



front yard
RESIDENTIAL



Supplemental Investor Information
3rd Quarter 2018

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This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, regarding management's beliefs, estimates, projections, anticipations and assumptions with respect to, among other things, the Company's financial results, future operations, business plans and investment strategies as well as industry and market conditions. These statements may be identified by words such as "anticipate," "intend," "expect," "may," "could," "should," "would," "plan," "estimate," "target", "seek," "believe" and other expressions or words of similar meaning. We caution that forward-looking statements are qualified by the existence of certain risks and uncertainties that could cause actual results and events to differ materially from what is contemplated by the forward-looking statements. Factors that could cause the Company's actual results to differ materially from these forward-looking statements may include, without limitation, our ability to implement our business strategy; our ability to make distributions to stockholders; our ability to complete potential transactions in accordance with anticipated terms and on a timely basis or at all; the Company's ability to integrate newly acquired rental assets into the portfolio; the ability to successfully and efficiently integrate and operate the Company's newly acquired property manager or effectively perform the property management services at the level and/or the cost that we anticipate; the failure to identify unforeseen expenses or material liabilities associated with acquisitions through the due diligence process prior to such acquisitions; difficulties in identifying single-family properties to acquire; the impact of changes to the supply of, value of and the returns on single-family rental properties; the Company's ability to acquire single-family rental properties generating attractive returns; the Company's ability to sell non-rental real estate assets on favorable terms or at all; the Company's ability to predict costs; the Company's ability to effectively compete with competitors; changes in interest rates; changes in the market value of single-family properties; the Company's ability to obtain and access financing arrangements on favorable terms or at all; the Company's ability to deploy the net proceeds from financings or asset sales to acquire target assets in a timely manner or at all; the Company's ability to maintain adequate liquidity and meet the requirements under its financing arrangements; the Company's ability to retain the exclusive engagement of Altisource Asset Management Corporation; the failure of external property managers to effectively perform their obligations under their agreements with the Company; the Company's failure to qualify or maintain qualification as a REIT; the Company's failure to maintain its exemption from registration under the Investment Company Act of 1940, as amended; the impact of adverse real estate, mortgage or housing markets; the impact of adverse legislative, regulatory or tax changes and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in the Company's current and future filings with the Securities and Exchange Commission. In addition, financial risks such as liquidity, interest rate and credit risks could influence future results. The foregoing list of factors should not be construed as exhaustive.

The statements made in this presentation are current as of the date of this presentation only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

I. Company Update

II. Financial Results

III. Portfolio Information

IV. Definitions and Disclosures



Financial

- Rental revenue of \$48.3 million, up 47%¹
- Stabilized Rental Net Operating Income of \$28.8 million, up 33%¹
- Stabilized Rental Core NOI Margin of 63%
- Core FFO per share of \$0.05

Balance Sheet

- Fixed or capped debt of 88%, up from 53%^{1,2}
- Weighted average debt duration of 5.1 years, up from 3.1 years¹

Operations

- Stabilized blended rent growth of 4.3%
- Stabilized leased percentage of 94%
- Stabilized rental turnover of 7.2%
- Internalized property management of 5.5K homes³

Portfolio

- Acquired 3,248 homes
- Stabilized Rental portfolio of 14,447 homes, up 50%¹
- 763 non-core rental assets identified for sale
- Sold 72 homes

1. Comparisons to 3Q17

2. Includes Home II and Home III debt, which was capped as of 10/16/2018. See page 15 for further information.

3. As of 10/31/2018

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP. Full company Core FFO reconciliation to GAAP can be found on page 14.

(\$s in thousands, except per home and per share amounts) (unaudited)

