Front Yard Residential Corp
Form PREC14A
March 29, 2019

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:
x Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
o Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material under §240.14a-12

FRONT YARD RESIDENTIAL CORPORATION
(Name of Registrant as Specified In Its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
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(2) Form, Schedule or Registration Statement No.:

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N/A

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N/A

[•], 2019

Dear Fellow Stockholder:

On behalf of the Board of Directors, I cordially invite you to attend the 2019 Annual Meeting of Stockholders of Front Yard Residential Corporation, a Maryland corporation (the “Company”), which will be held at [•] on [•], 2019. The matters to be considered by stockholders at the 2019 Annual Meeting of Stockholders are described in detail in the accompanying materials.

It is very important that you be represented at the 2019 Annual Meeting of Stockholders regardless of the number of shares you own or whether you are able to attend the meeting in person. We urge you to vote your WHITE proxy in one of the manners described in the accompanying materials even if you plan to attend the 2019 Annual Meeting of Stockholders. This will not prevent you from voting in person but will ensure that your vote is counted if you are unable to attend.

Your support of and interest in Front Yard Residential Corporation is sincerely appreciated.

Sincerely,

Rochelle R. Dobbs
Chair of the Board of Directors

FRONT YARD RESIDENTIAL CORPORATION

NOTICE OF THE 2019 ANNUAL MEETING OF STOCKHOLDERS AND
IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS
FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON [•], 2019

NOTICE

The 2019 Annual Meeting of Stockholders of Front Yard Residential Corporation (the "Company"), a Maryland corporation, will be held:

Date: [•], 2019

Time: [•]

Location: [•]

PURPOSE

- To consider and vote upon the election of the seven (7) Directors named in the attached proxy statement to serve until the 2020 Annual Meeting of Stockholders and/or until their successors are duly elected and qualified;
- To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019;
- To approve the adoption of the Front Yard Residential Corporation 2019 Equity Incentive Plan (the "2019 Equity Incentive Plan");
- To approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in the proxy statement; and
- To transact such other business as may properly come before the 2019 Annual Meeting of Stockholders and any postponement or adjournment thereof.

PROCEDURES

- Our Board of Directors has fixed the close of business on [•], 2019 as the record date for the determination of stockholders entitled to notice of and to vote at the 2019 Annual Meeting of Stockholders.
- Only stockholders of record at the close of business on the record date will be entitled to receive notice of and vote at the 2019 Annual Meeting of Stockholders.
- The proxy statement for our 2019 Annual Meeting of Stockholders and our Annual Report to Stockholders were made available on or about [•], 2019 on our website under Shareholders-Investor Relations-Financial Information at http://ir.frontyardresidential.com/financial-information.

Please note that Snow Park Capital Partners Master Fund, LP, together with other participants in the solicitation (collectively, "Snow Park") has notified the Company of its intent to nominate five (5) alternate director nominees for election to the Board of Directors at the 2019 Annual Meeting of Stockholders. As a result, you may receive solicitation materials from Snow Park, including a proxy statement and proxy card, seeking your proxy to vote for Snow Park's nominees. We are not responsible for the accuracy of any information provided by or relating to Snow Park or its nominees contained in solicitation materials filed or disseminated by or on behalf of Snow Park or any other statements Snow Park may make.

THE BOARD OF DIRECTORS DOES NOT ENDORSE ANY OF SNOW PARK'S NOMINEES AND UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES PROPOSED BY THE BOARD OF DIRECTORS ON THE WHITE PROXY CARD. OUR BOARD OF DIRECTORS STRONGLY URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY SNOW PARK. IF YOU PREVIOUSLY SUBMITTED A PROXY CARD SENT TO YOU BY SNOW PARK, YOU CAN REVOKE THAT PROXY AND VOTE FOR THE NOMINEES RECOMMENDED BY OUR BOARD OF DIRECTORS AND ON THE OTHER MATTERS TO BE VOTED ON AT THE ANNUAL MEETING BY USING THE ENCLOSED WHITE PROXY CARD. ONLY THE LATEST VALIDLY EXECUTED PROXY THAT YOU SUBMIT WILL BE COUNTED.

Your vote is extremely important. Whether or not you plan to attend the 2019 Annual Meeting of Stockholders, please be sure to vote your shares on the WHITE proxy card TODAY.

Your attention is directed to the proxy statement accompanying this Notice for a more complete statement of the matters to be considered at the meeting.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” EACH NOMINEE FOR DIRECTOR LISTED IN PROPOSAL ONE AND “FOR” PROPOSALS TWO, THREE AND FOUR.

PLEASE DATE, SIGN AND MAIL THE ENCLOSED WHITE PROXY CARD OR SUBMIT YOUR PROXY USING THE INTERNET LINK OR TELEPHONE NUMBER SET FORTH ON THE WHITE PROXY CARD.

By Order of the Board of Directors,
Michael G. Lubin
Corporate Secretary

[•], 2019
Christiansted, United States Virgin Islands

If you have any questions, require assistance in voting your WHITE proxy card,
or need additional copies of the Company’s proxy materials,
please contact Innisfree at the phone numbers listed below.

Innisfree M&A Incorporated
501 Madison Avenue, 20th Floor
New York, NY 10022

Stockholders call toll free at (888) 750-5834
Banks and Brokers may call collect at (212) 750-5833

FRONT YARD RESIDENTIAL CORPORATION
PROXY STATEMENT
2019 ANNUAL MEETING OF STOCKHOLDERS

General Information

We have made this proxy statement (“Proxy Statement”) available to you on or about [•], 2019 as a holder of common stock of Front Yard Residential Corporation, a Maryland corporation (“we,” “our,” “Front Yard” or the “Company”) because our Board of Directors is soliciting your proxy to be exercised at the Annual Meeting of Stockholders and at any postponement or adjournment thereof (the “Annual Meeting”). The Annual Meeting of Stockholders will be held at [•] on [•], 2019 for the purposes listed in the Notice of Annual Meeting of Stockholders. Stockholders are requested to arrive at the Annual Meeting on time, as there will be no admittance once the Annual Meeting has begun.

At the Annual Meeting, our stockholders will be asked to (1) consider and vote upon the election of seven (7) Directors to serve until the 2020 Annual Meeting of Stockholders and/or until their successors are duly elected and qualified, (2) the ratification of the appointment of Ernst & Young LLP to be our independent registered public accounting firm for the year ending December 31, 2019, (3) the adoption of the 2019 Equity Incentive Plan and (4) the approval, on an advisory basis, of the compensation of the Company’s named executive officers, as disclosed in this Proxy Statement.

If any other matters properly come before the Annual Meeting, the persons designated as proxies intend to vote in accordance with their discretion on such matters.

Proxies to be exercised at the Annual Meeting are being solicited by and on behalf of our Board of Directors.

Proxy Materials

On or about [•], 2019, we will mail the proxy materials consisting of this Proxy Statement, the WHITE proxy card and our Annual Report to Stockholders (the “Annual Report”) for the year ended December 31, 2018. We also expect our proxy documents to be made available to stockholders on or about [•], 2019 through the Shareholders link on our website at www.frontyardresidential.com or through www.proxyvote.com. Our annual report on Form 10-K for the year ended December 31, 2018 was filed with the SEC and made available on our website on February 27, 2019.

Stockholders of Record. If your shares are registered in your own name, you will receive a full set of the proxy documents in the mail. As a stockholder of record, you have the right to vote in person or to be represented by proxy at the Annual Meeting. The Company has enclosed a WHITE proxy card for you to use. You may also submit voting instructions via the Internet or by telephone by following the instructions on the WHITE proxy card.

Beneficial Stockholders. If your shares are not registered in your name, you should receive proxy materials and a WHITE voting instruction form from your bank or broker. We recommend that you contact your bank or broker if you do not receive these instructions. As the beneficial owner, you have the right to direct your bank, broker or other holder of record how to vote your shares by using the voting instructions you received.

Voting Procedures

You may vote by attending the Annual Meeting in person, by completing and returning a proxy by mail or by using the Internet or telephone. You may submit your proxy by mail by marking your vote on the enclosed WHITE proxy card, then following the instructions on the card. To submit your proxy using the Internet or by telephone, see the instructions on the WHITE proxy card and have the WHITE proxy card available when you access the Internet website or place your telephone call. If you are authorizing a proxy to vote your shares over the Internet or by telephone, you will need to provide the control number that is printed on the proxy card that you receive. If you are a stockholder of record and wish to vote in person at the Annual Meeting, you may do so.

If you are the beneficial owner of shares held in “street name” by a bank or broker and wish to vote in person at the Annual Meeting, you must obtain a legal proxy from the bank, broker or other institution holding your shares and bring such proxy with you to hand in with your ballot.

Even if you plan to attend the Annual Meeting, we recommend that you authorize a proxy to vote your shares in advance of the Annual Meeting as described above so that your vote will be counted if you later decide not to attend the Annual Meeting.

How a Proxy Works

All valid proxies received prior to the Annual Meeting will be voted in accordance with the directions on the proxies, unless such proxies have previously been revoked. If you submit a WHITE proxy card with no voting direction indicated, the shares will be voted as the Board recommends, which is as follows:

- "FOR ALL" of the seven (7) nominees to the Board listed in this Proxy Statement and on the WHITE proxy card (Proposal One);

- "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019 (Proposal Two);

- "FOR" the approval of the adoption of the 2019 Equity Incentive Plan (Proposal Three); and

- "FOR" the approval, on an advisory basis, of the compensation of the Company's named executive officers, as disclosed in the Proxy Statement (Proposal Four).

With regard to any other business that properly comes before the Annual Meeting, each proxy received will be voted in the discretion of the persons appointed as proxies.

By returning a signed WHITE proxy card by mail or by duly submitting a proxy by Internet or telephone, you will confer discretionary authority on the named proxies to vote on any other business that properly comes before the meeting or any adjournment or postponement thereof for which discretionary authority is permitted. The persons named on the WHITE proxy card as proxies or their substitutes will vote or act in their discretion with respect to such other matters. Any such matters shall be determined by a majority of the votes cast.

