Table of Contents

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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2017
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File No. 001-35674

REALOGY HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

20-8050955

(I.R.S. Employer Identification Number)

Commission File No. 333-148153

REALOGY GROUP LLC

(Exact name of registrant as specified in its charter)

20-4381990

(I.R.S. Employer Identification Number)

Delaware

(State or other jurisdiction of incorporation or organization)

175 Park Avenue
Madison, NJ 07940

(Address of principal executive offices) (Zip Code)

(973) 407-2000

(Registrants' telephone number, including area code)

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Realogy Holdings Corp. Yes ☑ No ☐ Realogy Group LLC Yes ☐ No ☑

Indicate by check mark whether the Registrants have submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrants were required to submit and post such files).

Realogy Holdings Corp. Yes ☑ No ☐ Realogy Group LLC Yes ☑ No ☐

Indicate by check mark whether the Registrants are large accelerated filers, accelerated filers, non-accelerated filers, smaller reporting companies, or emerging growth companies. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer (Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company
Realogy Holdings Corp.	☑	☐	☐	☐	☐
Realogy Group LLC	☐	☐	☑	☐	☐

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

Indicate by check mark whether the Registrants are a shell company (as defined in Rule 12b-2 of the Exchange Act).

Realogy Holdings Corp. Yes ☐ No ☑ Realogy Group LLC Yes ☐ No ☑

There were 136,328,300 shares of Common Stock, $0.01 par value, of Realogy Holdings Corp. outstanding as of August 1, 2017.

TABLE OF CONTENTS

		Page
Introductory Note		1
Forward-Looking Statements		1
PART I	**FINANCIAL INFORMATION**	
Item 1.	Financial Statements	4
	Report of Independent Registered Public Accounting Firm for Realogy Holdings Corp.	4
	Report of Independent Registered Public Accounting Firm for Realogy Group LLC	5
	Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2017 and 2016	6
	Condensed Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2017 and 2016	7
	Condensed Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016	8
	Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2017 and 2016	9
	Notes to Condensed Consolidated Financial Statements	10
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	30
Item 3.	Quantitative and Qualitative Disclosures about Market Risks	50
Item 4.	Controls and Procedures	51
PART II	**OTHER INFORMATION**	53
Item 1.	Legal Proceedings	53
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	53
Item 6.	Exhibits	54
Signatures		55
Exhibit Index		56

INTRODUCTORY NOTE

Except as otherwise indicated or unless the context otherwise requires, the terms "we," "us," "our," "our company," "Realogy," "Realogy Holdings" and the "Company" refer to Realogy Holdings Corp., a Delaware corporation, and its consolidated subsidiaries, including Realogy Intermediate Holdings LLC, a Delaware limited liability company ("Realogy Intermediate"), and Realogy Group LLC, a Delaware limited liability company ("Realogy Group"). Neither Realogy Holdings, the indirect parent of Realogy Group, nor Realogy Intermediate, the direct parent company of Realogy Group, conducts any operations other than with respect to its respective direct or indirect ownership of Realogy Group. As a result, the consolidated financial positions, results of operations and cash flows of Realogy Holdings, Realogy Intermediate and Realogy Group are the same.

Realogy Holdings is not a party to the Senior Secured Credit Facility and Term Loan A Facility and certain references in this report to our consolidated indebtedness exclude Realogy Holdings with respect to indebtedness under the Senior Secured Credit Facility and Term Loan A Facility. In addition, while Realogy Holdings is a guarantor of Realogy Group's obligations under its unsecured notes, Realogy Holdings is not subject to the restrictive covenants in the indentures governing such indebtedness.

FORWARD-LOOKING STATEMENTS

Forward-looking statements included in this report and our other public filings or other public statements that we make from time to time are based on various facts and derived utilizing numerous important assumptions and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives, as well as projections of macroeconomic and industry trends, which are inherently unreliable due to the multiple factors that impact economic trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words "believes," "expects," "anticipates," "intends," "projects," "estimates," "plans," and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical facts. You should understand that the following important factors could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements:

- risks related to general business, economic, employment and political conditions and the U.S. residential real estate markets, either regionally or nationally, including but not limited to:
  - a lack of improvement or a decline in the number of homesales, stagnant or declining home prices and/or a deterioration in other economic factors that particularly impact the residential real estate market and the business segments in which we operate;
  - increasing mortgage rates and/or constraints on the availability of mortgage financing;
  - insufficient or excessive home inventory levels by market and price point;
  - a decrease in consumer confidence;
  - the impact of recessions, slow economic growth, disruptions in the U.S. government or banking system, disruptions in a major geoeconomic region, or equity or commodity markets and high levels of unemployment in the U.S. and abroad, which may impact all or a portion of the housing markets in which we and our franchisees operate;
  - legislative, tax or regulatory changes (including changes in regulatory interpretations or enforcement practices) that would adversely impact the residential real estate market, including changes relating to the Real Estate Settlement Procedures Act ("RESPA"), potential reforms of Fannie Mae and Freddie Mac, immigration reform, and potential tax code reform;
  - a decrease in housing affordability due to higher mortgage rates and increases in average homesale prices;
  - high levels of foreclosure activity;
  - changing attitudes towards home ownership, particularly among potential first-time homebuyers who may delay, or decide not to, purchase a home, as well as the potential impact of decisions to rent versus purchase a home; and

  - the inability or unwillingness of current homeowners to purchase their next home due to various factors, including limited or negative equity in their current home, difficult mortgage underwriting standards, attractive rates on existing mortgages and the lack of available inventory in their market;
- increased competition whether through traditional competitors or competitors with alternative business models (such as flat fee, capped fee or desk fee models) including companies employing technologies intended to disrupt the traditional brokerage model, as well as eliminating brokers or agents from, or minimizing the role they play in, the homesale transaction, such as reducing brokerage commissions;
- competition for more productive sales associates, sales associate teams, and manager talent may continue to impact the ability of our company owned brokerage business and our affiliated franchisees to attract and retain independent sales associates, either individually or as members of a team, without significantly impacting the commission split rates currently paid by our company owned brokerages and our affiliated franchisees;
- our geographic and high-end market concentration, particularly with respect to our company owned brokerage operations;
- our inability to enter into franchise agreements with new franchisees at current net effective royalty rates, or to realize royalty revenue growth from them;
- our inability to renew existing franchise agreements at current net effective royalty rates or without increasing the amount and prevalence of non-standard incentives, or to maintain or enhance our value proposition to franchisees;
- the lack of revenue growth or declining profitability of our franchisees and company owned brokerage operations, including the impact of lower average broker commission rates;
- disputes or issues with entities that license us their tradenames for use in our business that could impede our franchising of those brands;
- actions by our franchisees that could harm our business or reputation, non-performance of our franchisees, controversies with our franchisees or actions against us by their independent sales associates or employees or third parties with which our franchisees have business relationships;
- loss, attrition or changes among our senior executives, other key employees or our inability to recruit top talent;
- our inability to achieve or maintain cost savings and other benefits from our restructuring activities;
- our inability to realize the benefits from acquisitions due to the loss of key personnel or productive agents of the acquired companies, as well as the possibility that expected benefits and synergies of the transactions may not be achieved in a timely manner or at all;
- our failure or alleged failure to comply with laws, regulations and regulatory interpretations and any changes in laws and regulations or stricter interpretations of regulatory requirements, including but not limited to (1) state or federal employment laws or regulations that would require reclassification of independent contractor sales associates to employee status, (2) RESPA or state consumer protection or similar laws and (3) privacy or data security laws and regulations;
- any adverse resolution of litigation, governmental or regulatory proceedings or arbitration awards as well as any adverse impact of decisions to voluntarily modify business arrangements or enter into settlement agreements to avoid the risk of protracted and costly litigation or other proceedings;
- our inability to obtain new technologies and systems, to replace or introduce new technologies and systems as quickly as our competitors and in a cost-effective manner or to achieve the benefits anticipated from new technologies or systems;
- the failure or significant disruption of our operations from various causes related to our critical information technologies and systems including the increasing level of cybersecurity threats to our data and customer, franchisee and independent sales associate data as well as reputational or financial risks associated with a loss of any such data or diversion of homesale transaction closing funds;
- risks related to our international operations, including compliance with the Foreign Corrupt Practices Act and similar anti-corruption laws as well as risks relating to the master franchisor model that we deploy internationally;
- risks associated with our substantial indebtedness and interest obligations and restrictions contained in our debt agreements, including risks relating to having to dedicate a significant portion of our cash flows from operations to service our debt;
- risks relating to our ability to refinance or repay our indebtedness, incur additional indebtedness or return capital to stockholders;

- changes in corporate relocation practices resulting in fewer employee relocations, reduced relocation benefits or the loss of one or more significant affinity clients;
- an increase in the claims rate of our title underwriter and an increase in mortgage rates could adversely impact the revenue of our title and settlement services segment;
- our inability to securitize certain assets of our relocation business, which would require us to find an alternative source of liquidity that may not be available, or if available, may not be on favorable terms;
- risks that could materially adversely impact our equity investment in our mortgage origination joint venture, including increases in mortgage rates, the impact of joint venture operational or liquidity risks, the impact of a transition from our current joint venture to our new joint venture, regulatory changes, litigation, investigations and inquiries or any termination of the venture;
- any remaining resolutions or outcomes with respect to contingent liabilities of our former parent, Cendant Corporation ("Cendant"), under the Separation and Distribution Agreement and the Tax Sharing Agreement (each as described in our Annual Report on Form 10-K for the year ended December 31, 2016, the "2016 Form 10-K"), including any adverse impact on our future cash flows; and
- new types of taxes or increases in state, local or federal taxes that could diminish profitability or liquidity.

Other factors not identified above, including those described under the headings "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2016 Form 10-K, filed with the Securities and Exchange Commission ("SEC"), may also cause actual results to differ materially from those described in our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control. You should consider these factors in connection with any forward-looking statements that may be made by us and our businesses generally.

Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law. For any forward-looking statement contained in this Report, our public filings or other public statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Realogy Holdings Corp.:

We have reviewed the accompanying condensed consolidated balance sheet of Realogy Holdings Corp. and its subsidiaries as of June 30, 2017, and the related condensed consolidated statements of operations and comprehensive income for the three-month and six-month periods ended June 30, 2017 and 2016 and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2017 and 2016. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the year then ended (not presented herein), and in our report dated February 24, 2017, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet information as of December 31, 2016, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP
Florham Park, NJ
August 3, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of Realogy Group LLC:

We have reviewed the accompanying condensed consolidated balance sheet of Realogy Group LLC and its subsidiaries as of June 30, 2017, and the related condensed consolidated statements of operations and comprehensive income for the three-month and six-month periods ended June 30, 2017 and 2016 and the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2017 and 2016. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) or in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial information for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of December 31, 2016, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for the year then ended (not presented herein), and in our report dated February 24, 2017, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet information as of December 31, 2016, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/ PricewaterhouseCoopers LLP
Florham Park, NJ
August 3, 2017

REALOGY HOLDINGS CORP. AND REALOGY GROUP LLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Revenues				
Gross commission income	$ 1,374	$ 1,251	$ 2,255	$ 2,077
Service revenue	255	252	449	442
Franchise fees	110	104	185	173
Other	54	55	107	104
Net revenues	1,793	1,662	2,996	2,796
Expenses				
Commission and other agent-related costs	970	864	1,575	1,422
Operating	385	391	768	758
Marketing	70	65	132	123
General and administrative	98	70	187	156
Former parent legacy (benefit) cost, net	(11)	—	(11)	1
Restructuring costs	2	12	7	21
Depreciation and amortization	49	48	99	96
Interest expense, net	47	59	86	132
Loss on the early extinguishment of debt	—	—	4	—
Total expenses	1,610	1,509	2,847	2,709
Income before income taxes, equity in (earnings) losses and noncontrolling interests	183	153	149	87
Income tax expense	73	64	64	40
Equity in (earnings) losses of unconsolidated entities	—	(5)	3	(5)
Net income	110	94	82	52
Less: Net income attributable to noncontrolling interests	(1)	(2)	(1)	(2)
Net income attributable to Realogy Holdings and Realogy Group	$ 109	$ 92	$ 81	$ 50
Earnings per share attributable to Realogy Holdings:				
Basic earnings per share	$ 0.79	$ 0.63	$ 0.58	$ 0.34
Diluted earnings per share	$ 0.78	$ 0.63	$ 0.58	$ 0.34
Weighted average common and common equivalent shares of Realogy Holdings outstanding:				
Basic	137.6	145.5	138.6	146.0
Diluted	138.9	146.7	139.9	147.2
Cash dividends declared per share (beginning in August 2016)	$ 0.09	$ —	$ 0.18	$ —

See Notes to Condensed Consolidated Financial Statements.

REALOGY HOLDINGS CORP. AND REALOGY GROUP LLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	$ 110	$ 94	$ 82	$ 52
Currency translation adjustment	1	(3)	2	(3)
Defined benefit pension plan - amortization of actuarial loss to periodic pension cost	—	1	—	1
Other comprehensive income (loss), before tax	1	(2)	2	(2)
Income tax expense related to items of other comprehensive income	—	—	—	—
Other comprehensive income (loss), net of tax	1	(2)	2	(2)
Comprehensive income	111	92	84	50
Less: comprehensive income attributable to noncontrolling interests	(1)	(2)	(1)	(2)
Comprehensive income attributable to Realogy Holdings and Realogy Group	$ 110	$ 90	$ 83	$ 48

See Notes to Condensed Consolidated Financial Statements.

REALOGY HOLDINGS CORP. AND REALOGY GROUP LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In millions, except share data)
(Unaudited)

	June 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 219	$ 274
Trade receivables (net of allowance for doubtful accounts of $11 and $13)	178	152
Relocation receivables	292	244
Other current assets	172	148
Total current assets	861	818
Property and equipment, net	267	267
Goodwill	3,694	3,690
Trademarks	748	748
Franchise agreements, net	1,327	1,361
Other intangibles, net	297	313
Other non-current assets	232	224
Total assets	$ 7,426	$ 7,421
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 170	$ 140
Securitization obligations	223	205
Due to former parent	17	28
Current portion of long-term debt	237	242
Accrued expenses and other current liabilities	423	435
Total current liabilities	1,070	1,050
Long-term debt	3,246	3,265
Deferred income taxes	446	389
Other non-current liabilities	241	248
Total liabilities	5,003	4,952
Commitments and contingencies (Notes 8 and 10)		
Equity:		
Realogy Holdings preferred stock: $.01 par value; 50,000,000 shares authorized, none issued and outstanding at June 30, 2017 and December 31, 2016	—	—
Realogy Holdings common stock: $.01 par value; 400,000,000 shares authorized, 136,779,155 shares issued and outstanding at June 30, 2017 and 140,227,692 shares issued and outstanding at December 31, 2016	1	1
Additional paid-in capital	5,438	5,565
Accumulated deficit	(2,981)	(3,062)
Accumulated other comprehensive loss	(38)	(40)
Total stockholders' equity	2,420	2,464
Noncontrolling interests	3	5
Total equity	2,423	2,469
Total liabilities and equity	$ 7,426	$ 7,421

See Notes to Condensed Consolidated Financial Statements.

REALOGY HOLDINGS CORP. AND REALOGY GROUP LLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)
(Unaudited)

	Six Months Ended June 30,	
	2017	**2016**
Operating Activities		
Net income	$ 82	$ 52
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	99	96
Deferred income taxes	57	33
Amortization of deferred financing costs and discount	8	8
Loss on the early extinguishment of debt	4	—
Equity in (earnings) losses of unconsolidated entities	3	(5)
Stock-based compensation	25	25
Mark-to-market adjustments on derivatives	5	45
Other adjustments to net income	(1)	(3)
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Trade receivables	(26)	(33)
Relocation receivables	(47)	(79)
Other assets	(29)	(14)
Accounts payable, accrued expenses and other liabilities	22	(18)
Due to former parent	(11)	1
Dividends received from unconsolidated entities	2	1
Other, net	(7)	(6)
Net cash provided by operating activities	186	103
Investing Activities		
Property and equipment additions	(48)	(40)
Payments for acquisitions, net of cash acquired	(4)	(15)
Investment in unconsolidated entities	(3)	—
Change in restricted cash	—	1
Other, net	(1)	(4)
Net cash used in investing activities	(56)	(58)
Financing Activities		
Net change in revolving credit facility	(10)	(200)
Amortization payments on term loan facilities	(21)	(20)
Proceeds from issuance of Senior Notes	—	750
Redemption of Senior Notes	—	(500)
Net change in securitization obligations	18	34
Debt issuance costs	(6)	(7)
Repurchase of common stock	(121)	(67)
Dividends paid on common stock	(25)	—
Proceeds from exercise of stock options	3	1
Taxes paid related to net share settlement for stock-based compensation	(10)	(5)
Payments of contingent consideration related to acquisitions	(4)	(10)
Other, net	(10)	(12)
Net cash used in financing activities	(186)	(36)
Effect of changes in exchange rates on cash and cash equivalents	1	(1)
Net (decrease) increase in cash and cash equivalents	(55)	8
Cash and cash equivalents, beginning of period	274	415
Cash and cash equivalents, end of period	$ 219	$ 423
Supplemental Disclosure of Cash Flow Information		
Interest payments (including securitization interest of $3 for both periods presented)	$ 86	$ 86
Income tax payments, net	8	7

See Notes to Condensed Consolidated Financial Statements.

REALOGY HOLDINGS CORP. AND REALOGY GROUP LLC
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unless otherwise noted, all amounts are in millions)
(Unaudited)

1. BASIS OF PRESENTATION

Realogy Holdings Corp. ("Realogy Holdings", "Realogy" or the "Company") is a holding company for its consolidated subsidiaries including Realogy Intermediate Holdings LLC ("Realogy Intermediate") and Realogy Group LLC ("Realogy Group") and its consolidated subsidiaries. Realogy, through its subsidiaries, is a global provider of residential real estate services. Neither Realogy Holdings, the indirect parent of Realogy Group, nor Realogy Intermediate, the direct parent company of Realogy Group, conducts any operations other than with respect to its respective direct or indirect ownership of Realogy Group. As a result, the consolidated financial positions, results of operations, comprehensive income and cash flows of Realogy Holdings, Realogy Intermediate and Realogy Group are the same.

The accompanying Condensed Consolidated Financial Statements include the financial statements of Realogy Holdings and Realogy Group. Realogy Holdings' only asset is its investment in the common stock of Realogy Intermediate, and Realogy Intermediate's only asset is its investment in Realogy Group. Realogy Holdings' only obligations are its guarantees of certain borrowings and certain franchise obligations of Realogy Group. All expenses incurred by Realogy Holdings and Realogy Intermediate are for the benefit of Realogy Group and have been reflected in Realogy Group's Condensed Consolidated Financial Statements.

The Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and with Article 10 of Regulation S-X. Interim results may not be indicative of full year performance because of seasonal and short-term variations. The Company has eliminated all material intercompany transactions and balances between entities consolidated in these financial statements. In presenting the Condensed Consolidated Financial Statements, management makes estimates and assumptions that affect the amounts reported and the related disclosures. Estimates, by their nature, are based on judgment and available information. Accordingly, actual results could differ materially from those estimates.

In management's opinion, the accompanying unaudited Condensed Consolidated Financial Statements reflect all normal and recurring adjustments necessary for a fair statement of Realogy Holdings and Realogy Group's financial position as of June 30, 2017 and the results of operations and comprehensive income for the three and six months ended June 30, 2017 and 2016 and cash flows for the six months ended June 30, 2017 and 2016. The Consolidated Balance Sheet at December 31, 2016 was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements. The Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in the Annual Report on Form 10-K for the year ended December 31, 2016.

Fair Value Measurements

The following tables present the Company’s assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy. The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value.

Level Input:	Input Definitions:
Level I	Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
Level II	Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.
Level III	Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The availability of observable inputs can vary from asset to asset and is affected by a wide variety of factors, including, for example, the type of asset, whether the asset is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level III. In certain cases, the

inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair value of financial instruments is generally determined by reference to quoted market values. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques, as appropriate. The fair value of interest rate swaps is determined based upon a discounted cash flow approach.

The Company measures financial instruments at fair value on a recurring basis and recognizes transfers within the fair value hierarchy at the end of the fiscal quarter in which the change in circumstances that caused the transfer occurred.

The following table summarizes fair value measurements by level at June 30, 2017 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Interest rate swaps (included in other current and non-current liabilities)	$ —	$ 28	$ —	$ 28
Deferred compensation plan assets (included in other non-current assets)	3	—	—	3
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and non-current liabilities)	—	—	44	44

The following table summarizes fair value measurements by level at December 31, 2016 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Interest rate swaps (included in other non-current liabilities)	$ —	$ 33	$ —	$ 33
Deferred compensation plan assets (included in other non-current assets)	3	—	—	3
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and non-current liabilities)	—	—	50	50

The fair value of the Company's contingent consideration for acquisitions is measured using a probability weighted-average discount rate to estimate future cash flows based upon the likelihood of achieving future operating results for individual acquisitions. These assumptions are deemed to be unobservable inputs and as such the Company's contingent consideration is classified within Level III of the valuation hierarchy. The Company reassesses the fair value of the contingent consideration liabilities on a quarterly basis.

The following table presents changes in Level III financial liabilities measured at fair value on a recurring basis:

	Level III
Fair value of contingent consideration at December 31, 2016	$ 50
Additions: contingent consideration related to acquisitions completed during the period	—
Reductions: payments of contingent consideration (reflected in the financing section of the Consolidated Statement of Cash Flows)	(4)
Changes in fair value (reflected in the Consolidated Statement of Operations)	(2)
Fair value of contingent consideration at June 30, 2017	$ 44

The following table summarizes the principal amount of the Company's indebtedness compared to the estimated fair value, primarily determined by quoted market values, at:

	June 30, 2017		December 31, 2016	
Debt	Principal Amount	Estimated Fair Value (a)	Principal Amount	Estimated Fair Value (a)
Senior Secured Credit Facility:				
Revolving Credit Facility	$ 190	$ 190	$ 200	$ 200
Term Loan B	1,089	1,094	1,094	1,100
Term Loan A Facility:				
Term Loan A	402	403	413	414
Term Loan A-1	346	347	351	351
4.50% Senior Notes	450	464	450	461
5.25% Senior Notes	550	576	550	562
4.875% Senior Notes	500	503	500	483
Securitization obligations	223	223	205	205

(a) During the second quarter 2017, the Company reclassified its Indebtedness from Level 1 to Level 2 as transactions in these securities did not occur with sufficient frequency and volume to constitute an active market.

