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 March 31, 2021

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	**Commission File No. 333-148153**
REALOGY HOLDINGS CORP.	**REALOGY GROUP LLC**
(Exact name of registrant as specified in its charter)	*(Exact name of registrant as specified in its charter)*
20-8050955	**20-4381990**
(I.R.S. Employer Identification Number)	*(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)

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Realogy Holdings Corp.	Common Stock, par value $0.01 per share	RLGY	New York Stock Exchange
Realogy Group LLC	None	None	None

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 every Interactive Data File required to be submitted 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 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	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 116,424,328 shares of Common Stock, $0.01 par value, of Realogy Holdings Corp. outstanding as of May 3, 2021.

TABLE OF CONTENTS

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.

As used in this Quarterly Report on Form 10-Q:

- *"Senior Secured Credit Agreement" refers to the Amended and Restated Credit Agreement dated as of March 5, 2013, as amended, amended and restated, modified or supplemented from time to time, that governs our senior secured credit facility, or "Senior Secured Credit Facility;"*
- *"Non-extended Revolving Credit Commitment" and "Extended Revolving Credit Commitment" each refer to the applicable portion of the revolving credit facility under the Senior Secured Credit Facility and are referred to collectively as the Revolving Credit Facility;*
- *"Term Loan B Facility" refers to the term loans outstanding under the Senior Secured Credit Facility;*
- *"Term Loan A Agreement" refers to the Term Loan A Agreement, dated as of October 23, 2015, as amended, amended and restated, modified or supplemented from time to time;*
- *"Non-extended Term Loan A" and "Extended Term Loan A" each refer to the applicable portion of the Term Loan A facility under the Term Loan A Agreement and are referred to collectively as the "Term Loan A Facility;"*
- *"4.875% Senior Notes", "9.375% Senior Notes" and "5.75% Senior Notes" refer to our 4.875% Senior Notes due 2023, 9.375% Senior Notes due 2027 and 5.75% Senior Notes due 2029, respectively, and are referred to collectively as the "Unsecured Notes;" and*
- *"7.625% Senior Secured Second Lien Notes" refers to our 7.625% Senior Secured Second Lien Notes due 2025.*

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements include all statements that do not relate solely to historical or current facts, and can generally be identified by the use of words such as "believe," "expect," "anticipate," "intend," "project," "estimate," "plan," and similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could."

In particular, information appearing under "Management's Discussion and Analysis of Financial Condition and Results of Operations" includes forward-looking statements. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, it is based on management's current plans and expectations, expressed in good faith and believed to have a reasonable basis. However, we can give no assurance that any such expectation or belief will result or will be achieved or accomplished.

The following include some, but not all, of the risks and uncertainties that could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements:

- The residential real estate market is cyclical, and we are negatively impacted by adverse developments or the absence of sustained improvement in the U.S. residential real estate markets, either regionally or nationally, which could include, but are not limited to:
  - continued negative pressure on the share of commission income realized by real estate brokerages as a result of shifts in favor of affiliated independent sales agents or due to other market factors;
  - meaningful decreases in the average broker commission rate;
  - continued or accelerated declines in inventory;

