New Residential Investment Corp.
Form 424B7
June 25, 2018
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Filed pursuant to Rule 424(b)(7)
SEC File No. 333-213058

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To be Registered	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount Of Registration Fee[1]
Common Stock, par value $0.01 per share	3,694,228	$ 18.30	$ 67,604,372.40	$ 8,416.74

(1) Calculated in accordance with Rule 456(b) and 457(r) of the Securities Act of 1933, as amended.

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Prospectus Supplement
(To Prospectus dated August 10, 2016)

3,694,228 Shares

New Residential Investment Corp.
Common Stock

FIG LLC (our Manager), an affiliate of our Manager, and one of our officers (collectively, the Selling Stockholders) are offering 3,694,228 shares of our common stock, $0.01 par value per share, by this prospectus supplement and the accompanying prospectus. All of the shares of our common stock being sold by the Selling Stockholders will be issued pursuant to the exercise of outstanding options concurrently with this offering. The Selling Stockholders will receive all of the net proceeds from the sale of our common stock in this offering. We will not receive any proceeds from the sale by the Selling Stockholders.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the symbol NRZ. On June 20, 2018, the last reported sale price of our common stock was $18.68 per share.

Investing in our common stock involves a high degree of risk. Before making a decision to invest in our common stock, you should read the discussion of material risks of investing in our common stock in Risk Factors beginning on page S-7 of this prospectus supplement and in the Risk Factors sections of our Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which have been filed with the Securities and Exchange Commission and are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter has agreed to purchase our common stock from the Selling Stockholders at a price of $18.30 per share, which will result in approximately $67.6 million of proceeds to the Selling Stockholders, before expenses. The underwriter may offer our common stock in transactions on the NYSE, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. The Selling Stockholders have also agreed to pay the underwriter a structuring fee. See Underwriting.

The underwriter is offering the shares of our common stock as set forth under Underwriting. Delivery of the shares of our common stock will be made on or about June 26, 2018.

Citigroup

The date of this prospectus supplement is June 21, 2018.

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus, including the documents incorporated herein and therein by reference. We and the Selling Stockholders have not, and the underwriter has not, authorized anyone to provide you with additional or different information. The Selling Stockholders are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where the offers and sales are permitted. The information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus or the date of the document incorporated by reference, as the case may be, regardless of the time of delivery of this prospectus supplement or of any sale of shares of our common stock.

All references to we, our, us, the Company and New Residential in this prospectus supplement and the accompa prospectus mean New Residential Investment Corp. and its consolidated subsidiaries, except where it is made clear that the term means only the parent company.

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Prospectus Supplement

Prospectus

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INCORPORATION BY REFERENCE

The Securities and Exchange Commission (the SEC) allows us to incorporate by reference into this prospectus supplement and the accompanying prospectus, information that we file with the SEC prior to the completion of this offering. This permits us to disclose important information to you by referring to these filed documents. Any information referenced in this way is considered to be a part of this prospectus supplement and the accompanying prospectus and any such information filed by us with the SEC subsequent to the date of this prospectus supplement (but prior to the completion of this offering) will automatically be deemed to update and supersede this information. We incorporate by reference the following documents which we have already filed with the SEC, except that any information which is furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K (including financial statements or exhibits relating thereto furnished pursuant to Item 9.01) and not filed shall not be deemed incorporated by reference herein:

- Annual Report on Form 10-K for the year ended December 31, 2017, filed with the SEC on February 15, 2018;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on May 1, 2018;
- Current Reports on Form 8-K filed on January 16, 2018 (Item 8.01 only), January 19, 2018, January 19, 2018, March 28, 2018 and May 25, 2018;
- The portions of our Definitive Proxy Statement on Schedule 14A for our 2018 Annual Meeting of Stockholders, filed on April 10, 2018, which are incorporated by reference in our above-mentioned Annual Report on Form 10-K; and
- The description of our Common Stock set forth in our Registration Statement on Form 10, as amended, filed on April 29, 2013, including any amendment or report filed for the purpose of updating such description.

