation or policies may impact our business** . ~~19~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **20** Our ability to generate revenues through mortgage loan sales to institutional investors depends to a significant degree on programs administered by the Agencies that facilitate the issuance of mortgage- backed securities in the secondary market. These Agencies play a critical role in the residential mortgage industry, and we have significant business relationships with many of them. Almost all of the conforming loans we originate qualify under existing standards for inclusion in guaranteed mortgage securities backed by one of these Agencies. We also derive other material financial benefits from these relationships, including the assumption of credit risk on loans included in such mortgage securities in exchange for our payment of guarantee fees and the ability to avoid certain loan inventory finance costs through streamlined loan funding and sale procedures. If it is not possible for us to complete the sale or securitization of certain of our mortgage loans due to changes in Agency programs, we may lack liquidity under our mortgage financing facilities to continue to fund mortgage loans, and our revenues and margins on new loan originations would be materially and negatively impacted. Our GNMA loan portfolio may experience higher default risk as these loans typically have high Loan to Value Ratios (LTV). In case of default, we may not recover all servicing expenses and experience losses due to limited collateral value. The loss can be higher if there is any structural damage to the property due to natural disasters such as floods, fire, hurricanes and other environmental factors from climate change. A requirement of FHA is to convey property in habitable condition, and damage from natural hazards may require us to repair properties to conveyable condition. Our loan originations business may not be able to sell these loans, and we may not recover all our capital which leads to higher losses. Additionally, we may not be able to recover all expenses related to damage caused by water and wind. Inflationary pressures may limit a borrower' s disposable income which may lead to additional incumbrances on title, impeding our foreclosure efforts. Our REO portfolio from foreclosed government loans, may experience higher losses due to declines in market value and extended sale timelines. This may occur due to multiple factors beyond our control, such as higher interest rates, which would limit a potential buyer' s capacity to purchase, inflationary pressure limiting surplus cash or economic deterioration of local neighborhoods where properties are located. Our servicing business may experience higher advance requirements, increasing our interest expense cost from credit lines. We are largely reliant on Agency MBS issuances to sell the loans that we originate. In recent years, the Agencies have instituted periodic limits on products such as investor properties, second homes, and products with multiple risk characteristics such as borrowers with below average credit scores and high LTV. If these periodic limits for purchasing these loans become permanent, we must find other investors for loans within our pipeline, which may be at a material discount to the expected pricing. Any discontinuation of, or significant reduction in, the operation of these Agencies or any significant adverse change in the level of activity in the secondary mortgage market or the underwriting criteria of these Agencies could materially and adversely affect our business, liquidity, financial position and results of operations. The foreclosure moratoriums instituted during the COVID- 19 pandemic have impacted and are continuing to impact our REO exchange business. The Exchange business consists of the Xome. com auction platform that provides efficient execution for sales of foreclosed properties. States, agencies and regulators have previously issued forbearance programs and placed a moratorium on foreclosures and evictions. Many of the measures have been lifted; however, there has been a delay in the selling of FHA foreclosed properties, which adversely impacts our REO exchange revenues. A continued economic slowdown, recession, or declining consumer confidence in the economy could have a material adverse effect on values of residential real estate properties. The volume of residential real estate transactions is highly variable which is primarily affected by the average price of real estate sales, the availability of funds to finance purchases, mortgage interest rates, consumer confidence in the economy and general economic factors affecting the real estate markets. A decline in real estate transactions could materially and adversely affect our REO exchange business. ~~Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K 20~~ Certain strategic initiatives, which **we discuss in our MD & A,** are designed to improve our results of operations and drive long- term stockholder value ~~, include: • Strengthen our balance sheet by building capital and liquidity, and managing interest rate and other forms of risk; • Improve efficiency by driving continuous improvement in unit costs for Servicing and Originations segments, as well as by taking corporate actions to eliminate costs throughout the organization; • Grow our servicing portfolio to $ 1 trillion in UPB by acquiring new customers and retaining existing customers; • Achieve and sustain a refinance recapture rate of 60 %; • Delight our customers and keep Mr. Cooper a great place for our team members to work; • Reinvent the customer experience by acting as the customer' s advocate and by harnessing technology to deliver digital solutions that are personalized and friction- less; • Sustain the talent of our people and the culture of our organization; and • Maintain strong relationships with agencies, investors, regulators, and other counterparties and a strong reputation for compliance and customer service~~ . There is no assurance that we will be able to successfully implement these strategic initiatives, that we will be able to realize all of the projected benefits of our plans or that we will be able to compete successfully in new markets and our efforts may be more expensive and time consuming than we expect, which could adversely affect our business, financial condition and results of operations. **21 Mr. Cooper Group Inc.