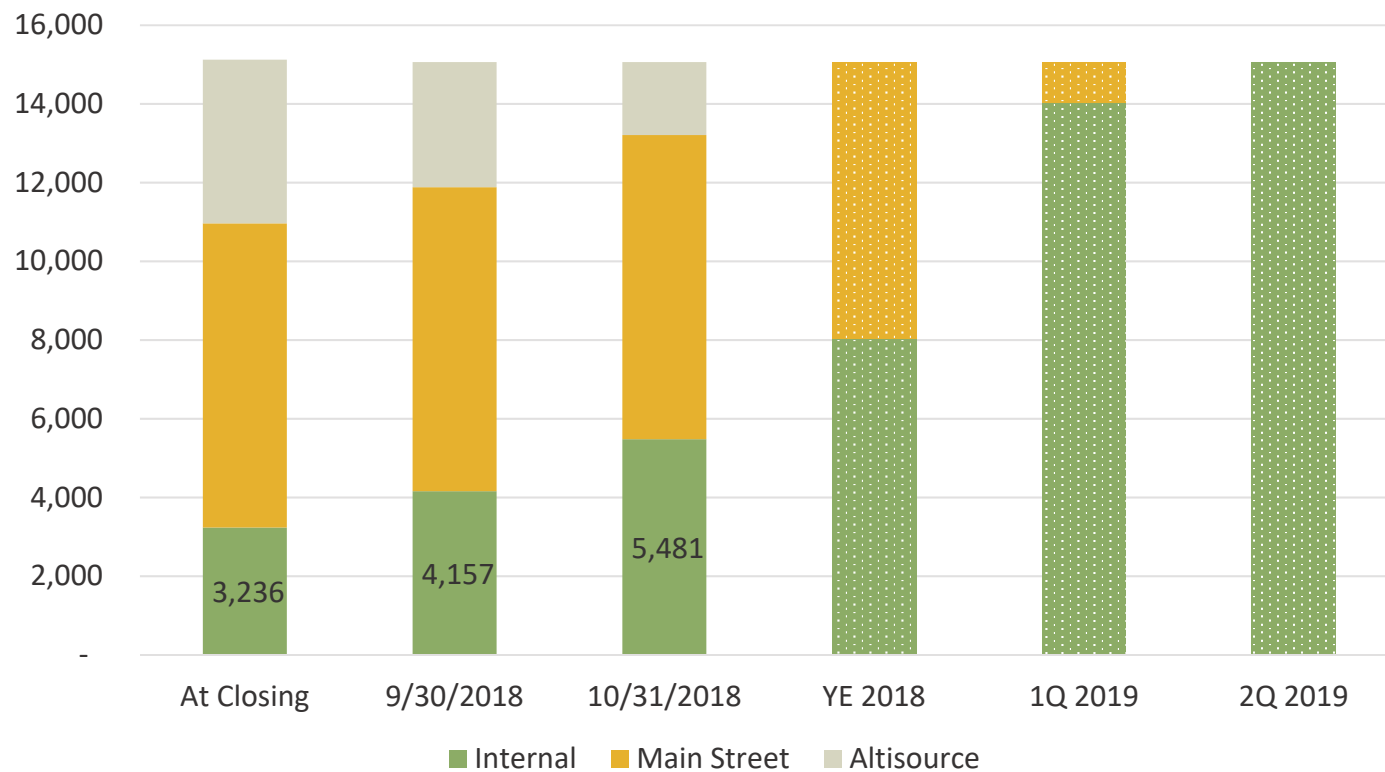
	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
Portfolio Information - end of period					
Total Rental Homes	14,587	11,886	11,954	11,975	10,011
Leased	13,562	11,064	11,090	10,850	8,998
Ready to rent	424	335	493	591	448
Under turn	479	350	230	340	363
Under renovation	122	137	141	194	202
Stabilized Rentals	14,447	11,729	11,760	11,720	9,653
% of rentals stabilized	99%	99%	98%	98%	96%
% of Stabilized Rentals leased	94%	94%	94%	93%	93%
Previous rentals identified for sale ¹	763	221	142	109	-
Legacy REO ¹	133	190	320	490	939
Total Rental and REO	15,483	12,297	12,416	12,574	10,950
Operating Information - Stabilized Portfolio²					
Stabilized Rental revenue	\$ 46,691	\$ 40,906	\$ 39,765	\$ 34,917	\$ 32,960
Stabilized Core rental revenues	\$ 45,903				
Stabilized Rental Net Operating Income	\$ 28,843	\$ 26,393	\$ 25,945	\$ 22,655	\$ 21,683
Stabilized Rental NOI Margin	61.8%	64.5%	65.2%	64.9%	65.8%
Stabilized Rental Core NOI Margin	62.8%				
Average monthly rent per leased property	\$ 1,254	\$ 1,247	\$ 1,237	\$ 1,232	\$ 1,220
Blended average change in rent	4.3%	4.2%	3.5%	3.5%	3.7%
Turnover rate	7.2%	8.7%	6.3%	6.1%	7.2%

1. Of the Previous rentals identified for sale, 525 were classified as held for sale as of September 30, 2018. The remaining 238 were being prepared for sale and will be classified as held for sale once listed. Of the Legacy REOs, 70 were held for use as of September 30, 2018.
2. Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

Strong progress on internalizing property management



All homes managed by Altisource are on track to be internalized by end of November 2018. The remaining homes are targeted for internalization by mid 2019¹.



1. Internalization timelines are based on management estimates and ability of external property managers to move homes in accordance with proposed timelines. Management may update these estimates from time to time, and actual transition of homes may vary materially from these projections.

Targets to increase operating cash flow



Revenue Drivers

- Increase home count (~16K homes)
- Rent increases (3% - 4%)
- Occupancy (95% - 96%)
- Other income

Efficiency Drivers

- Internalization of PM
- Self-performing R&M and turn
- Vendor and supply management

YE 2019 Annualized Run Rate

$$\begin{aligned}
 & \$240 - \$250 \text{ million revenue} \\
 & \quad \times \\
 & \quad \sim 66\% \text{ NOI margin} \\
 & \quad = \\
 & \$158 - \$165 \text{ million NOI}
 \end{aligned}$$

Interest expense (~4.75% annualized rate)

~\$83 million

General and administrative

\$26 - \$28 million

Core Funds from Operations (Core FFO)