  - increases in mortgage rates or inflation; and
  - other factors that impact homesale transaction volume, including a reduction in housing affordability, a decline or lack of improvement in the number of homesales, stagnant or declining home prices, and changes in consumer preferences, including weakening in the consumer trends that have benefited us since the second half of 2020;
- Likewise, we are negatively impacted by adverse developments or the absence of sustained improvement in macroeconomic conditions (such as business, economic or political conditions) on a global, domestic or local basis, which could include, but are not limited to:
  - contraction in the U.S. economy, including the impact of recessions, slow economic growth, or a deterioration in other economic factors (including potential consumer, business or governmental defaults or delinquencies due to the COVID-19 crisis or otherwise); and
  - fiscal and monetary policies of the federal government and its agencies, particularly those that may result in unfavorable changes to the interest rate environment;
- The COVID-19 crisis has in the past, and may again, amplify risks to our business, and worsening economic consequences of the crisis or the reinstatement of significant limitations on normal business operations could have a material adverse effect on our profitability, liquidity, financial condition and results of operations;
- Our business and financial results may be materially and adversely impacted if we are unable to execute our business strategy and achieve growth, including if we are not successful in our efforts to:
  - recruit and retain productive independent sales agents;
  - attract and retain franchisees or renew existing franchise agreements without reducing contractual royalty rates or increasing the amount and prevalence of sales incentives;
  - alleviate or control the erosion of our share of the commission income generated by homesale transactions;
  - compete for real estate services business, including homesale transactions and underwriting, title and settlement, mortgage origination, relocation and lead generation services;
  - compete against non-traditional competitors, including but not limited to, iBuying business models and virtual brokerages, in particular those competitors with access to significant third-party capital that may prioritize market share over profitability;
  - develop or procure products, services and technology that supports our strategic initiatives;
  - realize the expected benefits from our mortgage origination joint venture or from other existing or future strategic partnerships;
  - achieve or maintain a beneficial cost structure or savings and other benefits from our cost-saving initiatives;
  - generate a meaningful number of high-quality leads for independent sales agents and franchisees; and
  - complete or integrate acquisitions and joint ventures into our existing operations, or to complete or effectively manage divestitures or other corporate transactions;
- Our financial condition and/or results of operations may be adversely impacted by risks related to our business structure, including, but not limited to:
  - our geographic and high-end market concentration;
  - the operating results of affiliated franchisees;
  - continued consolidation among our top 250 franchisees;
  - difficulties in the business or changes in the licensing strategy of the owners of the two brands we do not own;
  - the loss of our largest real estate benefit program client or multiple significant relocation clients;
  - continued reductions in corporate relocations or relocation benefits;
  - the failure of third-party vendors or partners to perform as expected or our failure to adequately monitor such third-parties;
  - our reliance on information technology to operate our business and maintain our competitiveness; and
  - increases in mortgage rates, tightened mortgage underwriting standards or reductions in refinancing activity;
- Listing aggregator concentration and market power creates, and is expected to continue to create, disruption in the residential real estate brokerage industry, which may have a material adverse effect on our results of operations and financial condition;

- Industry structure changes (as a result of new laws, regulations or administrative policies, the rules of multiple listing services, or otherwise) that disrupt the functioning of the residential real estate market could materially adversely affect our operations and financial results;
- We are subject to numerous risks related to our substantial indebtedness that could adversely limit our operations and/or adversely impact our liquidity, including but not limited to our interest obligations and the negative covenant restrictions contained in our debt agreements and our ability to refinance or repay our indebtedness or incur additional indebtedness;
- We are subject to risks related to legal and regulatory matters, which may cause us to incur increased costs (including in connection with compliance efforts) and any of which could result in adverse financial, operational or reputational consequences to us, including but not limited to our failure or alleged failure to comply with laws, regulations and regulatory interpretations and any changes or stricter interpretations of any of the foregoing (whether through private litigation or governmental action), including but not limited to: (1) antitrust laws and regulations, (2) the Real Estate Settlement Procedures Act ("RESPA") or other federal or state consumer protection or similar laws, and (3) state or federal employment laws or regulations that would require reclassification of independent contractor sales agents to employee status, (4) privacy or data security laws and regulations;
- We face reputational, business continuity and financial risks associated with cybersecurity incidents; and
- Our goodwill and other long-lived assets are subject to impairment which could negatively impact our earnings;
- Severe weather events or natural disasters, including increasing severity or frequency of such events due to climate change or otherwise, or other catastrophic events, including public health crises, such as pandemics and epidemics, may disrupt our business and have an unfavorable impact on homesale activity.

More information on factors that could cause actual results or events to differ materially from those anticipated is included from time to time in our reports filed with the Securities and Exchange Commission ("SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Form 10-K"), particularly under the captions "Forward-Looking Statements," "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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.