- 2023 Annual Report on Form 10- K** The business industry as a whole is characterized by rapidly changing technologies, system disruptions and failures caused by fire, power loss, telecommunications failures, system misuse, unauthorized intrusion (cyber- attack), computer viruses and disabling devices, natural disasters, health pandemics and other similar events that may interrupt or delay our ability to provide services to our borrowers. As a part of conducting business, we receive, transmit and store a large volume of personally identifiable information and other user data. Additionally, Xome **, which utilizes a real estate auction website,** is **reliant** ~~highly dependent~~ on information technology networks and systems to securely process, transmit and store sensitive electronic information. Cybersecurity risks for the financial services industry have increased significantly in recent years due to new technologies, the reliance on technology to conduct financial transactions and the increased sophistication of organized crime and hackers. Those parties also may attempt to misrepresent personal or financial information to obtain loans or other financial products from us or attempt to fraudulently induce employees, customers, or other users of our systems to disclose confidential information in order to gain access to our data or that of our customers. Additionally, cyberattacks on financial institutions are increasingly becoming a tactical risk of modern warfare. Cyberattacks performed as an act of war are typically excluded from insurance coverage and could result in material financial loss to the organization with limited recourse from insurance providers. We and others in our industry are regularly the subject of attempts by attackers to gain unauthorized access to our networks, systems, and data, or to obtain, change, or destroy confidential data (including personal identifying information of individuals) through a variety of means, including computer viruses, malware, phishing, ransomware and other attack vectors. These attacks may result in unauthorized individuals obtaining access to our confidential information or that of our customers, or otherwise accessing, damaging, or disrupting our systems or infrastructure. In **particular, as initially disclosed on November 2, 2023, and supplemented in our disclosures on November 9, 2023, and December 15, 2023, on October 31, 2023, we experienced a cybersecurity incident in which an unauthorized third party gained access to certain of our technology systems and obtained personal information relating to substantially all of our current and former customers. In** addition, to access our products and services, including our Home Intelligence app, our customers may use personal smartphones, tablet PCs, and other mobile devices that are beyond our control systems. Third parties with which we do business or that facilitate our business activities or vendors that provide services or security solutions for our operations could also be sources of operational risk and information security risk to us, including from cyber- attacks, information breaches or loss, breakdowns, disruptions or failures of their own systems or infrastructure, or any deficiencies in the performance of their responsibilities. **Additional** ~~Security~~ **security** breaches, acts of vandalism and developments in computer intrusion capabilities could cause our financial, accounting, data processing or other operating systems and facilities to fail to operate properly or become disabled and could result in a compromise or breach of the technology that we or our vendors use to protect our borrowers' personal information and transaction data. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or implement effective preventive measures against ~~all~~ **additional** internal and external security breaches, especially because the techniques used change frequently, are becoming more sophisticated and are not recognized until launched, and because security attacks can originate from a wide variety of sources. This is especially applicable in the shift to having most of our team members work in a home- centric environment, as our team members access our secure networks through their home networks. These risks may increase in the future as we continue to increase our reliance on telecommunication technologies (including mobile devices), the internet and use of web- based product offerings. ~~21~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **22** While we have implemented policies and procedures designed to help mitigate cybersecurity risks and cyber intrusions, there can be no assurance that ~~any such~~ cyber intrusions, whether external or internal, will not occur ~~or, if they do occur, that they will be adequately addressed~~ . ~~A~~ **An additional** successful penetration or circumvention of the security of our or our vendors' systems or a defect in the integrity of our or our vendors' systems or cybersecurity could cause serious negative consequences for our business, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or operating systems and to those of our customers and counterparties. Any of the foregoing events could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure and harm to our reputation, all of which could adversely affect our business, financial condition and results of operations. This risk is enhanced in certain jurisdictions with stringent data privacy laws. For example, the California Consumer Privacy Act of 2018 which went into effect in January 2020, as amended by the California Privacy Rights Act, which went into effect in January 2023 (collectively, the " Privacy Acts "), provides data privacy rights for consumers and operational requirements for us. The Privacy Acts include a statutory damages framework and private rights of action against businesses that fail to comply with certain Privacy Acts terms or implement reasonable security procedures and practices to prevent data breaches. Several other states ~~, including Colorado, Connecticut, Utah and Virginia,~~ have enacted ~~or~~ **similar legislation, and many other states** are **currently** considering similar legislation **, and there remains increased interest at the federal level as well** . Additionally, while we have obtained insurance to cover us against certain cybersecurity risks and information theft, there can be no guarantee that all losses will be covered or that the insurance limits will be sufficient to cover such losses. In addition, increasing attention is being paid by the media, regulators and legislators to matters relating to cybersecurity, and regulators and legislators may enact laws or regulations regarding cybersecurity. For example, the New York Department of Financial Services has adopted regulations that are far- ranging in scope, including not only specific technical safeguards but also requirements regarding governance, incident planning, data management and system testing **, and the FTC promulgated a revised Safeguards Rule** . New laws and regulations could result in significant compliance costs, which may adversely affect our cash flows and net income. Our business is becoming increasingly reliant on technology investments, and the returns on these investments are less predictable. We are currently making, and will continue to make, significant technology investments to support our originations and servicing offerings by implementing improvements to our customer- facing technology and evolving our information