\$47 - \$54 million

Core FFO per share per quarter

\$0.22 - \$0.25

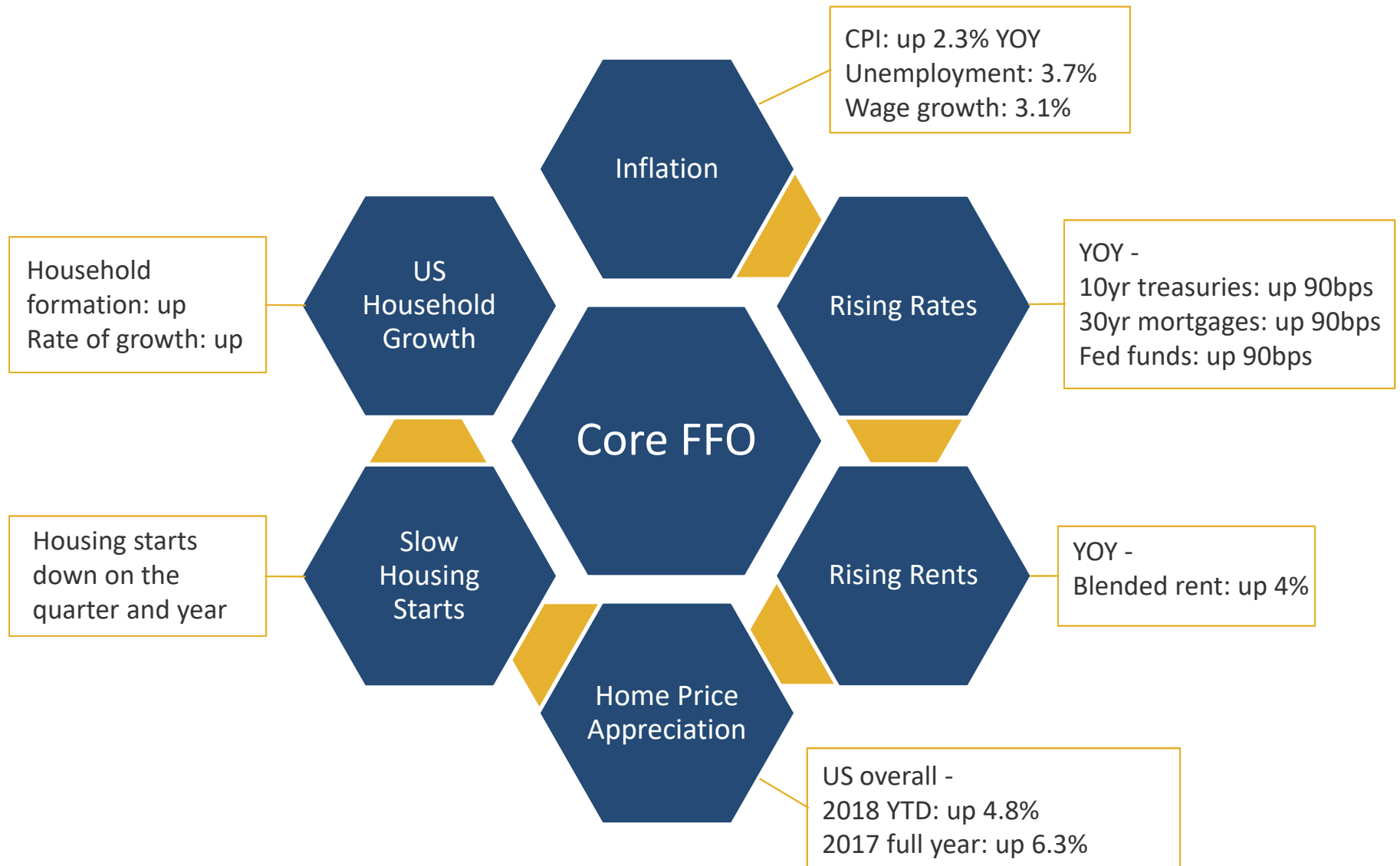
Adjusted Funds from Operations (AFFO)

\$27 - \$34 million

AFFO per share per quarter

\$0.13 - \$0.16

Note: Estimates are based on a number of assumptions, including, without limitation, assumptions regarding portfolio growth, management of expenses, and operating efficiency, including turn times, repair & maintenance and rental rates, other revenue and expenses. Management may adjust these estimates at any time and actual results could vary materially. The Company does not provide corresponding GAAP measure for, or reconciliation to, Net Operating Income (NOI), NOI Margin, Core FFO, Core FFO per share per quarter, AFFO or AFFO per share per quarter because we are unable to reasonably predict the impact of certain items contained in the GAAP measures on a forward-looking basis, including non-recurring and infrequent items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, net gain or loss on sales and impairment of real estate assets, casualty losses, share-based compensation and acquisition and integration costs. These items are uncertain, depend on various factors and could have a material impact on our GAAP results for the target period.



Sources: US Labor Department; Case Shiller US; Bloomberg; FHFA; U.S Census Bureau

Financial Results



Consolidated Statements of Operations – GAAP



(\$s in thousands, except per share amounts) (unaudited)

	Three Months Ended		Nine Months Ended	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Revenues:				
Rental revenues	\$ 48,313	\$ 32,960	\$ 128,984	\$ 88,680
Change in unrealized gain on mortgage loans	-	(28,128)	-	(157,817)
Net realized (loss) gain on mortgage loans	-	(2,700)	-	73,077
Net realized gain on sales of real estate	-	21,369	-	62,132
Interest income	-	164	-	341
Total revenues	48,313	23,665	128,984	66,413
Expenses:				
Residential property operating expenses	17,269	15,236	45,372	48,648
Property management expenses	3,400	2,257	9,286	6,441
Depreciation and amortization	21,100	15,309	59,051	45,288
Acquisition and integration costs	25,220	283	26,012	659
Impairment	1,276	7,352	10,994	30,686
Mortgage loan servicing costs	479	802	1,153	9,672
Interest expense	20,142	14,240	52,543	44,965
Share-based compensation	1,200	358	1,880	2,824
General and administrative	3,483	3,452	8,633	8,656
Management fees to AAMC	3,648	4,129	11,135	13,377
Total expenses	97,217	63,418	226,059	211,216
Net gain (loss) on real estate and mortgage loans	1,177	-	(763)	-
Operating loss	(47,727)	(39,753)	(97,838)	(144,803)
Casualty loss reversals, net	(461)	(6,021)	59	(6,021)
Insurance recoveries	133	2,886	248	2,886
Other income	128	-	918	-
Loss before income taxes	(47,927)	(42,888)	(96,613)	(147,938)
Income tax expense	6	28	6	42
Net loss	\$ (47,933)	\$ (42,916)	\$ (96,619)	\$ (147,980)
Loss per basic share of common stock	\$ (0.89)	\$ (0.80)	\$ (1.81)	\$ (2.77)
Weighted average common stock outstanding - basic	53,601,208	53,408,288	53,525,792	53,508,881
Loss per diluted share of common stock	\$ (0.89)	\$ (0.80)	\$ (1.81)	\$ (2.77)
Weighted average common stock outstanding - diluted	53,601,208	53,408,288	53,525,792	53,508,881

