

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of report (Date of earliest event reported): May 10, 2023

Mr. Cooper Group Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-14667
(Commission
File Number)

91-1653725
(I.R.S. Employer
Identification No.)

8950 Cypress Waters Blvd.
Coppell, TX 75019
(Address of Principal Executive Offices, and Zip Code)

469-549-2000
Registrant's Telephone Number, Including Area Code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communication pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communication pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class
Common Stock, \$0.01 par value per share

Securities registered pursuant to Section 12(b) of the Act:
Trading Symbol(s)
COOP

Name of each exchange on which registered
The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

On May 10, 2023, Mr. Cooper Group Inc., a Delaware corporation (the “Company”), issued a press release announcing the execution of an Agreement and Plan of Merger (the “Merger Agreement”), dated as of May 10, 2023, by and among the Company, Home Point Capital Inc., a Delaware corporation (“Home Point”), and Heisman Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of the Company. A copy of the press release is attached as Exhibit 99.1 to this report and incorporated herein by reference.

In connection with the announcement of the Merger Agreement, the Company intends to provide supplemental information regarding the proposed transaction to analysts and investors. The slides that will be made available are attached hereto as Exhibit 99.2 and are incorporated herein by reference.

Cautions Regarding Forward Looking Statements

Certain statements contained in this Current Report on Form 8-K are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Such forward-looking statements are often identified by words such as “anticipate,” “approximate,” “believe,” “commit,” “continue,” “could,” “estimate,” “expect,” “hope,” “intend,” “may,” “outlook,” “plan,” “project,” “potential,” “should,” “would,” “will” and other similar words or expressions. Risks that may cause these forward-looking statements to be inaccurate include, without limitation: the possibility that regulatory and other approvals and conditions to the transactions contemplated by the Merger Agreement (the “proposed transactions”) are not received or satisfied on a timely basis or at all; the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement; the possibility that the Company may not fully realize the projected benefits of the proposed transactions; the possibility that the Company and Home Point will not be integrated successfully; changes in the anticipated timing for closing the proposed transactions; business disruption during the pendency of or following the proposed transactions; diversion of management time from ongoing business operations due to the proposed transactions; the risk that any announcements relating to the proposed transactions could have adverse effects on the market price of the Company’s common stock; the risk that the proposed transactions and its announcement could have an adverse effect on the ability of the Company to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; the risk of any unexpected costs or expenses resulting from the proposed transactions; and the risk of litigation and/or regulatory actions related to the proposed transactions. In addition, actual results are subject to other risks and uncertainties that relate more broadly to the Company’s overall business, including those more fully described in the Company’s filings with the Securities and Exchange Commission, including its annual report on Form 10-K for the fiscal year ended December 31, 2022 and subsequent quarterly reports on Form 10-Q. The forward-looking statements in this document speak only as of this date. The Company undertakes no obligation to revise or update publicly any forward-looking statement, except as required by law.

Additional Information and Where to Find It

The tender offer referenced in this Current Report on Form 8-K has not yet commenced. This Current Report on Form 8-K is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell securities, nor is it a substitute for the tender offer materials that Mr. Cooper, Home Point, or Heisman Merger Sub, Inc. (“Acquisition Sub”) will file with the SEC. The solicitation and offer to buy Home Point stock will only be made pursuant to an Offer to Purchase and related tender offer materials that Mr. Cooper intends to file with the SEC. At the time the tender offer is commenced, Mr. Cooper and Acquisition Sub will file a Tender Offer Statement on Schedule TO and thereafter Home Point will file a Solicitation/Recommendation Statement on Schedule 14D-9 with the SEC with respect to the tender offer.

HOME POINT’S STOCKHOLDERS AND OTHER INVESTORS ARE URGED TO READ CAREFULLY THE TENDER OFFER MATERIALS (INCLUDING AN OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND CERTAIN OTHER TENDER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 BECAUSE THEY WILL EACH CONTAIN IMPORTANT INFORMATION THAT HOLDERS OF HOME POINT SECURITIES AND OTHER INVESTORS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING WITH RESPECT TO THE TENDER OFFER, OR, IF APPLICABLE, VOTING ON THE TRANSACTION.