processes and computer systems to run our business more efficiently and remain competitive and relevant to our customers. Additionally, we have sold certain intellectual property rights related to our proprietary, cloud- based technology platform for mortgage servicing and received an equity stake in the buyer. These technology initiatives might not provide the anticipated benefits or may provide them on a delayed schedule or at a higher cost. We must monitor and choose the right investments and implement them at the right pace. Failing to make the best investments or making an investment commitment significantly above or below our needs could result in the loss of our competitive position and adversely impact our financial condition and results of operations. We currently have operations located in India, which is subject to relatively higher degrees of political and social instability and may lack the infrastructure to withstand political unrest or natural disasters. The political or regulatory climate in the United States, or elsewhere, also could change so that it would not be lawful or practical for us to use international operations in the manner in which we currently use them. If we or our vendors had to curtail or cease operations in these countries and transfer some or all of these operations to another geographic area, we would incur significant transition costs as well as higher future overhead costs that could materially and adversely affect our results of operations. In many foreign countries, particularly in those with developing economies, it may be common to engage in business practices that are prohibited by laws and regulations applicable to us, such as The Foreign Corrupt Practices Act of 1977, as amended (" FCPA "). Any violations of the FCPA or local anti- corruption laws by us, our subsidiaries or our local agents could have an adverse effect on our business and reputation and result in substantial financial penalties or other sanctions. **23** Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K ~~22~~ We have significant vendors that, among other things, provide us with financial, technology and other services to support our businesses. With respect to vendors engaged to perform activities required by the applicable servicing criteria, we assess compliance with the applicable servicing criteria for the applicable vendor (or in certain cases require vendors to provide their own assessments and attestations) and are required to have procedures in place to provide reasonable assurance that the vendor' s activities comply in all material respects with servicing criteria applicable to the vendor. In the event that a vendor' s activities do not comply with the servicing criteria, it could negatively impact our servicing agreements. Additionally, key vendors may misuse our data which could expose our customers to unauthorized transactions or other potential adverse events, which may adversely affect our business and reputation. In addition, if our current vendors were to stop providing services to us on acceptable terms, including as a result of one or more vendor bankruptcies, we may be unable to procure alternatives from other vendors in a timely and efficient manner and on acceptable terms, or at all. Further, we may incur significant costs to resolve any such disruptions in service and this could adversely affect our business, financial condition and results of operations. Xome provides services to us which could create, appear to create or be alleged to create conflicts of interest. By obtaining services from a subsidiary, there is risk of possible claims of collusion or claims that such services are not provided by Xome upon market terms. We have adopted policies, procedures and practices that are designed to identify and address conflicts of interest. In addition, we undertake practices to identify and deal with potential conflicts. Further, we have engaged an independent third party to conduct a pricing study in an attempt to ensure that the fees charged are customary and reasonable. However, there can be no assurance that such measures will be effective in eliminating all conflicts of interest or that third parties will refrain from making such allegations. Appropriately identifying and dealing with conflicts of interest is complex and difficult, and our reputation, which is one of our most important assets, could be damaged and the willingness of counterparties to enter into transactions with us may be affected if we fail, or appear to fail, to identify, disclose and deal appropriately with conflicts of interest. In addition, potential or perceived conflicts could give rise to litigation or regulatory enforcement actions. Our risk management framework seeks to mitigate risk and appropriately balance risk and return. We have established policies and procedures intended to identify, monitor and manage the types of risk to which we are subject, including credit risk, market and interest rate risk, liquidity risk, cyber risk, regulatory, legal and reputational risk. Although we have devoted significant resources to develop our risk management policies and procedures and expect to continue to do so in the future, these policies and procedures, as well as our risk management techniques such as our hedging strategies, may not be fully effective. There may also be risks that exist, or that develop in the future, that we have not appropriately anticipated, identified or mitigated. As regulations and markets in which we operate continue to evolve, our risk management framework may not always keep sufficient pace with those changes. If our risk management framework does not effectively identify or mitigate our risks, we could suffer unexpected losses and could be materially adversely affected. Our future success will depend on our ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of our organization. Many of the companies with which we compete for experienced employees are large banks who have greater resources than we have and may be able to offer more attractive terms of employment. In addition, we invest significant time and expense in training our employees, which increases their value to competitors who may seek to recruit them. We may not be able to attract, develop and maintain an adequate skilled workforce necessary to operate our businesses and labor expenses may increase as a result of a shortage in the supply of qualified personnel. If we are unable to attract and retain such personnel, we may not be able to take advantage of acquisitions and other growth opportunities that may be presented to us and this could materially affect our business, financial condition and results of operations. ~~In 2022~~ **From time to time** , we ~~had~~ **may have** staffing reductions **and** ~~of approximately 1, 400 team members, including 1, 200 team members in our Originations segment. We~~ may be exposed to unanticipated consequences of our staffing reductions, including attrition beyond the planned reductions, increased difficulties in our day- to- day operations, including a loss of continuity, loss of accumulated knowledge and / or efficiency, reduced employee morale and reduced ability to attract and retain qualified personnel. Employees who were not affected by our planned staffing reductions may seek alternate employment, which may harm our productivity. Additionally, the experience of our executive management team is a valuable asset to us. Our executive management team has significant experience in the residential loan originations and servicing industry and would be difficult to replace. Disruptions in management continuity could result in operational or administrative inefficiencies and added costs, which could adversely impact our results of operations and stock price, and may make recruiting for future management positions more difficult or costly. ~~23~~ Mr. Cooper Group Inc.