Whenever after the date of this prospectus supplement (but prior to the completion of this offering) we file reports or documents under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, those reports and documents will be deemed to be a part of this prospectus supplement and the accompanying prospectus from the time they are filed (other than documents or information deemed to have been furnished and not filed in accordance with SEC rules). Any statement made in this prospectus supplement or the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus will be deemed to be modified or superseded for purposes of this prospectus supplement and the accompanying prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated or deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

We will provide without charge, upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus supplement and the accompanying prospectus, excluding any exhibits to those documents unless the exhibit is specifically incorporated by reference as an exhibit to the registration statement of which this prospectus supplement and the accompanying prospectus form a part. Requests should be directed to New Residential Investment Corp., 1345 Avenue of the Americas, 45th Floor, New York, New York 10105, Attention: Investor Relations (telephone number (212) 479-3150 and email address ir@newresi.com). Our SEC filings are also available free of charge at our website (www.newresi.com). The information on or accessible through our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated herein and therein by reference contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as may, will, should, potential, intend, expect, endeavor, seek, a estimate, overestimate, underestimate, believe, could, project, predict, continue or other similar words c Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, cash flows or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. As set forth more fully under the heading Risk Factors contained in Part I, Item IA in our Annual Report on Form 10-K for the year ended December 31, 2017 and under the heading Risk Factors contained in Part II, Item 1A. in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated by reference herein, factors that could have a material adverse effect on our operations and future prospects include, but are not limited to:

- reductions in the value of, or cash flows received from, our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar Mortgage LLC (Nationstar), Ocwen Financial Corporation (Ocwen), OneMain Holdings, Inc. (OneMain), Ditech Financial LLC (Ditech), PHH Mortgage Corporation (PHH) and other third parties;
- events, conditions or actions that might occur at Nationstar, Ocwen, OneMain, Ditech, PHH and other third parties, as well as the continued effect of previously disclosed events;
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;
- the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our mortgage servicing rights (MSRs), excess mortgage servicing rights (Excess MSRs), servicer advance investments, residential mortgage backed securities (residential MBS or RMBS) and residential mortgage loans and consumer loan portfolios;
- the risks that default and recovery rates on our MSRs, Excess MSRs, servicer advance investments, RMBS, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;
- changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our MSRs or Excess MSRs;
- the risk that projected recapture rates on the loan pools underlying our MSRs or Excess MSRs are not achieved;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our servicer advance investments or MSRs;

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- impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;
- the relative spreads between the yield on the assets in which we invest and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all;
- changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- the availability and terms of capital for future investments;
- changes in economic conditions generally and the real estate and bond markets specifically;
- competition within the finance and real estate industries;
- the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to grow the economy, future changes to tax laws, the federal conservatorship of Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) and legislation that permits modification of the terms of residential mortgage loans;
- the risk that government-sponsored enterprises (GSE) or other regulatory initiatives or actions may adversely affect returns from investments in MSRs and Excess MSRs;
- our ability to maintain our qualification as a real estate investment trust (REIT) for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;
- our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the 1940 Act), and the fact that maintaining such exclusion imposes limits on our operations;
- the risks related to Home Loan Servicing Solutions, Ltd. liabilities that we have assumed;
- the impact of current or future legal proceedings and regulatory investigations and inquiries;
- the impact of any material transactions with our Manager or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- effects of the recently completed merger of Fortress Investment Group LLC (Fortress) with affiliates of SoftBank Group Corp. (SoftBank).

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

We encourage you to read this prospectus supplement and the accompanying prospectus, as well as the information that is incorporated by reference in this prospectus supplement and the accompanying prospectus, in their entireties. In evaluating forward-looking statements, you should consider the discussion regarding risks and uncertainties under Risk Factors in this prospectus supplement and in our reports filed with the SEC. We caution that you should not place undue reliance on any of our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference. This summary does not contain all of the information you should consider before making a decision to invest in our common stock. You should read this entire prospectus supplement and the accompanying prospectus, including the documents incorporated by reference herein and therein, carefully before making an investment decision, especially the risks of investing in our common stock discussed under Risk Factors herein and therein and our consolidated financial statements and notes to those consolidated financial statements incorporated by reference herein and therein.

NEW RESIDENTIAL INVESTMENT CORP.

General

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. Our stock is traded on the NYSE under the symbol NRZ.