Consolidated Balance Sheets



(\$s in thousands)

	Sep 30, 2018	Dec 31, 2017
Assets:		
Real estate held for use:	(unaudited)	
Land	\$ 396,938	\$ 322,062
Rental residential properties	1,668,543	1,381,110
Real estate owned	62,379	64,036
Total real estate held for use	2,127,860	1,767,208
Less: accumulated depreciation	(122,386)	(73,655)
Total real estate held for use, net	2,005,474	1,693,553
Real estate assets held for sale	126,757	75,718
Mortgage loans at fair value	7,675	11,477
Cash and cash equivalents	72,374	113,666
Restricted cash	43,012	47,822
Accounts receivable, net	15,457	19,555
Goodwill	13,376	-
Prepaid expenses and other assets	24,694	12,758
Total assets	\$ 2,308,819	\$ 1,974,549
Liabilities:		
Repurchase and loan agreements	\$ 1,696,931	\$ 1,270,157
Accounts payable and accrued liabilities	82,606	55,639
Related party payables	4,006	4,151
Total liabilities	1,783,543	1,329,947
Equity:		
Common stock, at par	536	534
Additional paid-in capital	1,182,988	1,181,327
Accumulated deficit	(658,248)	(537,259)
Total equity	525,276	644,602
Total liabilities and equity	\$ 2,308,819	\$ 1,974,549

(\$s in thousands) (unaudited)

As of Sep 30, 2018

	Stabilized	Non-Stabilized	Total	Carrying Value ^{1,2}	CV per home
Rental Properties:					
Leased	13,562	-	13,562	\$ 1,809,172	\$ 133
Listed and ready for rent	406	18	424	62,059	146
Unit Turn	479	-	479	61,640	129
Renovation	-	122	122	14,566	119
Total rental properties	14,447	140	14,587	1,947,437	134
Previous rentals identified for sale ³	-	763	763	149,052	195
Legacy REO ⁴	-	133	133	35,742	269
	14,447	1,036	15,483	\$ 2,132,231	\$ 138

1. The carrying value of an asset held for use is based on historical cost plus renovation costs, net of any accumulated depreciation and impairment. Assets held for sale are carried at the lower of the carrying amount or estimated fair value less costs to sell.
2. The carrying value of properties acquired in the November 29, 2017 closing of the HOME Flow Transaction are included based upon the initial purchase price, certain of which are subject to potential purchase price adjustment provisions as set forth in the purchase and sale agreement.
3. Of the 763 Previous rentals identified for sale, 525 were classified as held for sale as of September 30, 2018 and account for \$108MM in carrying value. The remaining 238 were being prepared for sale and will be classified as held for sale once listed.
4. Of the 133 Legacy REOs, 70 were held for use, and the remaining held for sale as of September 30, 2018.

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

Stabilized Rental Operating Efficiency



(\$s in thousands) (unaudited)

Stabilized Rental Portfolio	Three Months Ended Sep 30, 2018	Nine Months Ended Sep 30, 2018
Rental revenues	\$ 46,691	\$ 127,362
Less: Resident charge-backs	(788)	(2,000)
Core revenues	<u>45,903</u>	<u>125,362</u>
Fixed Expenses:		
Taxes	7,427	20,299
Insurance	835	2,195
HOA	601	1,735
Controllable Expenses:		
Repair, maintenance and turn	5,764	13,778
Property management	3,221	8,174
Total property operating expenses	<u>17,848</u>	<u>46,181</u>
Less: Resident charge-backs	(788)	(2,000)
Core property operating expenses	<u>17,060</u>	<u>44,181</u>
Stabilized Rental NOI	\$ 28,843	\$ 81,181
Stabilized Rental Core NOI Margin	62.8%	64.8%

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

Full Company FFO and Core FFO



(\$s in thousands, except per share amounts) (unaudited)

	Three Months Ended Sep 30, 2018	Nine Months Ended Sep 30, 2018
GAAP net loss	\$ (47,933)	(96,619)
Depreciation and amortization	21,100	59,051
Impairment	1,276	10,994
Net gain (loss) on real estate and mortgage loans	(1,177)	763
FFO	(26,734)	(25,811)
Acquisition and integration costs	25,220	26,012
Non-cash interest expense	1,638	4,383
Share-based compensation	1,200	1,880
Other adjustments ¹	1,158	1,559
Core FFO	2,482	8,023
Weighted average common stock outstanding - diluted	53,601,208	53,525,792
FFO per share - diluted	\$ (0.50)	\$ (0.48)
Core FFO per share - diluted	\$ 0.05	\$ 0.15

1. Other adjustments include non-recurring income/expense items and one-time costs that management has determined are not representative of Front Yard's core on-going operations.