- ~~2022~~ **2023** Annual Report on Form 10- K **24** Reputational risk, or the risk to our business, earnings and capital from negative public opinion, is inherent in our business. Negative public opinion can result from our actual or alleged conduct in any number of activities, including lending and debt collection practices, technology failures **, cyber attacks** , corporate governance, and actions taken by government regulators and community organizations in response to those activities. Negative public opinion can also result from media coverage, whether accurate or not. Additionally, the proliferation of social media websites as well as the personal use of social media by our employees and others, including personal blogs and social network profiles, also may increase the risk that negative, inappropriate or unauthorized information may be posted or released publicly that could harm our reputation or have other negative consequences, including as a result of our employees interacting with our customers in an unauthorized manner in various social media outlets. **Our reputation may also be negatively impacted by our environmental, social and governance (" ESG ") practices and disclosures, including climate change practices and disclosures. In addition, various private third- party organizations have developed ratings processes for evaluating**

companies on their approach to ESG matters. These third party ESG ratings may be used by some investors to assist with their investment and voting decisions. Any unfavorable ESG ratings may lead to reputational damage and ~~Negative~~ **negative** ~~public opinion can~~ **sentiment among our investors and other stakeholders. These factors could impair our working relationships with government agencies and investors, expose us to litigation and regulatory action, negatively affect our ability to attract and retain customers and employees, and** adversely affect our ~~ability~~ **results of operations. Issues related** to ~~attract~~ **the development** and ~~retain customers, trading counterparties and employees and can expose us~~ **use of artificial intelligence (AI) could give rise** to ~~litigation~~ **legal** and **/ or** regulatory action **, damage our reputation or otherwise materially harm our business. We currently incorporate generative AI driven automation in our call centers. We also developed a mortgage- centric AI platform to onboard loan portfolios that we use internally and market to third parties. Our research and development of such technology remains ongoing, and we may begin to use AI in other areas in our business operations. AI presents risks, challenges, and unintended consequences that could affect our and our customers' adoption and use of this technology. AI algorithms and training methodologies may be flawed. Additionally, AI technologies are complex and rapidly evolving. While we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. AI- related issues, deficiencies and / or failures could (i) give rise to legal and / or regulatory action, including as a result of new applications of existing data protection, privacy, intellectual property, and other laws ; (ii) damage our reputation ; or (iii) otherwise materially harm our business** . Lapses in disclosure controls and procedures or internal control over financial reporting could materially and adversely affect our operations, profitability or reputation. Our disclosure controls and procedures may not be effective in every circumstance. Similarly, we may experience a material weakness or significant deficiency in internal control over financial reporting. Any lapses or deficiencies may materially and adversely affect our business and results of operations or financial condition, restrict our ability to access the capital markets, require us to spend significant resources to correct the lapses or deficiencies, expose us to regulatory or legal proceedings, subject us to fines, penalties or judgments, harm our reputation, or otherwise cause a decline in investor confidence. Our business is subject to the risks of earthquakes, hurricanes, fires, floods, health pandemics and other natural catastrophic events. Earthquakes, hurricanes, fires, floods, health pandemics ~~, such as COVID- 19~~ , and similar events could have a material adverse effect on the macro economy and affect our loan servicing costs, increase our servicing advances, increase servicing defaults and negatively affect the value of our MSRs **and loans in our pipeline** . We operate within a highly regulated industry on federal, state and local levels and our business results are significantly impacted by the laws and regulations to which we are subject, as well as scrutiny from governmental or regulatory agencies. **Our businesses** ~~As a national mortgage services firm, we~~ are subject to extensive, complex and comprehensive regulation under federal, state and local laws in the United States, as well as governmental scrutiny from regulators and law enforcement agencies. These laws, regulations and governmental inquiries can significantly affect the way that we do business, can restrict the scope of our existing businesses, limit our ability to expand our product offerings or to pursue acquisitions, or can make our costs to service or originate loans higher, which could impact our financial results. **25 Mr. Cooper Group Inc.