Investment in PHH Home Loans

The Company owns 49.9% of PHH Home Loans, a mortgage origination venture formed in 2005 created for the purpose of originating and selling mortgage loans primarily sourced through the Company's real estate brokerage and relocation businesses. PHH Corporation ("PHH") owns the remaining percentage.

In connection with the joint venture, the Company recorded no earnings related to its equity investment in PHH Home Loans for the three months ended June 30, 2017 and $4 million in losses related to its equity investment in PHH Home Loans for the six months ended June 30, 2017. The Company recorded $3 million equity in earnings for both the three and six months ended June 30, 2016. The Company received no cash dividends from PHH Home Loans during both the six months ended June 30, 2017 and June 30, 2016. The Company's investment in PHH Home Loans was $55 million at June 30, 2017 and $59 million at December 31, 2016.

On February 15, 2017, Realogy announced that it and Guaranteed Rate, Inc. ("Guaranteed Rate") agreed to form a new joint venture, Guaranteed Rate Affinity, LLC ("Guaranteed Rate Affinity"), which is expected to begin doing business in August 2017. Commencement of operations is subject to the closing of the transactions contemplated by an asset purchase agreement under which Guaranteed Rate Affinity will acquire certain assets of the mortgage operations of PHH Home Loans, the existing joint venture between Realogy and PHH Mortgage Corporation. The asset purchase agreement and the movement of employees from the existing joint venture to the new joint venture is expected to be completed in a series of phases, with the first phase expected to occur in August 2017 and the remaining phases expected to be completed by the end of 2017.

Income Taxes

The Company's provision for income taxes in interim periods is computed by applying its estimated annual effective tax rate against the income before income taxes for the period. In addition, non-recurring or discrete items are recorded in the period in which they occur. The provision for income taxes was an expense of $73 million and $64 million for the three months ended June 30, 2017 and June 30, 2016, respectively, and an expense of $64 million and $40 million for the six months ended June 30, 2017 and June 30, 2016, respectively.

Derivative Instruments

The Company records derivatives and hedging activities on the balance sheet at their respective fair values. The Company uses foreign currency forward contracts largely to manage its exposure to changes in foreign currency exchange rates associated with its foreign currency denominated receivables and payables. The Company primarily manages its foreign currency exposure to the British Pound, Euro, Swiss Franc and Canadian Dollar. The Company has not elected to utilize hedge accounting for these forward contracts; therefore, any change in fair value is recorded in the Condensed Consolidated Statements of Operations. However, the fluctuations in the value of these forward contracts generally offset

the impact of changes in the value of the underlying risk that they are intended to economically hedge. As of June 30, 2017, the Company had outstanding foreign currency forward contracts with a fair value of less than $1 million and a notional value of $30 million. As of December 31, 2016, the Company had outstanding foreign currency forward contracts with a fair value of $2 million and a notional value of $29 million.

The Company also enters into interest rate swaps to manage its exposure to changes in interest rates associated with its variable rate borrowings. The Company has interest rate swaps with an aggregate notional value of $1,475 million to offset the variability in cash flows resulting from the term loan facilities as follows:

Notional Value (in millions)	Commencement Date	Expiration Date
$225	July 2012	February 2018
$200	January 2013	February 2018
$600	August 2015	August 2020
$450	November 2017	November 2022

The swaps help to protect our outstanding variable rate borrowings from future interest rate volatility. The Company has not elected to utilize hedge accounting for these interest rate swaps; therefore, any change in fair value is recorded in the Condensed Consolidated Statements of Operations.

The fair value of derivative instruments was as follows:

Liability Derivatives		Fair Value	
Not Designated as Hedging Instruments	Balance Sheet Location	June 30, 2017	December 31, 2016
Interest rate swap contracts	Other current and non-current liabilities	$ 28	$ 33

The effect of derivative instruments on earnings was as follows:

		Loss Recognized on Derivatives			
		Three Months Ended June 30,		Six Months Ended June 30,	
Derivative Instruments Not Designated as Hedging Instruments	Location of Loss Recognized for Derivative Instruments	2017	2016	2017	2016
Interest rate swap contracts	Interest expense	$ 5	$ 14	$ 4	$ 45
Foreign exchange contracts	Operating expense	1	—	1	—

Restricted Cash

Restricted cash primarily relates to amounts specifically designated as collateral for the repayment of outstanding borrowings under the Company's securitization facilities. Such amounts approximated $7 million at both June 30, 2017 and December 31, 2016 and are primarily included within other current assets on the Company's Condensed Consolidated Balance Sheets.

Supplemental Cash Flow Information

Significant non-cash transactions during the six months ended June 30, 2017 and June 30, 2016 included capital lease additions of $8 million and $7 million, respectively, which resulted in non-cash additions to property and equipment, net and other non-current liabilities.

Stock Repurchases

The Company may repurchase shares of its common stock under authorizations made from its Board of Directors. Shares repurchased are retired and not displayed separately as treasury stock on the consolidated financial statements. The par value of the shares repurchased and retired is deducted from common stock and the excess of the purchase price over par value is first charged against any available additional paid-in capital with the balance charged to retained earnings. Direct costs incurred to repurchase the shares are included in the total cost of the shares.

In February 2016, the Company's Board of Directors authorized a share repurchase program of up to $275 million of the Company's common stock. In February 2017, the Company's Board of Directors authorized a new share repurchase program of up to an additional $300 million of the Company's common stock.

As of June 30, 2017, the Company had repurchased and retired 11.2 million shares of common stock for an aggregate of $275 million under the February 2016 share repurchase program and $44 million under the February 2017 share repurchase

program at a total weighted average market price of $28.33 per share, including 1.9 million shares of common stock repurchased during the second quarter of 2017 for $60 million at a weighted average market price of $30.22 per share. As of June 30, 2017, approximately $256 million of authorization remains available for the repurchase of shares under the February 2017 share repurchase program.

Dividend Policy

In August 2016, the Company's Board of Directors approved the initiation of a quarterly cash dividend policy of $0.09 per share on its common stock. The Board declared and paid a quarterly cash dividend of $0.09 per share of the Company's common stock during both the first and second quarter of 2017.

The declaration and payment of any future dividend will be subject to the discretion of the Board of Directors and will depend on a variety of factors, including the Company's financial condition and results of operations, contractual restrictions, including restrictive covenants contained in the Company's credit agreements, and the indentures governing the Company's outstanding debt securities, capital requirements and other factors that the Board of Directors deems relevant.

Pursuant to the Company's policy, the dividends payable in cash are treated as a reduction of additional paid-in capital since the Company is currently in a retained deficit position.

Recently Issued Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on our consolidated financial position or results of operations.

In August 2016, the FASB issued a new standard on classification of cash receipts and payments on the statement of cash flows intending to reduce diversity in practice on how certain transactions are classified. In addition, in November 2016, the FASB issued a new standard requiring that the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The new standards are effective for annual periods beginning after December 15, 2017 and will require a retrospective application at the beginning of the earliest comparative period presented in the year of adoption. The Company plans to early adopt the new standard in the fourth quarter of 2017. The Company expects there to be reclassifications between cash flow categories, but no net cash impact to its Condensed Consolidated Statement of Cash Flows.

In February 2016, the FASB issued its new standard on leases which requires virtually all leases to be recognized on the balance sheet. Lessees will recognize a right-of-use asset and a lease liability for all leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance leases. Operating leases will result in straight-line expense, similar to current operating leases, while finance leases will result in a front-loaded expense pattern, similar to current capital leases. Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. The new standard is effective for annual periods beginning after December 15, 2018. Early adoption is permitted. The new leasing standard requires modified retrospective transition, which requires application of the new guidance at the beginning of the earliest comparative period presented in the year of adoption. The Company is currently evaluating the impact of the standard on its consolidated financial statements and is in the process of implementing a new lease management system.

In May 2014, the FASB issued a standard on revenue recognition that will impact most companies to some extent. The objective of the revenue standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. The revenue standard contains principles that an entity will apply to determine the measurement of revenue and the timing of revenue recognition. The new standard permits for two alternative implementation methods, the use of either (1) full retrospective application to each prior reporting period presented or (2) modified retrospective application in which the cumulative effect of initially applying the revenue standard is recognized as an adjustment to the opening balance of retained earnings in the period of adoption. The Company plans to adopt the new standard in the first quarter of 2018 using the modified retrospective transition method. The Company has made progress on redrafting its revenue recognition accounting policies affected by

the standard, assessing the redesign of internal controls, as well as evaluating the expanded disclosure requirements. After a review of the Company's revenue streams, the Company does not expect the new standard to have a material impact on financial results as the majority of the Company's revenue is recognized at the completion of a homesale transaction which will not result in a change in the timing of recognition of revenue transactions under the new revenue recognition guidance.

2. ACQUISITIONS

2017 Acquisitions

During the six months ended June 30, 2017, the Company acquired seven real estate brokerage operations through its wholly owned subsidiary, NRT, for aggregate cash consideration of $4 million. These acquisitions resulted in goodwill of $3 million and other intangibles of $1 million.

None of the 2017 acquisitions were significant to the Company’s results of operations, financial position or cash flows individually or in the aggregate.

2016 Acquisitions

During the year ended December 31, 2016, the Company acquired eleven real estate brokerage and property management operations through its wholly owned subsidiary, NRT, for aggregate cash consideration of $74 million and established $9 million of contingent consideration. These acquisitions resulted in goodwill of $52 million, customer relationships of $20 million, pendings and listings of $6 million, other intangible assets of $3 million, other assets of $5 million and other liabilities of $3 million.

During the year ended December 31, 2016, the Company acquired one title and settlement operation through its wholly owned subsidiary, TRG, for cash consideration of $24 million and established $10 million of contingent consideration. This acquisition resulted in goodwill of $20 million, title plant of $7 million, pendings of $5 million, trademarks of $3 million, other intangible assets of $2 million, other assets of $6 million and other liabilities of $9 million.

None of the 2016 acquisitions were significant to the Company’s results of operations, financial position or cash flows individually or in the aggregate.

3. INTANGIBLE ASSETS

Goodwill by segment and changes in the carrying amount are as follows:

	Real Estate Franchise Services	Company Owned Brokerage Services	Relocation Services	Title and Settlement Services	Total Company
Gross goodwill as of December 31, 2016	$ 3,315	$ 1,051	$ 641	$ 469	$ 5,476
Accumulated impairment losses	(1,023)	(158)	(281)	(324)	(1,786)
Balance at December 31, 2016	2,292	893	360	145	3,690
Goodwill acquired	—	4	—	—	4
Balance at June 30, 2017	$ 2,292	$ 897	$ 360	$ 145	$ 3,694

Intangible assets are as follows:

	As of June 30, 2017			As of December 31, 2016		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable—Franchise agreements (a)	$ 2,019	$ 692	$ 1,327	$ 2,019	$ 658	$ 1,361
Indefinite life—Trademarks (b)	$ 748		$ 748	$ 748		$ 748
Other Intangibles						
Amortizable—License agreements (c)	$ 45	$ 9	$ 36	$ 45	$ 9	$ 36
Amortizable—Customer relationships (d)	550	325	225	550	312	238
Indefinite life—Title plant shares (e)	18		18	18		18
Amortizable—Pendings and listings (f)	5	5	—	6	5	1
Amortizable—Other (g)	34	16	18	33	13	20
Total Other Intangibles	$ 652	$ 355	$ 297	$ 652	$ 339	$ 313

(a) Generally amortized over a period of 30 years.

(b) Primarily relates to the Century 21®, Coldwell Banker®, ERA®, Corcoran®, Coldwell Banker Commercial® and Cartus tradenames, which are expected to generate future cash flows for an indefinite period of time.

(c) Relates to the Sotheby's International Realty® and Better Homes and Gardens® Real Estate agreements which are being amortized over 50 years (the contractual term of the license agreements).

(d) Relates to the customer relationships at the Relocation Services segment, the Title and Settlement Services segment, the Real Estate Franchise Services segment and our Company Owned Real Estate Brokerage Services segment. These relationships are being amortized over a period of 2 to 20 years.

(e) Ownership in a title plant is required to transact title insurance in certain states. The Company expects to generate future cash flows for an indefinite period of time.

(f) Generally amortized over a period of 5 months.

(g) Consists of covenants not to compete which are amortized over their contract lives and other intangibles which are generally amortized over periods ranging from 5 to 10 years.

Intangible asset amortization expense is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Franchise agreements	$ 17	$ 17	$ 34	$ 34
License agreements	—	1	—	1
Customer relationships	7	6	13	13
Pendings and listings	—	2	1	2
Other	1	1	3	3
Total	$ 25	$ 27	$ 51	$ 53

Based on the Company's amortizable intangible assets as of June 30, 2017, the Company expects related amortization expense for the remainder of 2017, the four succeeding years and thereafter to be approximately $84 million, $80 million, $80 million, $93 million, $92 million and $1,177 million, respectively.

4. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of:

	June 30, 2017	December 31, 2016
Accrued payroll and related employee costs	$ 118	$ 138
Accrued volume incentives	29	40
Accrued commissions	49	31
Restructuring accruals	8	14
Deferred income	66	69
Accrued interest	12	13
Contingent consideration for acquisitions	19	24
Other	122	106
Total accrued expenses and other current liabilities	$ 423	$ 435

5. SHORT AND LONG-TERM DEBT

Total indebtedness is as follows:

	June 30, 2017	December 31, 2016
Senior Secured Credit Facility:		
Revolving Credit Facility	$ 190	$ 200
Term Loan B	1,067	1,069
Term Loan A Facility:		
Term Loan A	401	411
Term Loan A-1	343	347
4.50% Senior Notes	441	439
5.25% Senior Notes	545	545
4.875% Senior Notes	496	496
Total Short-Term & Long-Term Debt	$ 3,483	$ 3,507
Securitization obligations:		
Apple Ridge Funding LLC	$ 211	$ 192
Cartus Financing Limited	12	13
Total securitization obligations	$ 223	$ 205

Indebtedness Table

As of June 30, 2017, the Company's borrowing arrangements were as follows:

	Interest Rate	Expiration Date	Principal Amount	Unamortized Discount and Debt Issuance Costs	Net Amount
Senior Secured Credit Facility:					
Revolving Credit Facility (1)	(2)	October 2020	$ 190	$ *	$ 190
Term Loan B	(3)	July 2022	1,089	22	1,067
Term Loan A Facility:					
Term Loan A	(4)	October 2020	402	1	401
Term Loan A-1	(5)	July 2021	346	3	343
Senior Notes	4.50%	April 2019	450	9	441
Senior Notes	5.25%	December 2021	550	5	545
Senior Notes	4.875%	June 2023	500	4	496
Securitization obligations: (6)					
Apple Ridge Funding LLC (7)		June 2018	211	*	211
Cartus Financing Limited (8)		August 2017	12	*	12
Total (9)			$ 3,750	$ 44	$ 3,706

---

* The debt issuance costs related to our Revolving Credit Facility and securitization obligations are classified as a deferred financing asset within other assets.

(1) As of June 30, 2017, the Company had $1,050 million of borrowing capacity under its Revolving Credit Facility, leaving $860 million of available capacity. The revolving credit facility expires in October 2020, but is classified on the balance sheet as current due to the revolving nature of the facility. On August 1, 2017, the Company had $140 million in outstanding borrowings under the Revolving Credit Facility, leaving $910 million of available capacity.

(2) Interest rates with respect to revolving loans under the Senior Secured Credit Facility at June 30, 2017 are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(3) The Term Loan B provides for quarterly amortization payments totaling 1% per annum of the original principal amount. The interest rate with respect to term loans under the Term Loan B is based on, at the Company’s option, (a) adjusted LIBOR plus 2.25% (with a LIBOR floor of 0.75%) or (b) JPMorgan Chase Bank, N.A.’s prime rate ("ABR") plus 1.25% (with an ABR floor of 1.75%).

(4) The Term Loan A provides for quarterly amortization payments, which commenced March 31, 2016, totaling per annum 5%, 5%, 7.5%, 10.0% and 12.5% of the original principal amount of the Term Loan A in 2016, 2017, 2018, 2019 and 2020, respectively. The interest rates with respect to term loans under the Term Loan A are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(5) The Term Loan A-1 provides for quarterly amortization payments, which commenced on September 30, 2016, totaling per annum 2.5%, 2.5%, 5%, 7.5% and 10.0% of the original principal amount of the Term Loan A-1, with the last amortization payment made on June 30, 2021. The interest rates with respect to term loans under the Term Loan A-1 are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(6) Available capacity is subject to maintaining sufficient relocation related assets to collateralize these securitization obligations.

(7) In June 2017, Realogy Group extended the existing Apple Ridge Funding LLC securitization program utilized by Cartus until June 2018. As of June 30, 2017, the Company had $325 million of borrowing capacity under the Apple Ridge Funding LLC securitization program leaving $114 million of available capacity.

(8) Consists of a £10 million revolving loan facility and a £5 million working capital facility. As of June 30, 2017, the Company had $20 million of borrowing capacity under the Cartus Financing Limited securitization program leaving $8 million of available capacity.

(9) Not included in this table, the Company had $124 million of outstanding letters of credit at June 30, 2017 under the Unsecured Letter of Credit Facility with a weighted average rate of 2.93%. At June 30, 2017, the capacity of the facility was $131 million.

Maturities Table

As of June 30, 2017, the combined aggregate amount of maturities for long-term borrowings, excluding securitization obligations, for the remainder of 2017 and each of the next four years is as follows:

Year	Amount
Remaining 2017 (a)	$ 211
2018	57
2019	527
2020	356
2021	837

(a) The current portion of long-term debt consists of remaining 2017 amortization payments totaling $11 million, $4 million and $6 million for the Term Loan A, Term Loan A-1 and Term Loan B facilities, respectively, as well as $190 million of revolver borrowings under the revolving credit facility which expires in October 2020, but are classified on the balance sheet as current due to the revolving nature of the facility.

Senior Secured Credit Facility

In July 2016, the Company entered into a third amendment (the “Third Amendment”) to the Amended and Restated Credit Agreement, dated as of March 5, 2013, as amended. The Third Amendment replaced the $1,858 million Term Loan B due March 2020 with a new $1,100 million Term Loan B due July 20, 2022. In January 2017, the Company entered into a

fourth amendment (the “Fourth Amendment” to the Amended and Restated Credit Agreement, as so amended, the "Senior Secured Credit Agreement") that repriced the Term Loan B through a refinancing of the existing term loan with a new Term Loan B. The Fourth Amendment reduced the interest rate by 75 basis points but did not change the maturity date for the Term Loan B. The Company also entered into an Incremental Assumption Agreement to the Senior Secured Credit Agreement pursuant to which the Company increased the borrowing capacity under its Revolving Credit Facility to $1,050 million from the existing $815 million.

The Senior Secured Credit Agreement provides for:

(a) a Term Loan B issued in the original aggregate principal amount of $1,100 million with a maturity date of July 2022. The Term Loan B has quarterly amortization payments totaling 1% per annum of the initial aggregate principal amount. The interest rate with respect to term loans under the Term Loan B is based on, at Realogy Group's option, adjusted LIBOR plus 2.25% (with a LIBOR floor of 0.75%) or ABR plus 1.25% (with an ABR floor of 1.75%); and

(b) a $1,050 million Revolving Credit Facility with a maturity date of October 23, 2020, which includes (i) a $125 million letter of credit subfacility and (ii) a swingline loan subfacility. The interest rate with respect to revolving loans under the Revolving Credit Facility is based on, at Realogy Group's option, adjusted LIBOR or ABR plus an additional margin subject to the following adjustments based on the Company’s then current senior secured leverage ratio:

Senior Secured Leverage Ratio	**Applicable LIBOR Margin**	**Applicable ABR Margin**
Greater than 3.50 to 1.00	2.50%	1.50%
Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00	2.25%	1.25%
Less than 2.50 to 1.00	2.00%	1.00%

The Senior Secured Credit Agreement permits the Company to obtain up to $500 million of additional credit facilities from lenders reasonably satisfactory to the administrative agent and us, without the consent of the existing lenders under the new senior secured credit facility, plus an unlimited amount if Realogy Group's senior secured leverage ratio is less than 3.50 to 1.00 on a pro forma basis. Subject to certain restrictions, the Senior Secured Credit Agreement also permits us to issue senior secured or unsecured notes in lieu of any incremental facility.

The obligations under the Senior Secured Credit Agreement are secured to the extent legally permissible by substantially all of the assets of Realogy Group, Realogy Intermediate and all of their domestic subsidiaries, other than certain excluded subsidiaries.

Realogy Group’s Senior Secured Credit Agreement contains financial, affirmative and negative covenants and requires Realogy Group to maintain a senior secured leverage ratio, not to exceed 4.75 to 1.00. The leverage ratio is tested quarterly regardless of the amount of borrowings outstanding and letters of credit issued under the revolver at the testing date. Total senior secured net debt does not include unsecured indebtedness, including the Unsecured Notes as well as the securitization obligations. At June 30, 2017, Realogy Group was in compliance with the senior secured leverage ratio covenant.

Term Loan A Facility

In October 2015, Realogy Group entered into the Term Loan A senior secured credit agreement which provides for a five-year, $435 million loan issued at par with a maturity date of October 23, 2020 (the “Term Loan A”) and has terms substantially similar to the Senior Secured Credit Agreement. The Term Loan A provides for quarterly amortization payments, which commenced March 31, 2016, totaling the amount per annum equal to the following percentages of the original principal amount of the Term Loan A: 5%, 5%, 7.5%, 10.0% and 12.5% for amortizations payable in 2016, 2017, 2018, 2019 and 2020, with the balance payable upon the final maturity date. The interest rates with respect to term loans under the Term Loan A are based on, at our option, adjusted LIBOR or ABR plus an additional margin subject to the following adjustments based on the Company’s then current senior secured leverage ratio:

Senior Secured Leverage Ratio	Applicable LIBOR Margin	Applicable ABR Margin
Greater than 3.50 to 1.00	2.50%	1.50%
Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00	2.25%	1.25%
Less than 2.50 to 1.00	2.00%	1.00%

In July 2016, Realogy Group entered into a first amendment to the Term Loan A senior secured credit agreement. Under the amendment, the Company issued the Term Loan A-1 in the amount of $355 million with a maturity date in July 2021 under its existing Term Loan A Facility and on terms substantially similar to its existing Term Loan A. The Term Loan A-1 provides for quarterly amortization payments totaling 2.5%, 2.5%, 5%, 7.5% and 10.0% of the original principal amount of the Term Loan A-1, which commenced September 30, 2016 continuing through June 30, 2021.