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

(\$s in thousands) (unaudited)

As of September 30, 2018

	Amount Outstanding	% of Total	Interest Rate¹	Years to Maturity²
Floating Rate Debt:				
CS Repurchase Agreement	\$ 179,686	10.5%	5.17%	0.1
Nomura Loan Agreement	31,083	1.8%	5.17%	1.5
HOME II Loan Agreement (Capped 10/16/18)	83,270	4.9%	4.26%	4.1
HOME III Loan Agreement (Capped 10/16/18)	89,150	5.2%	4.26%	4.1
Total Floating Rate Debt	<u>383,189</u>	<u>22.4%</u>	<u>4.76%</u>	<u>2.0</u>
Fixed and Capped Rate Debt:				
MSR Loan Agreement	489,259	28.6%	5.09%	3.1
HOME IV Loan Agreement (A)	114,201	6.7%	4.00%	4.2
HOME IV Loan Agreement (B)	114,590	6.7%	4.00%	4.2
Term Loan Agreement	100,000	5.8%	5.00%	3.5
FYR SFR Loan Agreement	508,700	29.7%	4.65%	9.9
Total Fixed Rate Debt	<u>1,326,750</u>	<u>77.6%</u>	<u>4.72%</u>	<u>5.9</u>
Total Fixed Rate Debt with Home II and III	<u>1,499,170</u>	<u>87.7%</u>	<u>4.67%</u>	<u>5.7</u>
Total Debt	1,709,939	<u>100.0%</u>	<u>4.73%</u>	<u>5.1</u>
Less: unamortized loan discounts	(5,211)			
Less: deferred financing costs	(7,797)			
Total Carrying Value of Debt	<u>\$ 1,696,931</u>			

- Interest rates on floating rate debt reflect applicable rates as of period end. The Company's variable rate borrowings are based on a floating rate index plus a fixed margin as of period end.
- Years to maturity on certain of our indebtedness includes the debt's maturity through its ultimate maturity date, as applicable, which is extendable at the option of the Company.

Portfolio Information



Rental Portfolio Detail



(\$s in thousands) (unaudited)

Rental Portfolio - Q3 2018

Market	Rental Portfolio Count	Net CV per Property	% of Rental Count	Average Size (Sq. ft.)	Average Age (yrs)	Stabilized Count	Non-Stabilized Count
Atlanta, GA	4,356	\$ 111	29.9%	1,603	36	4,287	69
Memphis, TN	1,292	142	8.9%	1,662	24	1,291	1
Dallas-Fort Worth, TX	890	152	6.1%	1,653	28	886	4
Houston, TX	880	144	6.0%	1,653	29	868	12
Miami, FL	798	169	5.5%	1,220	53	790	8
Birmingham, AL	722	115	4.9%	1,486	41	722	-
Indianapolis, IN	650	128	4.5%	1,606	23	649	1
Charlotte, NC	591	138	4.1%	1,437	29	587	4
Minneapolis, MN	487	152	3.3%	1,422	87	485	2
Nashville, TN	450	146	3.1%	1,508	17	446	4
Other	3,471	143	23.7%	1,438	33	3,436	35
Total	14,587	\$ 134	100.0%	1,533	35	14,447	140

State	Rental Portfolio Count	Net CV per Property	% of Rental Count	Average Size (Sq. ft.)	Average Age (yrs)	Stabilized Count	Non-Stabilized Count
Georgia	4,365	\$ 111	29.9%	1,603	36	4,296	69
Florida	2,103	149	14.4%	1,343	40	2,080	23
Texas	1,972	147	13.5%	1,647	28	1,956	16
Tennessee	1,475	143	10.1%	1,639	23	1,470	5
North Carolina	874	136	6.0%	1,454	25	865	9
Alabama	723	115	5.0%	1,486	41	723	-
Indiana	668	128	4.6%	1,603	23	667	1
Minnesota	487	152	3.3%	1,422	87	485	2
Missouri	420	147	2.9%	1,422	39	416	4
Oklahoma	306	146	2.1%	1,549	27	306	-
Other	1,194	150	8.2%	1,418	36	1,183	11
Total	14,587	\$ 134	100.0%	1,533	35	14,447	140

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

Leasing by Market - Q3 2018

Market	Avg Monthly Rent per Leased Property	Stabilized Leased %	Average Change in Renewal Rent	Average Change in Re-lease Rent	Blended Average Change in Rent	Renewal Rate	Turnover Rate	Stabilized Rental Core NOI Margin
Atlanta, GA	\$ 1,102	94.3%	4.5%	4.7%	4.6%	73%	6.1%	61.0%
Memphis, TN	1,257	95.4%	2.9%	3.4%	3.2%	63%	8.0%	71.3%
Dallas-Fort Worth, TX	1,461	94.5%	4.4%	7.1%	5.7%	60%	8.2%	58.8%
Houston, TX	1,358	90.9%	3.0%	4.8%	3.9%	59%	7.8%	51.1%
Miami, FL	1,584	92.5%	4.5%	3.2%	3.9%	72%	6.2%	47.6%
Birmingham, AL	1,120	95.4%	2.5%	5.6%	4.1%	71%	5.7%	72.5%
Indianapolis, IN	1,227	92.9%	3.0%	2.4%	2.7%	65%	9.6%	61.4%
Charlotte, NC	1,168	95.4%	4.6%	11.3%	7.4%	74%	6.1%	74.1%
Minneapolis, MN	1,420	96.9%	3.7%	4.5%	4.0%	65%	5.2%	67.8%
Nashville, TN	1,376	95.3%	3.9%	6.4%	5.0%	64%	8.5%	72.4%
Other	1,298	92.7%	3.8%	4.4%	4.1%	61%	8.0%	63.4%
Total	\$ 1,254	93.9%	3.9%	4.7%	4.3%	66%	7.2%	62.8%

Note: Please see the Definitions and Disclosures section of this presentation for important information on definitions of metrics and reconciliations to GAAP.