The Offer to Purchase, the related Letter of Transmittal, certain other tender offer documents, as well as the Solicitation/Recommendation Statement will be made available to all stockholders of Home Point at no expense to them and will also be made available for free at the SEC's website at www.sec.gov. Additional copies may be obtained for free by contacting either Mr. Cooper or Home Point. Copies of the documents filed with the SEC by Mr. Cooper will be available free of charge on Mr. Cooper's website at www.investors.mrcoopergroup.com or upon written request to Mr. Cooper, at 8950 Cypress Waters Boulevard, Coppell, Texas 75019, Attention: Corporate Secretary. Copies of the documents filed with the SEC by Home Point will be available free of charge on Home Point's website at www.investors.homepoint.com.

In addition to the Offer to Purchase, the related Letter of Transmittal and certain other tender offer documents, as well as the Solicitation/Recommendation Statement, and if applicable, the proxy statement, Mr. Cooper and Home Point each file annual, quarterly and current reports, proxy statements and other information with the SEC. Mr. Cooper and Home Point's filings with the SEC are also available for free to the public from commercial document-retrieval services and at the website maintained by the SEC at <http://www.sec.gov>.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following materials are attached as exhibits to this Current Report on Form 8-K:

Exhibit Number	Description
99.1	Press Release, dated May 10, 2023
99.2	Investor Presentation, dated May 10, 2023
104	The cover page from this Current Report on Form 8-K formatted in Inline XBRL (included as Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Mr. Cooper Group Inc.

Date: May 10, 2023

By: /s/ Kurt Johnson

Kurt Johnson

Executive Vice President, Chief Financial Officer

Mr. Cooper Group to Acquire Home Point Capital for \$324 Million in Cash

- Acquisition of \$84 billion servicing portfolio expected to contribute to Mr. Cooper's return on equity with estimated 10% accretion to operating earnings in first year
- Tangible book value accretive by ~\$1/share at closing
- Funded in part with assumption of Home Point Capital \$500 million 5% senior notes due 2026
- Home Point operations to be shut down after closing

DALLAS--(BUSINESS WIRE)--May 10, 2023--Mr. Cooper Group Inc. ("Mr. Cooper") and Home Point Capital Inc. ("Home Point"), announced today the signing of a definitive agreement for Mr. Cooper to acquire all outstanding shares of Home Point for approximately \$324 million in cash. As part of the transaction, Mr. Cooper will assume \$500 million in outstanding Home Point 5% senior notes which are due in February 2026. The transaction is expected to close in the third quarter of 2023, subject to customary closing conditions including receipt of regulatory approvals. Following the onboarding of Home Point customers and the closing of the transaction, Mr. Cooper will shut down the remaining Home Point operations.

Mr. Cooper's Chairman and CEO Jay Bray commented, "This acquisition is consistent with our strategy of growing our customer base, deploying our capital with a focus on attractive risk-adjusted returns, and maintaining a very strong balance sheet. Home Point has amassed an impressive servicing portfolio, consisting of conventional loans to borrowers with high FICO scores, low coupons, and strong equity cushions. We look forward to welcoming these customers to Mr. Cooper and providing them with a high-quality, personalized, and friction-free experience."

Kurt Johnson, Mr. Cooper's CFO added, "Thanks to our strong operations and technology, we have the capacity to onboard this portfolio, with a focus on ensuring a positive customer experience. The senior notes we're assuming from Home Point serve as a low-cost source of funding and contribute to an attractive rate of return on this transaction."

Wachtell, Lipton, Rosen & Katz and Simpson Thacher & Bartlett LLP acted as legal advisors to Mr. Cooper. Kirkland & Ellis acted as legal advisor to Home Point and Houlihan Lokey acted as financial advisor to Home Point.