As of March 31, 2018, we conduct our business through the following segments: (i) investments in Excess MSRs, (ii) investments in MSRs, (iii) servicer advance investments (including the basic fee component of the related MSRs), (iv) investments in real estate securities, (v) investments in residential mortgage loans, (vi) investments in consumer loans and (vii) corporate.

We seek to drive strong risk-adjusted returns primarily through investments in the U.S. residential real estate market, which at times incorporate the use of leverage. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation. Our investment guidelines are purposefully broad to enable us to make investments in a wide array of assets in diverse markets, including non-real estate related assets such as consumer loans. We expect our asset allocation and target assets to change over time depending on the types of investment our Manager identifies and the investment decisions our Manager makes in light of prevailing market conditions.

We are externally managed by our Manager, an affiliate of Fortress. We are able to draw upon the long-standing expertise and resources of Fortress, a global investment management firm. Pursuant to the terms of our Management Agreement with our Manager, our Manager provides a management team and other professionals who are responsible for implementing our business strategy and performing certain services for us, subject to oversight by our board of directors. For its services, our Manager is entitled to an annual management fee and is eligible to receive incentive compensation, depending upon our performance.

Our Corporate Information

Our principal executive offices are located at 1345 Avenue of the Americas, 45th Floor, New York, New York 10105. Our telephone number is 212-479-3150. Our web address is www.newresi.com. The information on or otherwise accessible through our web site does not constitute a part of this prospectus supplement or the accompanying prospectus and is not incorporated by reference into this prospectus supplement, accompanying prospectus or any other report or document we file with or furnish to the SEC.

Recent Developments

On June 21, 2018, our board of directors declared a quarterly dividend of $0.50 per common share for the second quarter of 2018. The dividend is payable on July 27, 2018 to stockholders of record as of July 2, 2018. There can be no assurance that we will pay dividends at this level, or at all, in the future. See Risk Factors—Risks Related to our Common Stock—We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

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THE OFFERING

Common stock offered by the Selling Stockholders
3,694,228 shares of our common stock.
Common stock to be outstanding after the offering
339,862,769 shares, including the shares of our common stock sold by the Selling Stockholders which will be issued pursuant to the exercise of outstanding options concurrently with this offering.
NYSE symbol
NRZ.
Risk factors
Investing in our common stock involves certain risks, which are described under Risk Factors beginning on page S-7 of this prospectus supplement and in our reports filed with the SEC.
Use of proceeds
The Selling Stockholders will receive all of the net proceeds from the sale of our common stock in this offering. We will not receive any proceeds from the sale of common stock in this offering. See Use of Proceeds.
The number of shares of our common stock that will be outstanding after this offering is based on 336,168,541 shares of our common stock outstanding as of June 20, 2018 and excludes:

(i) options relating to an aggregate of 4,037,056 shares of our common stock held by our Manager and an affiliate of our Manager, after giving effect to the options exercised in connection with this offering by our Manager and an affiliate of our Manager;
(ii) options relating to an aggregate of 1,530,916 shares of our common stock assigned to employees of affiliates of our Manager, after giving effect to the options exercised in connection with this offering by the Selling Stockholders; and
(iii) options relating to an aggregate of 6,000 shares of our common stock held by our directors, after giving effect to the options exercised in connection with this offering by the Selling Stockholders.

These options will be settled in an amount of cash equal to the excess of the fair market value of a share of our common stock on the date of exercise over the exercise price, unless advance approval is made to settle the option in shares.

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SUMMARY HISTORICAL FINANCIAL INFORMATION

The following table presents our summary historical financial information as of and for the years ended December 31, 2017, 2016 and 2015 and the historical financial information as of and for the three months ended March 31, 2018 and 2017.

The summary historical consolidated statements of income for the years ended December 31, 2017, 2016 and 2015 and the summary historical consolidated balance sheets as of December 31, 2017 and 2016 have been derived from our audited financial statements incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheet as of December 31, 2015 has been derived from our audited financial statements not included or incorporated by reference in this prospectus supplement.