- 2023 Annual Report on Form 10- K** Federal, state and local governments have proposed or enacted numerous laws, regulations and rules related to mortgage loans **and registered investment advisors** . Due to the highly regulated nature of the residential mortgage industry, we are required to comply with a wide array of federal, state and local laws and regulations that regulate, among other things, the manner in which we conduct our servicing, originations and ancillary business **, including Xome and Roosevelt Management Company,** and the fees we may charge. These regulations directly impact our business and require constant compliance, which includes enhancing our compliance program, procedures and controls, monitoring and internal and external audits. A failure in maintaining an effective compliance program or a material failure to comply with any of these laws or regulations could subject us to lawsuits or governmental actions, which could materially adversely affect our business, financial condition and results of operations. In addition, there continue to be changes in legislation and licensing, which require technology changes and additional implementation costs for loan originators and new state and federal privacy legislation could impact mortgage operations, marketing, and data governance. We expect legislative changes will continue in the foreseeable future, which may increase our operating expenses. For example, on December 30, 2022 the state of New York signed into law a new measure which ~~limits~~ **strictly enforces** the ~~time a servicer has~~ **state statute of limitations period** to foreclose on a ~~customer without~~ **mortgage lien before** losing ~~rights to~~ the ~~underlying property~~ **ability to enforce the security instrument** . The law has not yet had sufficient time to be tested or challenged, but could subject the company to ~~direct credit losses on VA loans and~~ substantial losses for investors in properties in New York which could increase the potential of losses to the company. Furthermore, there continue to be changes in state laws that are adverse to mortgage servicers that increase costs and operational complexity of our business and impose significant penalties for violation. Any of these changes in law could adversely affect our business, financial condition and results of operations. ~~Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K 24~~ Regulatory requirements or changes to existing requirements that the CFPB or other federal or state agencies, including HUD and the FCC, **related to** ~~could require changes in~~ our business ~~,~~ **may** result in increased compliance and operational costs and impair the profitability of such business. For example, Regulation C of the Home Mortgage Disclosure Act (" HMDA ") requires us to collect and report certain mortgage data for every loan application. These requirements for gathering and submitting large amounts of data regarding loan applications to regulators and the public are complex. Thus, any inadvertent errors in our gathering or reporting the data could result in fines or penalties being levied by the CFPB or other regulators against us. In addition, the authority of state attorneys general to bring actions to enforce federal consumer protection legislation, as a result of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 (" Dodd- Frank Act "), could be expanded and we could be subject to additional state lawsuits and enforcement actions, thereby further increasing our legal and compliance costs. The cumulative effect of these changes could result in a material impact on our earnings. The implementation of the originations and servicing rules by the CFPB and the CFPB' s continuing examinations of our business, ~~which we expect to increase and intensify under new CFPB leadership,~~ could increase our regulatory compliance burden and associated costs and place restrictions on our operations, which could in turn adversely affect our business, financial condition and results of operations. Additionally, our sub- servicing of loans for federally regulated depositories creates indirect regulatory risk with the OCC, FDIC, and the U. S. Federal Reserve. Recent enforcement actions by these regulators over competitors in the mortgage servicing business increases our risks with both the CFPB and indirectly through our subservicing business partners. We could be subject to additional regulatory requirements or changes under the Dodd- Frank Act beyond those currently proposed, adopted or contemplated. There also continues to be discussion of potential GSE reform which would likely affect markets for mortgages and mortgage securities in ways that cannot be predicted. In addition, FHFA initiatives may be implemented by the GSEs that could materially affect the market for conventional and / or government insured loans. **Further, on November 3, 2023, the Financial Stability Oversight Council (the " FSOC ") unanimously voted to issue final versions of a new analytic framework for financial stability risks and updated guidance on the FSOC' s nonbank financial company determinations process. The updated guidance for Nonbank Financial Company Determinations sets forth the FSOC' s procedures for considering whether to designate a nonbank financial company for Federal Reserve supervision and prudential standards under section 113 of the Dodd- Frank Act.** Individual states have also been active **in regulatory enforcement** , as have other regulatory organizations such as the Multi- State Mortgage Committee, as well as various state Attorneys General. We also believe there has been a shift among certain regulators towards a broader view of the scope of regulatory oversight responsibilities with respect to mortgage originators and servicers. In addition to their traditional focus on consumer protection laws, licensing and examination matters, certain regulators have begun to make observations, recommendations or demands with respect to such areas as corporate governance, low- to- moderate income lending requirements, safety and soundness, and risk and compliance management. Certain regulators took steps to block the acquisition of MSRs by one of our competitors. It is possible that we could become subject to similar actions with respect to our acquisition of MSRs or other key business operations such as entering into subservicing contracts, which could adversely affect our business, financial condition and results of operations. **Mr. Cooper Group Inc.- 2023 Annual Report on Form 10- K 26** The influx of new laws, regulations, and other directives adopted in response to the COVID- 19 pandemic exemplifies the ever- changing and increasingly complex regulatory landscape we operate in. While some regulatory reactions to COVID- 19 may have relaxed certain compliance obligations (e. g., relaxing work location requirements for loan personnel working remotely during COVID- 19 emergency declarations) ~~the~~ **other** ~~forbearance requirements imposed on~~ **updates related to servicing delinquent** mortgages **and providing new mortgage assistance programs have substantially increased mortgage** servicers ~~in the CARES Act added new regulatory~~ responsibilities **and risks** . While some regulators have granted permanent ability to work away from a licensed location, those that have not may determine that prior leniency surrounding work locations may no longer apply ~~. The GSEs and the FHFA, Ginnie Mae, HUD, various investors and others have also issued guidance relating to COVID- 19~~ . We have received, and may continue to receive, inquiries from various federal and state lawmakers, attorneys general and