The interest rates with respect to term loans under the Term Loan A-1 are based on, at our option, adjusted LIBOR or ABR plus an additional margin subject to the following adjustments based on the Company's then current senior secured leverage ratio:

Senior Secured Leverage Ratio	Applicable LIBOR Margin	Applicable ABR Margin
Greater than 3.50 to 1.00	2.50%	1.50%
Less than or equal to 3.50 to 1.00 but greater than or equal to 2.50 to 1.00	2.25%	1.25%
Less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00	2.00%	1.00%
Less than 2.00 to 1.00	1.75%	0.75%

Consistent with the Senior Secured Credit Agreement, the Term Loan A Facility permits the Company to obtain up to $500 million of additional credit facilities from lenders reasonably satisfactory to the administrative agent and the company, without the consent of the existing lenders under the Term Loan A, plus an unlimited amount if the Company's senior secured leverage ratio is less than 3.50 to 1.00 on a pro forma basis. Subject to certain restrictions, the Term Loan A Facility also permits us to issue senior secured or unsecured notes in lieu of any incremental facility.

Unsecured Notes

The 4.50% Senior Notes, 5.25% Senior Notes and 4.875% Senior Notes (each as defined below, collectively the "Unsecured Notes") are unsecured senior obligations of Realogy Group that mature on April 15, 2019, December 1, 2021 and June 1, 2023, respectively. Interest on the Unsecured Notes is payable each year semiannually on April 15 and October 15 for the 4.50% Senior Notes and June 1 and December 1 for both the 5.25% Senior Notes and 4.875% Senior Notes.

The Unsecured Notes are guaranteed on an unsecured senior basis by each domestic subsidiary of Realogy Group that is a guarantor under the Senior Secured Credit Facility and Realogy Group's outstanding debt securities and are guaranteed by Realogy Holdings on an unsecured senior subordinated basis.

Other Debt Facilities

The Company has an Unsecured Letter of Credit Facility to provide for the issuance of letters of credit required for general corporate purposes by the Company. At June 30, 2017, the capacity of the facility was $131 million. The facility's expiration dates are as follows:

Capacity (in millions)	Expiration Date
$65	September 2018
$66	December 2019

The fixed pricing to the Company is based on a spread above the credit default swap rate for senior unsecured debt obligations of the Company over the applicable letter of credit period. Realogy Group's obligations under the Unsecured Letter of Credit Facility are guaranteed on an unsecured senior basis by each domestic subsidiary of Realogy Group that is a guarantor under the Senior Secured Credit Facility and Realogy Group's outstanding debt securities. As of June 30, 2017, $124 million of the Unsecured Letter of Credit Facility was being utilized.

Securitization Obligations

Realogy Group has secured obligations through Apple Ridge Funding LLC under a securitization program. In June 2017, Realogy Group extended the program until June 2018. The program has a capacity of $325 million. At June 30, 2017, Realogy Group had $211 million of outstanding borrowings under the facility.

Realogy Group, through a special purpose entity known as Cartus Financing Limited, has agreements providing for a £10 million revolving loan facility and a £5 million working capital facility, both of which expire on August 31, 2017. There were $12 million of outstanding borrowings on the facilities at June 30, 2017. These Cartus Financing Limited facilities are secured by the relocation assets of a U.K. government contract in this special purpose entity and are therefore classified as permitted securitization financings as defined in Realogy Group's Senior Secured Credit Facility and the indentures governing the Unsecured Notes.

The Apple Ridge entities and the Cartus Financing Limited entity are consolidated special purpose entities that are utilized to securitize relocation receivables and related assets. These assets are generated from advancing funds on behalf of clients of Realogy Group's relocation business in order to facilitate the relocation of their employees. Assets of these special purpose entities are not available to pay Realogy Group's general obligations. Under the Apple Ridge program, provided no termination or amortization event has occurred, any new receivables generated under the designated relocation management agreements are sold into the securitization program and as new eligible relocation management agreements are entered into, the new agreements are designated to the program. The Apple Ridge program has restrictive covenants and trigger events, including performance triggers linked to the age and quality of the underlying assets, foreign obligor limits, multicurrency limits, financial reporting requirements, restrictions on mergers and change of control, any uncured breach of Realogy Group's senior secured leverage ratio under Realogy Group's Senior Secured Credit Facility, and cross-defaults to Realogy Group's material indebtedness. The occurrence of a trigger event under the Apple Ridge securitization facility could restrict our ability to access new or existing funding under this facility or result in termination of the facility, either of which would adversely affect the operation of our relocation business.

Certain of the funds that Realogy Group receives from relocation receivables and related assets must be utilized to repay securitization obligations. These obligations were collateralized by $288 million and $238 million of underlying relocation receivables and other related relocation assets at June 30, 2017 and December 31, 2016, respectively. Substantially all relocation related assets are realized in less than twelve months from the transaction date. Accordingly, all of Realogy Group's securitization obligations are classified as current in the accompanying Condensed Consolidated Balance Sheets.

Interest incurred in connection with borrowings under these facilities amounted to $2 million and $3 million for both the three and six months ended June 30, 2017 and 2016. This interest is recorded within net revenues in the accompanying Condensed Consolidated Statements of Operations as related borrowings are utilized to fund Realogy Group's relocation business where interest is generally earned on such assets. These securitization obligations represent floating rate debt for which the average weighted interest rate was 3.4% and 2.5% for the six months ended June 30, 2017 and 2016, respectively.

Loss on the Early Extinguishment of Debt

As a result of the refinancing transaction in January of 2017, the Company recorded a loss on the early extinguishment of debt of $4 million during the first half of 2017.

6. RESTRUCTURING COSTS

Restructuring charges were $2 million and $7 million for the three and six months ended June 30, 2017, respectively, and $12 million and $21 million for the three and six months ended June 30, 2016, respectively. The components of the restructuring charges for the three and six months ended June 30, 2017 and 2016 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Personnel-related costs (1)	$ 1	$ 9	$ 6	$ 11
Facility-related costs (2)	1	3	1	5
Accelerated depreciation on asset disposals	—	—	—	—
Other restructuring costs (3)	—	—	—	5
Total restructuring charges	$ 2	$ 12	$ 7	$ 21

(1) Personnel-related costs consist of severance costs provided to employees who have been terminated and duplicate payroll costs during transition.

(2) Facility-related costs consist of costs associated with planned facility closures such as contract termination costs, lease payments that will continue to be incurred under the contract for its remaining term without economic benefit to the Company and other facility and employee relocation related costs.

(3) Other restructuring costs consist of costs related to professional fees, consulting fees and other costs associated with restructuring activities which are primarily included in the Corporate and Other business segment.

Business Optimization Initiative

During the fourth quarter of 2015, the Company began a business optimization initiative that focused on maximizing the efficiency and effectiveness of the cost structure of each of the Company's business units. The action was designed to improve client service levels across each of the business units while enhancing the Company's profitability and incremental margins. The plan focused on several key areas of opportunity which include process improvement efficiencies, office footprint optimization, leveraging technology and media spend, centralized procurement, outsourcing administrative services and organizational design. The expected costs of activities undertaken in connection with the restructuring plan are largely complete.

The following is a reconciliation of the beginning and ending restructuring reserve balances for the Business Optimization Initiative:

	Personnel-related costs	Facility-related costs	Accelerated depreciation on asset disposal	Other restructuring costs	Total
Balance at December 31, 2016	$ 9	$ 7	$ —	$ —	$ 16
Restructuring charges	6	1	—	—	7
Costs paid or otherwise settled	(11)	(3)	—	—	(14)
Balance at June 30, 2017	$ 4	$ 5	$ —	$ —	$ 9

The following table shows the total restructuring costs expected to be incurred by type of cost for the Business Optimization Initiative:

	Total amount expected to be incurred	Amount incurred to date	Total amount remaining to be incurred
Personnel-related costs	$ 32	$ 31	$ 1
Facility-related costs	16	14	2
Accelerated depreciation related to asset disposals	2	1	1
Other restructuring costs	11	10	1
Total	$ 61	$ 56	$ 5

The following table shows the total restructuring costs expected to be incurred by reportable segment for the Business Optimization Initiative:

	Total amount expected to be incurred	Amount incurred to date	Total amount remaining to be incurred
Real Estate Franchise Services	$ 5	$ 5	$ —
Company Owned Real Estate Brokerage Services	35	33	2
Relocation Services	5	5	—
Title and Settlement Services	1	1	—
Corporate and Other	15	12	3
Total	$ 61	$ 56	$ 5

7. STOCK-BASED COMPENSATION

The Company has stock-based compensation plans (the 2007 Stock Incentive Plan and the 2012 Long-Term Incentive Plan) under which incentive equity awards such as non-qualified stock options, rights to purchase shares of common stock,

restricted stock, restricted stock units ("RSUs"), performance restricted stock units and performance share units ("PSUs") may be issued to employees, consultants and directors of Realogy. The Company's stockholders approved the Amended and Restated 2012 Long-Term Incentive Plan at the 2016 Annual Meeting of Stockholders held on May 4, 2016 (the "Amended and Restated 2012 LTIP"). The Amended and Restated 2012 LTIP increases the number of shares authorized for issuance under that plan by 9.8 million shares. The total number of shares authorized for issuance under the plans is 19.4 million shares.

Awards granted under the Amended and Restated 2012 LTIP utilizing the additional 9.8 million share reserve, except options and stock appreciation rights, must be counted against the foregoing share limit on a 2.22 share to one basis for each share actually granted in connection with such award. As of June 30, 2017, the total number of shares available for future grants under the Amended and Restated 2012 LTIP was approximately 3 million shares. The Company does not expect to issue any additional awards under the 2007 Stock Incentive Plan.

Consistent with the 2016 long-term incentive equity awards, the 2017 awards include a mix of PSUs, RSUs (performance restricted stock units for the CEO and direct reports) and options. The 2017 PSUs are incentives that reward grantees based upon the Company's financial performance over a three-year performance period ending December 31, 2019. There are two PSU awards: one is based upon the total stockholder return of Realogy's common stock relative to the total stockholder return of the SPDR S&P Homebuilders Index ("XHB") (the "RTSR award"), and the other is based upon the achievement of cumulative free cash flow goals. The number of shares that may be issued under the PSU is variable and based upon the extent to which the performance goals are achieved over the performance period (with a range of payout from 0% to 175% of target for the RTSR award and 0% to 200% of target for the achievement of cumulative free cash flow award). The shares earned will be distributed in early 2020. The RSUs vest over three years, with 33.33% vesting on each anniversary of the grant date. Time-vesting of the 2017 performance RSUs for the CEO and direct reports is subject to achievement of a minimum EBITDA performance goal for 2017. The stock options have a maximum term of ten years and vest over four years, with 25% vesting on each anniversary date of the grant date. The options have an exercise price equal to the closing sale price of the Company's common stock on the date of grant.

In August 2016, the Company's Board of Directors approved the initiation of a quarterly cash dividend policy on its common stock. The Board declared a cash dividend of $0.09 per share of the Company's common stock per quarter. When payment of cash dividends occurs, the Company issues dividend equivalent units ("DEUs") to eligible holders of outstanding RSUs and PSUs. The number of DEUs granted for each RSU or PSU is calculated by dividing the amount of the cash dividend on the number of shares covered by the RSU or PSU at the time of the related dividend record date by the closing price of the Company's stock on the related dividend payment date. The DEUs are subject to the same vesting requirements, settlement provisions, and other terms and conditions as the original award to which they relate. The issuance of DEUs have an immaterial impact on the Company's stock-based compensation activity.

The fair value of RSUs and PSUs without a market condition is equal to the closing sale price of the Company's common stock on the date of grant. The fair value of the RTSR PSU award was estimated on the date of grant using the Monte Carlo Simulation method utilizing the following assumptions. Expected volatility was based on historical volatilities of the Company and select comparable companies.

	2017 RTSR PSU
Weighted average grant date fair value	$ 27.98
Weighted average expected volatility	29.0%
Weighted average volatility of XHB	18.4%
Weighted average correlation coefficient	0.53
Weighted average risk-free interest rate	1.5%
Weighted average dividend yield	—

A summary of RSU activity for the six months ended June 30, 2017 is presented below (number of shares in millions):

	Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested at January 1, 2017	1.4	$ 37.53
Granted	1.1	28.19
Vested (a)	(0.6)	39.58
Forfeited	(0.1)	31.19
Unvested at June 30, 2017	1.8	$ 31.36

(a) The total fair value of RSUs which vested during the six months ended June 30, 2017 was $25 million.

A summary of PSU activity for the six months ended June 30, 2017 is presented below (number of shares in millions):

	Performance Share Units (a)	Weighted Average Grant Date Fair Value
Unvested at January 1, 2017	1.0	$ 36.66
Granted	0.7	27.70
Vested	—	—
Forfeited	—	—
Unvested at June 30, 2017	1.7	$ 32.71

(a) The PSU amounts in the table are shown at the target amount of the award.

The fair value of the options was estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility was based on historical volatilities of the Company and select comparable companies. The expected term of the options granted represents the period of time that options are expected to be outstanding and is based on the simplified method. The risk-free interest rate was based on the U.S. Treasury yield curve in effect at the time of the grant, which corresponds to the expected term of the options.

	2017 Options
Weighted average grant date fair value	$ 8.00
Weighted average expected volatility	30.7%
Weighted average expected term (years)	6.25
Weighted average risk-free interest rate	2.1%
Weighted average dividend yield	1.3%

A summary of stock option unit activity for the six months ended June 30, 2017 is presented below (number of shares in millions):

	Options	Weighted Average Exercise Price
Outstanding at January 1, 2017	3.3	$ 31.71
Granted	0.4	27.56
Exercised (a) (b)	(0.2)	23.89
Forfeited/Expired	—	—
Outstanding at June 30, 2017 (c)	3.5	$ 31.50

(a) The intrinsic value of options exercised during the six months ended June 30, 2017 was $1 million.

(b) Cash received from options exercised during the six months ended June 30, 2017 was $5 million.

(c) Options outstanding at June 30, 2017 have an intrinsic value of $6 million and have a weighted average remaining contractual life of 6 years.

Stock-Based Compensation Expense

As of June 30, 2017, based on current performance achievement expectations, there was $59 million of unrecognized compensation cost related to incentive equity awards under the plans which will be recorded in future periods as compensation expense over a remaining weighted average period of approximately 1.3 years. The Company recorded stock-based compensation expense related to the incentive equity awards of $14 million and $26 million for the three and six months ended June 30, 2017, respectively, and $13 million and $25 million for the three and six months ended June 30, 2016, respectively.

8. TRANSACTIONS WITH FORMER PARENT AND SUBSIDIARIES

Transfer of Cendant Corporate Liabilities and Issuance of Guarantees to Cendant and Affiliates

Realogy Group (then Realogy Corporation) separated from Cendant on July 31, 2006 (the "Separation"), pursuant to a plan by Cendant (now known as Avis Budget Group, Inc.) to separate into four independent companies—one for each of Cendant's business units—real estate services (Realogy), travel distribution services ("Travelport"), hospitality services, including timeshare resorts ("Wyndham Worldwide"), and vehicle rental ("Avis Budget Group"). Realogy Group has certain guarantee commitments with Cendant (pursuant to the assumption of certain liabilities and the obligation to indemnify Cendant, Wyndham Worldwide and Travelport for such liabilities). These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and other corporate liabilities, of which Realogy Group assumed and is generally responsible for 62.5%. Upon separation from Cendant, the liabilities assumed by Realogy Group were comprised of certain Cendant corporate liabilities which were recorded on the historical books of Cendant as well as additional liabilities which were established for guarantees issued at the date of Separation related to certain unresolved contingent matters that could arise during the guarantee period. Regarding the guarantees, if any of the companies responsible for all or a portion of such liabilities were to default in its payment of costs or expenses related to any such liability, Realogy Group would be responsible for a portion of the defaulting party or parties' obligation. To the extent such recorded liabilities are in excess or are not adequate to cover the ultimate payment amounts, such excess or deficiency will be reflected in the results of operations in future periods.

The due to former parent balance was $17 million and $28 million at June 30, 2017 and December 31, 2016, respectively. The due to former parent balance was comprised of the Company's portion of the following: (i) Cendant's remaining state and foreign contingent tax liabilities, (ii) accrued interest on contingent tax liabilities, (iii) potential liabilities related to Cendant's terminated or divested businesses, and (iv) potential liabilities related to the residual portion of accruals for Cendant operations.

9. EARNINGS PER SHARE

Earnings per share attributable to Realogy Holdings

Basic earnings per share is computed based on net income attributable to Realogy Holdings stockholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. Realogy Holdings uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share data)	**2017**	**2016**	**2017**	**2016**
Net income attributable to Realogy Holdings shareholders	$ 109	$ 92	$ 81	$ 50
Basic weighted average shares	137.6	145.5	138.6	146.0
Stock options, restricted stock units and performance share units (a)	1.3	1.2	1.3	1.2
Weighted average diluted shares	138.9	146.7	139.9	147.2
Earnings Per Share:				
Basic	$ 0.79	$ 0.63	$ 0.58	$ 0.34
Diluted	$ 0.78	$ 0.63	$ 0.58	$ 0.34

____

(a) The three and six months ended June 30, 2017, both exclude 5.8 million shares of common stock issuable for incentive equity awards, which includes performance share units based on the achievement of target amounts, that are anti-dilutive to the diluted earnings per share computation. The three and six months ended June 30, 2016, both exclude 5.3 million shares of common stock issuable for incentive equity awards, which includes performance share units based on the achievement of target amounts, that are anti-dilutive to the diluted earnings per share computation.

In the second quarter of 2017, the Company repurchased and retired 1.9 million shares of common stock for $60 million at a weighted average market price of $30.22 per share. In the first half of 2017, the Company repurchased and retired 4.1 million shares of common stock for $120 million at a weighted average market price of $28.97 per share. The shares repurchased include 88,320 shares for which the trade date occurred in late June 2017 while settlement occurred in July 2017. The purchase of shares under this plan reduces the weighted-average number of shares outstanding in the basic earnings per share calculation.

10. COMMITMENTS AND CONTINGENCIES

Litigation

The Company is involved in claims, legal proceedings, alternative dispute resolution and governmental inquiries related to alleged contract disputes, business practices, intellectual property and other commercial, employment, regulatory and tax matters. Examples of such matters include but are not limited to allegations:

- that the Company is vicariously liable for the acts of franchisees under theories of actual or apparent agency;
- by former franchisees that franchise agreements were breached including improper terminations;
- concerning claims for alleged RESPA or state real estate law violations including but not limited to claims challenging the validity of sales associates indemnification, and administrative fees;
- that residential real estate sales associates engaged by NRT—under certain state or federal laws—are potentially employees instead of independent contractors, and they or regulators therefore may bring claims against NRT for breach of contract, wage and hour classification claims, wrongful discharge, unemployment and workers' compensation and could seek benefits, back wages, overtime, indemnification, penalties related to classification practices and expense reimbursement available to employees;
- concerning claims generally against the company owned brokerage operations for negligence, misrepresentation or breach of fiduciary duty in connection with the performance of real estate brokerage or other professional services as well as other brokerage claims associated with listing information and property history;
- concerning claims generally against the title company contending that, as the escrow company, the company knew or should have known that a transaction was fraudulent or concerning other title defects or settlement errors; and
- concerning information security and cyber crime.

Real Estate Business Litigation

Strader, et al. and Hall v. PHH Corporation, et al. (U.S. District Court for the Central District of California). This is a purported class action brought by four California residents against 15 defendants, including Realogy and certain of its subsidiaries, PHH Corporation and PHH Home Loans, LLC (a joint venture between Realogy and PHH), alleging violations of Section 8(a) of RESPA. Plaintiffs seek to represent two subclasses comprised of all persons in the United States who, since January 31, 2005, (1) obtained a RESPA-covered mortgage loan from either (a) PHH Home Loans, LLC or one of its subsidiaries, or (b) one of the mortgage services managed by PHH Corporation for other lenders, and (2) paid a fee for title insurance or settlement services to TRG or one of its subsidiaries. Plaintiffs allege, among other things, that PHH Home Loans, LLC operates in violation of RESPA and that the other defendants violate RESPA by referring business to one another under agreements or arrangements. Plaintiffs seek treble damages and an award of attorneys' fees, costs and disbursements. On February 5, 2016, the defendants filed a motion to dismiss the case claiming that not only do the claims lack merit, but they are time-barred under RESPA's one-year statute of limitations. On April 5, 2016, the court granted defendants' motion to dismiss with leave for the plaintiffs to amend their complaint. Plaintiffs filed a second amended complaint on April 21, 2016, and a third amended complaint on May 12, 2016. Defendants filed a motion to dismiss the third amended complaint. The Court denied the motion on October 6, 2016, without prejudice to defendants' ability to move for summary judgment after discovery. The parties are proceeding with discovery. On May 19, 2017, the parties held a second mediation session, at which they agreed in principle to a settlement of the action, pursuant to which the Company would pay approximately $8 million (or one-half of the settlement). The agreement in principle is subject to the parties

resolving certain additional issues such as the allocation of settlement funds, the filing of a fourth amended complaint and completing confirmatory discovery. On July 31, 2017, the fourth amended complaint was filed changing the named plaintiffs. The plaintiffs must file their motion for preliminary approval of the settlement by August 25, 2017. There can be no assurance that the parties will reach a definitive settlement or that the Court will approve it.

The Company is involved in certain other claims and legal actions arising in the ordinary course of our business. Such litigation, regulatory actions and other proceedings may include, but are not limited to, actions relating to intellectual property, commercial arrangements, franchising arrangements, actions against our title company alleging it knew or should have known that others were committing mortgage fraud, standard brokerage disputes like the failure to disclose accurate square footage or hidden defects in the property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including franchisees and independent sales associates, antitrust and anti-competition claims, general fraud claims, employment law claims, including claims challenging the classification of our sales associates as independent contractors, wage and hour classification claims, and claims alleging violations of RESPA or state consumer fraud statutes. While the results of such claims and legal actions cannot be predicted with certainty, we do not believe based on information currently available to us that the final outcome of current proceedings against the Company will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

Cendant Corporate Litigation

Pursuant to the Separation and Distribution Agreement dated as of July 27, 2006 among Cendant, Realogy Group, Wyndham Worldwide and Travelport, each of Realogy Group, Wyndham Worldwide and Travelport have assumed certain contingent and other corporate liabilities (and related costs and expenses), which are primarily related to each of their respective businesses. In addition, Realogy Group has assumed 62.5% and Wyndham Worldwide has assumed 37.5% of certain contingent and other corporate liabilities (and related costs and expenses) of Cendant or its subsidiaries, which are not primarily related to any of the respective businesses of Realogy Group, Wyndham Worldwide, Travelport and/or Cendant’s vehicle rental operations, in each case incurred or allegedly incurred on or prior to the date of the separation of Travelport from Cendant.

