

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1 Issuer's name</b> FRONT YARD RESIDENTIAL CORPORATION (FKA ALTISOURCE RESIDENTIAL CORPORATION)		<b>2 Issuer's employer identification number (EIN)</b> 46-0633510	
<b>3 Name of contact for additional information</b> MICHAEL SAXMAN	<b>4 Telephone No. of contact</b> 1-470-482-6058	<b>5 Email address of contact</b> MICHAEL.SAXMAN@ALTISOURCEAMC.COM	
<b>6 Number and street (or P.O. box if mail is not delivered to street address) of contact</b> C/O AAMC, 5100 TAMARIND REEF		<b>7 City, town, or post office, state, and ZIP code of contact</b> CHRISTIANSTED, VI 00820	
<b>8 Date of action</b> VARIOUS		<b>9 Classification and description</b> COMMON STOCK	
<b>10 CUSIP number</b> 35904G107/ 02153W100	<b>11 Serial number(s)</b>	<b>12 Ticker symbol</b> RESI	<b>13 Account number(s)</b>

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action** ▶ Front Yard Residential Corporation ("RESI") made quarterly cash distributions on its common stock during calendar year 2018. On January 1, 2019, the Company determined that the distributions below represented a non-dividend distribution (i.e., a return of capital). Consequently, each shareholder that received any of the cash distributions below would be affected by this organizational action and would need to reduce their basis in RESI stock according to the percentages in Part II, 15 of this form.

Record Date/Paid Date/Per Share Dist.			Record Date/Paid Date/Per Share Dist.		
12/29/2017	1/12/2018	\$0.150000	3/30/2018	4/13/2018	\$0.150000
6/29/2018	7/13/2018	\$0.150000	9/28/2018	10/12/2018	\$0.150000

**15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis** ▶

Record Date	Ordinary Income	Capital Gains	Return of Capital
12/29/2017	0.000000%	0.000000%	100.000000%
3/30/2018	0.000000%	0.000000%	100.000000%
6/29/2018	0.000000%	0.000000%	100.000000%
9/28/2018	0.000000%	0.000000%	100.000000%

**16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates** ▶ The non-dividend distribution represents distributions associated with the December 31, 2018 tax year which are in excess of the current year and accumulated earnings and profits. Earnings and profits were calculated pursuant to IRC Section 312 as modified by Section 857(d) for a real estate investment trust and the regulations thereunder.

**Part II Organizational Action (continued)**

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based **Internal Revenue Code Section 316** defines a "dividend" generally as any distribution of property made by a corporation to its shareholders out of earnings and profits (as defined by Internal Revenue Code Section 312 and the regulations thereunder). Pursuant to Internal Revenue Code Section 301(c)(2), the portion of cash distributions on common stock which is not a dividend shall be applied against and reduce the adjusted basis of the stock. Under Internal Revenue Code Section 301(c)(3), a distribution which is not a dividend, to the extent that it exceeds the shareholder's adjusted basis of the stock shall be treated as gain from the sale or exchange of property.

18 Can any resulting loss be recognized? **No tax loss is recognized by shareholders as a result of receiving the 2018 quarterly cash distribution on common stock.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year **This cash distribution will be reported to shareholders on their 2018 Federal Form 1099-DIV with respect to their common stock holdings in the Company. The amount of nontaxable distributions on the dates mentioned above either (1) reduces the shareholder's adjusted tax basis in the stock or (2) to the extent that it exceeds the shareholder's adjusted tax basis in the stock on the dates of distributions it is treated as gains from the sale or exchange of property in 2018.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature **Michael B. Saxman** Date **1/23/19**

Print your name **MICHAEL B SAXMAN** Title **VICE PRESIDENT - TAX**

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name			Firm's EIN	
	Firm's address			Phone no.	

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054