How to Revoke or Change a Proxy

The Board strongly urges you not to sign or return any proxy card sent to you by or on behalf of Snow Park Capital Partners Master Fund, LP, together with other participants in the solicitation (collectively, "Snow Park"). Submitting a proxy card sent to you by or on behalf of Snow Park will revoke votes you have previously cast via our WHITE proxy card, Internet or telephonically.

If you have already submitted a proxy card that you received from Snow Park, you may revoke that proxy and vote for the Board's nominees. You have the power to revoke your proxy at any time before it is exercised at the Annual Meeting by:

- filing a timely written notice of revocation with our Corporate Secretary at the following address:

Michael G. Lubin, Corporate Secretary
Front Yard Residential Corporation
c/o Altisource Asset Management Corporation
5100 Tamarind Reef

Christiansted, United States Virgin Islands 00820

- submitting a new, properly executed WHITE proxy card bearing a later date;
- voting again via the Internet or telephone; or
- attending the Annual Meeting and voting in person. Attending the Annual Meeting will not, by itself, revoke a properly executed proxy.

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If your shares are held by a bank or broker and you have instructed such bank or broker to vote your shares, you must follow directions received from your bank or broker to change these instructions.

Who May Vote

You are entitled to vote at the Annual Meeting or any postponement or adjournment thereof if you are a holder of record of our common stock at the close of business on [•], 2019, the record date for the Annual Meeting. At the close of business on [•], 2019, there were [•] shares of common stock issued, outstanding and able to be voted, and no other class of equity securities were outstanding. Each share of our common stock is entitled to cast one (1) vote at the Annual Meeting on all matters properly presented.

Quorum and Voting Information

The presence at the Annual Meeting of a majority of the votes of our common stock entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. Abstentions, or, with regard to the election of Directors, “WITHHOLD” votes, and broker “non-votes,” if any, will be treated as present for purposes of determining the presence of a quorum.

If you are the beneficial owner of shares held in “street name” by a bank or broker, your bank or broker, as the record holder of the shares, must vote those shares in accordance with your instructions. Generally, in an uncontested election, and in accordance with the rules of the New York Stock Exchange (the “NYSE”), certain matters submitted to a vote of stockholders are considered by the NYSE to be “routine” items upon which brokerage firms may vote in their discretion on behalf of their customers if such customers have not furnished voting instructions within a specified period prior to the meeting. However, when a beneficial owner of shares held by a bank, broker or other nominee fails to provide the record holder with voting instructions, and such organization lacks the discretionary voting power to vote those shares with respect to a particular “non-routine” proposal, a “broker non-vote” occurs.

Given the contested nature of the election, if Snow Park mails proxy materials to a beneficial owner, the rules of the NYSE governing brokers’ discretionary authority generally do not permit brokers to exercise discretionary authority regarding any of the proposals to be voted on at the Annual Meeting, whether “routine” or not. Thus, if you receive proxy materials from Snow Park and you do not give instructions to the organization holding your shares, then we do not expect that organization to be able to vote your shares and, consequently, the shares held by that organization would not be entitled to vote on any matter to be considered at the Annual Meeting. It is therefore important that you provide instructions to the organization holding your shares so that your vote with respect to the proposals to be voted on at the Annual Meeting is counted.

To vote your shares, you will need to follow the directions your bank, brokerage firm or other nominee provides you. You should instruct your bank, brokerage firm or other nominee to vote your shares by following the voting instructions provided by your bank, brokerage firm or other nominee. Please contact your bank, brokerage firm or other nominee for further information.

Proposal One – Election of Directors: Assuming a quorum, each of the seven (7) nominees for Director will be elected as Directors of the Company by a plurality of the votes cast in person or by proxy at the Annual Meeting. You may vote “FOR ALL” or “WITHHOLD ALL” for the nominees, or “FOR ALL EXCEPT” and specify the nominees from whom you withhold your vote. A properly executed proxy withheld with regard to the election of one or more Directors will not be voted with regard to the Director or Directors indicated. “Plurality” means that the seven (7) individuals who receive the greatest number of votes cast “FOR” are elected as Directors. Cumulative voting in the election of Directors is not permitted.

A decision to withhold your vote as to all nominees or to withhold your vote with respect to a specific nominee will not be counted in the votes cast in connection with Proposal One and will have no effect on the results of the vote on Proposal One.

THE BOARD DOES NOT ENDORSE ANY OF SNOW PARK'S NOMINEES AND UNANIMOUSLY RECOMMENDS THAT YOU DISREGARD ANY PROXY CARD OR SOLICITATION MATERIALS THAT MAY BE SENT TO YOU BY OR ON BEHALF OF SNOW PARK. VOTING TO "WITHHOLD" WITH RESPECT TO ANY SNOW PARK NOMINEE ON ITS PROXY CARD IS NOT THE SAME AS

VOTING FOR THE NOMINEES OF THE COMPANY'S BOARD BECAUSE A VOTE TO "WITHHOLD" WITH RESPECT TO ANY SNOW PARK NOMINEE ON ITS PROXY CARD WILL REVOKE ANY PROXY YOU PREVIOUSLY SUBMITTED, INCLUDING ANY PROXY THAT YOU PREVIOUSLY SUBMITTED VOTING "FOR" THE BOARD'S NOMINEES.

Proposal Two - Ratification of Appointment of Independent Registered Public Accounting Firm: Assuming a quorum, the proposal to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019 requires the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting. You may vote "FOR" or "AGAINST" or "ABSTAIN" on Proposal Two.

Abstentions will not be counted in determining the votes cast in connection with Proposal Two and will have no effect on the results of the vote on Proposal Two.

Proposal Three – Approval of the Adoption of the 2019 Equity Incentive Plan: Assuming a quorum, the proposal to adopt the 2019 Equity Incentive Plan requires the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting. You may vote "FOR" or "AGAINST" or "ABSTAIN" on Proposal Three.

Abstentions and broker "non-votes" will not be counted in determining the votes cast in connection with Proposal Three and will have no effect on the results of the vote on Proposal Three.

Proposal Four - Approval, on an advisory basis, of the Compensation of the Company's Named Executive Officers, as Disclosed in the Proxy Statement: Assuming a quorum, the proposal to approve the compensation of the Company's named executive officers requires the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting. You may vote "FOR" or "AGAINST" or "ABSTAIN" on Proposal Four.

Abstentions and broker "non-votes" will not be counted in determining the votes cast in connection with Proposal Four and will have no effect on the results of the vote on Proposal Four.

The below table summarizes the voting requirements to elect Directors and to approve each of the proposals in this Proxy Statement:

Proposal	Vote Required
1. Election of Directors	Plurality of votes cast
2. Ratification of Ernst & Young LLP	Majority of votes cast
3. Approval of Adoption of 2019 Equity Incentive Plan	Majority of votes cast
4. Approval of executive compensation on an advisory basis	Majority of votes cast

Board Recommendation

The Board recommends that you vote as follows:

- "FOR ALL" of the seven (7) nominees to the Board listed in this Proxy Statement and on the WHITE proxy card (Proposal One);

- "FOR" the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2019 (Proposal Two);

- "FOR" the approval of the adoption of the 2019 Equity Incentive Plan (Proposal Three); and

- "FOR" the approval, on an advisory basis, of the compensation of the Company's named executive officers, as disclosed in the Proxy Statement (Proposal Four).

Any properly authorized proxy as to which no instructions are given will be voted in accordance with the foregoing recommendations.

Costs of Solicitation

We will bear the cost of the solicitation of proxies by the Company. In addition to mail and e-mail, proxies may be solicited personally, via the Internet or by telephone or facsimile, by a our Directors, officers and employees without additional compensation. We will reimburse brokers and other persons holding stock in their names, or in the names of nominees, for their expenses for forwarding proxy materials to principals and beneficial owners and obtaining their proxies. As a result of the potential proxy solicitation by Snow Park, we may incur additional costs in connection with our solicitation of proxies. Annex A sets forth information relating to certain of our Directors, officers and employees who are considered “participants” in this proxy solicitation under the rules of the Securities and Exchange Commission, by reason of their position or because they may be soliciting proxies on our behalf.

We have hired Innisfree M&A Incorporated (“Innisfree”), 501 Madison Avenue, 20th Floor, New York, NY 10022 to assist us in the solicitation of proxies for a fee of up to $[•] plus out-of-pocket expenses. Innisfree expects that approximately [•] of its employees will assist in the solicitation. Our expenses related to the solicitation of proxies from stockholders this year will significantly exceed those normally spent for an Annual Meeting. Such costs are expected to aggregate approximately $[•]. To date, we have incurred approximately $[•] of these solicitation costs.

BACKGROUND OF THE SNOW PARK SOLICITATION

On November 16, 2018, the Company's Chief Executive Officer, George G. Ellison, had a telephone conversation with Mr. Jeffrey Pierce, Managing Partner of Snow Park, in response to an email request by Mr. Pierce. During this conversation, Mr. Pierce discussed his views on the Company's business strategy with Mr. Ellison.

On November 26, 2018, the Company received an email from Snow Park's outside counsel requesting to obtain the Company nominee questionnaire required pursuant to the Company's Bylaws for a stockholder to nominate candidates for election to the Board of Directors at the Annual Meeting.

On November 28, 2018, the Company provided a copy of its nominee questionnaire to Snow Park's outside counsel.

On December 20, 2018, the Company received correspondence from Snow Park stating its intention to nominate six potential candidates - Leland Abrams, Khalil Kanaan, George Lucaci, Ronald Mass, Lazar Nikolic and Mr. Pierce - for election to the Board of Directors at the Annual Meeting.

Over the next few weeks, outside counsel to both the Company and Snow Park shared correspondence regarding scheduling a meeting between representatives of the Company and representatives of Snow Park.

On January 8, 2019, Ms. Rochelle R. Dobbs, Chair of the Board of Directors, Mr. David B. Reiner, a director, and Mr. Ellison had a conference call with Mr. Pierce during which Mr. Pierce conveyed his views on the Company's business strategy.

On March 7, 2019, the Company received a letter from Snow Park notifying the Company of Snow Park's withdrawal of the nomination of Ronald Mass for election to the Company's Board of Directors at the Annual Meeting. Snow Park's letter did not provide any explanation as to why Mr. Mass's nomination was withdrawn.