* * *

The Company believes that it has adequately accrued for legal matters as appropriate. The Company records litigation accruals for legal matters which are both probable and estimable.

Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur. In addition, class action lawsuits can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company’s financial condition, results of operations or cash flows in any particular period.

Tax Matters

The Company is subject to income taxes in the United States and several foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording related assets and liabilities. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company is regularly under audit by tax authorities whereby the outcome of the audits is uncertain. The Company believes there is appropriate support for positions taken on its tax returns. The liabilities that have been recorded represent the best estimates of the probable loss on certain positions and are adequate for all open years based on an assessment of many factors including past experience and interpretations of tax law applied to the facts of each matter. However, the outcomes of tax audits are inherently uncertain.

Under the Tax Sharing Agreement with Cendant, Wyndham Worldwide and Travelport, the Company is generally responsible for 62.5% of payments made to settle claims with respect to tax periods ending on or prior to December 31, 2006 that relate to income taxes imposed on Cendant and certain of its subsidiaries, the operations (or former operations) of which were determined by Cendant not to relate specifically to the respective businesses of Realogy, Wyndham Worldwide, Avis Budget or Travelport.

With respect to any remaining legacy Cendant tax liabilities, the Company and its former parent believe there is appropriate support for the positions taken on Cendant’s tax returns. However, tax audits and any related litigation,

including disputes or litigation on the allocation of tax liabilities between parties under the Tax Sharing Agreement, could result in outcomes for the Company that are different from those reflected in the Company's historical financial statements.

Contingent Liability Letter of Credit

In April 2007, the Company established a standby irrevocable letter of credit for the benefit of Avis Budget Group in accordance with the Separation and Distribution Agreement. The synthetic letter of credit was utilized to support the Company's payment obligations with respect to its share of Cendant contingent and other corporate liabilities. The stated amount of the standby irrevocable letter of credit is subject to periodic adjustment to reflect the then current estimate of Cendant contingent and other liabilities. The letter of credit was $53 million at June 30, 2017 and December 31, 2016. The standby irrevocable letter of credit will be terminated if (i) the Company's senior unsecured credit rating is raised to BB by Standard and Poor's or Ba2 by Moody's or (ii) the aggregate value of the former parent contingent liabilities falls below $30 million.

Escrow and Trust Deposits

As a service to its customers, the Company administers escrow and trust deposits which represent undisbursed amounts received for the settlement of real estate transactions. Deposits at FDIC-insured institutions are insured up to $250 thousand. These escrow and trust deposits totaled $650 million at June 30, 2017 and $415 million at December 31, 2016. These escrow and trust deposits are not assets of the Company and, therefore, are excluded from the accompanying Condensed Consolidated Balance Sheets. However, the Company remains contingently liable for the disposition of these deposits.

11. SEGMENT INFORMATION

The reportable segments presented below represent the Company's operating segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its operating segments. Management evaluates the operating results of each of its reportable segments based upon revenue and EBITDA, which is defined as net income (loss) before depreciation and amortization, interest (income) expense, net (other than Relocation Services interest for relocation receivables and securitization obligations) and income taxes, each of which is presented in the Company's Condensed Consolidated Statements of Operations. The Company's presentation of EBITDA may not be comparable to similar measures used by other companies.

	Revenues (a) (b)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Real Estate Franchise Services	$ 237	$ 221	$ 407	$ 378
Company Owned Real Estate Brokerage Services	1,392	1,268	2,289	2,109
Relocation Services	102	109	179	192
Title and Settlement Services	157	149	277	260
Corporate and Other (c)	(95)	(85)	(156)	(143)
Total Company	$ 1,793	$ 1,662	$ 2,996	$ 2,796

(a) Transactions between segments are eliminated in consolidation. Revenues for the Real Estate Franchise Services segment include intercompany royalties and marketing fees paid by the Company Owned Real Estate Brokerage Services segment of $95 million and $156 million for the three and six months ended June 30, 2017, respectively, and $85 million and $143 million for the three and six months ended June 30, 2016, respectively. Such amounts are eliminated through the Corporate and Other line.

(b) Revenues for the Relocation Services segment include intercompany referral commissions paid by the Company Owned Real Estate Brokerage Services segment of $12 million and $20 million for the three and six months ended June 30, 2017, respectively, and $13 million and $21 million for the three and six months ended June 30, 2016, respectively. Such amounts are recorded as contra-revenues by the Company Owned Real Estate Brokerage Services segment. There are no other material intersegment transactions.

(c) Includes the elimination of transactions between segments.

	EBITDA			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2017 (a)	2016 (b)	2017 (c)	2016 (d)
Real Estate Franchise Services	$ 166	$ 149	$ 268	$ 241
Company Owned Real Estate Brokerage Services	77	78	51	57
Relocation Services	27	29	28	34
Title and Settlement Services	26	26	28	26
Corporate and Other (e)	(18)	(19)	(45)	(40)
Total Company	$ 278	$ 263	$ 330	$ 318
Less:				
Depreciation and amortization	$ 49	$ 48	$ 99	$ 96
Interest expense, net	47	59	86	132
Income tax expense	73	64	64	40
Net income attributable to Realogy Holdings and Realogy Group	$ 109	$ 92	$ 81	$ 50

(a) Includes a net benefit of $11 million of former parent legacy items and an $8 million expense related to the settlement of the Strader legal matter in Corporate and Other, and $2 million of restructuring charges as follows: $1 million in the Company Owned Real Estate Brokerage Services segment and $1 million in the Real Estate Franchise Services segment for the three months ended June 30, 2017.

(b) Includes $12 million of restructuring charges as follows: $3 million in the Real Estate Franchise Services segment, $7 million in the Company Owned Real Estate Brokerage Services segment, $1 million in the Relocation Services segment and $1 million in Corporate and Other for the three months ended June 30, 2016.

(c) Includes a net benefit of $11 million of former parent legacy items, an $8 million expense related to the settlement of the Strader legal matter and $4 million related to the loss on the early extinguishment of debt in Corporate and Other, and $7 million of restructuring charges as follows: $6 million in the Company Owned Real Estate Brokerage Services segment and $1 million in the Real Estate Franchise Services segment for the six months ended June 30, 2017.

(d) Includes $21 million of restructuring charges as follows: $3 million in the Real Estate Franchise Services segment, $9 million in the Company Owned Real Estate Brokerage Services segment, $3 million in the Relocation Services segment and $6 million in Corporate and Other, and a net cost of $1 million of former parent legacy items in Corporate and Other for the six months ended June 30, 2016.

(e) Includes the elimination of transactions between segments.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis should be read in conjunction with our Condensed Consolidated Financial Statements and accompanying notes thereto included elsewhere herein and with our Consolidated Financial Statements and accompanying notes included in the 2016 Form 10-K. Unless otherwise noted, all dollar amounts in tables are in millions. Neither Realogy Holdings, the indirect parent of Realogy Group, nor Realogy Intermediate, the direct parent company of Realogy Group, conducts any operations other than with respect to its respective direct or indirect ownership of Realogy Group. As a result, the condensed consolidated financial positions, results of operations and cash flows of Realogy Holdings, Realogy Intermediate and Realogy Group are the same. This Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements. See "Forward-Looking Statements" in this report and "Forward-Looking Statements" and "Risk Factors" in our 2016 Form 10-K for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those contained in any forward-looking statements.

OVERVIEW

We are a global provider of real estate and relocation services and report our operations in the following four segments:

- **Real Estate Franchise Services** (known as Realogy Franchise Group or RFG)—franchises the Century 21®, Coldwell Banker®, Coldwell Banker Commercial®, ERA®, Sotheby's International Realty® and Better Homes and Gardens® Real Estate brand names. As of June 30, 2017, our franchise systems had approximately 14,250 franchised and company owned offices and approximately 281,000 independent sales associates operating under our franchise and proprietary brands in the U.S. and 113 other countries and territories around the world, which included more than 780 of our company owned and operated brokerage offices with more than 49,100 independent sales associates.

  Our wholly-owned subsidiary, ZapLabs LLC (which changed its name from ZipRealty LLC in 2016), is the developer of our proprietary technology platform for the real estate brokerages and independent sales associates in our franchise system as well as their customers. As of June 30, 2017, we had rolled out ZapLabs' comprehensive, integrated Zap® technology platform to approximately 75% of our eligible franchisees and anticipate completing this roll out to the majority of our remaining eligible franchisees this year. We believe the Zap technology platform will increase the value proposition to franchisees, independent sales associates and customers as well as improve the productivity of independent sales associates.
- **Company Owned Real Estate Brokerage Services** (known as NRT)—operates a full-service real estate brokerage business with more than 780 owned and operated brokerage offices with more than 49,100 independent sales associates principally under the Coldwell Banker®, Corcoran®, Sotheby's International Realty®, ZipRealty® and Citi Habitats℠ brand names in more than 50 of the 100 largest metropolitan areas in the U.S. This segment also includes the Company's share of earnings for our PHH Home Loans venture.
- **Relocation Services** (known as Cartus®)—primarily offers clients employee relocation services such as homesale assistance, providing home equity advances to transferees (generally guaranteed by the client), home finding and other destination services, expense processing, relocation policy counseling and consulting services, arranging household goods moving services, coordinating visa and immigration support, intercultural and language training and group move management services. In addition, we provide home buying and selling assistance to members of affinity clients.
- **Title and Settlement Services** (known as Title Resource Group or TRG)—provides full-service title and settlement services to real estate companies, affinity groups, corporations and financial institutions with many of these services provided in connection with the Company's real estate brokerage and relocation services business.

RECENT DEVELOPMENTS

Strategic Initiatives

Our strategic initiatives are focused on affiliated independent sales associates, including targeted recruiting strategies, best-in-class retention practices, and organizational changes with new centers of excellence to enhance support for services such as marketing and education for affiliated independent sales associates. We believe that this refined strategic plan will manifest itself in a variety of ways, including improved lead generation, education and performance coaching and strengthened technology and marketing services, all of which are designed to increase the productivity of our existing independent sales associates and attract new independent sales associates.

Consistent with this strategy, NRT has been placing, and will continue to place, an even greater focus on the quality of our services, including the development of tools to increase sales associate productivity, and the use of financial incentives to strengthen our recruiting and retention of independent sales associates and teams. These actions include a focused strategy to recruit and retain top performing sales associates with the overall goal of sustaining or growing market share in various markets and ultimately improving the Company's overall profitability. In addition, there is an enhanced focus on the value proposition offered to independent sales associate teams. We expect near-term moderate pressure on costs and margin from these initiatives as the benefits from recruiting new independent sales associates relate mainly to new listings and not pending listings.

New Mortgage Origination Joint Venture

On February 15, 2017, Realogy announced that it and Guaranteed Rate, Inc. (“Guaranteed Rate”) agreed to form a new joint venture, Guaranteed Rate Affinity, LLC ("Guaranteed Rate Affinity"), which is expected to begin doing business in August 2017. Commencement of operations is subject to the closing of the transactions contemplated by an asset purchase agreement under which Guaranteed Rate Affinity will acquire certain assets of the mortgage operations of PHH Home Loans, the existing joint venture between Realogy and PHH Mortgage Corporation, including its four regional centers and employees across the United States, but not its mortgage assets.

Following completion of the transactions under the asset purchase agreement, Guaranteed Rate Affinity will originate and market its mortgage lending services to Realogy’s real estate brokerage and relocation subsidiaries as well as other real estate brokerage and relocation companies across the country. Guaranteed Rate will own a controlling 50.1% stake of Guaranteed Rate Affinity and Realogy will own 49.9%. Guaranteed Rate will have responsibility for the oversight of the officers and senior employees of Guaranteed Rate Affinity who are designated to manage Guaranteed Rate Affinity.

The asset purchase agreement and the movement of employees from the existing joint venture to the new joint venture is expected to be completed in a series of phases, with the first phase expected to occur in August 2017 and the remaining phases expected to be completed by the end of 2017. Once these transactions are complete together with the monetization of Realogy's stake in the old joint venture, the Company expects to realize approximately $20 million of net cash in early 2018. There can be no assurance that the transactions contemplated by the asset purchase agreement will be consummated, that Guaranteed Rate Affinity will commence operations in a timely manner or at all or that the Company will receive the cash it expects from the wind down of the existing joint venture and the establishment of the new joint venture. The Company also expects that operating results from the mortgage origination joint venture will be lower in 2017 compared to 2016 due to lower origination volume, compressed industry margins and the level of organizational change associated with the transition and start up of operations. The equity earnings related to Guaranteed Rate Affinity will be included in the financial results of our Title and Settlement Services segment.

Return of Capital to Stockholders

During the second quarter of 2017, the Company repurchased and retired 1.9 million shares of common stock for $60 million at a weighted average market price of $30.22 per share. Since beginning the repurchase of the Company's common stock in February 2016, the Company has repurchased a total of 11.2 million shares at a weighted average market price of $28.33 per share through June 30, 2017. As of June 30, 2017, approximately $256 million of authorization remains available for the repurchase of shares under the February 2017 share repurchase program.

Repurchases under these programs may be made at management's discretion from time to time on the open market, pursuant to Rule 10b5-1 trading plans or privately negotiated transactions. The size and timing of these repurchases will depend on price, market and economic conditions, legal and contractual requirements and other factors. The repurchase programs have no time limit and may be suspended or discontinued at any time.

Refer to "Part II—Other Information, Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" for additional information on the Company's share repurchase programs.

During the second quarter of 2017, the Board declared and paid a quarterly cash dividend of $0.09 per share of the Company’s common stock, returning an additional $12 million to stockholders.

CURRENT INDUSTRY TRENDS

During the first half of 2017, according to the National Association of Realtors ("NAR"), homesale transaction volume increased 8% due to a 3% increase in the number of homesale transactions and a 5% increase in the average homesale price. The increase in the average homesale price relative to the lower increase in homesale transactions is a function of high demand against a limited supply of homes for sale. RFG and NRT homesale transaction volume on a combined basis increased 9% in the first half of 2017. NRT experienced a 3% increase in existing homesale transactions and a 7% increase in average homesale price while RFG experienced a 2% increase in existing homesale transactions and a 6% increase in average homesale price. At NRT specifically, we have seen the positive impact of our recruiting efforts for independent sales associates and organic growth, as well as a shift from stabilization to growth in the high end of the housing market, defined as homes with a price of $2.5 million or greater, partially offset by the cumulative impact of market share attrition and inventory issues in the mid to lower priced homes in the major markets in which NRT operates.

Recruitment and retention of independent sales associates and independent sales associate teams are critical to the business and financial results of a brokerage, including our company owned brokerages and those operated by our affiliated franchisees. Most of a brokerage's real estate listings are sourced through the sphere of influence of their independent sales associates, notwithstanding the growing influence of internet-generated leads. Competition for independent sales associates in our industry is high, has intensified particularly with respect to more productive independent sales associates and has resulted in a decline of our market share at NRT, as well as at RFG to a lesser extent. Competition for independent sales associates is generally subject to numerous factors, including remuneration (such as sales commission percentage and other financial incentives paid to independent sales associates), other expenses of independent sales associates, leads or business opportunities generated for the independent sales associate from the brokerage, independent sales associates' perception of the value of the broker's brand affiliation, marketing and advertising efforts by the brokerage, the office manager, staff and fellow independent sales associates with whom they collaborate daily and technology, continuing professional education, and other services provided by the brokerage. We believe that the influence of independent sales associates and independent sales associate teams has increased during the past five years and, together with the increasing competition from other brokerages, has negatively impacted the recruitment and retention of independent sales associates and put pressure on commission rate splits. These factors may also put pressure on RFG's net effective royalty rate as the economics for agents and agent teams change. In the second quarter at NRT, we continue to make progress on our recruiting programs and strengthening the agent value proposition, which we believe had a positive impact on our overall results for the quarter. In addition to our core recruiting, the new recruiting initiatives that we have discussed above have enabled us to add independent sales agents who, in aggregate, generated approximately $250 million in revenue over the past 12 months at their previous brokerage firms. While these recruiting and retention initiatives have increased our commission expense, we expect these initiatives will improve our operating results over the longer term and will continue to positively impact our market share trend on a year-over-year basis.

As reported by NAR, the housing affordability index has continued to be at historically favorable levels, despite the increases in the average homesale price over the past several years. An index above 100 signifies that a family earning the median income has sufficient income to purchase a median-priced home, assuming a 20 percent down payment and ability to qualify for a mortgage. The composite housing affordability index was 153 for May 2017 and 165 for 2016. The housing affordability index remains significantly higher than the average of 127 for the period from 1970 through 2016.

According to Freddie Mac, mortgage rates on commitments for a 30-year, conventional, fixed-rate first mortgages averaged 3.7% for 2016 and the rate at June 30, 2017 was 3.9%. Although mortgage rates have increased 30 basis points to 3.9% as of June 30, 2017 from 3.6% as of June 2016, they continue to be at low levels by historical standards. While this increase adversely impacts housing affordability, we believe that rising wages, improving consumer confidence and a continuation of low inventory levels for the mainstream housing market will result in continued favorable demand conditions and existing homesale volume growth. To the extent that mortgage rates increase, consumers continue to have financing alternatives such as adjustable rate mortgages or shorter term mortgages which can be utilized to obtain a lower mortgage rate than a 30-year fixed-rate mortgage.

Partially offsetting the positive impact of low mortgage rates are low housing inventory levels. According to NAR, the inventory of existing homes for sale in the U.S. was 2.0 million and 2.1 million at the end of June 2017 and June 2016, respectively. The June 2017 inventory represents a national average supply of 4.3 months at the current homesales pace which is below the 6.1 month 25-year average.

Additional factors offsetting the positive impact of low mortgage rates include the ongoing rise in home prices, conservative mortgage underwriting standards and certain homeowners having limited or negative equity in homes.

Mortgage credit conditions tightened significantly during the recent housing downturn, with banks limiting credit availability to more creditworthy borrowers and requiring larger down payments, stricter appraisal standards, and more extensive mortgage documentation. Although mortgage credit conditions appear to be easing, mortgages remain less available to some borrowers and it frequently takes longer to close a homesale transaction due to current mortgage and underwriting requirements.

Existing Homesales

According to NAR, existing homesale transactions for 2016 increased to 5.5 million homes, or up 4% compared to 2015, while homesale transactions increased 2% on a combined basis for RFG and NRT.

For the quarters ended March 31, 2017 and June 30, 2017, compared to the same periods in 2016, NAR existing home homesale transactions increased to 1.1 million and 1.6 million homes, or up 5% and 2%, respectively. For the quarters ended March 31, 2017 and June 30, 2017, RFG and NRT homesale transactions on a combined basis increased 3% and 1%, respectively, compared to the same periods in 2016. During the first half of the year, the number of homesale transactions for RFG and NRT has continued to be challenged by inventory constraints, however for NRT there has been a shift from stabilization to growth in the high end of the housing market. The annual and quarterly year-over-year trends in homesale transactions are as follows:

Number of Existing Homesales	Full Year 2016 vs. 2015	2017 vs. 2016 First Quarter	Second Quarter	Third Quarter Forecast	Fourth Quarter Forecast	Full Year Forecast 2017 vs. 2016
Industry						
NAR	4 % (a)	5% (a)	2% (a)	4% (b)	1% (b)	3% (b)
Fannie Mae (c)	4 %	5%	2%	3%	1%	3%
Realogy						
RFG and NRT Combined	2 %	3%	1%			
RFG	3 %	3%	1%			
NRT	— %	4%	3%			

(a) Historical existing homesale data is as of the most recent NAR press release, which is subject to sampling error.

(b) Forecasted existing homesale data, on a seasonally adjusted basis, is as of the most recent NAR forecast.

(c) Forecasted existing homesale data, on a seasonally adjusted basis, is as of the most recent Fannie Mae press release.

As of their most recent releases, NAR is forecasting existing homesales to increase 2% in 2018 while Fannie Mae is forecasting an increase in existing homesale transactions of 1% in 2018.

Existing Homesale Price

In 2016, NAR existing homesale average price increased 4% compared to the same period in 2015, while average homesale price increased 2% on a combined basis for RFG and NRT.

For both of the quarters ended March 31, 2017 and June 30, 2017, compared to the same periods in 2016, NAR existing homesale average price increased 5%. For the quarters ended March 31, 2017 and June 30, 2017, RFG and NRT average homesale price on a combined basis increased 5% and 7%, respectively, compared to the same periods in 2016. The combined average homesale price increase was due to the positive results of RFG as well as the increase in homesale transactions at the high end of the markets served by NRT. Both RFG and NRT homesale price also improved as a result of increased demand due to the continuation of constrained inventory levels. The annual and quarterly year-over-year trends in the price of homes are as follows:

Price of Existing Homes	Full Year 2016 vs. 2015	2017 vs. 2016 First Quarter	Second Quarter	Third Quarter Forecast	Fourth Quarter Forecast	Full Year Forecast 2017 vs. 2016
Industry						
NAR	4 % (a)	5% (a)	5% (a)	6% (b)	5% (b)	5% (b)
Fannie Mae (c)	5 %	7%	6%	6%	6%	6%
Realogy						
RFG and NRT Combined	2 %	5%	7%			
RFG	3 %	6%	6%			
NRT	— %	3%	9%			

(a) Historical homesale price data is for existing homesale average price and is as of the most recent NAR press release.

(b) Forecasted homesale price data is for median price and is as of the most recent NAR forecast.

(c) Existing homesale price data is for median price and is as of the most recent Fannie Mae press release.

As of their most recent releases, NAR is forecasting an increase in median existing homesale price of 4% in 2018 while Fannie Mae is forecasting a 5% increase in 2018.