Investment in Real Estate



(unaudited)

Investment in Real Estate (\$MM)¹

Market	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Atlanta, GA	\$ 10.2	\$ 2.2	\$136.1	\$ 9.4	\$33.1	\$15.1	\$101.8	\$ 0.5	\$ 23.7	\$ 16.0	\$ 1.0	\$ 20.9	\$ 3.1	\$ 2.1	\$144.7
Memphis, TN	1.3	-	0.3	-	0.1	-	90.6	-	28.8	30.1	-	41.3	-	-	-
Miami, FL	15.7	3.4	3.7	1.6	1.0	2.7	1.8	0.4	0.3	-	0.2	0.4	-	-	195.9
Houston, TX	3.3	0.4	-	0.2	1.2	9.5	104.9	4.8	0.6	3.0	-	12.1	-	-	-
Dallas-Fort Worth, TX	4.4	0.4	0.3	0.3	0.4	4.7	100.8	2.7	2.7	9.7	-	18.9	0.3	-	-
Birmingham, AL	0.5	0.1	-	0.1	-	-	2.3	-	4.8	11.7	-	35.4	-	-	30.2
Indianapolis, IN	7.8	0.2	1.6	1.9	0.8	0.2	49.8	0.3	8.7	5.2	-	13.8	-	-	-
Charlotte, NC	8.1	0.6	0.2	0.2	14.4	-	30.9	-	3.8	2.0	-	26.7	-	-	-
Minneapolis, MN	1.2	-	-	-	-	-	15.3	-	-	-	-	-	-	-	59.7
Nashville, TN	1.6	0.3	0.4	0.2	0.1	-	65.9	-	0.2	0.7	-	0.5	-	-	0.9
Fort Meyers, FL	6.8	0.7	1.1	1.2	3.1	0.2	20.0	0.7	1.8	0.5	-	5.3	-	-	20.8
Tampa, FL	6.6	0.5	0.9	0.3	11.1	3.0	10.6	0.5	4.2	1.4	-	6.6	-	-	-
St. Louis, MO	0.8	-	-	0.1	-	-	1.8	-	0.4	2.7	-	39.0	1.0	0.2	0.8
Oklahoma City, OK	0.2	-	-	0.1	0.1	0.1	26.1	-	8.4	12.6	-	-	-	-	-
Palm Bay, FL	2.6	0.3	0.2	0.2	0.6	-	12.1	0.2	4.9	1.5	-	6.7	-	-	11.6
Columbus, OH	1.0	0.1	-	-	-	-	-	-	-	-	-	37.9	-	-	-
Greensboro, NC	1.8	-	0.1	0.3	5.4	-	7.2	-	7.2	2.2	-	9.0	-	-	-
Jacksonville, FL	3.7	0.4	-	0.1	4.5	2.1	7.4	0.5	0.4	3.2	-	4.3	-	-	0.1
San Antonio, TX	0.3	-	0.1	-	0.5	0.6	18.2	0.7	2.4	5.2	-	1.2	-	-	-
Orlando, FL	10.2	1.8	0.2	1.2	3.1	2.0	6.4	0.1	1.1	0.4	-	2.0	-	-	-
Other	97.7	15.2	11.8	15.7	18.5	5.1	16.7	4.2	4.8	13.5	0.8	20.7	0.2	0.4	1.8
Total	\$ 185.8	\$ 26.7	\$ 156.9	\$ 33.4	\$ 98.1	\$ 45.2	\$ 690.6	\$ 15.6	\$ 109.3	\$ 121.7	\$ 1.9	\$ 302.8	\$ 4.5	\$ 2.7	\$ 466.6

- Investment in Real Estate includes purchase price plus renovation costs minus value attributed for leases in place for homes owned as of September 30, 2018. The purchases prior to 1Q15 have been HPI adjusted to the 1Q15 level, however the remaining quarters are shown without HPI adjustment.