ELECTION OF DIRECTORS
(Proposal One)

Our Charter and Bylaws provide that that the number of our Directors will be fixed by a majority of our entire Board of Directors but may not be fewer than the minimum required under the Maryland General Corporation Law, which is one, nor more than fifteen. Currently we have six (6) members of our Board of Directors.

The seven (7) nominees listed below for election as Directors at the Annual Meeting have been recommended by our Nomination/Governance Committee and nominated by our Board of Directors to serve on the Board until the 2020 Annual Meeting of Stockholders and/or until their successors are duly elected and qualified. Assuming a quorum, the seven (7) nominees for Director will be elected as Directors by a plurality of the votes cast in person or by proxy at the Annual Meeting. All of the Company's nominees currently serve as our Directors. There are no arrangements or understandings between any of the Company's nominees and any other person for selection as a nominee.

If any of the Company's nominees are unable or unwilling to stand for election at the time of the Annual Meeting, the person or persons appointed as proxies will vote for a replacement nominee or nominees recommended by our Board of Directors. At this time, our Board of Directors knows of no reason why any of the Company's nominees would not be able or willing to serve as a Director if elected.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR ALL" OF THE BOARD'S NOMINEES TO BE ELECTED AND TO SERVE AS DIRECTORS OF THE COMPANY UNTIL OUR 2020 ANNUAL MEETING AND/OR UNTIL THEIR SUCCESSORS ARE ELECTED AND QUALIFIED. IT IS INTENDED THAT THE WHITE PROXIES WILL BE VOTED FOR THE SEVEN BOARD NOMINEES SET FORTH IN THIS PROPOSAL. THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS USING THE ENCLOSED WHITE PROXY CARD TO VOTE "FOR ALL" OF THE BOARD'S SEVEN NOMINEES FOR DIRECTOR.

Nominees for Director

The following table sets forth certain information concerning our nominees for Director as of the date hereof:

Name	Age	Director Since	Audit Committee	Compensation Committee	Nomination/ Governance Committee
Rochelle R. Dobbs	57	2016	X		X (1)
George G. Ellison	60	2015			
Michael A. Eruzione	64	2012		X	X
Leslie B. Fox (2)	59				
Wade J. Henderson	70	2017		X	X
George W. McDowell	67	2018	X (1)	X	
David B. Reiner	63	2012	X	X (1)	

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(1) Committee Chair.
(2) Ms. Fox has been nominated for membership on the Board of Directors beginning after the Annual Meeting.

The principal occupation for at least the last five (5) years and additional biographical information of each Director of the Company is set forth below.

Rochelle R. Dobbs. Ms. Dobbs was appointed to our Board of Directors on December 5, 2016 and became Chair of the Board of Directors on May 23, 2018. Since 2010, Ms. Dobbs has served as President of R Dobbs Partners LLC, a New York-based consulting firm focused on commercial real estate transactions, including debt restructures, distressed debt purchases, and debt/equity originations. From 2000 to 2010, Ms. Dobbs was a Managing Director and Head of Real Estate Structured Finance (US) and Head of CMBS Capital Markets at Bank of America Merrill Lynch ("BAML"), a leading financial institution. At BAML, Ms. Dobbs was involved in the building of origination and servicing platforms designed to deliver a wide range of products and services to public and private clients in the commercial real estate industry. Prior to joining BAML, from 1995 to 2000, Ms. Dobbs was a Managing Director and Head of Loan Origination at Chase Manhattan Bank where she managed a nationwide origination group for Chase's newly created commercial mortgage backed security business. Ms. Dobbs was a member and served on the Board of Governors of Commercial Mortgage Securities Association. Ms. Dobbs holds a Bachelor of Arts - Economics from New York University in New York City.

Ms. Dobbs' extensive mortgage, real estate, structured products and transactional experience provides the Board of Directors with subject matter expertise in the markets in which the Company competes as a result of her various leadership roles leading real estate and mortgage operations.

George G. Ellison. Mr. Ellison was elected to our Board of Directors on August 25, 2015. Mr. Ellison has served as our Chief Executive Officer since June 15, 2015, as our President since March 31, 2015 and as the Chief Executive Officer of Altisource Asset Management Corporation ("AAMC") since February 17, 2015. Prior to joining AAMC, Mr. Ellison had been employed for 19 years at Bank of America and its predecessor, NationsBank. Mr. Ellison held several roles over his career at Bank of America, most recently being the executive leading the team that managed the valuation and disposition of Bank of America's legacy mortgage loan portfolio and a leading member of Bank of America's Special Initiatives team that worked to resolve Bank of America's representation and warranty litigation. Prior to his most recent roles, Mr. Ellison was Global Head of the Structured Products division within Bank of America's Investment Banking platform. His responsibilities involved all Structured Products including RMBS, ABS, ABCP Conduit and CMBS securities, among others. Mr. Ellison holds a Bachelor of Science in Industrial Engineering from the University of Pittsburgh and a Master's of Business Administration from the Wharton School of Business.

Mr. Ellison's extensive mortgage, real estate, structured products and transactional experience provides the Board of Directors with subject matter expertise in the markets in which the Company competes. In addition, through his position as Chief Executive Officer of AAMC and Front Yard, Mr. Ellison has acquired significant experience in our business and offers the Board of Directors insight into Company specific operational and transactional matters.

Michael A. Eruzione. Mr. Eruzione was elected to our Board of Directors in December 2012. Mr. Eruzione represents major corporations as a spokesperson and as a motivational speaker and has served as the Director of Special Outreach at Boston University in Boston, Massachusetts since 1995. He previously served as the Director of Special Programs for Alumni Relations and Development. From 1984 to 1994, Mr. Eruzione worked as a sports commentator for Madison Square Garden, ABC, NBC and CBS. Mr. Eruzione was captain of the 1980 United States Olympic Hockey Team that won the gold medal in Lake Placid, NY. Mr. Eruzione holds a Bachelor of Arts from the Boston University School of Education in Boston, Massachusetts.

Mr. Eruzione's diverse background and experience representing major corporations provides insight to the Board of Directors, particularly with respect to the development of strategic relationships.

Leslie B. Fox. Ms. Fox has been nominated for membership on our Board of Directors beginning after the 2019 Annual Meeting of Stockholders. Ms. Fox has been Director of M.D.C. Holdings, Inc. since June 2018 and is a member of the company's Audit Committee. Ms. Fox has served in an executive capacity at multiple companies in the real estate industry and most recently served as Chief Operating Officer of Invitation Homes LP, the largest owner/operator of single family housing rentals in the United States. Under Ms. Fox's leadership at Invitation Homes from March 2014 until March 2016, the portfolio grew to 50,000 homes under management. Prior to joining Invitation Homes, Ms. Fox served as Chief Operating Officer of American Residential Communities LLC, one of the largest operators of manufactured housing communities in the country, and as the President of the affordable housing division at Equity Residential and as an Executive Vice President of that company. Ms. Fox also serves as an independent consultant in the real estate sector and as a Strategic Advisor to Hone Capital. Currently, Ms. Fox is serving on the Endowment Board and the Finance Committee for Craig Hospital in Denver, Colorado. Ms. Fox holds a Bachelor of

Science and Bachelor of Arts from University of Colorado, graduating Beta Gamma Sigma, and a Juris Doctorate and Master's of Business Administration from the University of Denver.

Ms. Fox's extensive experience in single-family rental industry and other real estate investment trusts will provide the Board of Directors with valuable insights in relation to the operation of the Company's portfolio of single-family rental properties.

Wade J. Henderson. Mr. Henderson was appointed to our Board of Directors on April 24, 2017. Since 1996, Mr. Henderson has served as the President and CEO of The Leadership Conference on Civil and Human Rights and The

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Leadership Conference Education Fund. The Leadership Conference on Civil and Human Rights was founded in 1950 and engages in legislative advocacy on behalf of more than 200 national organizations to promote and protect the civil and human rights of all persons in the United States. The Education Fund was founded in 1969 as the education and research arm of The Leadership Conference. As CEO, Mr. Henderson has increased the size of the coalition from 170 to more than 200 member organizations and has led social justice initiatives and developed strategy on major policy priorities regarding civil and human rights on behalf of The Leadership Conference's constituent organizations. Under his guidance, The Leadership Conference steered successful campaigns to reauthorize the Voting Rights Act; pass the Help America Vote Act, the Fair Sentencing Act, the Lilly Ledbetter Fair Pay Act, the ADA Amendments Act, the Matthew Shepard and James Byrd, Jr. Hate Crimes Prevention Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Since 1998, Mr. Henderson has also acted as the Joseph L. Rauh, Jr., Professor of Public Interest Law at the David A. Clarke School of Law, University of the District of Columbia. Prior to his role with The Leadership Conference, Mr. Henderson was the Washington Bureau director of the NAACP from 1991 to 1996, where he directed the organization's government affairs and national legislative program. From 1982 to 1991, Mr. Henderson was the associate director of the Washington national office of the ACLU. Mr. Henderson holds a Bachelor of Arts from Howard University and a Juris Doctorate from the Rutgers University School of Law and is a member of the Bar of the U.S. Supreme Court and the District of Columbia.

Mr. Henderson's vast experience with social justice issues, commitment to equality and experience with legislative advocacy provides the Company with valuable insight into the needs of our prospective tenants and strategies for socially responsible growth.

George Whitfield ("Whit") McDowell. Mr. McDowell was appointed to our Board of Directors on March 29, 2018. Mr. McDowell currently serves as Chair of the Company's Audit Committee and is a member of the Compensation Committee. In 2017, Mr. McDowell retired from his role as a Managing Director at Bank of America Merrill Lynch in Charlotte, NC, where he ran the Securitization Finance business for more than 20 years and was responsible for the Subscription Finance business at his retirement. From 1985 to 1998, Mr. McDowell served in several roles at North Carolina National Bank, prior to its merger with Bank of America, and started North Carolina National Bank's asset backed securities business in the late 1980's and its asset backed commercial paper business in the early 1990's. Prior to joining North Carolina National Bank, Mr. McDowell was a tax manager with Price Waterhouse and spent two years at Citibank in institutional sales on the trading floor. After undergraduate school and before business school, Mr. McDowell served as an officer in the US Navy. Mr. McDowell received a BBA in Accounting from Wake Forest University and an MBA in finance from the Wharton School of the University of Pennsylvania. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Public Accountancy, serves on the Board of Advisors of the Wake Forest School of Business in Charlotte and the Board of Directors of the Cameron Kravitt Foundation, and previously served six years on each of the Board of Managers of the Dowd YMCA and the Board of Directors of the Duke Mansion and Lynwood Foundation.