* * *

We believe that long-term demand for housing and the growth of our industry are primarily driven by the affordability of housing, the economic health of the U.S. economy, demographic trends such as population growth, the increase in household formation, mortgage rate levels and mortgage availability, certain tax benefits, job growth, the inherent attributes of homeownership versus renting and the influence of local housing dynamics of supply versus demand. At this time, most of these factors are generally trending favorably. Factors that may negatively affect continued growth in the housing industry include:

- higher mortgage rates due to increases in long-term interest rates as well as reduced availability of mortgage financing;
- insufficient inventory levels and lack of building of new housing leading to lower unit sales;
- changing attitudes towards home ownership, particularly among potential first-time homebuyers who may delay, or decide not to, purchase homes;
- potential homebuyers with a low credit rating or inability to afford down payments;
- the impact of limited or negative equity of current homeowners, as well as the lack of available inventory may limit their proclivity to purchase an alternative home;
- reduced affordability of homes;
- economic stagnation or contraction in the U.S. economy;
- a decline in home ownership levels in the U.S.;
- geopolitical and economic instability; and
- legislative or regulatory reform, including but not limited to reform that adversely impacts the financing of the U.S. housing market or amends the Internal Revenue Code in a manner that negatively impacts home ownership such as reform that reduces the amount that certain taxpayers would be allowed to deduct for home mortgage interest.

Many of the trends impacting our businesses that derive revenue from homesales also impact Cartus, which is a global provider of outsourced employee relocation services. In addition to general residential housing trends, key drivers of Cartus are global corporate spending on relocation services, which has not returned to levels that existed prior to the most recent recession and changes in employment relocation trends. Cartus is subject to a competitive pricing environment and lower average revenue per relocation as a result of a shift in the mix of services and number of services being delivered per move. These factors have, and may continue to, put pressure on the growth and profitability of this segment.

* * *

While data provided by NAR and Fannie Mae are two indicators of the direction of the residential housing market, we believe that homesale statistics will continue to vary between us and NAR and Fannie Mae because:

- they use survey data and estimates in their historical reports and forecasting models, which are subject to sampling error, whereas we use data based on actual reported results;
- there are geographical differences and concentrations in the markets in which we operate versus the national market. For example, many of our company owned brokerage offices are geographically located where average homesale prices are generally higher than the national average and therefore NAR survey data will not correlate with NRT's results;
- comparability is also impaired due to NAR's utilization of seasonally adjusted annualized rates whereas we report actual period-over-period changes and their use of median price for their forecasts compared to our average price;
- NAR historical data is subject to periodic review and revision and these revisions have been, and could be material in the future; and
- NAR and Fannie Mae generally update their forecasts on a monthly basis and a subsequent forecast may change materially from a forecast that was previously issued.

While we believe that the industry data presented herein is derived from the most widely recognized sources for reporting U.S. residential housing market statistical data, we do not endorse or suggest reliance on this data alone. We also note that forecasts are inherently uncertain or speculative in nature and actual results for any period could materially differ.

KEY DRIVERS OF OUR BUSINESSES

Within RFG and NRT, we measure operating performance using the following key operating statistics: (i) closed homesale sides, which represents either the "buy" side or the "sell" side of a homesale transaction, (ii) average homesale price, which represents the average selling price of closed homesale transactions, and (iii) average homesale broker commission rate, which represents the average commission rate earned on either the "buy" side or "sell" side of a homesale transaction. For RFG, we also use net effective royalty rate which represents the average percentage of our franchisees' commission revenues payable to RFG, net of volume incentives achieved.

Since 2014 we have experienced approximately a one basis point decline in the average broker commission rate each year and we expect that over the long term the average brokerage commission rates will continue to modestly decline as a result of increases in average homesale prices and, to a lesser extent, competitors providing fewer services for a reduced fee. Continuing growth in the housing market should result in an increase in our revenues, although such increases could be offset by modestly declining brokerage commission rates and competitive pressures.

In general, most of our third-party franchisees are entitled to volume incentives, which are calculated for each franchisee as a progressive percentage of each franchisee's annual gross income. These incentives decrease during times of declining homesale transaction volumes and increase when there is a corresponding increase in homesale transaction volume. In addition, several of our larger franchisees have a flat royalty rate. If our top franchisees, who earn higher volume incentives or have a flat royalty rate, continue to grow faster than the majority of our other franchisees, the Company's net effective royalty rate will continue to modestly decline.

Royalty fees are charged to all franchisees pursuant to the terms of the relevant franchise agreements and are included in each of the real estate brands' franchise disclosure documents. Non-standard incentives may be used as consideration for new or renewing franchisees. Most of our franchisees do not receive these non-standard incentives and in contrast to royalties and volume incentives, they are not homesale transaction based. We have accordingly excluded the non-standard incentives from the calculation of the net effective royalty rate. Had these non-standard incentives been included, the net effective royalty rate would be lower by approximately 23 and 21 basis points for the years ended December 31, 2016 and 2015, respectively. We expect that the trend of increasing non-standard incentives by approximately 3 to 4 basis points a year will continue in the future in order to attract and retain certain large franchisees.

NRT has a significant concentration of real estate brokerage offices and transactions in geographic regions where home prices are at the higher end of the U.S. real estate market, particularly the east and west coasts, while RFG has franchised offices that are more widely dispersed across the United States. Accordingly, operating results and homesale statistics may differ between NRT and RFG based upon geographic presence and the corresponding homesale activity in each geographic region. In addition, the share of commissions earned by sales associates directly impacts the margin earned by NRT. Such share of commissions earned by sales associates varies by region and commission schedules are generally progressive to incentivize sales associates to achieve higher levels of production. We expect that they will continue to be subject to upward

pressure because of the increased bargaining power of independent sales associates and teams as well as more aggressive recruitment activities taken by our competitors.

As described above under "Current Industry Trends," competition for independent sales associates in our industry has intensified and we expect this competition will continue particularly with respect to more productive independent sales associates which has impacted NRT's market share and results of operations, as well as RFG to a lesser extent. Currently, there are several different compensation models being utilized by real estate brokerages to compensate their independent sales associates. The most common models are as follows: (1) a graduated commission plan, sometimes referred to as the "traditional model" where the independent sales associate receives a percentage of the brokerage commission that increases as the independent sales associate increases his or her volume of homesale transactions and the brokerage frequently provides independent sales associates with a broad set of support offerings and promotion of properties, (2) a desk rental or 100% plan, where the independent sales associate is entitled to all or nearly all of the broker commission and pays the broker on both a monthly and transaction basis for office space, tools, technology and support while also being responsible for the promotion of properties and other items, (3) a capped model, which generally blends aspects of the first two models described herein, and (4) a fixed transaction fee model where the sales associate is entitled to all of the broker commission and pays a fixed fee per homesale transaction and often receives very limited support from the brokerage. Most brokerages focus primarily on one compensation model though some may offer one or more of these models to their sales associates. Increasingly, independent sales associates have affiliated with brokerages that offer fewer services to the independent sales associates, allowing the independent sales associate to retain a greater percentage of the commission. However, there are long-term trade-offs in the level of support independent sales associates receive in areas such as marketing, technology and professional education.

While NRT has historically compensated its independent sales associates using a traditional model, utilizing elements of other models depending upon the geographic market, we are placing an even greater focus on the quality of our services and use of financial incentives to strengthen our recruiting and retention of independent sales associates and teams. These actions include a more aggressive strategy to recruit and retain top performing sales associates with the overall goal of sustaining or growing market share in various markets and ultimately improving NRT's overall profitability. In addition, there is an enhanced focus on the value proposition offered to independent sales associate teams. We expect near-term moderate pressure on costs and margin from these initiatives as the benefits from recruiting new independent sales associates relate mainly to new listings and not pending listings.

Within Cartus, we measure operating performance using the following key operating statistics: (i) initiations, which represent the total number of new transferees and the total number of real estate closings for affinity members and (ii) referrals, which represent the number of referrals from which we earn revenue from real estate brokers.

In TRG, operating performance is evaluated using the following key metrics: (i) purchase title and closing units, which represent the number of title and closing units we process as a result of home purchases, (ii) refinance title and closing units, which represent the number of title and closing units we process as a result of homeowners refinancing their home loans, and (iii) average fee per closing unit, which represents the average fee we earn on purchase title and refinancing title sides. An increase or decrease in homesale transactions will impact the financial results of TRG; however, the financial results are not significantly impacted by a change in homesale price. In addition, the average mortgage rate increased in the fourth quarter of 2016 and refinancing transactions have decreased as a result. We believe that a further increase in mortgage rates in the future will most likely have a negative impact on refinancing title and closing units.

A decline in the number of homesale transactions and decline in homesale prices could adversely affect our results of operations by: (i) reducing the royalties we receive from our franchisees, (ii) reducing the commissions our company owned brokerage operations earn, (iii) reducing the demand for our title and settlement services, (iv) reducing the referral fees we earn in our relocation services business, and (v) increasing the risk of franchisee default due to lower homesale volume. Our results could also be negatively affected by a decline in commission rates charged by brokers or greater commission payments to sales associates.

The following table presents our drivers for the three and six months ended June 30, 2017 and 2016. See "Results of Operations" below for a discussion as to how these drivers affected our business for the periods presented.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	2016	% Change	2017	2016	% Change
RFG (a)						
Closed homesale sides	322,745	319,748	1%	547,995	538,078	2%
Average homesale price	$ 291,355	$ 273,900	6%	$ 284,973	$ 267,872	6%
Average homesale broker commission rate	2.50%	2.51%	(1) bps	2.50%	2.51%	(1) bps
Net effective royalty rate	4.41%	4.49%	(8) bps	4.42%	4.50%	(8) bps
Royalty per side	$ 333	$ 319	4%	$ 329	$ 315	4%
NRT						
Closed homesale sides	101,043	98,314	3%	167,613	162,558	3%
Average homesale price	$ 528,518	$ 485,688	9%	$ 520,844	$ 488,627	7%
Average homesale broker commission rate	2.44%	2.49%	(5) bps	2.45%	2.47%	(2) bps
Gross commission income per side	$ 13,625	$ 12,732	7%	$ 13,480	$ 12,790	5%
Cartus						
Initiations	50,798	51,560	(1%)	87,313	88,734	(2%)
Referrals	25,284	26,138	(3%)	40,487	43,031	(6%)
TRG						
Purchase title and closing units (b)	47,008	43,914	7%	78,305	73,150	7%
Refinance title and closing units (c)	6,324	11,227	(44%)	14,857	20,930	(29%)
Average fee per closing unit	$ 2,139	$ 1,919	11%	$ 2,080	$ 1,890	10%

(a) Includes all franchisees except for NRT.

(b) The amounts presented for the three and six months ended June 30, 2017 include 3,054 and 5,026 purchase units, respectively, as a result of the acquisitions completed prior to the second quarter of 2017.

(c) The amounts presented for the three and six months ended June 30, 2017 include 610 and 1,133 refinance units, respectively, as a result of the acquisitions completed prior to the second quarter of 2017.

RESULTS OF OPERATIONS

Discussed below are our condensed consolidated results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which separate financial information is available and which is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of our reportable segments based upon revenue and EBITDA. EBITDA is defined as net income (loss) before depreciation and amortization, interest (income) expense, net (other than Relocation Services interest for securitization assets and securitization obligations) and income taxes, each of which is presented on our Condensed Consolidated Statements of Operations. Our presentation of EBITDA may not be comparable to similarly titled measures used by other companies.

Three Months Ended June 30, 2017 vs. Three Months Ended June 30, 2016

Our consolidated results comprised the following:

	Three Months Ended June 30,		
	2017	2016	Change
Net revenues	$ 1,793	$ 1,662	$ 131
Total expenses (1)	1,610	1,509	101
Income before income taxes, equity in earnings and noncontrolling interests	183	153	30
Income tax expense	73	64	9
Equity in earnings of unconsolidated entities	—	(5)	5
Net income	110	94	16
Less: Net income attributable to noncontrolling interests	(1)	(2)	1
Net income attributable to Realogy Holdings and Realogy Group	$ 109	$ 92	$ 17

(1) Total expenses for the three months ended June 30, 2017 includes a net benefit of $11 million of former parent legacy items, an $8 million expense related to the settlement of the Strader legal matter, $5 million of losses related to mark-to-market adjustments for our interest rate swaps and $2 million of restructuring charges. Total expenses for the three months ended June 30, 2016 includes $14 million of losses related to mark-to-market adjustments for our interest rate swaps and $12 million of restructuring charges.

Net revenues increased $131 million or 8% for the three months ended June 30, 2017 compared with the three months ended June 30, 2016, principally due to increases in gross commission income and franchise fees as a result of higher homesale transaction volume of 9% on a combined basis for NRT and RFG.

Total expenses increased $101 million or 7% primarily due to:

- a $106 million increase in commission and other sales associate-related costs due to an increase in homesale transaction volume at NRT and higher sales commission percentage paid to its independent sales associates;
- a $22 million increase in operating and general and administrative expenses primarily driven by:
  - $8 million of additional employee-related costs associated with acquisitions;
  - an $8 million expense related to the settlement of the Strader legal matter; and
  - a $5 million increase in other expenses including professional fees and occupancy costs; and
- a $5 million increase in marketing expense.

The increases were partially offset by:

- a $12 million net decrease in interest expense to $47 million in the second quarter of 2017 from $59 million in the second quarter of 2016. Before the mark-to-market adjustments for our interest rate swaps, interest expense decreased $3 million to $42 million in the second quarter of 2017 from $45 million in the second quarter of 2016 as a result of a reduction in total outstanding indebtedness and a lower weighted average interest rate. Mark-to-market adjustments for our interest rate swaps resulted in losses of $5 million in the second quarter of 2017 compared to losses of $14 million in the same period of 2016;
- a net benefit of $11 million of former parent legacy items as a result of the settlement of a Cendant legacy tax matter; and
- a $10 million decrease in restructuring costs related to the Company's business optimization plan for the second quarter of 2017 compared to the second quarter of 2016.

The Company had no earnings from equity investments during the second quarter of 2017 compared to $5 million in earnings from equity investments in the second quarter of 2016 primarily due to the recognition of certain exit costs at PHH Home Loans as well as reduced operating results given lower origination volume, compressed industry margins and the level of organizational change associated with the transition and start up of the operations of Guaranteed Rate Affinity.

As part of the business optimization initiative the Company began in the fourth quarter of 2015, we incurred $2 million of restructuring costs in the second quarter of 2017 compared to $12 million of costs in the second quarter of 2016. The Company expects to incur an additional $5 million related to initiatives still in progress bringing the total cost of the initiative to be $61 million. Cost savings related to the restructuring initiatives are estimated to be approximately $70 million on an annual run rate basis with $33 million realized in 2016. See Note 6, "Restructuring Costs", in the Condensed Consolidated Financial Statements for additional information.

The Company's provision for income taxes in interim periods is computed by applying its estimated annual effective tax rate against the income or loss before income taxes for the period. In addition, non-recurring or discrete items are recorded in the period in which they occur. The provision for income taxes was $73 million for the three months ended June 30, 2017 compared to $64 million for the three months ended June 30, 2016. Our federal and state blended statutory rate is estimated to be 40% for 2017 and our full year effective tax rate is estimated to be 41%. Our effective tax rate was 40% and 41% for the three months ended June 30, 2017 and June 30, 2016, respectively.

The following table reflects the results of each of our reportable segments during the three months ended June 30, 2017 and 2016:

	Revenues (a)		%	EBITDA (b)		%	EBITDA Margin		
	2017	2016	Change	2017	2016	Change	2017	2016	Change
RFG	$ 237	$ 221	7 %	$ 166	$ 149	11 %	70%	67%	3
NRT	1,392	1,268	10	77	78	(1)	6	6	—
Cartus	102	109	(6)	27	29	(7)	26	27	(1)
TRG	157	149	5	26	26	—	17	17	—
Corporate and Other	(95)	(85)	*	(18)	(19)	*			
Total Company	$ 1,793	$ 1,662	8 %	$ 278	$ 263	6 %	16%	16%	—
Less: Depreciation and amortization				49	48				
Interest expense, net				47	59				
Income tax expense				73	64				
Net income attributable to Realogy Holdings and Realogy Group				$ 109	$ 92				

* not meaningful

(a) Includes the elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by NRT of $95 million and $85 million during the three months ended June 30, 2017 and June 30, 2016, respectively.

(b) EBITDA for the three months ended June 30, 2017 includes a net benefit of $11 million of former parent legacy items and an $8 million expense related to the settlement of the Strader legal matter in Corporate and Other, and $2 million of restructuring charges discussed further below.

EBITDA for the three months ended June 30, 2016 includes $12 million of restructuring charges reflected above as follows: $7 million in NRT, $3 million in RFG, $1 million in Cartus and $1 million in Corporate and Other.

As described in the aforementioned table, EBITDA margin for "Total Company" expressed as a percentage of revenues remained flat at 16% for the three months ended June 30, 2017 compared to the same period in 2016. On a segment basis, RFG's margin increased 3 percentage points to 70% from 67% due to an increase in homesale transaction volume and lower restructuring costs. NRT's margin remained flat at 6% due to lower restructuring costs offset by the absence of earnings related to its equity investment in PHH Home Loans during the second quarter of 2017 compared to the same period in 2016 and higher commission expense. Cartus' margin decreased 1 percentage point to 26% from 27% primarily due to lower international revenue and the negative impact of foreign currency exchange rates, partially offset by the absence of restructuring costs incurred during the second quarter of 2016. TRG's margin remained flat at 17%.

Corporate and Other EBITDA for the three months ended June 30, 2017 improved $1 million to negative $18 million primarily due to a net benefit of $11 million of former parent legacy items as a result of the settlement of a Cendant legacy tax matter and the absence of $1 million in restructuring charges incurred during the three months ended June 30, 2016, mostly offset by an $8 million expense related to the settlement of the Strader legal matter, a $2 million increase in

employee costs due to higher employee incentive accruals and investments in technology development and a $2 million increase in professional fees supporting strategic initiatives.

EBITDA before restructuring charges was $280 million for the three months ended June 30, 2017 compared to $275 million for the three months ended June 30, 2016. EBITDA before restructuring charges by reportable segment for the three months ended June 30, 2017 was as follows:

	Three Months Ended June 30,				
	2017			2016	
	EBITDA	Restructuring Charges	EBITDA Before Restructuring	EBITDA Before Restructuring	% Change
Real Estate Franchise Services	$ 166	$ 1	$ 167	$ 152	10 %
Company Owned Real Estate Brokerage Services	77	1	78	85	(8)
Relocation Services	27	—	27	30	(10)
Title and Settlement Services	26	—	26	26	—
Corporate and Other	(18)	—	(18)	(18)	*
Total Company	$ 278	$ 2	$ 280	$ 275	2 %

* not meaningful

The following table reflects RFG and NRT results on a combined basis for the second quarter of 2017 compared to the second quarter of 2016. The EBITDA before restructuring margin for the combined segments decreased 1 percentage point from 17% to 16% due primarily to higher commission expense:

	Revenues (a)		% Change	EBITDA Before Restructuring (b)		% Change	Margin		Change
	2017	2016		2017	2016		2017	2016	
RFG and NRT Combined	$ 1,534	$ 1,404	9%	$ 245	$ 237	3%	16%	17%	(1)

(a) Excludes transactions between segments, which consists of intercompany royalties and marketing fees paid by NRT to RFG of $95 million and $85 million during the three months ended June 30, 2017 and June 30, 2016, respectively.

(b) EBITDA for the combined RFG and NRT segments excludes $2 million and $10 million of restructuring charges for the three months ended June 30, 2017 and June 30, 2016, respectively.

Real Estate Franchise Services (RFG)

Revenues increased $16 million to $237 million and EBITDA increased $17 million to $166 million for the three months ended June 30, 2017 compared with the same period in 2016.

The increase in revenue was driven by a $6 million increase in third-party domestic franchisee royalty revenue due to a 6% increase in the average homesale price and a 1% increase in the number of homesale transactions, partially offset by a lower net effective royalty rate. Revenue also increased due to a $7 million increase in royalties received from NRT as a result of volume increases at NRT. Brand marketing revenue and related expense both increased $4 million primarily due to the level of advertising spending during the second quarter of 2017 compared to the same period in 2016.

The intercompany royalties received from NRT of $89 million and $82 million during the second quarter of 2017 and 2016, respectively, are eliminated in consolidation to avoid the revenue being double counted in NRT and RFG. See "Company Owned Real Estate Brokerage Services" for a discussion of the drivers related to intercompany royalties paid to RFG.

The $17 million increase in EBITDA was principally due to the $13 million increase in royalty revenues discussed above and a $2 million decrease in restructuring charges incurred in the second quarter of 2017 compared to the same period in 2016.

Company Owned Real Estate Brokerage Services (NRT)

Revenues increased $124 million to $1,392 million and EBITDA decreased $1 million to $77 million for the three months ended June 30, 2017 compared with the same period in 2016.

The revenue increase of $124 million was comprised of a $94 million increase in commission income earned on homesale transactions by our existing brokerage operations and a $30 million increase in commission income earned from acquisitions. The revenue increase was driven by a 3% increase in the number of homesale transactions and a 9% increase in the average price of homes, partially offset by a 5 basis point decrease in the average broker commission rate. We believe these results are attributable to the recruiting and organic growth focus by NRT management as well as a shift from stabilization to sustained growth in the high end of the housing market. The improvement in the high end of the housing market had an adverse impact on the average homesale broker commission rate. In addition, homesale price is continuing to increase due to continued constrained inventory levels across the lower and mid price points in the markets served by NRT.

EBITDA decreased $1 million primarily due to:

- a $106 million increase in commission expenses paid to independent sales associates from $864 million in the second quarter of 2016 to $970 million in the second quarter of 2017. The increase in commission expense is due to an increase of $88 million by our existing brokerage operations due to higher homesale transaction volume, a greater share of transactions occurring in regions that traditionally pay a greater proportion of commissions to independent sales associates, as well as the impact of initiatives focused on growing and retaining our productive independent sales associate base, and an $18 million increase related to acquisitions;
- a $7 million increase in royalties paid to RFG from $82 million in the second quarter of 2016 to $89 million in the second quarter of 2017;
- a $7 million increase in employee-related costs due to a $4 million increase attributable to acquisitions and a $3 million increase due to higher incentive accruals;
- no earnings for our equity method investment in PHH Home Loans in the second quarter of 2017 compared to $3 million in earnings in the same period in 2016 primarily due to lower origination volume, compressed industry margins and the level of organizational change associated with the transition and start up of the operations of Guaranteed Rate Affinity;
- a $4 million increase in other costs including occupancy costs primarily related to acquisitions; and
- a $3 million increase in marketing expenses including the effect of acquisitions.

These decreases were mostly offset by;

- a $124 million increase in revenues discussed above and
- a $6 million decrease in restructuring costs related to the Company's business optimization plan.

Relocation Services (Cartus)

Revenues decreased $7 million to $102 million and EBITDA decreased $2 million to $27 million for the three months ended June 30, 2017 compared with the same period in 2016.

Revenues decreased $7 million as a result of a $5 million decrease in international revenue due to lower volume and a $2 million decrease in other revenue.