Home price appreciation



Market ¹	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	HPI Index Change
Atlanta, GA	100.0	103.2	105.0	106.4	107.3	110.9	113.0	114.4	115.9	120.5	122.6	124.2	127.7	131.3	31.3%
Memphis, TN	100.0	101.0	102.5	103.2	103.5	105.1	106.8	108.0	108.2	112.0	114.5	113.4	115.0	119.0	19.0%
Miami, FL	100.0	103.0	106.4	108.5	111.4	113.5	116.0	118.2	121.0	123.6	125.2	128.3	130.8	134.0	34.0%
Houston, TX	100.0	103.1	104.5	105.0	105.4	107.5	108.8	110.0	110.5	113.9	114.1	116.1	117.1	120.3	20.3%
Dallas-Fort Worth, TX	100.0	103.4	106.6	107.8	110.4	114.4	117.0	119.1	122.3	127.8	130.4	131.8	134.0	137.6	37.6%
Birmingham, AL	100.0	101.0	102.0	102.5	103.6	105.0	107.2	107.1	107.8	110.3	112.2	112.3	112.8	117.3	17.3%
Indianapolis, IN	100.0	101.9	102.4	102.8	103.6	105.3	107.3	107.8	108.6	112.2	113.9	115.1	116.2	122.6	22.6%
Charlotte, NC	100.0	101.3	102.8	104.2	106.4	108.1	110.8	112.2	114.2	118.8	121.1	121.4	123.9	129.9	29.9%
Minneapolis, MN	100.0	102.2	104.3	104.7	105.1	107.9	109.5	110.2	112.0	116.3	117.9	118.2	120.3	124.5	24.5%
Nashville, TN	100.0	102.8	105.3	106.5	109.4	112.9	115.0	117.3	121.0	124.2	127.0	129.7	131.8	136.3	36.3%
Fort Meyers, FL	100.0	103.3	106.0	109.9	111.4	114.8	117.0	118.8	122.9	123.8	126.4	128.3	130.2	131.4	31.4%
Tampa, FL	100.0	103.2	106.2	107.3	110.2	113.8	116.3	119.9	122.2	126.7	128.9	131.9	136.2	140.1	40.1%
St. Louis, MO	100.0	100.8	101.9	103.0	104.0	105.0	106.9	107.0	108.5	110.2	111.8	112.7	113.9	115.1	15.1%
Oklahoma City, OK	100.0	101.8	103.7	104.7	104.8	105.5	106.6	107.5	107.9	110.1	112.1	111.1	112.8	115.2	15.2%
Palm Bay, FL	100.0	103.7	107.8	109.5	112.9	118.7	121.4	124.8	128.5	133.1	136.9	140.0	142.5	147.9	47.9%
Columbus, OH	100.0	102.1	104.1	104.8	106.1	108.2	111.0	111.2	112.6	117.8	120.3	120.1	122.3	126.4	26.4%
Greensboro, NC	100.0	101.7	102.3	101.6	103.2	104.4	106.0	106.7	104.5	108.6	109.0	110.6	112.9	114.2	14.2%
Jacksonville, FL	100.0	102.9	104.6	104.7	107.5	111.8	114.1	115.8	118.0	120.7	123.7	127.2	127.0	132.4	32.4%
San Antonio, TX	100.0	103.0	104.8	104.3	107.2	108.5	111.9	112.5	113.9	118.1	119.9	121.3	121.8	125.1	25.1%
Orlando, FL	100.0	103.6	105.3	107.9	109.5	112.0	115.9	117.9	121.2	125.0	127.3	130.2	133.8	137.0	37.0%
Top 20 Markets	100.0	102.8	105.0	106.5	107.8	110.9	112.3	113.8	115.2	118.9	121.0	121.6	123.8	127.7	27.7%

1. HPI data is from FHFA's quarterly non-seasonally adjusted all transactions index. Fort Myers, FL market comprises of Cape Coral-Fort Myers and North Port-Sarasota-Bradenton. Tampa, FL market comprises of Tampa-St. Petersburg-Clearwater and Lakeland-Winter Haven MSAs. Palm Bay, FL market comprises of Palm Bay-Melbourne-Titusville & Port St. Lucie MSAs. Greensboro, NC market comprises of Winston-Salem and Greensboro-High Point MSAs. Orlando, FL market comprises of Orlando-Kissimmee-Sanford and Deltona-Daytona Beach-Ormond Beach MSAs.

Definitions and Disclosures



Average change in renewal rent: Average percentage change in rent on all non-month-to-month lease renewals during the quarter, compared to previous annual contractual rent.

Average change in re-lease rent: Average percentage change in rent for new leases starting in the quarter compared to previous annual contractual rent.

Average monthly rent per leased property: Total contractual monthly rent on all properties leased divided by the number of properties leased at quarter end.

Blended average change in rent: Total weighted average percentage change in rent for both renewals and re-leases in the quarter.

Renewal Rate: Renewal rate is calculated as the number of renewed leases in a given period divided by total leases expired, excluding early terminations and leases transitioning to month-to-month in the period.

Rental Portfolio: We define Rental Portfolio as properties that are leased, listed and ready to rent, or under renovation or turn where that property is expected to become leased to qualified tenants.

Stabilized Rental: We define a property as stabilized once it has been renovated and then initially leased or available for rent for a period greater than 90 days. All other homes are considered non-stabilized. Homes are considered stabilized even after subsequent resident turnover. However, homes may be removed from the stabilized home portfolio and placed in the non-stabilized home portfolio due to renovation during the home lifecycle or because they are identified for sale.

Turnover Rate: Total number of properties vacated including move-outs and early terminations during the quarter as a percentage of the stabilized rental portfolio.

FFO and Core FFO: FFO is a supplemental performance measure of an equity real estate investment trust ("REIT") used by industry analysts and investors in order to facilitate meaningful comparisons between periods and among peer companies. FFO is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as GAAP net income or loss excluding gains or losses from sales of property, impairment charges on real estate and depreciation and amortization on real estate assets adjusted for unconsolidated partnerships and jointly owned investments.

We believe that FFO is a meaningful supplemental measure of our overall operating performance because historical cost accounting for real estate assets in accordance with GAAP assumes that the value of real estate assets diminishes predictably over time, as reflected through depreciation. Because real estate values have historically risen or fallen with market conditions, management considers FFO an appropriate supplemental performance measure as it excludes historical cost depreciation, impairment charges and gains or losses related to sales of previously depreciated homes from GAAP net income. By excluding depreciation, impairment and gains or losses on sales of real estate, FFO provides a measure of our returns on our investments in real estate assets. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of the homes that result from use or market conditions nor the level of capital expenditures to maintain the operating performance of the homes, all of which have real economic effect and could materially affect our results from operations, the utility of FFO as a measure of our performance is limited.

Our Core FFO begins with FFO and is adjusted for share-based compensation; acquisition and integration costs; non-cash interest expense related to deferred debt issuance costs, amortization of loan discounts and mark-to-market adjustments on interest rate derivatives and other non-comparable items, as applicable. We believe that Core FFO, when used in conjunction with the results of operations under GAAP, is a meaningful supplemental measure of our operating performance for the same reasons as FFO and is further helpful as it provides a consistent measurement of our performance across reporting periods by removing the impact of certain items that are not comparable from period to period. Because Core FFO, similar to FFO, captures neither the changes in the value of the homes nor the level of capital expenditures to maintain them, the utility of Core FFO as a measure of our performance is limited.