Mr. McDowell's extensive asset finance experience provides valuable insight to the Board of Directors in relation to the financing of the Company's portfolio of single-family rental properties. In addition, his extensive accounting experience enables him to provide effective leadership of the Audit Committee and guidance to the Board of Directors in overseeing the financial reporting and accounting aspects of our business.

David B. Reiner. Mr. Reiner was elected to the Board of Directors in December 2012 and served as Chair of the Board of Directors from January 16, 2015 until May 22, 2018. Mr. Reiner is currently a Managing Director with Regional Real Estate Investment Corporation ("RREIC"), a registered investment advisor that manages private investment funds that make opportunistic real estate investments. Prior to joining RREIC, Mr. Reiner served as a Managing Director of Grosvenor Investment Management US Inc. ("GIM"), a real estate investment fund, from 2003 to 2011. At GIM, Mr. Reiner was responsible for the development and implementation of business strategy, capital markets activities, fund and investment development, fund-raising, fund operations and investor relations. He also was a member of the Management and Investment Committees for GIM's Investment Funds business and served on the Capital Markets Committee of Grosvenor Fund Management Ltd. Prior to that, Mr. Reiner was a Co-founder and Managing Director of Legg Mason Real Estate Investors, Inc., from 2000 until 2003, a specialty real estate lender that provided mezzanine and bridge loans to the commercial real estate industry. From December 2011 to October 2015, Mr. Reiner served on the board of directors and as chairman of the Audit Committee of Home Loan Servicing Solutions, Ltd. ("HLSS"). Prior to joining the HLSS board, he served three years on the board of directors of Ocwen Financial Corporation ("Ocwen"), where he was also a member of both the Audit Committee and the Nomination/Governance Committee. Mr. Reiner holds a Bachelor of Arts from the University of South

Carolina in Columbia, South Carolina and a Juris Doctorate from George Mason University School of Law in Fairfax, Virginia. He also completed graduate work in international affairs and economics at the Fletcher School of Law & Diplomacy at Tufts University in Medford, Massachusetts and the Johns Hopkins School of Advanced International Studies in Washington, DC.

Mr. Reiner's real estate investment expertise, particularly with respect to capital market activities, investment strategies and funding operations, provides insight to the Board of Directors. In addition, his background in economics and public company Audit Committee experience enables him to provide guidance to the Board of Directors in overseeing the financial and accounting aspects of our operations.

OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS YOU VOTE "FOR" THE ELECTION OF THE NOMINEES LISTED ABOVE BASED UPON THEIR RESPECTIVE EXPERIENCE, QUALIFICATIONS AND SKILLS IDENTIFIED ABOVE.

In the absence of other instructions, properly signed and delivered WHITE proxy cards will be voted "FOR" the election of each of these nominees.

The Board does NOT endorse any Snow Park nominee and strongly urges you not to sign or return any proxy card that may be sent to you by or on behalf of Snow Park. A WITHHOLD vote with respect to any Snow Park nominee on its proxy card is NOT the same as a vote for any of our Board's nominees because a WITHHOLD vote with respect to any of Snow Park's nominees on its proxy card will revoke any previous proxy that you submitted. If you have already voted using a proxy card sent to you by or on behalf of Snow Park, you have every right to change it. The Board urges you to revoke that proxy and to vote "FOR" the Board's nominees by following the instructions on the enclosed WHITE proxy card to vote for the Board's nominees and mailing the proxy card in the enclosed pre-paid envelope. Only the latest validly executed proxy that you submit will be counted.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Meetings of the Board of Directors

The Board of Directors plays an active role in overseeing management and representing the interests of our stockholders. Directors are asked to attend all meetings of the Board of Directors and the meetings of committees on which they serve. Directors are also consulted for advice and counsel between formal meetings.

Our Board of Directors held thirteen (13) meetings in 2018. In 2018, no incumbent director attended fewer than 75% of the total number of Board and applicable Committee meetings (held during the period that such director served). The Board of Directors also regularly held executive sessions of the independent Directors. While we do not have a formal policy regarding Director attendance at the Annual Meeting, all of the incumbent members of our Board of Directors attended the 2018 Annual Meeting of Stockholders.

Independence of Directors

Our Corporate Governance Guidelines provide that our Board of Directors must be comprised of a majority of Directors who qualify as independent Directors under the standards of the NYSE.

Our Board of Directors annually reviews the direct and indirect relationships that we have with each Director. The purpose of this review is to determine whether any such transactions or relationships are inconsistent with a determination that the Director is independent. Only those Directors who are determined by our Board of Directors to have no material relationship with the Company and otherwise qualify as independent under applicable SEC and NYSE rules are considered independent. This determination is based in part on the analysis of questionnaire responses that follow the independence standards and qualifications established by NYSE rules and federal securities law. Our current Board of Directors has determined that Mses. Dobbs and Fox and Messrs. Eruzione, Henderson, Reiner, and McDowell are independent Directors. The Board of Directors also previously reached this independence determination for Mr. William P. Wall, who retired from the Board of Directors on March 26, 2018.

Board Leadership Structure

Our Board of Directors has no fixed policy with respect to the separation of the offices of Chair of the Board of Directors and Chief Executive Officer. Our Board of Directors retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interests of the Company and its stockholders at any given time. The Board of Directors currently believes that separating the positions of Chief Executive Officer and Chair of the Board of Directors is the best structure to fit our needs. Mr. Ellison is our Chief Executive Officer. Mr. Ellison is responsible for our day-to-day operations and for formulating and executing our long-term strategies in collaboration with and under the oversight of the Board of Directors. As Chair of the Board of Directors, Ms. Dobbs leads the Board and oversees meetings of the Board of Directors and the delivery of information necessary for the Board’s informed decision-making.

Director Stock Ownership Guidelines

We recognize the importance of aligning our Board’s interests with those of our stockholders. As a result, the Board has adopted stock ownership guidelines for all of our Directors. Under these guidelines, each Director is expected to accumulate, by July 1, 2021 (or, for Directors that joined after the adoption of such guidelines, by July 1 of the fifth year following the year of becoming a Director), Company stock having a fair market value equal to five times such Director’s annual base cash retainer for acting as a Director. For purposes of these guidelines, shares held in trust or retirement accounts, deferred stock units and restricted stock units (“RSUs”) count toward the ownership guidelines. Each Director is expected to retain 100% of the net after-tax shares received upon vesting and exercise of equity incentive awards until the guidelines are satisfied.

Committees of the Board of Directors

Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nomination/ Governance Committee. A brief description of these committees is provided below.

Audit Committee. The Audit Committee of our Board of Directors oversees the relationship with our independent registered public accounting firm, reviews and advises our Board of Directors with respect to reports by our independent registered public accounting firm and monitors our compliance with laws and regulations applicable to our operations, including the evaluation of significant matters relating to the financial reporting process and our system of accounting, internal controls, auditing and federal securities law matters and the review of the scope and results of the annual audit conducted by the independent registered public accounting firm.

The members of the Audit Committee since March 2018 have been Ms. Dobbs and Messrs. McDowell and Reiner, and Mr. McDowell has served as the Chair of the Audit Committee since March 2018. Each member of our Audit Committee is independent as defined in regulations adopted by the SEC and NYSE listing standards. Our Board of Directors has determined that all members of our Audit Committee are financially literate and possess accounting or related financial management expertise. Our Board of Directors has also determined that each of Mr. McDowell and Mr. Reiner qualify as “audit committee financial experts” as that term is defined in SEC rules. The Audit Committee met nine (9) times in 2018.

Our Audit Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.frontyardresidential.com and is available in print to any stockholder who requests it. On an annual basis, the Audit Committee will review and approve its charter. The Audit Committee will also evaluate its performance under its charter annually and deliver a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter and any recommendations for amendments. The charter was last reviewed by the Audit Committee in May 2018 and is expected to be reviewed and approved in the meeting of the Audit Committee scheduled for May 2019.

Compensation Committee. The Compensation Committee of our Board of Directors oversees the compensation of our Directors and the Company's executive compensation and equity-based plans. Our executive officers are employed by our asset manager, AAMC. Because our executive officers are employed by our asset manager, AAMC, the Compensation Committee does not determine or approve the compensation of our executive officers other than the compensation paid to our dedicated General Counsel and certain awards made under the Front Yard Residential Corporation 2016 Equity Incentive Plan (the “2016 Equity Incentive Plan”).

The Compensation Committee has the authority to retain independent counsel or other advisers at our expense as the Compensation Committee deems necessary in connection with its responsibilities. The Compensation Committee may request that any of our Directors, officers or other persons attend its meetings to provide advice, counsel or pertinent information as the Committee requests.

The members of the Compensation Committee since March 2018 have been Messrs. Eruzione, Henderson, McDowell and Reiner. Mr. Reiner has served as the Chair of the Compensation Committee since December 2012. Each member of the Compensation Committee is independent as defined by NYSE listing standards. While we have no specific qualification requirements for members of the Compensation Committee, the members of the Compensation Committee have knowledge and experience regarding compensation matters as developed through their respective business experience in both management and advisory roles, including general business management, executive compensation and employee benefits experience.

Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.frontyardresidential.com and is available in print to any stockholder who requests it. On an annual basis, the Compensation Committee will review and approve its charter. The Compensation Committee will also evaluate its performance under its charter annually and deliver a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter and any recommendations for amendments. The charter was last reviewed by the Compensation Committee in May 2018 and is expected to be reviewed and approved in the meeting of the Compensation Committee scheduled for May 2019. The Compensation Committee met six (6) times in 2018.