regulators seeking information on our COVID- 19 response and its impact on our business, team members, and clients. Future regulatory scrutiny and enforcement resulting from COVID- 19 is unknown. Additionally, the CFPB iteratively adopted rules over the course of several years regarding mortgage servicing practices that required us to make modifications and enhancements to our mortgage servicing processes and systems. While the CFPB announced its flexible supervisory and enforcement approach during the COVID- 19 pandemic on certain consumer communications required by the mortgage servicing rules, managing to the CFPB' s loss mitigation rules ~~with CARES Act forbearance requests~~ is challenging. If we are unable to comply with, or face allegations that we are in breach of, applicable laws, regulations or other requirements, we may face regulatory action, including fines, penalties, and restrictions on our business. In addition, we could face increased litigation, including class action lawsuits, and reputational damage. ~~25 Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K~~ We are subject to numerous legal proceedings, federal, state or local governmental examinations and enforcement investigations. Some of these matters are highly complex and slow to develop, and results are difficult to predict or estimate. Legal Proceedings: We are routinely and currently involved in a significant number of legal proceedings concerning matters that arise in the ordinary course of our business. There is no assurance that the number of legal proceedings will not increase in the future, including certified class or mass actions. These legal proceedings range from actions involving a single plaintiff to putative class action lawsuits. These actions and proceedings are generally based on alleged violations of consumer protection, securities, employment, contract, tort, common law fraud and numerous other laws, including, but not limited to, the Equal Credit Opportunity Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, Real Estate Settlement Procedures Act, National Housing Act, Homeowners Protection Act, Servicemember' s Civil Relief Act, Telephone Consumer Protection Act, Truth in Lending Act, Financial Institutions Reform, Recovery, and Enforcement Act of 1989, unfair, deceptive or abusive acts or practices in violation of the Dodd- Frank Act, the Securities Act of 1933, the Securities Exchange Act of 1934, the Home Mortgage Disclosure Act, the Bankruptcy Code, False Claims Act, the CARES Act and Making Home Affordable loan modification programs (while MHA programs have ended, claims may continue to arise). Additionally, along with others in our industry, we are subject to repurchase and indemnification claims and may continue to receive claims in the future, regarding alleged breaches of representations and warranties relating to the sale of mortgage loans, the placement of mortgage loans into securitization trusts or the servicing of mortgage loan securitizations. We are also subject to legal actions or proceedings related to loss sharing and indemnification provisions of our various acquisitions. Additionally, third parties may assert claims against us that our content, website processes or software applications infringe their intellectual property rights. Certain of the pending or threatened legal proceedings include claims for substantial compensatory, punitive and / or, statutory damages or claims for an indeterminate amount of damages. ~~In 2022, we had staffing reductions of approximately 1, 400 team members, including 1, 200 team members in our Originations segment. These reductions could create an additional risk of claims being made on behalf of affected employees. Any alleged violation of applicable wage laws or other labor- or~~

~~employment- related laws could result in complaints by current or former employees, adverse media coverage, investigations and damages or penalties, which could have a materially adverse effect on our reputation, business, operating results and prospects. In addition, responding to any such proceeding may result in a significant diversion of management' s attention and resources, significant defense costs and other professional fees.~~ Litigation and other proceedings may require that we pay settlement costs, legal fees, damages, including punitive damages, penalties or other charges, or be subject to injunctive relief affecting our business practices, any or all of which could adversely affect our financial results. In particular, ongoing and other legal proceedings brought under federal or state consumer protection statutes may result in a separate fine for each violation of the statute, which, particularly in the case of class action lawsuits, could result in damages substantially in excess of the amounts we earned from the underlying activities and that could have a material adverse effect on our liquidity, financial position and results of operations. The costs of responding to the investigations can be substantial. Regulatory Matters: We operate within highly regulated industries on a federal, state and local level. In the normal and ordinary course of our business, we are routinely subject to extensive examinations, investigations, subpoenas, inquiries and reviews by various federal, state and local governmental, regulatory and enforcement agencies, including CFPB, the Securities and Exchange Commission, the Department of Justice, the Office of the Special Inspector General for the Troubled Asset Relief Program, the U. S. Department of Housing and Urban Development, various State mortgage banking regulators and various State Attorneys General, related to our residential loan servicing and origination practices, our financial reporting and other aspects of our businesses. For example, in 2020, we resolved certain legacy regulatory matters with the CFPB, the multi- state committee of mortgage banking regulators and various State Attorneys General, and the Executive Office of the United States Trustee, all of which involved findings from examinations and discussions that were completed in 2014 and 2015, and related to certain loan servicing practices which occurred during 2010 through 2015. Several large mortgage originators or servicers have been subject to similar matters, which have resulted in the payment of fines and penalties, changes to business practices and the entry of consent decrees or settlements. The trend of large settlements with governmental entities may adversely affect the outcomes for other financial institutions, including us. We continue to manage our response to each matter, but it is not possible for us to ~~confidently or~~ reliably predict the outcome of any of them, including predicting any possible losses resulting from any judgments or fines, which can lead to substantial disparities between legal reserves and subsequent settlements or penalties. Responding to these matters requires us to devote substantial legal and regulatory