All forward-looking statements herein speak only as of the date of this Quarterly Report. Except as is required by law, we expressly disclaim any obligation to publicly release any revisions to forward-looking statements to reflect events after the date of this Quarterly Report. For any forward-looking statement contained in this Quarterly 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.

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Realogy Holdings Corp. and its subsidiaries (the "Company") as of March 31, 2021, and the related condensed consolidated statements of operations, comprehensive income (loss) and cash flows for the three-month periods ended March 31, 2021 and 2020, including the related notes (collectively referred to as the “interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2020, and the related consolidated statements of operations, comprehensive (loss) income, equity and of cash flows for the year then ended (not presented herein), and in our report dated February 23, 2021, which included a paragraph describing a change in the manner of accounting for leases in the 2019 financial statements, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company’s management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. 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 PCAOB, 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.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
May 5, 2021

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholder of Realogy Group LLC

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Realogy Group LLC and its subsidiaries (the "Company") as of March 31, 2021, and the related condensed consolidated statements of operations, comprehensive income (loss) and cash flows for the three-month periods ended March 31, 2021 and 2020, including the related notes (collectively referred to as the "interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have 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 of the Company as of December 31, 2020, and the related consolidated statements of operations, comprehensive (loss) income, and of cash flows for the year then ended (not presented herein), and in our report dated February 23, 2021, which included a paragraph describing a change in the manner of accounting for leases in the 2019 financial statements, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our reviews in accordance with the standards of the PCAOB 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 PCAOB 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.

/s/ PricewaterhouseCoopers LLP
Florham Park, New Jersey
May 5, 2021

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Revenues		
Gross commission income	$ 1,154	$ 850
Service revenue	249	202
Franchise fees	105	71
Other	39	45
Net revenues	1,547	1,168
Expenses		
Commission and other agent-related costs	885	630
Operating	384	368
Marketing	58	59
General and administrative	90	88
Restructuring costs, net	5	12
Impairments	1	477
Depreciation and amortization	51	45
Interest expense, net	38	101
Loss on the early extinguishment of debt	17	—
Other income, net	(2)	—
Total expenses	1,527	1,780
Income (loss) before income taxes, equity in earnings and noncontrolling interests	20	(612)
Income tax expense (benefit)	17	(141)
Equity in earnings of unconsolidated entities	(31)	(9)
Net income (loss)	34	(462)
Less: Net income attributable to noncontrolling interests	(1)	—
Net income (loss) attributable to Realogy Holdings and Realogy Group	$ 33	$ (462)
Earnings (loss) per share attributable to Realogy Holdings shareholders:		
Basic earnings (loss) per share	$ 0.28	$ (4.03)
Diluted earnings (loss) per share	$ 0.28	$ (4.03)
Weighted average common and common equivalent shares of Realogy Holdings outstanding:		
Basic	115.9	114.7
Diluted	118.4	114.7

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2021	**2020**
Net income (loss)	$ 34	$ (462)
Currency translation adjustment	(1)	(2)
Defined benefit pension plan—amortization of actuarial loss to periodic pension cost	1	1
Other comprehensive loss, before tax	—	(1)
Income tax expense (benefit) related to items of other comprehensive income amounts	—	—
Other comprehensive loss, net of tax	—	(1)
Comprehensive income (loss)	34	(463)
Less: comprehensive income attributable to noncontrolling interests	(1)	—
Comprehensive income (loss) attributable to Realogy Holdings and Realogy Group	$ 33	$ (463)

See Notes to Condensed Consolidated Financial Statements.