EBITDA decreased $2 million as a result of the $7 million decrease in revenues discussed above, partially offset by a $2 million decrease in employee related costs, a $2 million decrease in other operating expenses and the absence of $1 million of restructuring costs incurred during the second quarter of 2016.

Title and Settlement Services (TRG)

Revenues increased $8 million to $157 million and EBITDA remained flat at $26 million for the three months ended June 30, 2017 compared with the same period in 2016.

The increase in revenues was driven by a $9 million increase in resale revenue of which $6 million was related to acquisitions, as well as a $1 million increase of underwriter revenue due to volume increases. These increases were offset by a $2 million decrease in refinancing revenue.

EBITDA remained flat as a result of the $8 million increase in revenues discussed above offset by an increase of $5 million in employee-related costs primarily related to acquisitions and a $2 million increase in other general and administrative expenses.

Six Months Ended June 30, 2017 vs. Six Months Ended June 30, 2016

Our consolidated results comprised the following:

	Six Months Ended June 30,		
	2017	2016	Change
Net revenues	$ 2,996	$ 2,796	$ 200
Total expenses (1)	2,847	2,709	138
Income before income taxes, equity in (earnings) losses and noncontrolling interests	149	87	62
Income tax expense	64	40	24
Equity in (earnings) losses of unconsolidated entities	3	(5)	8
Net income	82	52	30
Less: Net income attributable to noncontrolling interests	(1)	(2)	1
Net income attributable to Realogy Holdings and Realogy Group	$ 81	$ 50	$ 31

(1) Total expenses for the six months ended June 30, 2017 includes a net benefit of $11 million of former parent legacy items, an $8 million expense related to the settlement of the Strader legal matter, $7 million of restructuring charges, $4 million of losses related to mark-to-market adjustments for our interest rate swaps and $4 million related to loss on the early extinguishment of debt. Total expenses for the six months ended June 30, 2016 includes $45 million of losses related to mark-to-market adjustments for our interest rate swaps, $21 million of restructuring charges and a net cost of $1 million of former parent legacy items.

Net revenues increased $200 million or 7% for the six months ended June 30, 2017 compared with the same period in 2016, principally due to increases in gross commission income and franchise fees as a result of a homesale transaction volume increase of 9% on a combined basis for NRT and RFG.

Total expenses increased $138 million or 5% primarily due to:

- a $153 million increase in commission and other sales associate-related costs due to an increase in homesale transaction volume at NRT and higher sales commission percentages paid to its independent sales associates;
- a $41 million increase in operating and general and administrative expenses primarily driven by:
  - $18 million of additional employee-related costs associated with acquisitions;
  - a $12 million increase in other expenses including professional fees and occupancy costs;
  - an $8 million expense related to the settlement of the Strader legal matter; and
  - a $3 million increase in variable operating costs at TRG primarily related to acquisitions;
- a $9 million increase in marketing expense; and
- $4 million related to the loss on the early extinguishment of debt as a result of the refinancing transaction completed during the first quarter of 2017.

The increases were partially offset by:

- a $46 million net decrease in interest expense to $86 million for the six months ended June 30, 2017 from $132 million for the six months ended June 30, 2016. Before the mark-to-market adjustments for our interest rate swaps, interest expense decreased $5 million to $82 million for the six months ended June 30, 2017 from $87 million for the six months ended June 30, 2016 as a result of a reduction in total outstanding indebtedness and a lower weighted average interest rate. Mark-to-market adjustments for our interest rate swaps resulted in losses of $4 million for the six months ended June 30, 2017 compared to losses of $45 million in the same period of 2016;
- a $14 million decrease in restructuring costs related to the Company's business optimization plan for the six months ended June 30, 2017 compared to the same period in 2016 (see Note 6, "Restructuring Costs", in the Condensed Consolidated Financial Statements for additional information); and
- a $12 million increase in the net benefit of former parent legacy items primarily as a result of the settlement of a Cendant legacy tax matter.

Losses from equity investments were $3 million during the first half of 2017 compared to earnings from equity investments of $5 million during the first half of 2016 primarily due to the recognition of certain exit costs at PHH Home Loans as well as reduced operating results given lower origination volume, compressed industry margins and the level of organizational change associated with the transition and start up of the operations of Guaranteed Rate Affinity.

The Company's provision for income taxes in interim periods is computed by applying its estimated annual effective tax rate against the income or loss before income taxes for the period. In addition, non-recurring or discrete items are recorded in the period in which they occur. The provision for income taxes was $64 million for the six months ended June 30, 2017 compared to $40 million for the six months ended June 30, 2016. Our federal and state blended statutory rate is estimated to be 40% for 2017 and our full year effective tax rate is estimated to be 41%. Our effective tax rate was 44% and 43% for the six months ended June 30, 2017 and June 30, 2016, respectively. The effective tax rate in each reporting period was primarily impacted by a discrete item related to equity awards for which the market value at vesting was lower than at the date of grant.

The following table reflects the results of each of our reportable segments during the six months ended June 30, 2017 and 2016:

	Revenues (a)		% Change	EBITDA (b)		% Change	EBITDA Margin		
	2017	2016		2017	2016		2017	2016	Change
RFG	$ 407	$ 378	8 %	$ 268	$ 241	11 %	66%	64%	2
NRT	2,289	2,109	9	51	57	(11)	2	3	(1)
Cartus	179	192	(7)	28	34	(18)	16	18	(2)
TRG	277	260	7	28	26	8	10	10	—
Corporate and Other	(156)	(143)	*	(45)	(40)	*			
Total Company	$ 2,996	$ 2,796	7 %	$ 330	$ 318	4 %	11%	11%	—
Less: Depreciation and amortization				99	96				
Interest expense, net				86	132				
Income tax expense				64	40				
Net income attributable to Realogy Holdings and Realogy Group				$ 81	$ 50				

* not meaningful

(a) Includes the elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by NRT of $156 million and $143 million during the six months ended June 30, 2017 and June 30, 2016, respectively.

(b) EBITDA for the six months ended June 30, 2017 includes a net benefit of $11 million of former parent legacy items, an $8 million expense related to the settlement of the Strader legal matter and $4 million related to loss on the early extinguishment of debt in Corporate and Other, and $7 million of restructuring charges discussed further below.

EBITDA for the six months ended June 30, 2016 includes $21 million of restructuring charges reflected above as follows: $9 million in NRT, $6 million in Corporate and Other, $3 million in Cartus and $3 million in RFG, and a net cost of $1 million of former parent legacy items included in Corporate and Other.

As described in the aforementioned table, EBITDA margin for "Total Company" expressed as a percentage of revenues remained flat at 11% for the six months ended June 30, 2017 compared to the same period in 2016. On a segment basis, RFG's margin increased 2 percentage points to 66% from 64% due to an increase in homesale transaction volume and lower restructuring costs. NRT's margin decreased 1 percentage point to 2% from 3% primarily due to losses related to its equity investment in PHH Home Loans during the first half of 2017 compared to earnings during the first half of 2016 and higher commission expense, partially offset by lower restructuring costs. Cartus' margin decreased 2 percentage points to 16% from 18% primarily due to lower international revenue and the negative impact of foreign currency exchange rates, partially offset by the absence of restructuring costs incurred during the first half of 2016. TRG's margin remained flat at 10%.

Corporate and Other EBITDA for the six months ended June 30, 2017 declined $5 million to negative $45 million primarily due to an $8 million expense related to the settlement of the Strader legal matter, a $5 million increase in other costs due to professional fees supporting strategic initiatives and occupancy costs, a $4 million increase in employee costs due to higher employee incentive accruals and investments in technology development and $4 million related to the loss on the early extinguishment of debt as a result of the refinancing transaction during the first quarter of 2017. These expenses

were partially offset by a $12 million increase in the net benefit of former parent legacy items primarily as a result of the settlement of a Cendant legacy tax matter and the absence of $6 million in restructuring charges incurred during the six months ended June 30, 2016.

EBITDA before restructuring charges was $337 million for the six months ended June 30, 2017 compared to $339 million for the six months ended June 30, 2016. EBITDA before restructuring charges by reportable segment for the six months ended June 30, 2017 was as follows:

	Six Months Ended June 30,				
	2017			2016	
	EBITDA	Restructuring Charges	EBITDA Before Restructuring	EBITDA Before Restructuring	% Change
Real Estate Franchise Services	$ 268	$ 1	$ 269	$ 244	10 %
Company Owned Real Estate Brokerage Services	51	6	57	66	(14)
Relocation Services	28	—	28	37	(24)
Title and Settlement Services	28	—	28	26	8
Corporate and Other	(45)	—	(45)	(34)	*
Total Company	$ 330	$ 7	$ 337	$ 339	(1)%

* not meaningful

The following table reflects RFG and NRT results on a combined basis for the six months ended June 30, 2017 and 2016. The EBITDA before restructuring margin for the combined segments remained flat at 13%:

	Revenues (a)		% Change	EBITDA Before Restructuring (b)		% Change	Margin		Change
	2017	2016		2017	2016		2017	2016	
RFG and NRT Combined	$ 2,540	$ 2,344	8%	$ 326	$ 310	5%	13%	13%	—

(a) Excludes transactions between segments, which consists of intercompany royalties and marketing fees paid by NRT to RFG of $156 million and $143 million during the six months ended June 30, 2017 and June 30, 2016, respectively.

(b) EBITDA for the combined RFG and NRT segments excludes $7 million and $12 million of restructuring charges for the six months ended June 30, 2017 and June 30, 2016, respectively.

Real Estate Franchise Services (RFG)

Revenues increased $29 million to $407 million and EBITDA increased $27 million to $268 million for the six months ended June 30, 2017 compared with the same period in 2016.

The increase in revenue was driven by a $10 million increase in third-party domestic franchisee royalty revenue due to a 6% increase in the average homesale price and a 2% increase in the number of homesale transactions, partially offset by a lower net effective royalty rate. Revenue also increased due to a $10 million increase in royalties received from NRT as a result of volume increases at NRT and a $2 million increase in other revenue primarily due to other marketing related activities. Brand marketing revenue and related expense both increased $6 million primarily due to the level of advertising spending during the six months ended June 30, 2017 compared to the same period in 2016.

The intercompany royalties received from NRT of $148 million and $138 million during the six months ended June 30, 2017 and June 30, 2016, respectively, are eliminated in consolidation to avoid the revenue being double counted in NRT and RFG. See "Company Owned Real Estate Brokerage Services" for a discussion of the drivers related to intercompany royalties paid to RFG.

The $27 million increase in EBITDA was principally due to the $20 million increase in royalty revenues and $2 million increase in other revenue discussed above, as well as a $2 million decrease in restructuring costs incurred in the first half of 2017 compared to the same period in 2016.

Company Owned Real Estate Brokerage Services (NRT)

Revenues increased $180 million to $2,289 million and EBITDA declined $6 million to $51 million for the six months ended June 30, 2017 compared with the same period in 2016.

The revenue increase of $180 million was comprised of a $132 million increase in commission income earned on homesale transactions by our existing brokerage operations and a $48 million increase in commission income earned from acquisitions. The revenue increase was driven by a 3% increase in the number of homesale transactions and a 7% increase in the average price of homes, partially offset by a 2 basis point decrease in the average broker commission rate. We believe these results are attributable to the recruiting and organic growth focus by NRT management as well as a shift from stabilization to sustained growth in the high end of the housing market. In addition, homesale price is continuing to increase due to continued constrained inventory levels across the lower and mid price points in the markets served by NRT.

EBITDA decreased $6 million primarily due to:

- a $153 million increase in commission expenses paid to independent sales associates from $1,422 million for the six months ended June 30, 2016 to $1,575 million for the six months ended June 30, 2017. The increase in commission expense is due to an increase of $125 million by our existing brokerage operations due to higher homesale transaction volume, a greater share of transactions occurring in regions that traditionally pay a greater proportion of commissions to independent sales associates, as well as the impact of initiatives focused on growing and retaining our productive independent sales associate base, and a $28 million increase related to acquisitions;
- a $10 million increase in royalties paid to RFG from $138 million for the six months ended June 30, 2016 to $148 million for the six months ended June 30, 2017;
- a $9 million increase in employee-related costs due to a $10 million increase attributable to acquisitions, partially offset by a $1 million decrease due to expense reduction initiatives;
- $4 million in losses for our equity method investment in PHH Home Loans for the six months ended June 30, 2017 compared to $3 million in earnings in the same period in 2016 due to lower origination volume, compressed industry margins and the level of organizational change associated with the transition and start up of the operations of Guaranteed Rate Affinity;
- a $7 million increase in other costs including occupancy costs primarily related to acquisitions; and
- a $4 million increase in marketing expenses primarily related to acquisitions.

These decreases were partially offset by;

- a $180 million increase in revenues discussed above and
- a $3 million decrease in restructuring costs incurred in the first half of 2017 compared to the same period in 2016.

Relocation Services (Cartus)

Revenues decreased $13 million to $179 million and EBITDA decreased $6 million to $28 million for the six months ended June 30, 2017 compared with the same period in 2016.

Revenues decreased $13 million as a result of an $8 million decrease in international revenue due to lower volume including the negative impact of foreign currency exchange rates and a $5 million decrease in other revenue as a result of lower volume.

EBITDA decreased $6 million as a result of the $13 million decrease in revenues discussed above and a $3 million net negative impact from foreign currency exchange rates, partially offset by a $4 million decrease in employee related costs, the absence of $3 million of restructuring costs incurred during the six months ended June 30, 2016 and a $2 million decrease in other operating expenses during the first half of 2017 compared to the first half of 2016.

Title and Settlement Services (TRG)

Revenues increased $17 million to $277 million and EBITDA increased $2 million to $28 million for the six months ended June 30, 2017 compared with the same period in 2016.

The increase in revenues was driven by a $17 million increase in resale revenue of which $10 million was related to acquisitions, as well as a $3 million increase of underwriter revenue due to volume increases. These increases were offset by a $3 million decrease in refinancing revenue.

EBITDA increased $2 million as a result of the $17 million increase in revenues discussed above, partially offset by an increase of $9 million in employee-related costs related to acquisitions, a $3 million increase in variable operating costs and a $1 million increase in other general and administrative expenses.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

	June 30, 2017	December 31, 2016	Change
Total assets	$ 7,426	$ 7,421	$ 5
Total liabilities	5,003	4,952	51
Total equity	2,423	2,469	(46)

For the six months ended June 30, 2017, total assets increased $5 million primarily due to a $74 million increase in trade and relocation receivables, increases of $24 million and $8 million in other current and non-current assets, respectively primarily due to higher prepaid expenses, and a $4 million increase in goodwill from acquisitions. These increases were partially offset by a $55 million decrease in cash and cash equivalents and a $50 million net decrease in franchise agreements and other amortizable intangible assets due to amortization.

Total liabilities increased $51 million due to a $57 million increase in deferred tax liabilities, a $30 million increase in accounts payable and an $18 million increase in securitization obligations, partially offset by a $24 million decrease in corporate debt primarily due to amortization payments on the term loan facilities, a $12 million decrease in accrued expenses and other current liabilities primarily due to the payment of annual bonuses, a $11 million decrease in the due to former parent liability primarily as a result of the settlement of a Cendant legacy tax matter and n $7 million decrease in other non-current liabilities.

Total equity decreased $46 million primarily due to a $127 million decrease in additional paid in capital, primarily related to the Company's repurchase of $121 million of common stock and $25 million of dividend payments partially offset by stock-based compensation activity of $15 million, partially offset by net income of $81 million for the six months ended June 30, 2017.

Liquidity and Capital Resources

Our primary liquidity needs have been to service our debt and finance our working capital and capital expenditures, which we have historically satisfied with cash flows from operations and funds available under our revolving credit facilities and securitization facilities. In January 2017, the Company increased the borrowing capacity under its Revolving Credit Facility from $815 million to $1,050 million.

We intend to use future cash flow primarily to acquire stock under our share repurchase program, pay dividends, fund acquisitions, enter into strategic relationships and reduce indebtedness. In February 2016, the Company's Board of Directors authorized a share repurchase program of up to $275 million of the Company’s common stock. In February 2017, our Board authorized a new share repurchase program of up to an additional $300 million of the Company's common stock. Repurchases under these programs may be made at management's discretion from time to time on the open market, pursuant to Rule 10b5-1 trading plans or privately negotiated transactions. The size and timing of these repurchases will depend on price, market and economic conditions, legal and contractual requirements and other factors. The repurchase programs have no time limit and may be suspended or discontinued at any time. As of June 30, 2017, the Company had repurchased and retired 11.2 million shares of common stock for an aggregate of $275 million under the February 2016 share repurchase program and $44 million under the February 2017 share repurchase program at a total weighted average market price of $28.33 per share.

Included in the 11.2 million shares of common stock repurchased to date, the Company repurchased 4.1 million shares of common stock for $120 million at a weighted average market price of $28.97 per share during the first half of 2017. As of June 30, 2017, approximately $256 million of authorization remains available for the repurchase of shares under the February 2017 share repurchase program.

During the period July 1, 2017 through August 1, 2017, we repurchased an additional 0.5 million shares at a weighted average market price of $33.14. Giving effect to these repurchases, we had approximately $241 million of remaining capacity authorized under the February 2017 share repurchase program as of August 1, 2017.

We also initiated and paid a quarterly cash dividend of $0.09 per share in August 2016 and paid $0.09 per share cash dividends in every subsequent quarter. During the first half of 2017, we returned $25 million to stockholders through the payment of cash dividends. The declaration and payment of any future dividend will be subject to the discretion of the Board of Directors and will depend on a variety of factors, including the Company’s financial condition and results of

operations, contractual restrictions, including restrictive covenants contained in the Company's credit agreement, and the indenture governing the Company's outstanding debt securities, capital requirements and other factors that the Board of Directors deems relevant.

We may also from time to time seek to repurchase our outstanding notes through tender offers, open market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors.

We are currently experiencing growth in the residential real estate market; however, if the residential real estate market or the economy as a whole does not continue to improve or weakens, our business, financial condition and liquidity may be materially adversely affected, including our ability to access capital and grow our business.

Historically, operating results and revenues for all of our businesses have been strongest in the second and third quarters of the calendar year. A significant portion of the expenses we incur in our real estate brokerage operations are related to marketing activities and commissions and therefore, are variable. However, many of our other expenses, such as interest payments, facilities costs and certain personnel-related costs, are fixed and cannot be reduced during a seasonal slowdown. Consequently, our debt balances are generally at their highest levels at or around the end of the first quarter of every year.

Our liquidity position has significantly improved but continues to be impacted by our remaining interest expense and would be adversely impacted by: (i) stagnation or a downturn of the residential real estate market, (ii) a significant increase in LIBOR or ABR, or (iii) our inability to access our relocation securitization programs.

We will continue to evaluate potential refinancing and financing transactions. There can be no assurance as to which, if any, of these alternatives we may pursue as the choice of any alternative will depend upon numerous factors such as market conditions, our financial performance and the limitations applicable to such transactions under our existing financing agreements and the consents we may need to obtain under the relevant documents. There can be no assurance that financing will be available to us on acceptable terms or at all.

Cash Flows

At June 30, 2017, we had $219 million of cash and cash equivalents, a decrease of $55 million compared to the balance of $274 million at December 31, 2016. The following table summarizes our cash flows for the six months ended June 30, 2017 and 2016:

	Six Months Ended June 30,		
	2017	2016	Change
Cash provided by (used in):			
Operating activities	$ 186	$ 103	$ 83
Investing activities	(56)	(58)	2
Financing activities	(186)	(36)	(150)
Effects of change in exchange rates on cash and cash equivalents	1	(1)	2
Net change in cash and cash equivalents	$ (55)	$ 8	$ (63)

For the six months ended June 30, 2017, $83 million more cash was provided by operating activities compared to the same period in 2016. The change was principally due to $39 million more cash provided by the net change in relocation and trade receivables, $40 million less cash used for accounts payable, accrued expenses and other liabilities and $19 million of additional cash provided by operating results, partially offset by $15 million more cash used due to an increase in other assets.

For the six months ended June 30, 2017, we used $2 million less cash for investing activities compared to the same period in 2016 primarily due to $11 million less cash used for acquisition related payments, partially offset by $8 million more cash used for property and equipment additions.

For the six months ended June 30, 2017, $186 million of cash was used for financing activities compared to $36 million of cash used during the same period in 2016. For the six months ended June 30, 2017, $186 million of cash was used for:

- $121 million for the repurchase of our common stock;
- $25 million of dividend payments;
- $21 million of quarterly amortization payments on the term loan facilities;

Table of Contents

- $10 million repayment of borrowings under the Revolving Credit Facility;
- $10 million of tax payments related to net share settlement for stock-based compensation;
- $10 million of other financing payments primarily related to capital leases and interest rate swaps;
- $6 million of debt issuance costs; and
- $4 million for payments of contingent consideration;

partially offset by an $18 million net decrease in securitization borrowings.

For the six months ended June 30, 2016, $36 million of cash was used for financing activities as a result of:

- repayment of $500 million to retire the 3.375% Senior Notes at maturity;
- net repayment of $200 million of borrowings under the Revolving Credit Facility;
- $67 million for the repurchase of our common stock;
- $20 million of amortization payments on the term loan facilities;
- $10 million for payments of contingent consideration;
- $12 million of other financing payments primarily related to interest rate swaps and capital leases; and
- $5 million related to income taxes paid by the Company related to the net share settlement for stock-based compensation;

partially offset by,

- $750 million of proceeds from the issuance of 5.25% Senior Notes of $250 million and 4.875% Senior Notes of $500 million; and
- a $34 million net increase in securitization obligation borrowings.

Financial Obligations

Indebtedness Table

As of June 30, 2017, the Company's borrowing arrangements were as follows:

	Interest Rate	Expiration Date	Principal Amount	Unamortized Discount and Debt Issuance Costs	Net Amount
Senior Secured Credit Facility:					
Revolving Credit Facility (1)	(2)	October 2020	$ 190	$ *	$ 190
Term Loan B	(3)	July 2022	1,089	22	1,067
Term Loan A Facility:					
Term Loan A	(4)	October 2020	402	1	401
Term Loan A-1	(5)	July 2021	346	3	343
Senior Notes	4.50%	April 2019	450	9	441
Senior Notes	5.25%	December 2021	550	5	545
Senior Notes	4.875%	June 2023	500	4	496
Securitization obligations: (6)					
Apple Ridge Funding LLC (7)		June 2018	211	*	211
Cartus Financing Limited (8)		August 2017	12	*	12
Total (9)			$ 3,750	$ 44	$ 3,706

* The debt issuance costs related to our Revolving Credit Facility and securitization obligations are classified as a deferred financing asset within other assets.