resources, resulting in higher costs and lower net cash flows. Adverse results in any of these matters could further increase our operating expenses and reduce our revenues, require us to change business practices, limit our ability to grow and otherwise materially and adversely affect our business, reputation, financial condition and results of operation. To the extent that an examination or other regulatory engagement reveals a failure by us to comply with applicable law, regulation or licensing requirement this could lead to (i) loss of our licenses and approvals to engage in our businesses, (ii) damage to our reputation in the industry and loss of client relationships, (iii) governmental investigations and enforcement actions, (iv) administrative fines and penalties and litigation, (v) civil and criminal liability, including class action lawsuits, and actions to recover incentive and other payments made by governmental entities, (vi) enhanced compliance requirements, (vii) breaches of covenants and representations under our servicing, debt or other agreements, (viii) inability to raise capital and (ix) inability to execute on our business strategy. Any of these occurrences could further increase our operating expenses and reduce our revenues, require us to change business practices and procedures and limit our ability to grow or otherwise materially and adversely affect our business, reputation, financial condition and results of operation. Moreover, regulatory changes established under the Dodd- Frank Act, which continue to be expanded, other regulatory changes such as the CFPB having its own examination and enforcement authority and the " whistleblower " provisions of the Dodd- Frank Act and guidance on whistleblowing programs issued by the NYDFS could further increase the number of legal and regulatory enforcement proceedings against us. In addition, while we take numerous steps to prevent and detect employee misconduct, such as fraud, employee misconduct cannot always be deterred or prevented and could subject us to additional liability. We establish reserves for pending or threatened legal proceedings when it is probable that a liability has been incurred and the amount of such loss can be reasonably estimated. Legal proceedings are inherently uncertain, and our estimates of loss are based on ~~judgments and~~ information available at that time. Our estimates may change from time to time for various reasons, including factual or legal developments in these matters. There cannot be any assurance that the ultimate resolution of our litigation and regulatory matters will not involve losses, which may be material, in excess of our recorded accruals or estimates of reasonably possible losses. Unlike competitors that are national banks, we are subject to state licensing and operational requirements that result in substantial compliance costs. Because we are not a depository institution, we do not benefit from a federal exemption to state mortgage banking, loan servicing or debt collection licensing and regulatory requirements. We must comply with state licensing requirements and varying compliance requirements in all 50 states, the District of Columbia and other U. S. territories, and we are sensitive to regulatory changes that may increase our costs through stricter licensing laws, disclosure laws or increased fees or that may impose conditions to licensing that we or our personnel are unable to meet. In addition, we are subject to periodic examinations by state regulators, which can result in refunds to borrowers of certain fees earned by us, and we may be required to pay substantial penalties imposed by state regulators due to compliance errors. Future state legislation and changes in existing regulation may significantly increase our compliance costs or reduce the amount of ancillary revenues, including late fees that we may charge to borrowers. This could make our business cost- prohibitive in the affected state or states and could materially affect our business. Our operations are subject to regulation, supervision and licensing under numerous federal, state and local statutes, ordinances and regulations. In most states in which we operate, a regulatory agency regulates and enforces laws relating to mortgage servicing companies, mortgage originations companies and real estate brokers and auctioneers. These rules and regulations generally provide for licensing as a mortgage servicing Company, mortgage originations Company or third-party debt default specialist, licensed auctioneer, and other similar types of requirements as to the form and content of contracts and other documentation, licensing of our employees and employee hiring background checks, licensing of independent contractors with which we contract, restrictions on certain practices, disclosure and record- keeping requirements and enforcement of borrowers' rights. We are subject to periodic examination by state regulatory authorities. We believe that we maintain all material licenses and permits required for our current operations and are in substantial compliance with all applicable federal, state and local laws, rules, regulations and ordinances. We may not be able to maintain all requisite licenses and permits, and the failure to satisfy those and other regulatory requirements could result in a default under our servicing or other agreements and have a material adverse effect on our operations. The states that currently do not provide extensive regulation of our businesses may later choose to do so, and if such states so act, we may not be able to obtain or maintain all requisite licenses and permits. The failure to satisfy those and other regulatory requirements could result in a default under our servicing agreements and have a material adverse effect on our operations. Furthermore, the adoption of additional, or the revision of existing, rules and regulations could adversely affect our business, financial condition and results of operations. ~~27 Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K~~ We may incur costs if we are required to, or if we elect to, execute or re- file documents or take other action in our capacity as a servicer in connection with pending or completed foreclosures. In addition, if a court rules that the lien of a Home Owners Association takes priority over the lien we service, we may incur legal liabilities and costs to defend such actions. If a court dismisses or overturns a foreclosure because of errors or deficiencies in the foreclosure process, we may have liability to the loan owner, a borrower, title insurer or the purchaser of the property sold in foreclosure. These costs and liabilities may not be legally or otherwise reimbursable to us, particularly to the extent they relate to securitized mortgage loans. A significant increase in litigation costs could adversely affect our liquidity, and our inability to be reimbursed for an advance could adversely affect our business, financial condition