Compensation Committee Interlocks and Insider Participation

During the year ended December 31, 2018 and as of the date of this Proxy Statement, none of the members of the Compensation Committee was or is an officer or employee of the Company or had any relationship requiring disclosure pursuant to Item 404 of Regulation S-K, and no executive officer of the Company served or serves on the compensation committee or board of any company that employed or employs any member of the Company's Compensation Committee or Board.

Nomination/Governance Committee. The Nomination/Governance Committee of our Board of Directors makes recommendations to our Board of Directors of individuals qualified to serve as Directors and committee members for our Board of Directors; advises our Board of Directors with respect to Board of Directors composition, procedures and committees; develops and recommends to the Board of Directors a set of corporate governance principles and oversees the evaluation of our Board of Directors and our management.

The members of the Nomination/Governance Committee since March 2018 have been Ms. Dobbs and Messrs. Eruzione and Henderson. Ms. Dobbs has served as the Chair of the Nomination/Governance Committee since May 2017. Each member and prospective member of our Nomination/Governance Committee is independent as defined in NYSE listing standards. The Nomination/Governance Committee met six (6) times in 2018.

Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at www.frontyardresidential.com and is available in print to any stockholder who requests it. On an annual basis, the Nomination/Governance Committee will review and approve its charter. The Nomination/Governance Committee will also evaluate its performance under its charter annually and deliver a report to the Board setting forth the results of its evaluation, including an assessment of the adequacy of its charter and any recommendations for amendments. The charter was last reviewed by the Nomination/Governance Committee in May 2018 and is expected to be reviewed and approved in the meeting of the Nomination/Governance Committee scheduled for May 2019.

It is the policy of our Nomination/Governance Committee to consider candidates for Director recommended by you, our stockholders. In evaluating all nominees for Director, our Nomination/Governance Committee will take into account the applicable requirements for Directors under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and NYSE listing standards. In addition, our Nomination/Governance Committee will take into account the Company's best interests as well as such factors as knowledge, experience, skills, expertise, diversity and the interplay of the candidate's experience with the background of other members of our Board of Directors.

The Nomination/Governance Committee will consider diversity when it recommends Director nominees to the Board of Directors, viewing diversity in an expansive way to include differences in prior work experience, viewpoint, education and skill set. In particular, the Nomination/Governance Committee will consider diversity in professional experience, skills, expertise, training, broad-based business knowledge and understanding of the Company's business environment when recommending Director nominees to the Board of Directors, with the objective of achieving a Board with diverse business and educational backgrounds. Directors should have individual backgrounds that, when combined, provide a portfolio of experience and knowledge that will serve the Company's governance and strategic needs. The Nomination/Governance Committee will periodically review the skills and attributes of Board members within the context of the current make-up of the full Board of Directors as the Nomination/Governance Committee deems appropriate. The Nomination/Governance Committee does not discriminate against candidates for the Board of Directors based on race, color, religion, sex, sexual orientation or national origin.

The Nomination/Governance Committee will periodically assess the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are anticipated. Various potential candidates for Director will then be identified. Candidates may come to the attention of the Nomination/Governance Committee through current members of the Board of Directors, professional search firms, legal and financial advisors, stockholders or industry sources.

In connection with this evaluation, one or more members of the Nomination/Governance Committee, and others as appropriate, may request an interview of prospective nominees. After completing this interview and evaluation, the Nomination/Governance Committee will make a recommendation to the full Board of Directors as to the persons, if any, who should be nominated by the Board of Directors. The Board of Directors will determine the nominees after considering the recommendation of the Nomination/Governance Committee. Should a stockholder recommend a candidate for Director, our Nomination/Governance Committee would evaluate such candidate in the same manner that it evaluates any other nominee.

If you want to recommend persons for consideration by our Nomination/Governance Committee as nominees for election to our Board of Directors, you can do so by writing to our Corporate Secretary at c/o Altisource Asset Management Corporation, 5100 Tamarind Reef, Christiansted, United States Virgin Islands 00820. You should provide each proposed nominee's name, biographical data and qualifications. Your recommendation should also include a written statement from the proposed nominee consenting to be named as a nominee and, if nominated and elected, to serve as a Director.

Corporate Governance Guidelines

The Corporate Governance Guidelines adopted by our Board of Directors provide guidelines for us and our Board of Directors to ensure effective corporate governance. The Corporate Governance Guidelines cover topics such as Director qualification standards, Board of Directors and committee composition, Director responsibilities, Director access to management and independent advisors, Director compensation, Director orientation and continuing education, management succession and annual performance appraisal of the Board of Directors.

Our Nomination/Governance Committee reviews our Corporate Governance Guidelines at least once a year and, if necessary, recommends changes to our Board of Directors. Our Corporate Governance Guidelines are available on our website at www.frontyardresidential.com and are available to any stockholder who requests them by writing to our Corporate Secretary at c/o Altisource Asset Management Corporation, 5100 Tamarind Reef, Christiansted, United States Virgin Islands 00820.

Communications with Directors

If you desire to contact our Board of Directors or any individual Director regarding Front Yard, you may do so by mail addressed to our Corporate Secretary at c/o Altisource Asset Management Corporation, 5100 Tamarind Reef, Christiansted, United States Virgin Islands 00820. All stockholder communications received in writing are distributed to our Board of Directors if addressed to the full Board or to individual Directors if addressed to them individually.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to our Directors and executive officers, including our principal executive officer. We also adopted a Code of Ethics for Senior Financial Officers that applies to our principal financial officer and principal accounting officer. Any waivers from the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers must be approved by our Board of Directors or the Audit Committee and will be subsequently disclosed when required by SEC or applicable exchange rules. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers are available on our website at www.frontyardresidential.com and is available to any stockholder who requests a copy by writing to our Corporate Secretary at c/o Altisource Asset Management Corporation, 5100 Tamarind Reef, Christiansted, United States Virgin Islands 00820. Any amendments to the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers, as well as any waivers that are required to be disclosed under SEC or exchange rules, will either be posted on our website at www.frontyardresidential.com or otherwise disclosed in accordance with such rules.

Risk Management and Oversight Process

Our Board of Directors and each of its committees are involved with the oversight of the Company's risk management.

The Board of Directors and the Audit Committee monitor Front Yard's credit risk, liquidity risk, regulatory risk, operational risk, cybersecurity risk and enterprise risk by regular reviews with management and internal and external auditors. In its periodic meetings with internal and external auditors, the Audit Committee discusses the scope and plan for the internal audit and includes management in its review of accounting and financial controls, assessment of business risks and legal and ethical compliance programs.

In its periodic meetings with the external auditors, the Audit Committee discusses the external audit scope, the external auditors' responsibility under the Standards of the Public Company Accounting Oversight Board ("PCAOB"), accounting policies and practices and other required communications. In addition, through regular reviews with management and, at times, certain employees of AAMC, the Nomination/Governance Committee assists the Board of Directors in monitoring the Company's governance and succession risks, and the Compensation Committee assists the Board of Directors in monitoring our compensation policies and related risks.

The Board of Directors' role in risk oversight is consistent with the Company's leadership structure, with the Chief Executive Officer and other members of senior management having responsibility for assessing and managing the Company's risk exposure, and our Chair, the Board of Directors and its committees providing oversight in connection with these efforts. Our Investment Committee, which is comprised of our Chair, our Chief Executive Officer and our Chief Financial Officer, has responsibility for assessing and managing the Company's risk exposure with respect to transactional and counterparty risk.

BOARD OF DIRECTORS COMPENSATION

The following table discloses cash compensation received by and stock awards that were granted for each non-management member of our Board of Directors who served as a Director during fiscal year 2018. Management members of our Board of Directors do not receive compensation for their service as a Director.

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Total
Rochelle R. Dobbs (2)	$138,900	$75,001	$213,901
Michael A. Eruzione (2)	68,050	75,001	143,051
Wade J. Henderson (2)	70,312	75,001	145,313
George W. McDowell (2)	76,843	75,001	151,844
David B. Reiner (2)	115,575	75,001	190,576
William P. Wall (3)	31,931	—	31,931

(1) On May 24, 2018, Ms. Dobbs and Messrs. Eruzione, Henderson, Reiner and McDowell, being the non-management members of the Board of Directors serving as of such date, were each awarded 7,049 RSUs under the Company's 2016 Equity Incentive Plan for their service to the Board for the period commencing May 23, 2018 to the date of the 2019 Annual Meeting of Stockholders. Upon vesting, the RSUs settle for shares of common stock upon the earlier of the third anniversary of the grant date and the termination of the director's service, subject to acceleration or forfeiture. The number of RSUs awarded was determined by dividing $75,000 by a share price of $10.64, which was the closing sales price of our common stock on the NYSE on May 24, 2018 and represents the grant date fair value calculated in accordance with FASB ASC 718.

(2) As of December 31, 2018, each of Ms. Dobbs and Messrs. Eruzione, Henderson, McDowell and Reiner had 7,049 RSUs outstanding.

(3) Mr. Wall stepped down as a Director of Front Yard on March 26, 2018.

Cash Compensation

The Company's Director compensation plan provides the following cash compensation to our non-management Directors in quarterly installments, paid in arrears for their services for the prior quarter:

- an annual retainer of $60,000;
- an additional $75,000 to the Chair of the Board of Directors;
- an additional $15,000 to the Audit Committee chairperson;
- an additional $10,000 to all committee chairpersons (other than the Audit Committee chairperson); and
- an additional $5,000 to all committee members, including the committee chairperson.

In addition, the Company's Directors may receive additional compensation for service on special committees. In 2018, each of Ms. Dobbs and Mr. Reiner received $19,000, Mr. Henderson received $4,212, Mr. McDowell received $13,712 and Mr. Wall received $12,411 for service on special committees.

Equity Compensation

The 2016 Equity Incentive Plan was approved at the Annual Meeting of Stockholders on June 1, 2016. The 2016 Equity Incentive Plan is described below in “Compensation Discussion and Analysis – Equity Compensation – Description of the 2016 Equity Incentive Plan.”