(1) As of June 30, 2017, the Company had $1,050 million of borrowing capacity under its Revolving Credit Facility leaving $860 million of available capacity. The revolving credit facility expires in October 2020, but is classified on the balance sheet as current due to the revolving nature of the facility. On August 1, 2017, the Company had $140 million in outstanding borrowings under the Revolving Credit Facility, leaving $910 million of available capacity.

(2) Interest rates with respect to revolving loans under the Senior Secured Credit Facility at June 30, 2017 are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(3) The Term Loan B provides for quarterly amortization payments totaling 1% per annum of the original principal amount. The interest rate with respect to term loans under the Term Loan B is based on, at the Company's option, (a) adjusted LIBOR plus 2.25% (with a LIBOR floor of 0.75%) or (b) JPMorgan Chase Bank, N.A.'s prime rate ("ABR") plus 1.25% (with an ABR floor of 1.75%).

(4) The Term Loan A provides for quarterly amortization payments, which commenced March 31, 2016, totaling per annum 5%, 5%, 7.5%, 10.0% and 12.5% of the original principal amount of the Term Loan A in 2016, 2017, 2018, 2019 and 2020, respectively. The interest rates with respect to term loans under the Term Loan A are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(5) The Term Loan A-1 provides for quarterly amortization payments, which commenced on September 30, 2016, totaling per annum 2.5%, 2.5%, 5%, 7.5% and 10.0% of the original principal amount of the Term Loan A-1, with the last amortization payment made on June 30, 2021. The interest rates with respect to term loans under the Term Loan A-1 are based on, at the Company's option, (a) adjusted LIBOR plus an additional margin or (b) ABR plus an additional margin, in each case subject to adjustment based on the then current senior secured leverage ratio. Based on the previous quarter senior secured leverage ratio, the LIBOR margin was 2.00% and the ABR margin was 1.00% for the three months ended June 30, 2017.

(6) Available capacity is subject to maintaining sufficient relocation related assets to collateralize these securitization obligations.

(7) In June 2017, Realogy Group extended the existing Apple Ridge Funding LLC securitization program utilized by Cartus until June 2018. As of June 30, 2017, the Company had $325 million of borrowing capacity under the Apple Ridge Funding LLC securitization program leaving $114 million of available capacity.

(8) Consists of a £10 million revolving loan facility and a £5 million working capital facility. As of June 30, 2017, the Company had $20 million of borrowing capacity under the Cartus Financing Limited securitization program leaving $8 million of available capacity.

(9) Not included in this table, the Company had $124 million of outstanding letters of credit at June 30, 2017 under the Unsecured Letter of Credit Facility with a weighted average rate of 2.93%. At June 30, 2017, the capacity of the facility was $131 million.

See Note 5, "Short and Long-Term Debt", to the Condensed Consolidated Financial Statements for additional information on the Company's indebtedness.

Covenants under the Senior Secured Credit Facility, Term Loan A Facility and Indentures

The Senior Secured Credit Facility, Term Loan A Facility, the Unsecured Letter of Credit Facility and the indentures governing the Unsecured Notes contain various covenants that limit (subject to certain exceptions) Realogy Group’s ability to, among other things:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends or make distributions to Realogy Group’s stockholders, including Realogy Holdings;
- repurchase or redeem capital stock;
- make loans, investments or acquisitions;
- incur restrictions on the ability of certain of Realogy Group's subsidiaries to pay dividends or to make other payments to Realogy Group;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of Realogy Group's and its material subsidiaries' assets;
- transfer or sell assets, including capital stock of subsidiaries; and
- prepay, redeem or repurchase subordinated indebtedness.

As a result of the covenants to which we remain subject, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs. In addition, the Senior Secured Credit Facility and Term Loan A Facility require us to maintain a senior secured leverage ratio.

The senior secured leverage ratio is tested quarterly and may not exceed 4.75 to 1.00. The senior secured leverage ratio is measured by dividing Realogy's Group total senior secured net debt by the trailing twelve month EBITDA calculated on a Pro Forma Basis, as those terms are defined in the senior secured credit facilities. Total senior secured net debt does not include unsecured indebtedness, including the Unsecured Notes, or the securitization obligations. EBITDA calculated on a Pro Forma Basis, as defined in the senior secured credit facilities, includes adjustments to EBITDA for restructuring costs, former parent legacy cost (benefit) items, net, loss on the early extinguishment of debt, non-cash charges and incremental securitization interest costs, as well as pro forma cost savings for restructuring initiatives, the pro forma effect of business optimization initiatives and the pro forma effect of acquisitions and new franchisees, in each case calculated as of the beginning of the twelve-month period. The Company was in compliance with the senior secured leverage ratio covenant at June 30, 2017.

See Note 5, "Short and Long-Term Debt—Senior Secured Credit Facility" and "Short and Long-Term Debt—Term Loan A Facility" to the Condensed Consolidated Financial Statements for additional information.

Non-GAAP Financial Measures

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of "non-GAAP financial measures," such as EBITDA and Operating EBITDA. These measures are derived on the basis of methodologies other than in accordance with GAAP.

EBITDA is defined by us as net income (loss) before depreciation and amortization, interest expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes and is our primary non-GAAP measure. Operating EBITDA is defined by us as EBITDA before restructuring, early extinguishment of debt and legacy items and is used as a supplementary financial measure.

We present EBITDA and Operating EBITDA because we believe they are useful as supplemental measures in evaluating the performance of our operating businesses and provide greater transparency into our results of operations. Our management, including our chief operating decision maker, uses EBITDA as a factor in evaluating the performance of our business. EBITDA and Operating EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with GAAP.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

EBITDA and Operating EBITDA have limitations as analytical tools, and you should not consider EBITDA and Operating EBITDA either in isolation or as substitutes for analyzing our results as reported under GAAP. Some of these limitations are:

- these measures do not reflect changes in, or cash required for, our working capital needs;
- these measures do not reflect our interest expense (except for interest related to our securitization obligations), or the cash requirements necessary to service interest or principal payments on our debt;
- these measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- these measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often require replacement in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies may calculate these measures differently so they may not be comparable.

Set forth in the table below is a reconciliation of net income attributable to Realogy to EBITDA and Operating EBITDA for the three-month periods ended June 30, 2017 and 2016:

	Three Months Ended	
	June 30, 2017	June 30, 2016
Net income attributable to Realogy	$ 109	$ 92
Income tax expense	73	64
Income before income taxes	182	156
Interest expense, net	47	59
Depreciation and amortization	49	48
EBITDA	278	263
EBITDA adjustments:		
Restructuring costs	2	12
Former parent legacy benefit, net	(11)	—
Operating EBITDA	$ 269	$ 275

Contractual Obligations

All future contractual obligations as of June 30, 2017 have not changed materially from the amounts reported in our 2016 Form 10-K.

Critical Accounting Policies

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our combined results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time.

These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2016, which includes a

description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results.

Recently Issued Accounting Pronouncements

See Note 1, "Basis of Presentation", to the Condensed Consolidated Financial Statements for a discussion of recently issued accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures about Market Risks.

We are exposed to market risk from changes in interest rates primarily through our senior secured debt. At June 30, 2017, our primary interest rate exposure was to interest rate fluctuations, specifically LIBOR, due to its impact on our variable rate borrowings of our Revolving Credit Facility and Term Loan B under the Senior Secured Credit Agreement and the Term Loan A Facility. Given that our borrowings under the Senior Secured Credit Agreement and Term Loan A Facility are generally based upon LIBOR, this rate will be the Company's primary market risk exposure for the foreseeable future. We do not have significant exposure to foreign currency risk nor do we expect to have significant exposure to foreign currency risk in the foreseeable future.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on earnings, fair values and cash flows based on a hypothetical change (increase and decrease) in interest rates. We exclude the fair values of relocation receivables and advances and securitization borrowings from our sensitivity analysis because we believe the interest rate risk on these assets and liabilities is mitigated as the rate we earn on relocation receivables and advances and the rate we incur on our securitization borrowings are based on similar variable indices.

At June 30, 2017, we had variable interest rate long-term debt from our outstanding term loans and revolver of $2,027 million, which excludes $223 million of securitization obligations. The weighted average interest rate on the outstanding term loans and revolver at June 30, 2017 was 3.35%. The interest rate with respect to the Term Loan B is based on adjusted LIBOR plus 2.25% (with a LIBOR floor of 0.75%). The interest rates with respect to the Revolving Credit Facility and term loans under the Term Loan A Facility are based on adjusted LIBOR plus an additional margin subject to adjustment based on the current senior secured leverage ratio. Based on the June 30, 2017 senior secured leverage ratio, the LIBOR margin was 2.00%. At June 30, 2017, the one-month LIBOR rate was 1.22%; therefore, we have estimated that a 0.25% increase in LIBOR would have a $5 million impact on our annual interest expense.

We have entered into interest rate swaps with a notional value of $1,475 million to manage a portion of our exposure to changes in interest rates associated with our $2,027 million of variable rate borrowings. Our interest rate swaps are as follows:

Notional Value (in millions)	Commencement Date	Expiration Date
$225	July 2012	February 2018
$200	January 2013	February 2018
$600	August 2015	August 2020
$450	November 2017	November 2022

The swaps help protect our outstanding variable rate borrowings from future interest rate volatility. The fixed interest rates on the swaps range from 2.07% to 2.89%. The Company had a liability for the fair value of the interest rate swaps of$28 million at June 30, 2017. The fair value of these interest rate swaps is subject to movements in LIBOR and will fluctuate in future periods. We have estimated that a 0.25% increase in the LIBOR yield curve would increase the fair value of our interest rate swaps by $10 million and would decrease interest expense. While these results may be used as a benchmark, they should not be viewed as a forecast of future results.

Item 4. Controls and Procedures.

Controls and Procedures for Realogy Holdings Corp.

(a) Realogy Holdings Corp. ("Realogy Holdings") maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Realogy Holdings' management, including the Chief Executive Officer and the Chief Financial Officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

(b) As of the end of the period covered by this quarterly report on Form 10-Q, Realogy Holdings has carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Realogy Holdings' disclosure controls and procedures are effective at the "reasonable assurance" level.

(c) There has not been any change in Realogy Holdings' internal control over financial reporting during the period covered by this quarterly report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Controls and Procedures for Realogy Group LLC

(a) Realogy Group LLC ("Realogy Group") maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its filings under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission. Such information is accumulated and communicated to its management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Realogy Group's management, including the Chief Executive Officer and the Chief Financial Officer, recognizes that any set of controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

(b) As of the end of the period covered by this quarterly report on Form 10-Q, Realogy Group has carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Realogy Group's disclosure controls and procedures are effective at the "reasonable assurance" level.

(c) There has not been any change in Realogy Group's internal control over financial reporting during the period covered by this quarterly report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Other Financial Information

The Condensed Consolidated Financial Statements as of June 30, 2017 and for the three and six-month periods ended June 30, 2017 and 2016 have been reviewed by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their reports, dated August 3, 2017, are included on pages 4 and 5. The reports of PricewaterhouseCoopers LLP state that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 (the "Act") for their report on the unaudited financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 10, "Commitments and Contingencies—Litigation", to the Condensed Consolidated Financial Statements included elsewhere in this Report for additional information on the Company's legal proceedings, including a description of the *Strader, et al. and Hall v. PHH Corporation, et al.* litigation.

The Company believes that it has adequately accrued for legal matters as appropriate. The Company records litigation accruals for legal matters which are both probable and estimable.

Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur. In addition, class action lawsuits or regulatory proceedings challenging practices that have broad impact can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company’s financial condition, results of operations or cash flows in any particular period.

Litigation and claims against other participants in the residential real estate industry may impact the Company when the rulings in those cases cover practices common to the broader industry. Examples may include claims associated with RESPA compliance, broker fiduciary duties, and sales agent classification. One such case is PHH Corp. vs. Consumer Financial Protection Bureau, No. 15-1177. On October 11, 2016, a three-judge panel of the United States Court of Appeals for the D.C. Circuit issued a decision in that case addressing the constitutionality of the CFPB's structure as a single-Director independent agency where the CFPB Director can only be removed by the President of the U.S. for "cause" as well as various important RESPA issues, including that: (1) Section 8(c)(2) of RESPA (which permits “bona fide” payments for goods and services actually performed), remains a viable exception under RESPA and does not constitute a payment for a referral in violation of RESPA where the amount paid does not exceed the reasonable market value of the goods or services; (2) new CFPB interpretations of RESPA cannot be enforced on a retroactive basis where there is reliance on prior regulatory interpretations; and (3) the CFPB is bound by the three-year statute of limitations for government enforcement of RESPA. On February 16, 2017, the full D.C. Circuit Court of Appeals agreed to hear an appeal of the October 11, 2016 decision and vacated that decision pending the appeal. Oral arguments were held on May 24, 2017. A decision from the full D.C. Circuit Court is pending.

The Company also may be impacted by litigation and other claims against companies in other industries. Rulings on matters such as the enforcement of arbitration and class waiver agreements and worker classification may adversely affect the Company and other residential real estate industry participants as a result of the classification of sales associates as independent contractors, irrespective of the fact that the parties subject to the rulings are in a different industry. To the extent the defendants are unsuccessful in these types of litigation matters, and we or our franchisees cannot distinguish our or their practices (or our industry’s practices), we and our franchisees could face significant liability and could be required to modify certain business relationships, either of which could materially and adversely impact our financial condition and results of operations. There also are changing employment-related regulatory interpretations at both the federal and state levels that could create risks around historic practices and that could require changes in business practices, both for us and our franchisees.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(c) The following table sets forth information relating to repurchase of shares of our common stock during the quarter ended June 30, 2017:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Programs [(1)]	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs [(1)]
April 1 - 30, 2017	616,998	$29.35	616,998	$ 298,297,790
May 1 - 31, 2017	687,254	$30.50	687,254	$ 277,336,543
June 1 - 30, 2017 [(2)]	681,360	$30.72	681,360	$ 256,405,164

(1) In February 2016, the Company's Board of Directors authorized a share repurchase program of up to $275 million of the

Company's common stock. As of April 30, 2017, all of the capacity under this program had been utilized. In February 2017, our Board authorized a new share repurchase program of up to an additional $300 million of the Company's common stock. Repurchases under these programs may be made at management's discretion from time to time on the open market, pursuant to Rule 10b5-1 trading plans or privately negotiated transactions. The size and timing of these repurchases will depend on price, market and economic conditions, legal and contractual requirements and other factors. The repurchase programs have no time limit and may be suspended or discontinued at any time. All of the repurchased common stock has been retired.

(2) Includes 88,320 of shares purchased for which the trade date occurred in late June 2017 while settlement occurred in July 2017.

During the period July 1, 2017 through August 1, 2017, we repurchased an additional 0.5 million shares at a weighted average market price of $33.14. Giving effect to these repurchases, we had approximately $241 million of remaining capacity authorized under the February 2017 share repurchase program as of August 1, 2017.

Item 6. Exhibits.

See Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REALOGY HOLDINGS CORP.
and
REALOGY GROUP LLC
(Registrants)

Date: August 3, 2017

/S/ ANTHONY E. HULL
Anthony E. Hull
Executive Vice President and
Chief Financial Officer

Date: August 3, 2017

/S/ TIMOTHY B. GUSTAVSON
Timothy B. Gustavson
Senior Vice President,
Chief Accounting Officer and
Controller

EXHIBIT INDEX

Exhibit	Description
4.1*	Supplemental Indenture No. 8 dated as of June 26, 2017 to the 4.500% Senior Note Indenture.
4.2*	Supplemental Indenture No. 2 dated as of June 26, 2017 to the 4.875% Senior Note Indenture.
4.3*	Supplemental Indenture No. 5 dated as of June 26, 2017 to the 5.250% Senior Note Indenture.
10.1	Tenth Omnibus Amendment, dated as of June 9, 2017, among Cartus Corporation, Cartus Financial Corporation, Apple Ridge Services Corporation, Apple Ridge Funding LLC, Realogy Group LLC, U.S. Bank National Association, the managing agents party to the Note Purchase Agreement dated December 14, 2011, as amended, and Crédit Agricole Corporate and Investment Bank (Incorporated by reference to Exhibit 10.1 to Registrants' Current Report on Form 8-K filed on June 13, 2017).
15.1*	Letter Regarding Unaudited Interim Financial Statements.
31.1*	Certification of the Chief Executive Officer of Realogy Holdings Corp. pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of the Chief Financial Officer of Realogy Holdings Corp. pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.3*	Certification of the Chief Executive Officer of Realogy Group LLC pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.4*	Certification of the Chief Financial Officer of Realogy Group LLC pursuant to Rules 13(a)-14(a) and 15(d)-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1*	Certification for Realogy Holdings Corp. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification for Realogy Group LLC pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS ^	XBRL Instance Document.
101.SCH ^	XBRL Taxonomy Extension Schema Document.
101.CAL^	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF ^	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB ^	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE ^	XBRL Taxonomy Extension Presentation Linkbase Document.

---

* Filed herewith.

^ Furnished electronically with this report.

SUPPLEMENTAL INDENTURE NO. 8

Supplemental Indenture No. 8 (this "Supplemental Indenture"), dated as of June 26, 2017, among the guarantor listed on the signature page hereto (each, a "Guaranteeing Subsidiary" and, together, the "Guaranteeing Subsidiaries"), each a subsidiary of Realogy Group LLC, a Delaware limited liability company (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, each of the Issuer, Holdings, the Note Guarantors (each as defined in the Indenture referred to below) and the Trustee has heretofore entered into an indenture, dated as of April 7, 2014 (as supplemented, the "Indenture"), providing for the issuance of an unlimited aggregate principal amount of 4.500% Senior Notes due 2019 (the "Notes");

WHEREAS, Section 4.15 of the Indenture provides that under certain circumstances the Issuer is required to cause the Guaranteeing Subsidiaries to execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer the Trustee and each Guaranteeing Subsidiary are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with Holdings and all Note Guarantors named in the Indenture or any supplemental indenture, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuers hereunder or thereunder, that:

(i) the principal of, premium, if any, and interest on the Notes shall be promptly paid in full when due, whether at Stated Maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other Obligations of the Issuers to the Holders or the Trustee hereunder or thereunder whether for payment of principal of, premium, if any, or interest, on the Notes and all other monetary obligations of the Issuers under the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in

accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, Holdings, each Note Guarantor and each Guaranteeing Subsidiary shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes, the Indenture, the Holdings Guarantee or any other Note Guarantee, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, Holdings or any Note Guarantor, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuers, any right to require a proceeding first against the Issuers, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Note Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuers, Holdings, the Note Guarantors (including each Guaranteeing Subsidiary), or any custodian, trustee, liquidator or other similar official acting in relation to the Issuers, Holdings or the Note Guarantors, any amount paid either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between each Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of this Note Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from Holdings or any non-paying Note Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Note Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of Holdings or any other Note Guarantor in respect of the obligations of Holdings or such other Note Guarantor under Article 10 or Article 11 of the

Indenture, this new Note Guarantee shall be limited to the maximum amount permissible such that the obligations of each Guaranteeing Subsidiary under this Note Guarantee will not be voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(j) This Note Guarantee shall be a continuing guarantee and shall (1) remain in full force and effect until payment in full of all the applicable obligations guaranteed hereby; (2) subject to Section 10.06 of the Indenture, be binding upon each Guaranteeing Subsidiary and its successors; and (3) inure to the benefit of and be enforceable by the Trustee, the Holders and their successors, transferees and assigns.

(k) This Note Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuers, Holdings or any Note Guarantor for liquidation or reorganization, should the Issuers, Holdings or any Note Guarantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuers', Holdings' or any Note Guarantor's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes, the Holdings Guarantee or Note Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(l) In case any provision of this Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(m) This Note Guarantee shall be a general senior unsecured obligation of each Guaranteeing Subsidiary, ranking senior to all existing and future Subordinated Indebtedness of such Guaranteeing Subsidiary, if any, and pari passu with all existing and future Senior Pari Passu Indebtedness of such Guaranteeing Subsidiary, if any.

(n) Each payment to be made by each Guaranteeing Subsidiary in respect of this Note Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not, and the Issuer will not permit such Guaranteeing Subsidiary to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(i) either (a) such Guaranteeing Subsidiary is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than a Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the "Successor Note Guarantor") and the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of Section 4.10 of the Indenture;

(ii) the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures (if any) comply with the Indenture and if a supplemental indenture is required in connection with such transaction, such supplemental indenture shall comply with the applicable provisions of the Indenture; and

(iii) immediately after such transaction, no Default or Event of Default exists.

(b) Except as otherwise provided in the Indenture, the Successor Note Guarantor (if other than a Guaranteeing Subsidiary) will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, and such Guaranteeing Subsidiary will automatically be released and discharged from its obligations under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, but in the case of a lease of all or substantially all of its assets, the Guaranteeing Subsidiary will not be released from its obligations under the Note Guarantee. Notwithstanding the foregoing, (1) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Guaranteeing Subsidiary in another state of the United States, the District of Columbia or any territory of the United States so long as the amount of Indebtedness, Preferred Stock and Disqualified Stock of such Guaranteeing Subsidiary is not increased thereby and (2) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with another Guaranteeing Subsidiary or the Issuer.

(c) In addition, notwithstanding the foregoing, each Guaranteeing Subsidiary may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "Transfer") to (x) the Issuer or any Note Guarantor or (y) any Non-Guarantor Subsidiary; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed the greater of (x) $625.0 million and (y) 5.0% of Total Assets after giving effect to each such Transfer and including all Transfers of such Guaranteeing Subsidiary and the Note Guarantors occurring from and after the Issue Date.

(5) Releases.