The summary historical consolidated statements of income for the three months ended March 31, 2018 and March 31, 2017 and the summary historical consolidated balance sheet as of March 31, 2018 are derived from our unaudited condensed and consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, which is incorporated by reference into this prospectus supplement. The summary historical consolidated balance sheet as of March 31, 2017 is derived from our unaudited condensed and consolidated financial statements included in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, which is not incorporated by reference into this prospectus supplement. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of New Residential s management, include all adjustments necessary for a fair presentation of the information set forth herein. Interim results of operations are not necessarily indicative of the results to be expected for the full year or any subsequent period.

The summary historical financial information below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and New Residential s audited consolidated financial statements and related notes in New Residential s Annual Report on Form 10-K for the year ended December 31, 2017 and Management s Discussion and Analysis of Financial Condition and Results of Operations and New Residential s unaudited condensed consolidated financial statements and related notes in New Residential s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, each of which is incorporated by reference into this prospectus supplement.

	Three Months Ended				
	March 31,	**March 31,**	**Year Ended December 31,**		
(dollars in thousands, except share and per share data)	**2018**	**2017**	**2017**	**2016**	**2015**
Statement of Income Data					
Interest income	$ 383,573	$ 292,538	$ 1,519,679	$ 1,076,735	$ 645,072
Interest expense	124,387	98,229	460,865	373,424	274,013
Net Interest Income	259,186	194,309	1,058,814	703,311	371,059
Impairment	25,677	20,022	86,092	87,980	24,384
Net interest income after impairment	233,509	174,287	972,722	615,331	346,675
Servicing revenue, net	217,236	40,602	424,349	118,169	—
Other Income	264,524	(3,694)	207,786	62,337	42,029
Operating Expenses	107,817	68,441	422,577	174,210	117,823

Income Before Income Taxes		607,452		142,754		1,182,280		621,627		270,881
Income tax expense (Benefit)		(6,912)		5,596		167,628		38,911		(11,001)
Net Income	$	614,364	$	137,158	$	1,014,652	$	582,716	$	281,882
Noncontrolling Interests in Income of Consolidated Subsidiaries	$	10,111	$	15,780	$	57,119	$	78,263	$	13,246
Net Income Attributable to Common Stockholders	$	604,253	$	121,378	$	957,533	$	504,453	$	268,636
Net Income per Share of Common Stock, Basic	$	1.83	$	0.42	$	3.17	$	2.12	$	1.34
Net Income per Share of Common Stock, Diluted	$	1.81	$	0.42	$	3.15	$	2.12	$	1.32
Weighted Average Number of Shares of Common Stock Outstanding, Basic		330,384,856		286,600,324		302,238,065		238,122,665		200,739,809
Weighted Average Number of Shares of Common Stock Outstanding, Diluted		333,380,436		288,241,188		304,381,388		238,486,772		202,907,605
Dividends Declared per Share of Common Stock	$	0.50	$	0.48	$	1.98	$	1.84	$	1.75
Other Data										
Core Earnings[(A)]	$	194,504	$	154,865	$	861,381	$	510,821	$	388,756

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(dollars in thousands, except share and per share data)	Three Months Ended March 31, 2018	Three Months Ended March 31, 2017	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance Sheet Data					
Investments in:					
Excess mortgage servicing rights, at fair value	$ 515,676	$ 1,369,341	$ 1,173,713	$ 1,399,455	$ 1,581,517
Excess mortgage servicing rights, equity method investees, at fair value	164,886	185,870	171,765	194,788	217,221
Mortgage servicing rights, at fair value	2,129,665	1,694,792	1,735,504	659,483	—
Mortgage servicing rights financing receivable, at fair value	1,886,771	—	598,728	—	—
Servicer advances, at fair value	955,364	5,037,172	4,027,379	5,706,593	7,426,794
Real estate securities, available-for-sale	7,585,323	5,938,743	8,071,140	5,073,858	2,501,881
Residential mortgage loans, held-for-investment	647,960	182,939	691,155	190,761	330,178
Residential mortgage loans, held-for-sale	1,441,955	1,058,184	1,725,534	696,665	776,681
Real estate owned	115,616	79,331	128,295	59,591	50,574
Consumer loans, equity method investees	46,135	—	51,412	—	—
Consumer loans, held-for-investment	1,305,793	1,679,818	1,374,263	1,799,486	—
Cash and cash equivalents	233,233	236,557	295,798	290,602	249,936
Total assets	22,011,941	20,029,987	22,213,562	18,365,035	15,192,722
Total debt	14,666,515	13,835,214	15,746,530	13,181,236	11,292,622
Total liabilities	16,250,254	15,728,227	17,417,400	14,896,858	12,206,142
Total New Residential stockholders' equity	5,663,936	4,102,112	4,690,205	3,260,100	2,795,933
Noncontrolling interests in equity of consolidated subsidiaries	97,751	199,648	105,957	208,077	190,647
Total equity	5,761,687	4,301,760	4,796,162	3,468,177	2,986,580
Supplemental Balance Sheet Data					
Common shares outstanding	336,135,391	307,334,117	307,361,309	250,773,117	230,471,202
Book value per share of common stock	$ 16.85	$ 13.35	$ 15.26	$ 13.00	$ 12.13