Our non-management Directors receive annual grants of RSUs issued under the Company’s 2016 Equity Incentive Plan. These RSUs are eligible for settlement in the number of shares of our common stock having a fair market value of $75,000 on the date of grant for the 2018-2019 service year ($60,000 for the 2016-2017 and 2017-2018 service years). “Fair Market Value” is defined under the 2016 Equity Incentive Plan as the closing price per share of our common stock in the principal market in which our common stock is traded. RSUs are expected to be granted after each annual organizational meeting of the Board of Directors, which typically follows the Annual Meeting. The RSUs vest on the earlier of the first anniversary of the date of grant and the first annual meeting of the Company’s stockholders occurring immediately after the date of grant, with distribution mandatorily deferred for an additional two years thereafter (subject to earlier distribution upon the applicable Director's separation from the Board of Directors). Our non-management Directors accumulate RSUs earned as equity compensation on a tax-deferred basis until the earlier of the third anniversary of the grant of the RSUs or the applicable Director's separation from the Board of Directors. The awards are expected to be issued together with dividend equivalent rights. In respect of dividends paid to our stockholders prior to the vesting date, dividend equivalent rights accumulate and are paid in a lump sum in cash following the vesting date, contingent on the vesting of the underlying award. During any period thereafter when the award is vested but remains subject to settlement, dividend equivalent rights are paid in cash on the same timeline as underlying dividends are actually paid to our stockholders. The awards may, in the future, be eligible for additional deferral at the election of each non-management Director.

Other Compensation

Directors are reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board of Directors and its committees.

Any Director compensation may be prorated for a Director serving less than a full one (1) year term as in the case of a Director joining the Board of Directors after an Annual Meeting but during the service year.

EXECUTIVE OFFICERS

The following table sets forth certain information with respect to each person who currently serves as one of our executive officers as of [•], 2019.

Name	Age	Position
George G. Ellison	60	Chief Executive Officer and Director
Robin N. Lowe	54	Chief Financial Officer
Stephen H. Gray	48	Chief Administrative Officer and Senior Counsel
Michael G. Lubin	43	General Counsel and Corporate Secretary
Rene Dittrich	47	Chief Accounting Officer

The principal occupation for at least the last five (5) years, as well as certain other biographical information, for each of our executive officers that is not a Director is set forth below. Mr. Ellison's information is provided in the section of this Proxy Statement entitled "ELECTION OF DIRECTORS (Proposal One)."

Robin N. Lowe. Mr. Lowe has served as our Chief Financial Officer since October 2014 and has also served as the Chief Financial Officer of AAMC since October 2014. He oversees all of our financial affairs, including financial reporting, treasury, tax and shareholder relations. Prior to his appointment, Mr. Lowe served as Chief Financial Officer of CitiMortgage Inc. from October 2012 to July 2014. From May 2010 to September 2012, Mr. Lowe served as Chief Financial Officer of Citibank Korea, and from October 2008 to April 2010, he served as Chief Financial Officer of Citibank's South East Asia Pacific region. From May 1995 to September 2008, Mr. Lowe served in lead finance roles with Citibank in various countries and regions. Mr. Lowe is a Fellow of the Institute of Chartered Accountants in England and Wales of which he has been a member since 1992. He holds a Master's Degree in Classics and a Bachelor of Arts, with honors, from Oxford University.

Stephen H. Gray. Mr. Gray served as our General Counsel and Corporate Secretary from December 2012 until January 2016 when he was appointed as our Chief Administrative Officer and Senior Counsel. Mr. Gray has also served as the General Counsel and Corporate Secretary of AAMC since November 2012. Prior to joining AAMC, Mr. Gray was General Counsel and Corporate Secretary of LaBranche & Co Inc., a publicly traded financial services company in New York, New York, from May 2004 to December 2011, and was a consulting attorney for The Nielsen Company, a global information and measurement company, during 2012. From June 1998 to May 2004, Mr. Gray was a corporate and securities attorney at the law firm of Fulbright & Jaworski L.L.P. in New York, New York, specializing in, among other things, securities offerings, mergers and acquisitions and general corporate reporting for public and private companies. From January 1996 to June 1998, he was a corporate and securities attorney at the law firm of Brock, Silverstein & McAuliffe, LLC, in New York, New York. He holds a Bachelor of Arts in History from Hobart College and a Juris Doctorate from Widener University School of Law.

Michael G. Lubin. Mr. Lubin has served as our General Counsel and Corporate Secretary and has also served as Senior Vice President of AAMC since January 18, 2016. Prior to joining the Company, Mr. Lubin served as Senior Vice President and General Counsel of Home Loan Servicing Solutions, Ltd. from March 2014 to December 2015. From July 2007 to February 2014, Mr. Lubin was an attorney in the Cayman Islands office of Ogier, an international law firm, where he was part of the firm's corporate and investment funds practice groups and specialized in corporate law and the structuring, establishment and operation of hedge funds and private equity funds. From July 2005 to July 2007, Mr. Lubin was legal counsel at Bell Canada in Toronto, Ontario where he advised the company in relation to both revenue generating and procurement transactions. From September 2003 to July 2005, he was a corporate attorney at the law firm Davies Ward Phillips & Vineberg LLP, in Toronto, Ontario. He holds a Bachelor of Arts in English from Bishop's University and a Bachelor of Laws from the University of Manitoba.

Rene Dittrich. Mr. Dittrich has served as our Chief Accounting Officer and has also served as Chief Accounting Officer of AAMC since May 10, 2017. Prior to joining Front Yard, Mr. Dittrich held several positions at Credit Suisse in Zurich, Switzerland, New York, NY and Raleigh, NC over a 19-year career. Most recently, from 2011 through April 2017, Mr. Dittrich led the U.S. accounting function for Credit Suisse and also acted as the Site Lead for the finance group in Credit Suisse's North Carolina Corporate Center. In this role, Mr. Dittrich focused on financial reporting, regulatory reporting, accounting policy and tax. Prior to 2011, Mr. Dittrich also served as, among other things, Chief Operating Officer for the Regional Controller with oversight for Credit Suisse's locations in Brazil, Mexico, the Bahamas and Canada and as Vice President of Budgeting and Strategic Planning. Mr. Dittrich is a licensed CPA and has a Bachelor's degree and a Master's degree in Business from Zurich University, Switzerland.

Compensation Discussion and Analysis

Our executive officers are employed by our asset manager, AAMC. Certain of our day-to-day management functions are performed by AAMC pursuant to an asset management agreement between AAMC and us, as described more fully in "Business Relationships and Related Party Transactions." Pursuant to the asset management agreement, AAMC provides us with a management team, including a Chief Executive Officer, and is responsible for the compensation of the Chief Executive Officer and AAMC's other executive officers who provide services to us. Our named executive officers are, Mr. Ellison, our Chief Executive Officer; Mr. Lowe, our Chief Financial Officer; Mr. Gray, our Chief Administrative Officer and Senior Counsel; Mr. Lubin, our General Counsel and Corporate Secretary; and Mr. Dittrich, our Chief Accounting Officer. With the exception of Mr. Lubin, our named executive officers, including our Chief Executive Officer, do not receive cash compensation from us for services rendered to us. We appointed Michael G. Lubin as our General Counsel and Corporate Secretary effective January 18, 2016, and Mr. Lubin is the only named executive officer that receives any cash compensation from us. Mr. Lubin's compensation was determined by our Compensation Committee. Mr. Lubin is paid by a subsidiary of AAMC, but his entire compensation and benefits are reimbursed by Front Yard.

On May 24, 2018, service-based and market-based RSUs were granted to certain employees of AAMC, including Messrs. Ellison, Lowe, Gray and Lubin, and only service-based RSUs were granted to Mr. Dittrich, pursuant to the 2016 Equity Incentive Plan. We did not provide any of our named executive officers with pension benefits, perquisites or other personal benefits in 2018; however, we did reimburse AAMC for certain benefits payable to Mr. Lubin.

Executive Summary

Performance Highlights for 2018 and Recent Developments

- Acquired property manager HavenBrook Partners, LLC, thereby commencing the internalization of the property management function.
- Completed transition of properties managed by our external property managers to our internal property management platform ahead of schedule.
- Completed the acquisition of 3,306 homes.
- Increased rental revenue by 48% over 2017 to $183.0 million.
- Improved interest rate risk protection: 87% of debt had fixed or capped rates at December 31, 2018 compared to 64% at December 31, 2017.
- Extended weighted average debt maturity to 5.5 years at December 31, 2018 from 3.5 years at December 31, 2017.
- Reduced non-core assets to 104 real estate owned properties and 74 mortgage loans at December 31, 2018.

We believe our strong operational achievements in 2018 were not reflected in our stock price performance during 2018; however, we believe the achievements made by Front Yard of its strategic objectives have and will continue to enhance long-term stockholder value.

Pay for Performance

The executive compensation program (i.e., salary, annual cash incentive and equity compensation for Mr. Lubin and equity compensation for the other named executive officers) is designed to support our pay-for-performance philosophy and maximize long-term stockholder value by directly aligning the interests of our executive officers with those of our stockholders:

- 100% of pay is provided in the form of at-risk equity compensation (except for our General Counsel, Michael Lubin, for whom we reimburse base salary and cash incentive compensation and pay at-risk equity compensation).
- 50% of equity grant value is performance-contingent, with earn-out requiring strong and sustained total stockholder return ("TSR") growth before any value can be realized by our Chief Executive Officer, Chief Financial Officer, Chief Administrative Officer or General Counsel.
- The value of our officers' annual equity awards is generally targeted near the median of our peer group.

The executive compensation program is working as intended. As illustrated below, pay delivery has tracked with TSR performance since the start of the program in 2016. Focusing on the CEO, through December 31, 2018, he has or was tracking to realize only 43% of the grant value as reported in the summary compensation table of the proxy, reflecting TSR performance that has fallen short of targeted levels and no value-delivery, to date, from performance-contingent equity awards.

A portion of these awards are currently outstanding, and the CEO's ability to realize higher levels of pay is conditioned on driving improved TSR for our stockholders.

Say on Pay Vote

Since the inception of the executive compensation program, we have received consistently strong stockholder support. Our advisory vote to ratify named executive officers' compensation (i.e., our Say on Pay vote) passed with 97.6% stockholder support at the 2017 annual stockholder meeting and 98.5% stockholder support at the 2018 annual stockholder meeting. We considered the 2017 and 2018 stockholder vote, our pay-for-performance philosophy, peer data, as well as well as other factors and decided to maintain our executive compensation program for 2018. We will continue to consider our stockholders' input in various facets of our business, including executive compensation.