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

	March 31, 2021	December 31, 2020
ASSETS		
Current assets:		
Cash and cash equivalents	$ 404	$ 520
Restricted cash	5	3
Trade receivables (net of allowance for doubtful accounts of $12 and $13)	130	128
Relocation receivables	144	139
Other current assets	186	154
Total current assets	869	944
Property and equipment, net	308	317
Operating lease assets, net	460	450
Goodwill	2,909	2,910
Trademarks	685	685
Franchise agreements, net	1,071	1,088
Other intangibles, net	183	188
Other non-current assets	409	352
Total assets	$ 6,894	$ 6,934
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 103	$ 128
Securitization obligations	100	106
Current portion of long-term debt	17	62
Current portion of operating lease liabilities	126	129
Accrued expenses and other current liabilities	523	600
Total current liabilities	869	1,025
Long-term debt	3,190	3,145
Long-term operating lease liabilities	439	430
Deferred income taxes	292	276
Other non-current liabilities	307	291
Total liabilities	5,097	5,167
Commitments and contingencies (Note 8)		
Equity:		
Realogy Holdings preferred stock: $0.01 par value; 50,000,000 shares authorized, none issued and outstanding at March 31, 2021 and December 31, 2020	—	—
Realogy Holdings common stock: $0.01 par value; 400,000,000 shares authorized, 116,411,025 shares issued and outstanding at March 31, 2021 and 115,457,067 shares issued and outstanding at December 31, 2020	1	1
Additional paid-in capital	4,874	4,876
Accumulated deficit	(3,022)	(3,055)
Accumulated other comprehensive loss	(59)	(59)
Total stockholders' equity	1,794	1,763
Noncontrolling interests	3	4
Total equity	1,797	1,767
Total liabilities and equity	$ 6,894	$ 6,934

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2021	2020
Operating Activities		
Net income (loss)	$ 34	$ (462)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	51	45
Deferred income taxes	15	(137)
Impairments	1	477
Amortization of deferred financing costs and debt discount (premium)	3	2
Loss on the early extinguishment of debt	17	—
Equity in earnings of unconsolidated entities	(31)	(9)
Stock-based compensation	6	6
Mark-to-market adjustments on derivatives	(13)	51
Other adjustments to net income (loss)	(2)	—
Net change in assets and liabilities, excluding the impact of acquisitions and dispositions:		
Trade receivables	(3)	(15)
Relocation receivables	(4)	14
Other assets	(14)	(26)
Accounts payable, accrued expenses and other liabilities	(117)	(23)
Dividends received from unconsolidated entities	31	1
Other, net	(11)	(6)
Net cash used in operating activities	(37)	(82)
Investing Activities		
Property and equipment additions	(23)	(29)
Proceeds from the sale of assets	2	—
Investment in unconsolidated entities	(6)	(1)
Other, net	(5)	(9)
Net cash used in investing activities	(32)	(39)
Financing Activities		
Net change in Revolving Credit Facility	—	565
Payments for refinancing of Term Loan A Facility and Term Loan B Facility	(905)	—
Proceeds from issuance of Senior Notes	905	—
Amortization payments on term loan facilities	(3)	(7)
Net change in securitization obligations	(7)	(43)
Debt issuance costs	(8)	—
Cash paid for fees associated with early extinguishment of debt	(11)	—
Taxes paid related to net share settlement for stock-based compensation	(8)	(4)
Other, net	(8)	(11)
Net cash (used in) provided by financing activities	(45)	500
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	—	(1)
Net (decrease) increase in cash, cash equivalents and restricted cash	(114)	378
Cash, cash equivalents and restricted cash, beginning of period	523	266
Cash, cash equivalents and restricted cash, end of period	$ 409	$ 644
Supplemental Disclosure of Cash Flow Information		
Interest payments (including securitization interest of $1 and $2 respectively)	$ 14	$ 20
Income tax payments (refunds), net	2	(1)

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 (loss) 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 March 31, 2021 and the results of operations and comprehensive income (loss) for the three months ended March 31, 2021 and 2020 and cash flows for the three months ended March 31, 2021 and 2020. The Consolidated Balance Sheet at December 31, 2020 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, 2020.

