

ResCap Liquidating Trust

Q1 2019 Beneficiary Letter

LIQUIDATING TRUST

Dear Beneficiaries:

The Trust continued its efforts into Q1 2019 to generate value for the beneficiaries and effectively and efficiently continue to wind down the Trust. Some key highlights of the successful quarter are outlined below.

On February 26, 2019, the Trust announced a cash distribution of \$.7586 per unit to holders of units of beneficial interest in the Trust, totaling \$75 million. The distribution was paid on March 25, 2019 with a record date of March 8, 2019.

On May 10, 2019, the Trust announced a cash distribution of \$.2528 per unit to holders of units of beneficial interest in the Trust, totaling \$25 million. The distribution will be paid on June 4, 2019 with a record date of May 20, 2019. This distribution brings the total distributions since inception of the Trust to \$ 3.3 billion, or \$33.7900 per unit.

In November, a jury in Minnesota federal court awarded a favorable trial verdict for contractual indemnification against Home Loan Center Inc. for \$28.7 million in damages exclusive of interest, fees and costs. The Trust filed a motion for recovery of interest in the amount of \$14.1 million and legal fees and costs in the amount of \$28.3 million. The interest and fee petitions were heard by the court in February, 2019. The Court issued an order on March 18, 2019 awarding \$14.1 million of interest upon the award through November 18, 2018, plus post judgment interest upon the total damages and interest award. The Trust awaits the Court's order related to the fee petition. As of the date of this letter, the Trust is litigating two cases against correspondent lenders of Residential Funding Company LLC, for indemnity and breach of contract which are pending in Federal District Court in Minnesota. The Trust has reached settlements totaling approximately \$1.2 billion since the inception of the Trust through March 31, 2019.

The Trust continues to work with LoanCare and HUD to pursue claim recoveries with respect to our remaining insured loan portfolio and the sale of our Real Estate Owned (REO) properties. As of March 31, 2019, there are fewer than 27 assets pending filing of the initial claim with HUD, with 21 of those still actively being worked to clear various hurdles for HUD claims. Carrying value for the mortgage loan portfolio of \$9.5 million represents the Trust's future expected recovery. Timing of full recovery of the mortgage loan portfolio is affected by the inherent nature of the troubled assets. We continue to see a delay resulting from the government shutdown on HUDs review of claims.

On April 9, 2019, the DOJ issued a letter stating that based on the efforts of ResCap Liquidating Trust and its administrators conducted to-date, the United States concluded it can close the matter related to the SCRA remediation. As a result, subsequent to quarter end, the Board agreed to release the DOJ reserve for \$9.4 million.

The Administrative Expenses Set Aside holds cash for the payment of Trust operating expenses. As of March 31, 2019, the Administrative Expenses Set Aside consists of \$93.5 million, of which \$40.1 million relates to the future potential cost of the correspondent litigation, and \$53.4 million relates to other fixed obligations of the Trust throughout its current expected life. In Q1, the Board reduced the RMBS expected costs by \$19.0 million to reflect settlement of a number of the open cases. The reduction in the RMBS cost to operate was offset by an increase in the amount of \$17.0 million to other Trust costs expense with respect to the extension of the Trust through 2020 necessitated by the continued prosecution of the correspondent cases and collection of other assets. The balance of the Administrative Expense Set Aside has been funded with available cash on hand as of March 31, 2019 to cover the total \$93.5 million.

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

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