and results of operations. Residential mortgage foreclosure proceedings in certain states have been delayed due to lack of judicial resources and legislation, all of which could have a negative effect on our ability to liquidate loans timely and slow the recovery of advances and thus impact our earnings or liquidity. In some states, such as New York, our industry has faced, and may continue to face, increased delays and costs caused by state law and local court rules and processes. In addition, California and Nevada have enacted Homeowner' s Bill of Rights legislation to establish complex mandatory loss mitigation practices for homeowners which cause delays in foreclosure proceedings. Delays in foreclosure proceedings could also require us to make additional servicing advances by drawing on our servicing advance facilities, or delay the recovery of advances, all or any of which could materially affect our earnings and liquidity and increase our need for capital. Our common stock, and any other instruments treated as stock for purposes of Section 382, is subject to transfer restrictions under our Certificate of Incorporation which, if not complied with, could result in the forfeiture of such stock and related distributions. Our Certificate of Incorporation contains significant transfer restrictions in relation to the transfer of our common stock and any other instruments treated as stock for purposes of Section 382. These transfer restrictions have been adopted in order to minimize the likelihood that we will be deemed to have an " ownership change " within the meaning of Section 382 that could limit our ability to utilize our NOLs under and in accordance with regulations promulgated by the IRS. **29 Mr. Cooper Group Inc.- 2023 Annual Report on Form 10- K** In particular, without the approval of our Board, (i) no person or group of persons treated as a single entity under Treasury Regulation Section 1. 382- 3 will be permitted to acquire, whether directly or indirectly, and whether in one transaction or a series of related transactions, any of our common stock or any other instrument treated as stock for purposes of Section 382, to the extent that after giving effect to such purported acquisition (a) the purported acquirer or any other person by reason of the purported acquirer' s acquisition would become a Substantial Holder (as defined below), or (b) the percentage stock ownership of a person that, prior to giving effect to the purported acquisition, is already a Substantial Holder would be increased; and (ii) no Substantial Holder may dispose, directly or indirectly, of any class of stock or any other instrument treated as stock for purposes of Section 382. A " Substantial Holder " is a person that owns (as determined for purposes of Section 382) at least 4. 75 % of the total value of our stock, including any instrument treated as stock for purposes of Section 382. Because of the complexity of applying Section 382, and because the determination of ownership for purposes of Section 382 does not correspond to SEC beneficial ownership reporting on Schedules 13D and 13G, holders and potential acquirers of our securities should consult with their legal and tax advisors prior to making any acquisition or disposition of our securities. Pursuant to Article VIII of our Certificate of Incorporation, the Board has the sole power to determine compliance with the transfer restrictions, and we cannot assure you that the Board will concur with any conclusions reached by any holder of our securities or their respective advisors, and / or approve or ratify any proposed acquisitions or dispositions of our securities. Under Article VIII, Section 3 (b), of our Certificate of Incorporation, if the Board determines that a Prohibited Transfer (as defined in our Certificate of Incorporation) has occurred, such Prohibited Transfer shall, to the fullest extent permitted by law, be void ab initio and have no legal effect, and upon written demand by us, the Purported Transferee (as defined in our Certificate of Incorporation) shall disgorge or cause to be disgorged our securities, together with any dividends or distributions received, with respect to such securities. Anti- takeover provisions in our Certificate of Incorporation and Amended and Restated Bylaws (" Bylaws ") and under Delaware law, as well as certain existing contractual arrangements, make a third- party acquisition of us difficult. Our Certificate of Incorporation, including Article VIII thereof, and Bylaws contain provisions that make it difficult for a third party to acquire us, even if doing so might be deemed beneficial by our stockholders. These provisions could limit the price that investors might be willing to pay in the future for shares of our common stock. ~~Mr. Cooper Group Inc.- 2022 Annual Report on Form 10- K 28~~ The market price of our common stock may decrease, and you may lose all or part of your investment. The market price of our common stock could decrease, and you may not be able to resell your shares at or above the price at which your shares were acquired. Those fluctuations could be based on various factors, including: • our operating performance and the performance of our competitors and fluctuations in our operating results; • macro- economic trends, including changes in interest rates and economic growth and unemployment; • the public' s reaction to our press releases, our other public announcements and our filings with the SEC; •

changes in earnings estimates or recommendations by research analysts who follow us or other companies in our industry; • global, national or local economic, legal and regulatory factors unrelated to our performance; • announcements of negative news by us or our competitors, such as announcements of poorer than expected results of operations, data breaches or significant litigation; • actual or anticipated variations in our or our competitors' operating results, and our or our competitors' growth rates; • failure by us or our competitors to meet analysts' projections or guidance we or our competitors may give the market; • changes in laws or regulations, or new interpretations or applications of laws and regulations, that are applicable to our business; • changes in accounting standards, policies, guidance, interpretations or principles; • the departure of key personnel; • the number of shares publicly traded; and • other developments affecting us, our industry or our competitors. In addition, in recent years the stock market has experienced significant price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations have often been unrelated or disproportionate to the operating performance of those companies. These broad market fluctuations, as well as general economic, political and market conditions such as recessions or interest rate changes, may cause declines in the market price of our common stock, and you may not realize any return on your investment in us and may lose some or all of your investment.