(A) We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. Core Earnings is a non-GAAP measure of our operating performance, excluding the fourth variable above, and adjusts the earnings from the consumer loan investment to a level yield basis. Core Earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.

Our definition of Core Earnings includes accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. In addition, our definition of Core Earnings excludes all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because we believe deferred taxes are not representative of current operations. Our definition of Core Earnings also limits accreted interest income on RMBS where we receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. We created this limit in order to be able to accrete to the lower of par or the net value of the underlying collateral, in instances where the net value of the underlying collateral is lower than par. We believe this amount represents the amount of accretion we would have expected to earn on such bonds had the call rights not been exercised.

Our investments in consumer loans are accounted for under ASC No. 310-20 and ASC No. 310-30, including certain non-performing consumer loans with revolving privileges that are explicitly excluded from being accounted for under ASC No. 310-30. Under ASC No. 310-20, the recognition of expected losses on these non-performing consumer loans is delayed in comparison to the level yield methodology under ASC No. 310-30, which recognizes income based on an expected cash flow model reflecting an investment s lifetime expected losses. The purpose of the Core Earnings adjustment to adjust consumer loans to a level yield is to present income recognition across the consumer loan portfolio in the manner in which it is economically earned, avoid potential delays in loss recognition, and align it with our overall portfolio of mortgage-related assets which generally record income on a level yield basis. With respect to consumer loans classified as held-for-sale, the

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level yield is computed through the expected sale date. With respect to the gains recorded under GAAP in 2016 and 2017 as a result of a refinancing of, and the consolidation of, our consumer loan companies, respectively, we continue to record a level yield on those assets based on their original purchase price.

While incentive compensation paid to our Manager may be a material operating expense, we exclude it from Core Earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from Core Earnings, and (ii) it is impractical to determine the portion of the expense related to Core Earnings and non-Core Earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to Core Earnings, we note that, as an example, in a given period, we may have Core Earnings in excess of the incentive compensation threshold but incur losses (which are excluded from Core Earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to Core Earnings, even though Core Earnings exceeded the incentive compensation threshold, or (b) assign a pro forma amount of incentive compensation expense to Core Earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-Core Earnings.

With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations, as they are considered by management to be similar to realized losses incurred at acquisition. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses.

Management believes that the adjustments to compute Core Earnings specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes Core Earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on Core Earnings as an indicator of the results of such decisions. Core Earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, Core Earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP Net Income which is inclusive of all of our activities.

The primary differences between Core Earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from Core Earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike Core Earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment during the three months ended March 31, 2018 was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.

