

Item 1.01 Entry into a Material Definitive Agreement

Amendment of Repurchase Facility with Credit Suisse

On June 26, 2020, Front Yard Residential Corporation (the “Company”), acting through its subsidiaries, amended the terms of its repurchase facility (the “CS Repurchase Facility”) with Credit Suisse AG (“CS”). In connection therewith:

- the maturity date was extended to June 29, 2021;
- the interest rate spread over one-month LIBOR was decreased from 5.00% to 3.50% with a one-month LIBOR floor of 0.50%;
- the borrowing capacity was reduced from \$250 million to \$200 million;
- the fee structure was amended to include (i) a fee of 1.0% of the borrowing capacity upon execution of the amendment and (ii) an exit fee of 0.5% on assets that are repurchased from the facility in certain circumstances, including sales of assets outside of normal course of business operations; and
- certain of the Company's financial covenant requirements were amended, including (i) a loan to value reduction if and while the Company's Fixed Charge Coverage Ratio falls below agreed upon thresholds for any two consecutive quarters and (ii) the addition of a new profitability-based covenant commencing in the calendar quarter ending September 30, 2020 requiring the Company to maintain positive net income, after adjustment to add back non-cash items, for any two consecutive quarters.

The obligations of the Company's subsidiaries under the [Third Amended and Restated Master Repurchase Agreement](#), as amended (the “Third A&R Repurchase Agreement”), continue to be fully guaranteed by the Company pursuant to the [Third Amended and Restated Guaranty](#), dated November 18, 2016 (the “Guaranty”) made by the Company in favor of CS.

Other than as described above, the CS Repurchase Facility with CS under the Third A&R Repurchase Agreement remains substantially unchanged.

The disclosures herein regarding the Third A&R Repurchase Agreement and the Guaranty do not purport to be complete and are qualified in their entirety to the full text of such documents, which are filed as exhibits 10.1 and 10.2, respectively, in the Company's [Current Report on Form 8-K](#) filed with the SEC on November 23, 2016 (the “November 23, 2016 Form 8-K”), which is incorporated herein by reference.

For additional disclosures regarding the terms of the Third A&R Repurchase Agreement and Guaranty, see the Company's November 23, 2016 Form 8-K, the Company's [Quarterly Report on Form 10-Q](#) for the quarter ended March 31, 2020 filed with the Securities and Exchange Commission (the “SEC”) on May 11, 2020 and the Company's [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2019 filed with the SEC on February 28, 2020.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

See Item 1.01 above, which is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

June 29, 2020

Front Yard Residential Corporation

By: /s/ Robin N. Lowe

Robin N. Lowe

Chief Financial Officer