Although management believes that FFO and Core FFO increase our comparability with other companies, these measures may not be comparable to the FFO or Core FFO of other companies because other companies may adopt a definition of FFO other than the NAREIT definition, may apply a different method of determining Core FFO or may utilize metrics other than or in addition to Core FFO.

NOI, NOI Margin, Stabilized Rental NOI, Stabilized Rental NOI Margin and Stabilized Rental Core NOI Margin: NOI is a non-GAAP supplemental measure that we define as rental revenues less residential property operating expenses. We define NOI Margin as NOI divided by rental revenues. Stabilized Rental NOI and Stabilized Rental NOI Margin are calculated using only the stabilized rental properties in our rental portfolio. Stabilized Rental NOI is a non-GAAP supplemental measure that we define as rental revenues less residential property operating expenses of the stabilized rental properties in our rental portfolio. We define Stabilized Rental NOI Margin as Stabilized Rental NOI divided by rental revenues. We define Stabilized Rental Core NOI Margin as Stabilized Rental NOI divided by core rental revenues from Stabilized Rentals, which are rental revenues less tenant charge-back revenues attributable to our Stabilized Rentals.

We consider NOI, NOI Margin, Stabilized Rental NOI, and Stabilized Rental NOI Margin to be meaningful supplemental measures of operating performance because they reflect the operating performance of our stabilized properties without allocation of corporate level overhead or general and administrative costs, acquisition fees and other similar costs and provide insight to the ongoing operations of our business. In addition, Stabilized Rental Core NOI Margin removes the impact of tenant charge-backs that are included in both revenues and expenses and therefore have a no impact to our net results of operations. These measures should be used only as supplements to and not substitutes for net income or loss or net cash flows from operating activities as determined in accordance with GAAP. These net operating income measures should not be used as indicators of funds available to fund cash needs, including distributions and dividends. Although we may use these non-GAAP measures to compare our performance to other REITs, not all REITs may calculate these non-GAAP measures in the same way, and there is no assurance that our calculation is comparable with that of other REITs. While management believes that our calculations are reasonable, there is no standard calculation methodology for Stabilized Rental NOI, Stabilized Rental NOI Margin or Stabilized Rental Core NOI Margin, and different methodologies could produce materially different results.

The following table provides a reconciliation of net loss as determined in accordance with U.S. GAAP to Stabilized Rental NOI, Stabilized Rental NOI Margin and Stabilized Rental Core NOI Margin.

Reconciliation of GAAP net loss to Stabilized Rental NOI and Stabilized Rental Core NOI Margin

(\$s in thousands) (unaudited)

	Three months ended					Year to Date
	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Sep 30, 2018
GAAP net loss	\$ (47,933)	\$ (21,336)	\$ (27,350)	\$ (37,474)	\$ (42,916)	\$ (96,619)
Adjustments:						
Change in unrealized gain on mortgage loans	-	-	-	33,039	28,128	-
Net realized (gain) loss on mortgage loans	-	-	-	(10,947)	2,700	-
Net realized gain on sales of real estate	-	-	-	(14,781)	(21,369)	-
Interest income	-	-	-	(152)	(164)	-
Rental revenues from non-stabilized properties	(1,622)	-	-	-	-	(1,622)
Net loss (gain) on real estate and mortgage loans	(1,177)	306	1,634	-	-	763
Operating expenses on non-stabilized properties	2,821	2,684	2,972	4,390	6,216	8,477
Depreciation and amortization	21,100	18,761	19,190	16,313	15,309	59,051
Acquisition and integration costs	25,220	759	33	119	283	26,012
Impairment	1,276	2,143	7,575	9,422	7,352	10,994
Mortgage loan servicing costs	479	319	355	1,011	802	1,153
Interest expense	20,142	16,338	16,063	14,617	14,240	52,543
Share-based compensation	1,200	1,094	(414)	1,315	358	1,880
General and administrative	3,483	2,477	2,673	2,338	3,452	8,633
Management fees to AAMC	3,648	3,697	3,790	3,924	4,129	11,135
Income tax expense	6	-	-	(16)	28	6
Other expense (income)	200	(849)	(576)	-	-	(1,225)
Losses resulting from natural disasters	-	-	-	-	6,021	-
Insurance recoveries related to natural disasters	-	-	-	(463)	(2,886)	-
Stabilized Rental NOI	\$ 28,843	\$ 26,393	\$ 25,945	\$ 22,655	\$ 21,683	\$ 81,181
Rental revenues	\$ 48,313	\$ 40,906	\$ 39,765	\$ 34,917	\$ 32,960	\$ 128,984
Less: Rental revenues from non-stabilized properties	(1,622)	-	-	-	-	(1,622)
Rental revenues from Stabilized Rentals	46,691	40,906	39,765	34,917	32,960	127,362
Less: Tenant charge-back revenue from Stabilized Rentals	(788)	(650)	(562)	-	-	(2,000)
Core rental revenues from Stabilized Rentals	45,903	40,256	39,203	34,917	32,960	125,362
Stabilized Rental NOI Margin	61.8%	64.5%	65.2%	64.9%	65.8%	62.9%
Stabilized Rental Core NOI Margin	62.8%	65.6%	66.2%	-	-	64.8%



Thank you.