

ResCap Liquidating Trust

Q3 2019 Beneficiary Letter

LIQUIDATING TRUST

Dear Beneficiaries:

The Trust has made significant progress in reducing the correspondent cases to just one case, and substantially liquidated the mortgage portfolio. Some key highlights of the successful quarter are outlined below.

On June 21, 2019, the Court issued an order awarding the Trust a total of \$68.5 million dollars against Home Loan Center Inc. ("HLC"). On July 19, 2019, HLC filed an appeal of the order to the 8th circuit Court of Appeals. On July 21, 2019, HLC filed Chapter 11 in the Northern District of California (Case 19-51455). The case has now been converted to a Chapter 7. The jury verdict is now stayed with the filing of HLC bankruptcy. The Trust has filed suit against LendingTree LLC alleging, among other allegations, that LendingTree assumed the HLC liability. Per the Trust's accounting policy, the Trust has not recorded the HLC judgments in these Condensed Consolidated Financial Statements.

As of the date of this letter, the Trust has one open case against Primary Residential Mortgage, Inc which is set for a bench trial in February 2020 in Federal District Court in Minnesota. The Trust has reached an additional settlement in Q3. Settlements total approximately \$1.2 billion since the inception of the Trust through September 30, 2019.

The Trust made progress reducing the remaining mortgage loan portfolio. It continues to work with LoanCare and HUD to pursue claim recoveries with respect to our remaining insured loan portfolio and pursue sales of our Real Estate Owned (REO) properties. As of September 30, 2019, there are 7 assets pending filing of the initial claim with HUD. Carrying value for the mortgage loan portfolio of \$3.9 million represents the Trust's future expected recovery based on the current path for disposition, including the payment of claims filed from HUD. Timing of full recovery of the mortgage loan portfolio is affected by the inherent nature of the troubled assets.

The Administrative Set Aside of \$80.8 million reflects the extension of the Trust through May 2021 to support the continuing work with the correspondent litigation and final wind down actions. Of the total Administrative Set Aside expense, there is \$13.3 million of expenses incurred but not yet paid and \$67.5 million of expected future costs for October 2019 forward. Of the future \$67.5 million cost, \$29.1 million supports the on-going RMBS and other litigation and \$38.4 million represents contractual obligations and the future costs for the operations and winddown of the Trust.

To aid Beneficiaries in their tax reporting, the Trust is providing a quarterly Tax Information Letter and estimated quarterly tax information. The Tax Information Letter is being distributed along with this quarterly Beneficiary Letter.

The Trust's third quarter 2019 financial report and certain tax information have been posted on our website at <http://www.rescapliquidatingtrust.com/#financial-statements>.

LIQUIDATING TRUST

The Board and management of the Trust continue to work diligently towards the goal of maximizing value for Beneficiaries in the most efficient manner possible. We look forward to reporting on the results of our efforts.

Sincerely,



John Ray

Liquidating Trust Manager