Compensation Consultant

To further the objectives of our executive compensation program, our Compensation Committee conducted an analysis of the compensation levels of our named executive officers in conjunction with an independent compensation consultant, F.W. Cook & Co. (“F.W. Cook”). F.W. Cook provided research, data analyses, survey information and design expertise in assisting with the development of the Company’s equity compensation program. A representative of F.W. Cook attended multiple meetings of the Compensation Committee, where guidance was provided on (i) the size of a competitive annual equity budget; (ii) competitive individual annual grant values, awards types, vesting provisions and the design of performance-based awards; and (iii) the competitiveness of total compensation opportunities for our named executive officers, based on the compensation practices of peer groups made up of both internally managed and externally managed companies of similar size and business focus to Front Yard (listed below). The Compensation Committee considered the information provided by F.W. Cook prior to making its determination regarding the equity compensation of our named executive officers.

Externally Managed Peers	Internally Managed Peers
AG Mortgage Investment Trust, Inc.	American Assets Trust
Anworth Mortgage Asset Corporation	American Homes 4 Rent
Apollo Commercial Real Estate Finance, Inc.	BRT Apartments
Arbor Realty Trust Inc.	Dynex Capital
Ares Commercial Real Estate Corporation	EdR
Blackstone Mortgage Trust, Inc.	Hannon Armstrong
CIM Commercial Trust Corporation	Independence Realty
MTGE Investment Corp	Investors Real Estate Trust
Orchid Island Capital, Inc.	iStar
PennyMac Mortgage Investment Trust	Ladder Capital
Preferred Apartment Communities, Inc.	RAIT Financial Trust
Resource Capital Corp.	Redwood Trust
Select Income REIT	STORE Capital
Western Asset Mortgage Capital Corporation	UMH Properties
	Washington REIT

Role of Executive Officers in Compensation Decisions

The Chief Executive Officer is involved in the design and implementation of our executive compensation under the 2016 Equity Incentive Plan and is typically present at Compensation Committee meetings, except that the Chief Executive Officer is not present during any voting or deliberations on his equity compensation. In 2018, based on the analysis and recommendations of F.W. Cook, the Chief Executive Officer made recommendations to the Compensation Committee regarding proposed equity awards for our named executive officers (other than himself, whose award was proposed by the Compensation Committee). The Compensation Committee exercises its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations and approves all awards under the 2016 Equity Incentive Plan. As noted above, Mr. Ellison was also involved with and recommended Mr. Lubin’s 2018 year-end incentive compensation for consideration and approval by the Compensation Committee.

Cash Compensation

In 2018, we did not pay any cash compensation directly to any of our named executive officers with the exception of Mr. Lubin. As noted above, Mr. Lubin is paid by a subsidiary of AAMC, but his entire cash compensation and benefits are reimbursed by Front Yard.

Our named executive officers are officers of AAMC and received their cash compensation in 2018 directly from AAMC. AAMC makes decisions relating to the cash compensation of our named executive officers, other than Mr. Lubin, based on such factors as AAMC and its Compensation Committee determines are appropriate. The AAMC

Compensation Committee and AAMC management have the authority to establish incentive compensation award guidelines.

The current compensation package for Mr. Lubin consists of base salary and annual incentive compensation. For 2018, Mr. Lubin's base salary was $325,000, and Mr. Lubin had a targeted annual cash incentive award that is expressed as a percentage of his annual cash total compensation of 40% to 55%. AAMC's annual incentive-based cash compensation is structured to motivate executives, including Mr. Lubin, to achieve pre-established key performance indicators, including the corporate goals for Front Yard discussed below, by rewarding the executives for such achievement. For 2018, the Compensation Committee of Front Yard approved cash incentive compensation to Mr. Lubin of $350,000, which represented 52% of his total cash compensation for 2018.

The Company's Compensation Committee reviews the recommendation of the Chief Executive Officer with respect to Mr. Lubin's annual incentive compensation and can determine to amend such annual incentive compensation based on such factors as it determines are appropriate, including market information and individual performance. In coming to his recommendation to the Compensation Committee regarding Mr. Lubin's annual incentive compensation, the Chief Executive Officer also considers those elements of the AAMC executive scorecard that are attributable to Front Yard's performance. As Mr. Lubin is the sole named executive officer whose compensation is reimbursed by Front Yard, the Company does not have a separate corporate scorecard solely for Mr. Lubin.

AAMC utilizes a balanced individualized scorecard methodology for evaluating key executives that incorporates multiple financial and non-financial performance indicators developed through its annual strategic planning process. These performance indicators typically include elements designed to enhance the performance of Front Yard and generate long-term value for Front Yard's stockholders. In 2018, Front Yard's Chief Executive Officer's recommendation regarding Mr. Lubin's annual incentive compensation included an evaluation of his individual performance and the achievement levels for the following scorecard elements: (i) the extent to which Front Yard was able to maintain its financing arrangements to ensure adequate liquidity to support Front Yard's business objectives, (ii) the growth in the number of rental homes under management at appropriate yields, (iii) the extent to which Front Yard's stabilized rental home metrics improved and (iv) the amount of progress that was made on sales of non-rental assets to recycle liquidity and improve Front Yard's purchasing power. In addition, Mr. Lubin's individual performance evaluation included consideration of his performance in relation to relation to Front Yard litigation management, transaction performance and process efficiency, external legal counsel and advisor cost management and hiring and development of key talent within the Front Yard legal department. For further discussion regarding the AAMC corporate scorecard and performance against goals related to Front Yard, see "Supplemental Compensation Disclosure."

On March 31, 2015, we and our subsidiary, Front Yard Residential, L.P., entered into the current asset management agreement with AAMC (the "AMA"). As noted above, under the AMA, AAMC is responsible for the salary, benefits and other compensation of its employees who provide services to us but is entitled to reimbursement for the salary, benefits and other compensation attributable to Front Yard's dedicated General Counsel, Mr. Lubin. For the year ended December 31, 2018, Front Yard reimbursed AAMC for an aggregate of approximately $1,182,752 of expenses, which consists of out-of-pocket expenses incurred by AAMC on Front Yard's behalf and the compensation of the General Counsel dedicated to Front Yard. For further discussion of the terms of the AMA, including the fees payable to AAMC, see "Business Relationships and Related Party Transactions."

Equity Awards

Description of the 2016 Equity Incentive Plan

The Company adopted the 2016 Equity Incentive Plan to afford an incentive to officers, non-employee directors, employees, advisors and consultants of the Company and its affiliates (including Altisource Asset Management Corporation) to continue as officers, non-employee directors, employees, advisors or consultants, to increase their efforts on behalf of the Company and to promote the success of the Company’s business.

The 2016 Equity Incentive Plan is administered by the Company's Compensation Committee. The Compensation Committee has complete, full and final authority to: designate participants; determine the types of awards to be granted; determine the terms of awards; interpret and administer the 2016 Equity Incentive Plan and any agreements and awards thereunder; prescribe forms of award; adopt, amend, suspend, waive and rescind such rules and regulations as are necessary or advisable to administer the 2016 Equity Incentive Plan; correct any defect, supply any omission, reconcile any inconsistency, resolve any ambiguity and construe and interpret the 2016 Equity Incentive Plan and rules, regulations, award agreements and other instruments and awards entered into thereunder; make all other decisions and determinations required under the 2016 Equity Incentive Plan or deemed necessary or advisable for the administration of the 2016 Equity Incentive Plan; and make filings and take actions required by appropriate state, regulatory and governmental agencies. Each award granted under the 2016 Equity Incentive Plan is, and will be, evidenced by a written award agreement between the participant and us, which describes the award and states the terms and conditions to which the award is subject.

Awards may be granted under the 2016 Equity Incentive Plan in a maximum number of 3,073,746 shares of our common stock, subject to adjustment as provided under the 2016 Equity Incentive Plan. This share reserve is reduced by the number of shares of our common stock subject to outstanding awards. If all or a portion of an award is forfeited, terminated or paid in a form other than shares of our common stock, then the shares subject to that award or portion thereof will again be available for issuance under the 2016 Equity Incentive Plan. Awards under the 2016 Equity Incentive Plan may be granted to officers, non-employee directors, employees, advisors and consultants of the Company and its affiliates.

Awards may be granted to eligible participants in the form of stock options, restricted stock, restricted stock units, stock appreciation rights, performance awards and other stock-based awards. Awards may be granted alone or in tandem with other awards, or in substitution for awards in connection with certain corporate acquisitions, and may be granted with or without dividend or dividend equivalent rights. The maximum aggregate number of shares of our common stock for which any single form of award may be granted to any single participant in any single calendar year is limited to 300,000 shares. The aggregate value of all compensation paid or provided to any of our non-employee directors (excluding any non-employee director who is an executive officer of us or one of our affiliates), under the 2016 Equity Incentive Plan or otherwise, in respect of a single calendar year is limited to $350,000.

2018 Equity Awards

On May 24, 2018, the Compensation Committee awarded service-based and market-based RSUs to Messrs. Ellison, Lowe, Gray, Lubin and Dittrich, pursuant to the 2016 Equity Incentive Plan and their respective award agreements (collectively, the “NEO Equity Award Agreements”) as well as to certain other non-executive employees of AAMC. With the exception of Mr. Dittrich, the grant date fair value of their awards were divided equally between service-based RSUs and market-based RSUs based on the Company’s share price performance as described below. The Compensation Committee determined not to include market-based RSUs as a component of the compensation of Mr. Dittrich as Chief Accounting Officer. Mr. Ellison was awarded 82,237 service-based RSUs and 103,306 market-based RSUs. Messrs. Lowe, Gray and Lubin were each awarded 18,797 service-based RSUs and 23,613 market-based RSUs. Mr. Dittrich was awarded 14,098 service-based RSUs. The service-based and market-based RSUs had a weighted average grant date fair value of $10.64 per share and $8.47 per share, respectively. The service-based RSUs will vest in equal annual installments on each of the first three anniversaries of the grant date, subject to acceleration or forfeiture. The market-based RSUs will vest in three equal annual installments on the later of the anniversary of the award date and the date of the satisfaction of certain performance criteria, in each case, on the first, second and third anniversaries of the award, subject to acceleration or forfeiture. The performance criteria for the market-based RSUs is satisfied on the date on which the sum of (a) the average price per share for the consecutive 20 trading-day period ending on such date plus (b) the amount of all reinvested dividends, calculated on a per-share basis from the date of grant through such date, equals or exceeds 125% of the price per share on the date of grant (the “Performance Goal”). The Performance Goal must be attained no later than the fourth anniversary of the grant date; otherwise, the market-based RSUs expire.

