

ResCap Liquidating Trust Announces Change to Board Incentive Compensation

Minneapolis – December 20, 2018 –The ResCap Liquidating Trust (the “Trust”) announced today a modification to the incentive compensation payable to the members of the Board of the Trust (the “Trustees”). This disclosure is made in accordance with the terms of the Trust’s Amended and Restated Incentive Plan for Liquidating Trustees (the “Plan”), which provides that notice of modifications to the compensation of the Trustees be provided at least 30 days in advance of effectiveness. The modification is designed to preserve the alignment of the interests of Trustees with those of the unit holders, in light of the advanced state of the Trust and the status of litigation involving the remaining affirmative claims of the Trust.

Specifically, under the Plan, the incentive compensation pool increases incrementally by 3% of unit holder recoveries in excess of \$15.50 per unit; however that incremental increase is reduced to 1.5% for distributions after December 31, 2018. The Plan is being modified so that the step down will be from 3% to only 2.5%. The modification recognizes the prudent prosecution by the Board of the remaining correspondent lender claims of the Trust so as to maximize unit holder recoveries, while preserving in concept the originally intended step down feature of the Plan. The modification will become effective 30 days from the date of this release, retroactive to January 1, 2019.

As a consequence of the modification, for distributions made after January 1, 2019, each time a new \$.50 per unit payment threshold is exceeded, beginning with \$15.50 per unit, the incentive compensation of the Trustees, in the aggregate for all Trustees, would increase by \$494,297 over the incentive compensation they would receive under the Plan as currently in effect. Each \$.50 per unit payment threshold corresponds to an increase in unit holder distributions of approximately \$49.4 million. These calculations will continue to be affected by the offset which applies under the Plan for retainer previously paid.

The Plan modification would not alter the incentive compensation with respect to any previous distributions to unit holders or the distribution contemplated to be made before year end 2018. The increase in compensation, assuming the relevant distribution thresholds are satisfied, would accrue only to the current Trustees of the Trust.

The Plan provides that, if the holders of 25% or more of the outstanding units object to any proposed modification to the compensation of the Trustees within 30 days of a press release announcing the modifications, representatives of the Board of Trustees will consult with the holders regarding their objection.

To date, the Trust has settled 80 cases with a settlement value of approximately \$1.131 billion. In addition, in November 2018, the Trust received a favorable jury verdict against Home Loan Center in the amount of \$28.7 million, exclusive of additional interest and fees and costs which the Trust is seeking from Home Loan Center. Unit holder recoveries since January 1, 2014 have totaled \$1.412 billion or \$14.1171 per unit. In addition, unit holders of record as of December 13, 2018 will receive a distribution of an additional \$1.0115 on December 28, 2018, bringing total post confirmation recoveries to unit holders as of calendar year end 2018 to \$15.1286 per unit.

For media inquiries, contact:

Timothy Quinn
(212) 277-3809
ResCap@edelman.com