

RESCAP

LIQUIDATING TRUST

ResCap Liquidating Trust

Q2 2019 Beneficiary Letter

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Dear Beneficiaries:

The Trust continued its efforts into Q2 2019 to generate value for the beneficiaries and effectively and efficiently wind down the Trust. 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). On July 31, 2019, the Trust filed a motion to convert the case to a Chapter 7. Per the Trust's accounting policy, the Trust has not recorded the judgments in its Financial Statements at this time.

As of the date of this letter, the Trust is litigating two cases against correspondent lenders which are pending in Federal District Court in Minnesota. One of the two remaining cases, Primary Residential Mortgage, Inc., is set for bench trial in February 2020.

The Trust has reached settlements totaling approximately \$1.2 billion since the inception of the Trust through June 30, 2019. Since inception, the Trust has distributed a cumulative amount of \$16.14 per unit, and \$33.79 per unit inclusive of the Plan effective date distributions.

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 June 30, 2019, there are fewer than 20 assets pending filing of the initial claim with HUD, with 12 of those still actively being worked to clear various hurdles for HUD claims. Carrying value for the mortgage loan portfolio of \$8.1 million represents the Trust's future expected recovery based on the current path for disposition. Timing of full recovery of the mortgage loan portfolio is affected by the inherent nature of the troubled assets.

The Administrative Set Aside of \$89.6 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 \$12.4 million of expenses incurred but not yet paid and \$77.2 million of expected future costs for July 2019 forward. Of the future \$77.2 million cost, \$33.2 supports the on-going RMBS litigation and \$44.0 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.

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The Trust's second 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