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Core Earnings does not represent and should not be considered as a substitute for, or superior to, Net Income or as a substitute for, or superior to, cash flow from operating activities, each as determined in accordance with U.S. GAAP, and our calculation of this measure may not be comparable to similarly entitled measures reported by other companies. For a further description of the difference between cash flow provided by operations and Net Income, see Management s Discussion and Analysis of Financial Consolidation and Results of Operations—Liquidity and Capital Resources in our Annual Report on Form 10-K that is incorporated by reference in this prospectus supplement. Set forth below is a reconciliation of Core Earnings to the most directly comparable GAAP financial measure (in thousands):

	Three Months Ended				
	March 31,	March 31,	Year Ended December 31,		
(dollars in thousands, except share and per share data)	**2018**	**2017**	**2017**	**2016**	**2015**
Net Income attributable to common stockholders	$ 604,253	$ 121,378	$ 957,533	$ 504,453	$ 268,636
Impairment	25,677	20,022	86,092	87,980	24,384
Other Income adjustments	(308,421)	3,694	(225,359)	(51,965)	(32,826)
Other Income and Impairment attributable to non-controlling interests	(6,586)	(10,253)	(30,416)	(26,303)	(22,102)
Change in fair value of investments in mortgage servicing rights	(129,793)	759	(155,495)	(103,679)	—
Non-capitalized transaction-related expenses	7,137	2,652	21,723	9,493	31,002
Incentive compensation to affiliate	14,589	12,460	81,373	42,197	16,017
Deferred taxes	(9,056)	3,418	168,518	34,846	(6,633)
Interest income on residential mortgage loans, held-for-sale	4,306	3,677	13,623	18,356	22,484
Limit on RMBS discount accretion related to called deals	(4,274)	—	(28,652)	(30,233)	(9,129)
Adjust consumer loans to level yield	(5,942)	(5,020)	(41,250)	7,470	71,070
Core Earnings of equity method investees:					
Excess mortgage servicing rights	2,614	2,078	13,691	18,206	25,853
Core Earnings	$ 194,504	$ 154,865	$ 861,381	$ 510,821	$ 388,756

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RISK FACTORS

Investing in our common stock involves risks. Please see the risk factors set forth below as well as those risks described in our most recent Annual Report on Form 10-K for the year ended December 31, 2017 and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. Before making an investment decision, you should carefully consider these risks as well as other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Any of these risks, as well as other risks and uncertainties, could materially harm our business, financial condition, results of operations and liquidity and our ability to make distributions to our shareholders. In that case, the value or trading price of our common stock could decline, and you could lose part or all of your investment.

Risks Related to our Common Stock

There can be no assurance that the market for our stock will provide you with adequate liquidity.

Our common stock began trading (on a when issued basis) on the NYSE on May 2, 2013. There can be no assurance that an active trading market for our common stock will be sustained in the future, and the market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to qualify as a REIT, maintain our exemption under the 1940 Act or satisfy the NYSE listing requirements;
- negative public perception of us, our competitors or industry;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our common stock.

Sales or issuances of substantial amounts of shares of our common stock, or the perception that such sales or issuances might occur, could adversely affect the market price of our common stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common stock. We have an effective registration statement on file to sell common stock or convertible securities in public offerings.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting

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rules. We have made investments through joint ventures, such as our investment in consumer loans, and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing. We have adopted the Plan, which provides for the grant of equity-based awards, including restricted stock, options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisor of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We reserved 15 million shares of our common stock for issuance under the Plan. As of March 31, 2018, rights relating to 12,067,767 shares of our common stock were outstanding under the Plan. The term of the Plan expires in 2023. On the first day of each fiscal year beginning during the term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of the number of shares of our common stock newly issued by us during the immediately preceding fiscal year. In connection with any offering of our common stock by us, we will issue to our Manager options relating to shares of our common stock, representing 10% of the number of shares being offered. Our board of directors may also determine to issue options to the Manager that are not subject to the Plan, provided that the number of shares relating to any options granted to the Manager in connection with an offering of our common stock would not exceed 10% of the shares sold in such offering and would be subject to NYSE rules.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common stock.

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We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

We intend to make quarterly distributions of our REIT taxable income to holders of our common stock out of assets legally available therefor. We have not established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors included or incorporated by reference herein. Any distributions will be authorized by our board of directors and declared by us based upon a number of factors, including our actual and anticipated results of operations, liquidity and financial condition, restrictions under Delaware law or applicable financing covenants, our REIT taxable income, the annual distribution requirements under the REIT provisions of the Code (as defined herein), our operating expenses and other factors our directors deem relevant.

Our board of directors approved two increases in our quarterly dividends during 2017, which has resulted in reduced cash flows. Although we have other sources of liquidity, such as sales of and repayments from our investments, potential debt financing sources and the issuance of equity securities, there can be no assurance that we will generate sufficient cash or achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future.