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About Mr. Cooper Group

Mr. Cooper Group Inc. (NASDAQ: COOP) provides customer-centric servicing, origination and transaction-based services related principally to single-family residences throughout the United States with operations under its primary brands: Mr. Cooper® and Xome®. Mr. Cooper is one of the largest home loan servicers in the country focused on delivering a variety of servicing and lending products, services and technologies.

About Home Point Capital

Home Point Capital (NASDAQ: HMPT), together with its subsidiaries, operates as a single-family residential mortgage servicer and mortgage servicing rights (MSR) asset manager across the United States.

Contacts

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Shareholder Inquiries:

Kenneth Posner, SVP Strategic Planning and Investor Relations

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Home Point Capital Inc.

Investor Relations:

investor@hpfc.com



Mr. CooperGroup®

INVESTOR UPDATE

May 10, 2023

IMPORTANT INFORMATION

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MR. COOPER TO ACQUIRE HOME POINT CAPITAL

Acquisition Terms

- Acquisition of 100% of Home Point's outstanding shares for approximately \$324 mm cash
- Adds 301,000 customers and \$84 billion UPB of high-quality Fannie/Freddie MSR
- Projected to be ~\$1/share TBV accretive at closing, expected to be ~10% accretive to operating earnings (year 1), >20% IRR, >20% ROTCE (5-year average)
- As previously announced, Home Point's originations business was sold to The Loan Store. Remaining operations to be shutdown

Funding

- Mr. Cooper assumes \$500 mm Home Point 5% senior notes due 2026
- Remainder of acquisition funded by MSR financing lines and existing liquidity

Due Diligence

- Senior management led a thorough due diligence process over a multi-month period

Closing

- Anticipated 3Q'23, subject to regulatory and other customary approvals

TRANSACTION RATIONALE

Strategic Growth

- Deploy capital opportunistically into assets with high risk-adjusted returns
- Drive incremental operating leverage and higher ROTCE

High-Quality Portfolio

- Home Point portfolio consistent with Mr. Cooper's conservative credit philosophy
- Consists of conventional loans to borrowers with high FICO, low-LTV, and out-of-the-money coupons
- 60+ delinquency rate of 0.5%

Limited Risk

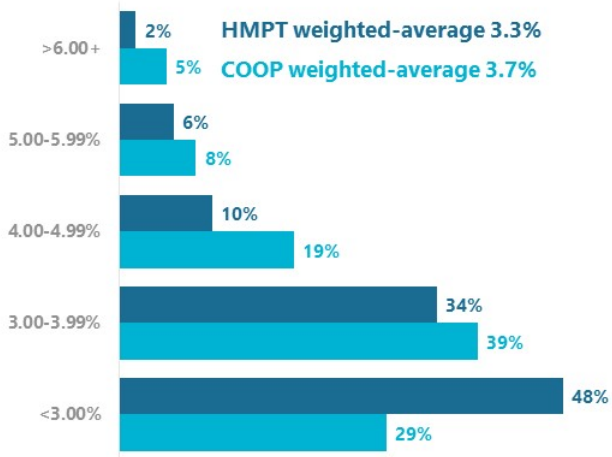
- Operational capacity sufficient to onboard Home Point customers plus current pipeline and provide high-quality service
- Home Point operations to be shut down
- Pro forma capital and liquidity remain robust

Attractive Financial Impact

- Deal priced to 13% pretax asset yield
- Mr. Cooper to assume Home Point 5.0% senior notes
- Accretive to TBV, operating earnings, and ROTCE

HIGH-QUALITY PORTFOLIO WITH LOW COUPONS AND STRONG EQUITY

MSR Stratification by Borrower Coupon



Mr. Cooper Conventional Portfolio

Note Rate	Current LTV	
	<80%	81%+
<4.5%	77%	2%
4.5%+	18%	3%

Home Point

Note Rate	Current LTV	
	<80%	81%+
<4.5%	83%	4%
4.5%+	8%	5%

	COOP	HMPT
Weighted Average FICO	725	752