In determining the awards for our named executive officers, the Compensation Committee considered the valuable and substantial contributions they had made to achieving Front Yard's strategic objectives, the importance to us of retaining and incentivizing them and the analysis prepared by F.W. Cook comparing our compensation structure to those of companies in the industry in which Front Yard competes.

Termination or Change in Control

As discussed below under "Executive Compensation - Potential Payments Upon Termination or Change in Control," the Company has entered into change in control severance agreements with our named executive officers pursuant to which each executive is entitled to certain severance payments and benefits if an executive has a qualifying termination (without "cause" or with "good reason") within two years following a change in control. Additionally, under AAMC’s employment arrangements with Mr. Lubin, in the event that his employment is terminated by AAMC without “cause,” he would be entitled to certain severance benefits, which would be reimbursed by us. Pursuant to each of the NEO Equity Award Agreements, the executives would be entitled to pro-rata vesting upon a qualifying termination not in connection with a change in control and full vesting upon a qualifying termination in connection with a change in control (the latter, consistent with the treatment in the change in control severance agreements). We believe these payments, which provide a level of financial security following a loss of employment, are important to attract and retain our executives. In the context of a change in control, these payments also serve to align the interests of our executives with the interests of our shareholders by providing incentives for retention, for business continuity purposes.

Clawback Policy

The Company has a clawback policy that applies to all equity awards upon an accounting restatement due to the material noncompliance of the Company.

Supplementary Compensation Disclosure

During 2018, base salary and annual incentive compensation paid by AAMC to its employees who are our named executive officers, other than Mr. Lubin, totaled $2,459,385 in the aggregate, or approximately 16.7% of the management fees of $14,742,991 paid by us to AAMC. Of the $2,459,385 paid by AAMC to its employees who are our named executive officers, 62.6% or $1,539,385 was paid as base salary and 37.4% or $920,000 was paid in the form of annual cash incentive compensation. None of these amounts, other than amounts paid to Mr. Lubin, are reimbursed or paid by Front Yard, as they are solely covered by the base management fee paid to AAMC.

Under AAMC’s annual cash incentive compensation plan, AAMC employees who are our named executive officers can earn cash incentive compensation awards as determined by the AAMC Compensation Committee. The AAMC Compensation Committee and AAMC management have the authority to establish incentive compensation award guidelines. Each named executive officer has a targeted annual cash incentive award that is expressed as a percentage of his or her annual cash total target compensation. In 2018, 42-62% of total annual cash target compensation was payable to AAMC’s named executive officers only upon achievement of certain scorecard and individual performance levels. The appropriate targeted percentage varies based upon the nature and scope of each named executive officer’s responsibilities.

AAMC’s annual incentive-based cash compensation is structured to motivate executives to achieve pre-established key performance indicators by rewarding the executives for such achievement. AAMC seeks to accomplish this by utilizing a balanced scorecard methodology that incorporates multiple financial and non-financial performance indicators developed through its annual strategic planning process. A corporate scorecard is approved by the AAMC Compensation Committee and/or the full AAMC board of directors and is utilized by the AAMC Compensation Committee as a factor to determine the appropriate amount of incentive compensation to be paid to AAMC employees who are our named executive officers.

For 2018, AAMC’s corporate scorecard remained substantially unchanged from the corporate scorecard approved by AAMC’s Board of Directors in 2017, with the exception of certain performance goals that were adjusted to reflect updated 2018 strategic objectives following the goals that had been achieved in 2017, based in substantial part on the corporate goals that were most important to Front Yard as its primary client.

The corporate scorecard for 2018 for matters related to Front Yard and its performance is detailed below:

	Goal/Strategic Initiative	Metric	Performance Goals	Performance Goal Achievement
1.	Maintain financing arrangements/ensure adequate liquidity	Financing facilities and available liquidity for Front Yard are sufficient to support business objectives	Push out maturities of financing; fix interest rates where appropriate/beneficial; increase and/or stabilize funding capacity	Weighted average debt maturity increased to 5.5 years at December 31, 2018 compared to 3.5 years at December 31, 2017; 87% of debt had fixed or capped rates at December 31, 2018 compared to 64% at December 31, 2017. New10 year Freddie Mac $509 million term loan with 4.65% fixed rate. Refinanced prior $489 million loan into a $505 million loan using same collateral with Morgan Stanley at 148.5bps lower credit spread.
2.	Increase rental homes under management for Front Yard at appropriate yields	Increase number of homes in Front Yard's rental portfolio. Maximize the number of purchased/rented homes based on market opportunities	Meaningfully increase the size of Front Yard's rental portfolio through purchase of rental homes at appropriate yields	Stabilized rental portfolio of 14,383 homes, up 23% over December 31, 2017. Increased rental revenue by 48% over the full year 2017 to $183.0 million for the year ended December 31, 2018.
3.	Improve Front Yard's stabilized rental home operating metrics	Continue to improve Front Yard's operating metrics to be in line with or exceed single-family rental competitors	Achieve or exceed industry standard operating metrics for Stabilized Rental Net Operating Income ("Stabilized Rental NOI") and Stabilized Rental NOI Margin	Achieved and improved target Stabilized Rental Net Operating Income and Stabilized Rental NOI Margin before acquisition of HavenBrook

				Partners, LLC. Maintained strong stabilized rental operating metrics during transition of property management to internal platform in second half of 2018.
4.	Maintain appropriate capital markets flow	Continue to complete sales of non-rental assets to recycle liquidity and improve Front Yard's purchasing power; complete and/or collapse securitizations as appropriate	Continue sales of remaining non-rental real-estate owned ("REO") properties to dispose of legacy assets and generate liquidity for purchases of stabilized single-family rental properties	Sold 386 legacy REO properties, reducing the portfolio of legacy REO properties by 79% to 104 at December 31, 2018 from 490 at December 31, 2017

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Goal/Strategic Initiative	Metric	Performance Goals	Performance Goal Achievement
5. Individual performance - personal evaluation	Efforts to grow revenue and improve profitability, reduce costs, identify and prevent litigation, own and articulate vision, build corporate culture and morale, decision making, succession planning, diagnose problems and identify solutions, maintain effective processes	Per individual	To be determined by Compensation Committee with recommendation of CEO for all but himself

The components related to Front Yard in each scorecard are weighted based on relevance to Front Yard's ultimate performance and the achievement of its corporate strategy.

The scorecards are communicated to all incentive eligible executives by the executive's immediate supervisor, which in the case of all of Front Yard's named executive officers other than Mr. Ellison is the Chief Executive Officer. This incentive compensation structure is intended to align the goals of our incentive eligible employees with the overall success of AAMC and Front Yard, as AAMC's primary client, while establishing clear performance standards within their respective business or support units.

The 2018 personal scorecards for Mr. Ellison and each of Messrs. Lowe, Gray and Dittrich were based on the corporate scorecard goals set forth in the table above, separate AAMC corporate scorecard objectives and an evaluation of their individual performance and leadership as a whole. Each of the goals were weighed and applied by AAMC's Compensation Committee for each named executive officer in determining his performance against the goals on an overall basis, taking into consideration their individual performance and the industry compensation levels of the peers.

For our executives other than Mr. Ellison, Mr. Ellison presents performance appraisal scores to the Compensation Committee of AAMC and makes recommendations as to the incentive compensation for each such executive officer. Given the separate financial performance of AAMC in 2018, the AAMC Compensation Committee determined to keep flat or reduce the cash compensation payable to the AAMC named executive officers.

In determining to approve the cash incentive compensation for Mr. Lubin, the Front Yard Compensation Committee considered the valuable and substantial contributions he had made to Front Yard in 2018, the importance to us of retaining and incentivizing him, and the analysis prepared by F.W. Cook comparing the compensation structure for Mr. Lubin to those of companies in the industry in which Front Yard competes.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table discloses compensation received by our named executive officers for fiscal years 2016, 2017 and 2018. As described under “Compensation Discussion and Analysis” above, under the AMA, AAMC is responsible for the salary, benefits and other compensation of its employees who provide services to us but is entitled to reimbursement for the salary, benefits and other compensation attributable to Front Yard’s dedicated General Counsel, Mr. Lubin. Accordingly, the Summary Compensation Table below includes the salary, non-equity incentive compensation and other compensation for Front Yard’s dedicated General Counsel only. The RSUs and stock options awarded to each of our named executive officers pursuant to the 2016 Equity Incentive Plan are disclosed in the Summary Compensation Table.

Name and Principal Position	Year	Salary (1)	Stock Awards (2)	Non-Equity Incentive Compensation (1)	All Other Compensation (1)	Total
George G. Ellison, Chief Executive Officer	2018	$ —	$1,750,004	$ —	$ —	$1,750,004
	2017	—	1,700,006	—	—	1,700,006
	2016	—	1,196,774 (3)	—	—	1,196,774
Robin N. Lowe, Chief Financial Officer	2018	—	400,002	—	—	400,002
	2017	—	350,003	—	—	350,003
	2016	—	249,998	—	—	249,998
Stephen H. Gray, Chief Administrative Officer and Senior Counsel	2018	—	400,002	—	—	400,002
	2017	—	350,003	—	—	350,003
	2016	—	249,998	—	—	249,998
Michael G. Lubin, General Counsel and Corporate Secretary	2018	325,000	400,002	350,000	58,102 (4)	1,133,104
	2017	308,231	350,003	250,000	26,525 (4)	934,759
	2016	288,462	249,998	200,000	16,190 (4)	754,650
Rene Dittrich, Chief Accounting Officer	2018	—	150,003	—	—	150,003
	2017					