Furthermore, while we are required to make distributions in order to maintain our REIT status, we may elect not to maintain our REIT status, in which case we would no longer be required to make such distributions. Moreover, even if we do elect to maintain our REIT status, we may elect to comply with the applicable requirements by, after completing various procedural steps, distributing, under certain circumstances, a portion of the required amount in the form of shares of our common stock in lieu of cash. If we elect not to maintain our REIT status or to satisfy any required distributions in shares of common stock in lieu of cash, such action could negatively and materially affect our business, results of operations, liquidity and financial condition as well as the market price of our common stock. No assurance can be given that we will make any distributions on shares of our common stock in the future.

We may in the future choose to make distributions in our own stock, in which case you could be required to pay income taxes in excess of any cash distributions you receive.

We may in the future make taxable distributions that are payable in cash and shares of our common stock at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such distributions in excess of the cash distributions received. If a U.S. stockholder sells the stock that it receives as a distribution in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distributions, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on distributions, it may put downward pressure on the market price of our common stock.

In August 2017, the Internal Revenue Service (the IRS) issued guidance authorizing elective cash/stock dividends to be made by public REITs where there is a minimum (of at least 20%) amount of cash that may be paid as part of the dividend, provided that certain requirements are met. It is unclear whether and to what extent we would be able to or choose to pay taxable distributions in cash and stock. In addition, no assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our

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distribution rate, the market price of our common stock could decrease, as potential investors may require a higher distribution yield on our common stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay distributions.

Provisions in our certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the market price of our common stock.

Our certificate of incorporation, bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors for cause only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- provisions regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition, in our certificate of incorporation, stating that no holder of shares of our common stock will have cumulative voting rights in the election of directors, which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election; and
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

ERISA may restrict investments by plans in our common stock.

A plan fiduciary considering an investment in our common stock should consider, among other things, whether such an investment is consistent with the fiduciary obligations under the Employee Retirement Income Security Act of 1974, as amended (ERISA), including whether such investment might constitute or give rise to a prohibited transaction under ERISA, the Code or any substantially similar federal, state or local law and, if so, whether an exemption from such prohibited transaction rules is available.

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USE OF PROCEEDS

The Selling Stockholders will receive all of the net proceeds from the sale of the shares of our common stock in this offering. We will not receive any proceeds from the sale of our common stock by the Selling Stockholders.

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PRICE RANGE OF OUR COMMON STOCK

We have one class of common stock, which is listed on the NYSE under the symbol NRZ. The following table sets forth, for the periods indicated, the high, low and last sale prices in U.S. dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated.

2018	High	Low	Last Sale	Distributions Declared
First Quarter	$ 17.94	$ 15.24	$ 16.45	$ 0.50
Second Quarter (through June 20, 2018)	$ 18.73	$ 16.05	$ 18.68	$ 0.50

2017	High	Low	Last Sale	Distributions Declared
First Quarter	$ 17.25	$ 15.03	$ 16.98	$ 0.48
Second Quarter	$ 17.86	$ 15.37	$ 15.56	$ 0.50
Third Quarter	$ 17.30	$ 15.04	$ 16.73	$ 0.50
Fourth Quarter	$ 18.43	$ 16.68	$ 17.88	$ 0.50

2016	High	Low	Last Sale	Distributions Declared
First Quarter	$ 12.50	$ 9.07	$ 11.63	$ 0.46
Second Quarter	$ 13.98	$ 11.36	$ 13.84	$ 0.46
Third Quarter	$ 14.89	$ 12.73	$ 13.81	$ 0.46
Fourth Quarter	$ 16.43	$ 13.30	$ 15.72	$ 0.46

On June 20, 2018, the closing sale price for our common stock, as reported on the NYSE, was $18.68. As of June 20, 2018, there were approximately 34 record holders of our common stock. This figure does not reflect the beneficial ownership of shares held in nominee name.

On June 21, 2018, our board of directors declared a quarterly dividend of $0.50 per common share for the second quarter of 2018. See Prospectus Supplement Summary—New Residential Investment Corp.—Recent Developments.