The Note Guarantee of each Guaranteeing Subsidiary under the Indenture and the Notes shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing

Subsidiary, Holdings, the Issuers or the Trustee is required for the release of such Guaranteeing Subsidiary's Guarantee, upon:

(1) (a) the sale, disposition or other transfer (including through merger or consolidation) of the Capital Stock (including any sale, disposition or other transfer following which a Guaranteeing Subsidiary is no longer a Restricted Subsidiary), of such Guaranteeing Subsidiary if such sale, disposition or other transfer is made in compliance with the applicable provisions of the Indenture;

(b) the Issuer designating such Guaranteeing Subsidiary to be an Unrestricted Subsidiary in accordance with the provisions set forth under Section 4.07 of the Indenture and the definition of "Unrestricted Subsidiary";

(c) the release or discharge of such Restricted Subsidiary from (x) its guarantee of Indebtedness under the Credit Agreement (including by reason of the termination of the Credit Agreement) and/or (y) the guarantee of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer or such Restricted Subsidiary or the repayment of the Indebtedness or Disqualified Stock (except in each case a discharge or release by or as a result of payment under such guarantee) that resulted in the obligation to guarantee the Notes, in the case of each of clauses (x) and (y) if such Guaranteeing Subsidiary would not then otherwise be required to guarantee the Notes pursuant to the Indenture; *provided,* that if such Person has incurred any Indebtedness or issued any Disqualified Stock in reliance on its status as a Note Guarantor under Section 4.09 of the Indenture, such Guaranteeing Subsidiary's obligations under such Indebtedness or Disqualified Stock, as the case may be, so Incurred are satisfied in full and discharged or are otherwise permitted to be Incurred under Section 4.09 of the Indenture; or

(d) the Issuers exercising their Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuers' obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(2) in the case of clause (1)(a) above, the release of such Guaranteeing Subsidiary from its guarantee, if any, of, and all pledges and security, if any, granted in connection with, the Credit Agreement and any other Indebtedness of the Issuer or any Restricted Subsidiary.

In addition, a Note Guarantee will be automatically released upon such Guaranteeing Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Bank Indebtedness or other Indebtedness secured by the collateral securing such Bank Indebtedness with lien priority ranking equally with such Bank Indebtedness or other exercise of remedies in respect thereof.

(6) No Recourse Against Others. No director, officer, employee, manager, incorporator or holder of any Equity Interests of each Guaranteeing Subsidiary or any direct or indirect parent, as such, shall have any liability for any obligations of the Issuers or the Note Guarantors under the Notes, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts/Originals. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary.

(11) Subrogation. Each Guaranteeing Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuers in respect of any amounts paid by such Guaranteeing Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; *provided* that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuers under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Note Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of each Guaranteeing Subsidiary in this Supplemental Indenture shall bind its Successors, except as otherwise provided in Section 5 hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NRT QUEENS LLC
ON COLLABORATIVE, INC.
ON COLLABORATIVE LLC
SOTHEBY'S INTERNATIONAL REALTY GLOBAL DEVELOPMENT ADVISORS LLC
SOTHEBY'S INTERNATIONAL REALTY REFERRAL COMPANY INC.
TRG VENTURE PARTNER LLC

By: /s/ Anthony E. Hull
Name: Anthony E. Hull
Title: Executive Vice President and Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: /s/ Valere Boyd

Name: Valere Boyd

Title: Vice President

Exhibit 4.2

SUPPLEMENTAL INDENTURE NO. 2

Supplemental Indenture No. 2 (this "Supplemental Indenture"), dated as of June 26, 2017, among the guarantor listed on the signature page hereto (each a "Guaranteeing Subsidiary" and, together, the "Guaranteeing Subsidiaries"), each a subsidiary of Realogy Group LLC, a Delaware limited liability company (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, each of the Issuer, Holdings, the Note Guarantors (each as defined in the Indenture referred to below) and the Trustee has heretofore entered into an indenture, dated as of June 1, 2016 (as supplemented, the "Indenture"), providing for the issuance of an unlimited aggregate principal amount of 4.875% Senior Notes due 2023 (the "Notes");

WHEREAS, Section 4.15 of the Indenture provides that under certain circumstances the Issuer is required to cause the Guaranteeing Subsidiaries to execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer the Trustee and each Guaranteeing Subsidiary are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with Holdings and all Note Guarantors named in the Indenture or any supplemental indenture, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuers hereunder or thereunder, that:

(i) the principal of, premium, if any, and interest on the Notes shall be promptly paid in full when due, whether at Stated Maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other Obligations of the Issuers to the Holders or the Trustee hereunder or thereunder whether for payment of principal of, premium, if any, or interest, on the Notes and all other monetary obligations of the Issuers under the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in

accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, Holdings, each Note Guarantor and each Guaranteeing Subsidiary shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes, the Indenture, the Holdings Guarantee or any other Note Guarantee, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, Holdings or any Note Guarantor, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuers, any right to require a proceeding first against the Issuers, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Note Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuers, Holdings, the Note Guarantors (including each Guaranteeing Subsidiary), or any custodian, trustee, liquidator or other similar official acting in relation to the Issuers, Holdings or the Note Guarantors, any amount paid either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between each Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of this Note Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from Holdings or any non-paying Note Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Note Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of Holdings or any other Note Guarantor in respect of the obligations of Holdings or such other Note Guarantor under Article 10 or Article 11 of the

Indenture, this new Note Guarantee shall be limited to the maximum amount permissible such that the obligations of each Guaranteeing Subsidiary under this Note Guarantee will not be voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(j) This Note Guarantee shall be a continuing guarantee and shall (1) remain in full force and effect until payment in full of all the applicable obligations guaranteed hereby; (2) subject to Section 10.06 of the Indenture, be binding upon each Guaranteeing Subsidiary and its successors; and (3) inure to the benefit of and be enforceable by the Trustee, the Holders and their successors, transferees and assigns.

(k) This Note Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuers, Holdings or any Note Guarantor for liquidation or reorganization, should the Issuers, Holdings or any Note Guarantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuers', Holdings' or any Note Guarantor's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes, the Holdings Guarantee or Note Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(l) In case any provision of this Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(m) This Note Guarantee shall be a general senior unsecured obligation of each Guaranteeing Subsidiary, ranking senior to all existing and future Subordinated Indebtedness of such Guaranteeing Subsidiary, if any, and pari passu with all existing and future Senior Pari Passu Indebtedness of such Guaranteeing Subsidiary, if any.

(n) Each payment to be made by each Guaranteeing Subsidiary in respect of this Note Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not, and the Issuer will not permit such Guaranteeing Subsidiary to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(i) either (a) such Guaranteeing Subsidiary is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than a Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the "Successor Note Guarantor") and the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of Section 4.10 of the Indenture;

(ii) the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures (if any) comply with the Indenture and if a supplemental indenture is required in connection with such transaction, such supplemental indenture shall comply with the applicable provisions of the Indenture; and

(iii) immediately after such transaction, no Default or Event of Default exists.

(b) Except as otherwise provided in the Indenture, the Successor Note Guarantor (if other than a Guaranteeing Subsidiary) will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, and such Guaranteeing Subsidiary will automatically be released and discharged from its obligations under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, but in the case of a lease of all or substantially all of its assets, the Guaranteeing Subsidiary will not be released from its obligations under the Note Guarantee. Notwithstanding the foregoing, (1) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Guaranteeing Subsidiary in another state of the United States, the District of Columbia or any territory of the United States so long as the amount of Indebtedness, Preferred Stock and Disqualified Stock of such Guaranteeing Subsidiary is not increased thereby and (2) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with another Guaranteeing Subsidiary or the Issuer.

(c) In addition, notwithstanding the foregoing, each Guaranteeing Subsidiary may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "Transfer") to (x) the Issuer or any Note Guarantor or (y) any Non-Guarantor Subsidiary; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed the greater of (x) $625.0 million and (y) 5.0% of Total Assets after giving effect to each such Transfer and including all Transfers of such Guaranteeing Subsidiary and the Note Guarantors occurring from and after the Issue Date.

(5) Releases.

The Note Guarantee of each Guaranteeing Subsidiary under the Indenture and the Notes shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing

Subsidiary, Holdings, the Issuers or the Trustee is required for the release of such Guaranteeing Subsidiary's Guarantee, upon:

(1) (a) the sale, disposition or other transfer (including through merger or consolidation) of the Capital Stock (including any sale, disposition or other transfer following which a Guaranteeing Subsidiary is no longer a Restricted Subsidiary), of such Guaranteeing Subsidiary if such sale, disposition or other transfer is made in compliance with the applicable provisions of the Indenture;

(b) the Issuer designating such Guaranteeing Subsidiary to be an Unrestricted Subsidiary in accordance with the provisions set forth under Section 4.07 of the Indenture and the definition of "Unrestricted Subsidiary";

(c) the release or discharge of such Restricted Subsidiary from (x) its guarantee of Indebtedness under the Credit Agreement (including by reason of the termination of the Credit Agreement) and/or (y) the guarantee of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer or such Restricted Subsidiary or the repayment of the Indebtedness or Disqualified Stock (except in each case a discharge or release by or as a result of payment under such guarantee) that resulted in the obligation to guarantee the Notes, in the case of each of clauses (x) and (y) if such Guaranteeing Subsidiary would not then otherwise be required to guarantee the Notes pursuant to the Indenture; *provided,* that if such Person has incurred any Indebtedness or issued any Disqualified Stock in reliance on its status as a Note Guarantor under Section 4.09 of the Indenture, such Guaranteeing Subsidiary's obligations under such Indebtedness or Disqualified Stock, as the case may be, so Incurred are satisfied in full and discharged or are otherwise permitted to be Incurred under Section 4.09 of the Indenture; or

(d) the Issuers exercising their Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuers' obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(2) in the case of clause (1)(a) above, the release of such Guaranteeing Subsidiary from its guarantee, if any, of, and all pledges and security, if any, granted in connection with, the Credit Agreement and any other Indebtedness of the Issuer or any Restricted Subsidiary.

In addition, a Note Guarantee will be automatically released upon such Guaranteeing Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Bank Indebtedness or other Indebtedness secured by the collateral securing such Bank Indebtedness with lien priority ranking equally with such Bank Indebtedness or other exercise of remedies in respect thereof.

(6) <u>No Recourse Against Others</u>. No director, officer, employee, manager, incorporator or holder of any Equity Interests of each Guaranteeing Subsidiary or any direct or indirect parent, as such, shall have any liability for any obligations of the Issuers or the Note Guarantors under the Notes, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) <u>Governing Law</u>. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(8) <u>Counterparts/Originals</u>. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary.

(11) Subrogation. Each Guaranteeing Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuers in respect of any amounts paid by such Guaranteeing Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; *provided* that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuers under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Note Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of each Guaranteeing Subsidiary in this Supplemental Indenture shall bind its Successors, except as otherwise provided in Section 5 hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NRT QUEENS LLC
ON COLLABORATIVE, INC.
ON COLLABORATIVE LLC
SOTHEBY'S INTERNATIONAL REALTY GLOBAL DEVELOPMENT ADVISORS LLC
SOTHEBY'S INTERNATIONAL REALTY REFERRAL COMPANY INC.
TRG VENTURE PARTNER LLC

By: /s/ Anthony E. Hull
Name: Anthony E. Hull
Title: Executive Vice President and Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By: /s/ Valere Boyd

Name: Valere Boyd

Title: Vice President

SUPPLEMENTAL INDENTURE NO. 5

Supplemental Indenture No. 5 (this "Supplemental Indenture"), dated as of June 26, 2017, among the guarantor listed on the signature page hereto (each a "Guaranteeing Subsidiary" and, together, the "Guaranteeing Subsidiaries"), each a subsidiary of Realogy Group LLC, a Delaware limited liability company (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, each of the Issuer, Holdings, the Note Guarantors (each as defined in the Indenture referred to below) and the Trustee has heretofore entered into an indenture, dated as of November 14, 2014 (as supplemented, the "Indenture"), providing for the issuance of an unlimited aggregate principal amount of 5.250% Senior Notes due 2021 (the "Notes");

WHEREAS, Section 4.15 of the Indenture provides that under certain circumstances the Issuer is required to cause the Guaranteeing Subsidiaries to execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiaries shall unconditionally guarantee all of the Issuers' Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Issuer the Trustee and each Guaranteeing Subsidiary are authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Guarantee. Each Guaranteeing Subsidiary hereby agrees as follows:

(a) Along with Holdings and all Note Guarantors named in the Indenture or any supplemental indenture, to jointly and severally unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuers hereunder or thereunder, that:

(i) the principal of, premium, if any, and interest on the Notes shall be promptly paid in full when due, whether at Stated Maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other Obligations of the Issuers to the Holders or the Trustee hereunder or thereunder whether for payment of principal of, premium, if any, or interest, on the Notes and all other monetary obligations of the Issuers under the Indenture and the Notes shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in

accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, Holdings, each Note Guarantor and each Guaranteeing Subsidiary shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(b) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes, the Indenture, the Holdings Guarantee or any other Note Guarantee, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuers, Holdings or any Note Guarantor, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(c) The following is hereby waived: diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuers, any right to require a proceeding first against the Issuers, protest, notice and all demands whatsoever.

(d) This Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and each Guaranteeing Subsidiary accepts all obligations of a Note Guarantor under the Indenture.

(e) If any Holder or the Trustee is required by any court or otherwise to return to the Issuers, Holdings, the Note Guarantors (including each Guaranteeing Subsidiary), or any custodian, trustee, liquidator or other similar official acting in relation to the Issuers, Holdings or the Note Guarantors, any amount paid either to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(f) Each Guaranteeing Subsidiary shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(g) As between each Guaranteeing Subsidiary, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of the Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6 of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by such Guaranteeing Subsidiary for the purpose of this Note Guarantee.

(h) Each Guaranteeing Subsidiary shall have the right to seek contribution from Holdings or any non-paying Note Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Note Guarantee.

(i) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of Holdings or any other Note Guarantor in respect of the obligations of Holdings or such other Note Guarantor under Article 10 or Article 11 of the

Indenture, this new Note Guarantee shall be limited to the maximum amount permissible such that the obligations of each Guaranteeing Subsidiary under this Note Guarantee will not be voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(j) This Note Guarantee shall be a continuing guarantee and shall (1) remain in full force and effect until payment in full of all the applicable obligations guaranteed hereby; (2) subject to Section 10.06 of the Indenture, be binding upon each Guaranteeing Subsidiary and its successors; and (3) inure to the benefit of and be enforceable by the Trustee, the Holders and their successors, transferees and assigns.

(k) This Note Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuers, Holdings or any Note Guarantor for liquidation or reorganization, should the Issuers, Holdings or any Note Guarantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuers', Holdings' or any Note Guarantor's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes, the Holdings Guarantee or Note Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(l) In case any provision of this Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(m) This Note Guarantee shall be a general senior unsecured obligation of each Guaranteeing Subsidiary, ranking senior to all existing and future Subordinated Indebtedness of such Guaranteeing Subsidiary, if any, and pari passu with all existing and future Senior Pari Passu Indebtedness of such Guaranteeing Subsidiary, if any.

(n) Each payment to be made by each Guaranteeing Subsidiary in respect of this Note Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(3) Execution and Delivery. Each Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee on the Notes.

(4) Merger, Consolidation or Sale of All or Substantially All Assets.

(a) Except as otherwise provided in Section 5.01(c) of the Indenture, each Guaranteeing Subsidiary may not, and the Issuer will not permit such Guaranteeing Subsidiary to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Guaranteeing Subsidiary is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person unless:

(i) either (a) such Guaranteeing Subsidiary is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than a Guaranteeing Subsidiary) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Guaranteeing Subsidiary or such Person, as the case may be, being herein called the "Successor Note Guarantor") and the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) expressly assumes all the obligations of such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of Section 4.10 of the Indenture;

(ii) the Successor Note Guarantor (if other than such Guaranteeing Subsidiary) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indentures (if any) comply with the Indenture and if a supplemental indenture is required in connection with such transaction, such supplemental indenture shall comply with the applicable provisions of the Indenture; and

(iii) immediately after such transaction, no Default or Event of Default exists.

(b) Except as otherwise provided in the Indenture, the Successor Note Guarantor (if other than a Guaranteeing Subsidiary) will succeed to, and be substituted for, such Guaranteeing Subsidiary under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, and such Guaranteeing Subsidiary will automatically be released and discharged from its obligations under the Indenture and such Guaranteeing Subsidiary's applicable Note Guarantee, but in the case of a lease of all or substantially all of its assets, the Guaranteeing Subsidiary will not be released from its obligations under the Note Guarantee. Notwithstanding the foregoing, (1) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Guaranteeing Subsidiary in another state of the United States, the District of Columbia or any territory of the United States so long as the amount of Indebtedness, Preferred Stock and Disqualified Stock of such Guaranteeing Subsidiary is not increased thereby and (2) each Guaranteeing Subsidiary may merge, amalgamate or consolidate with another Guaranteeing Subsidiary or the Issuer.

(c) In addition, notwithstanding the foregoing, each Guaranteeing Subsidiary may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "Transfer") to (x) the Issuer or any Note Guarantor or (y) any Non-Guarantor Subsidiary; *provided* that at the time of each such Transfer pursuant to clause (y) the aggregate amount of all such Transfers since the Issue Date shall not exceed the greater of (x) $625.0 million and (y) 5.0% of Total Assets after giving effect to each such Transfer and including all Transfers of such Guaranteeing Subsidiary and the Note Guarantors occurring from and after the Issue Date.

(5) Releases.

The Note Guarantee of each Guaranteeing Subsidiary under the Indenture and the Notes shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing

Subsidiary, Holdings, the Issuers or the Trustee is required for the release of such Guaranteeing Subsidiary's Guarantee, upon:

(1) (a) the sale, disposition or other transfer (including through merger or consolidation) of the Capital Stock (including any sale, disposition or other transfer following which a Guaranteeing Subsidiary is no longer a Restricted Subsidiary), of such Guaranteeing Subsidiary if such sale, disposition or other transfer is made in compliance with the applicable provisions of the Indenture;

(b) the Issuer designating such Guaranteeing Subsidiary to be an Unrestricted Subsidiary in accordance with the provisions set forth under Section 4.07 of the Indenture and the definition of "Unrestricted Subsidiary";

(c) the release or discharge of such Restricted Subsidiary from (x) its guarantee of Indebtedness under the Credit Agreement (including by reason of the termination of the Credit Agreement) and/or (y) the guarantee of Indebtedness of the Issuer or any Restricted Subsidiary of the Issuer or such Restricted Subsidiary or the repayment of the Indebtedness or Disqualified Stock (except in each case a discharge or release by or as a result of payment under such guarantee) that resulted in the obligation to guarantee the Notes, in the case of each of clauses (x) and (y) if such Guaranteeing Subsidiary would not then otherwise be required to guarantee the Notes pursuant to the Indenture; *provided,* that if such Person has incurred any Indebtedness or issued any Disqualified Stock in reliance on its status as a Note Guarantor under Section 4.09 of the Indenture, such Guaranteeing Subsidiary's obligations under such Indebtedness or Disqualified Stock, as the case may be, so Incurred are satisfied in full and discharged or are otherwise permitted to be Incurred under Section 4.09 of the Indenture; or

(d) the Issuers exercising their Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuers' obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(2) in the case of clause (1)(a) above, the release of such Guaranteeing Subsidiary from its guarantee, if any, of, and all pledges and security, if any, granted in connection with, the Credit Agreement and any other Indebtedness of the Issuer or any Restricted Subsidiary.

In addition, a Note Guarantee will be automatically released upon such Guaranteeing Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Bank Indebtedness or other Indebtedness secured by the collateral securing such Bank Indebtedness with lien priority ranking equally with such Bank Indebtedness or other exercise of remedies in respect thereof.

(6) No Recourse Against Others. No director, officer, employee, manager, incorporator or holder of any Equity Interests of each Guaranteeing Subsidiary or any direct or indirect parent, as such, shall have any liability for any obligations of the Issuers or the Note Guarantors under the Notes, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(7) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(8) Counterparts/Originals. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(9) Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

(10) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by each Guaranteeing Subsidiary.

(11) Subrogation. Each Guaranteeing Subsidiary shall be subrogated to all rights of Holders of Notes against the Issuers in respect of any amounts paid by such Guaranteeing Subsidiary pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; *provided* that, if an Event of Default has occurred and is continuing, such Guaranteeing Subsidiary shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuers under the Indenture or the Notes shall have been paid in full.

(12) Benefits Acknowledged. Each Guaranteeing Subsidiary's Guarantee is subject to the terms and conditions set forth in the Indenture. Each Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Note Guarantee are knowingly made in contemplation of such benefits.

(13) Successors. All agreements of each Guaranteeing Subsidiary in this Supplemental Indenture shall bind its Successors, except as otherwise provided in Section 5 hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

NRT QUEENS LLC
ON COLLABORATIVE, INC.
ON COLLABORATIVE LLC
SOTHEBY'S INTERNATIONAL REALTY GLOBAL DEVELOPMENT ADVISORS LLC
SOTHEBY'S INTERNATIONAL REALTY REFERRAL COMPANY INC.
TRG VENTURE PARTNER LLC

By:
/s/ Anthony E. Hull
Name: Anthony E. Hull
Title: Executive Vice President and Treasurer

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Trustee

By:

/s/ Valere Boyd

Name: Valere Boyd

Title: Vice President

Exhibit 15.1

August 3, 2017

Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Commissioners:

We are aware that our report dated August 3, 2017 on our review of interim financial information of Realogy Holdings Corp. and its subsidiaries (the "Company") for the three and six-month periods ended June 30, 2017 and June 30, 2016 and included in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2017 is incorporated by reference in its Registration Statements on Forms S-8 dated October 12, 2012 (No. 333 - 184383) and May 5, 2016 (No. 333 - 211160).

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Exhibit 31.1

CERTIFICATION

I, Richard A. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realogy Holdings Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ RICHARD A. SMITH
CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Anthony E. Hull, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realogy Holdings Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ ANTHONY E. HULL
CHIEF FINANCIAL OFFICER

Exhibit 31.3

CERTIFICATION

I, Richard A. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realogy Group LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ RICHARD A. SMITH
CHIEF EXECUTIVE OFFICER

Exhibit 31.4

CERTIFICATION

I, Anthony E. Hull, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Realogy Group LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2017

/s/ ANTHONY E. HULL
CHIEF FINANCIAL OFFICER

Exhibit 32.1

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Realogy Holdings Corp. (the "Company") on Form 10-Q for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard A. Smith, as Chief Executive Officer of the Company, and Anthony E. Hull, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002 be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/S/ RICHARD A. SMITH
RICHARD A. SMITH
CHIEF EXECUTIVE OFFICER
August 3, 2017

/S/ ANTHONY E. HULL
ANTHONY E. HULL
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
August 3, 2017

Exhibit 32.2

CERTIFICATION OF CEO AND CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Realogy Group LLC (the "Company") on Form 10-Q for the period ended June 30, 2017, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Richard A. Smith, as Chief Executive Officer of the Company, and Anthony E. Hull, as Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002 be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

/S/ RICHARD A. SMITH
RICHARD A. SMITH
CHIEF EXECUTIVE OFFICER
August 3, 2017

/S/ ANTHONY E. HULL
ANTHONY E. HULL
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
August 3, 2017