



Response to the FHA's Reverse Mortgage Program Actions

December 21, 2012

Legal Disclaimers

Disclaimer and Cautionary Note Regarding Forward-Looking Statements

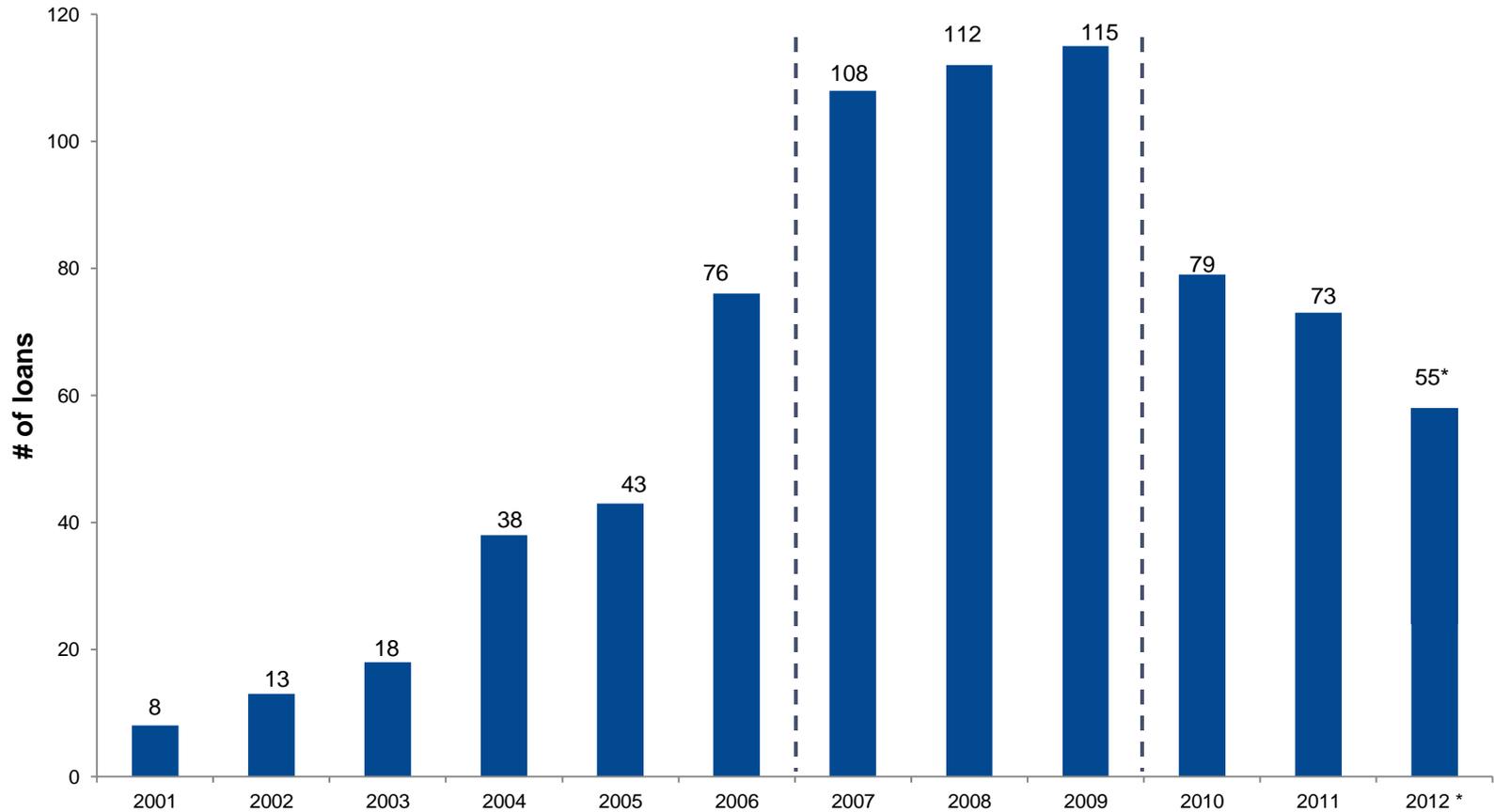
This document contains forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning Walter Investment's plans, beliefs, objectives, expectations and intentions and other statements that are not historical or current facts. Forward-looking statements are based on Walter Investment's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause Walter Investment's results to differ materially from current expectations include, but are not limited to: the Company's ability to shift potential customers to other HECM reverse mortgage products, continued support of the reverse mortgage sector from GSEs, other changes, of which we are not aware, that FHA and the other GSEs may make to the reverse mortgage product; and other factors relating to our business in general as detailed in Walter Investment's 2011 Annual Report on Form 10-K and other periodic reports filed with the U.S. Securities and Exchange Commission. In addition, these statements are based on a number of assumptions that are subject to change. Accordingly, actual results may be materially higher or lower than those projected. The inclusion of such projections herein should not be regarded as a representation by Walter Investment that the projections will prove to be correct. This press release speaks only as of this date. Walter Investment disclaims any duty to update the information herein.

FHA's Moratorium on Full-Draw HECM Reverse Mortgage Product

- **The potential for changes by the GSEs was considered by Walter Investment during the due diligence performed on Reverse Mortgage Solutions, Inc. (RMS)**
- **Walter Investment is very supportive of the FHA's announced actions, including the establishment of formal guidelines for conducting financial assessments of borrowers and the creation of set-asides for the payment of taxes and insurance**
- **HECM Variable Rate Standard and HECM Fixed Rate and Variable Rate Saver products will provide attractive alternatives to borrowers**
 - **Reverse mortgages are typically needs-based borrowings and less sensitive to the interest features of the loan**
 - **Though the average size of the initial draw under the remaining programs may be somewhat lower, our expectations for the RMS business model have not changed**

Reverse Mortgage Market

HECM Origination Volume (000's)



Source: Reverse Market Insight

*Estimated 2012 figure

Between 2007 and 2009, the peak years of HECM originations, only variable rate products were available to borrowers.