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 March 31, 2021 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Deferred compensation plan assets (included in other non-current assets)	$ 1	$ —	$ —	$ 1
Interest rate swaps (included in other non-current liabilities)	—	63	—	63
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities)	—	—	3	3

The following table summarizes fair value measurements by level at December 31, 2020 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Deferred compensation plan assets (included in other non-current assets)	$ 1	$ —	$ —	$ 1
Interest rate swaps (included in other non-current liabilities)	—	81	—	81
Contingent consideration for acquisitions (included in accrued expenses and other current liabilities and other non-current liabilities)	—	—	3	3

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, 2020	$ 3
Additions: contingent consideration related to acquisitions completed during the period	1
Reductions: payments of contingent consideration	(1)
Changes in fair value (reflected in general and administrative expenses)	—
Fair value of contingent consideration at March 31, 2021	$ 3

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:

	March 31, 2021		December 31, 2020	
Debt	Principal Amount	Estimated Fair Value (a)	Principal Amount	Estimated Fair Value (a)
Senior Secured Credit Facility:				
Non-extended Revolving Credit Commitment	$ —	$ —	$ —	$ —
Extended Revolving Credit Commitment	—	—	—	—
Term Loan B	390	385	1,048	1,032
Term Loan A Facility:				
Non-extended Term Loan A	197	194	684	671
Extended Term Loan A	237	234	—	—
7.625% Senior Secured Second Lien Notes	550	598	550	595
4.875% Senior Notes	407	419	407	415
9.375% Senior Notes	550	609	550	609
5.75% Senior Notes	900	889	—	—

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(a) The fair value of the Company's indebtedness is categorized as Level II.

Equity Method Investments

At March 31, 2021 and December 31, 2020, the Company had various equity method investments which are recorded within other non-current assets on the accompanying Condensed Consolidated Balance Sheets.

The Company's investment in Guaranteed Rate Affinity, LLC ("Guaranteed Rate Affinity") at Realogy Title Group had an investment balance of $90 million at both March 31, 2021 and December 31, 2020. The Company recorded equity earnings of $30 million and $9 million related to its investment in Guaranteed Rate Affinity for the first quarter of 2021 and 2020, respectively. The Company received $30 million in cash dividends from Guaranteed Rate Affinity during the three months ended March 31, 2021 and no cash dividends during the three months ended March 31, 2020.

The Company's other equity method investments had investment balances totaling $12 million and $10 million at March 31, 2021 and December 31, 2020, respectively. The Company recorded $1 million equity earnings from the operations of these equity method investments in the first quarter of 2021 and recorded no equity earnings or losses for the first quarter of 2020. The Company received $1 million in cash dividends from these equity method investments during both the three months ended March 31, 2021 and 2020.

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 $17 million and a benefit of $141 million for the three months ended March 31, 2021 and 2020, respectively.

Derivative Instruments

The Company records derivatives and hedging activities on the balance sheet at their respective fair values. The Company enters into interest rate swaps to manage its exposure to changes in interest rates associated with its variable rate borrowings. As of March 31, 2021, the Company had interest rate swaps with an aggregate notional value of $1,000 million to offset the variability in cash flows resulting from the term loan facilities as follows:

Notional Value (in millions)	Commencement Date	Expiration Date
$450	November 2017	November 2022
$400	August 2020	August 2025
$150	November 2022	November 2027

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:

Not Designated as Hedging Instruments	Balance Sheet Location	March 31, 2021	December 31, 2020
Interest rate swap contracts	Other non-current liabilities	63	81

The effect of derivative instruments on earnings was as follows:

Derivative Instruments Not Designated as Hedging Instruments	Location of Loss or (Gain) Recognized for Derivative Instruments	Loss or (Gain) Recognized on Derivatives Three Months Ended March 31, 2021	2020
Interest rate swap contracts	Interest expense	$ (13)	$ 51

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 $5 million at March 31, 2021 and $3 million at December 31, 2020.

Revenue

Revenue is recognized upon the transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services in accordance with the revenue standard. The Company's revenue is disaggregated by major revenue categories on our Condensed Consolidated Statements of Operations and further disaggregated by business segment as follows:

	Three Months Ended March 31,									
	Realogy Franchise Group		Realogy Brokerage Group		Realogy Title Group		Corporate and Other		Total Company	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Gross commission income (a)	$ —	$ —	$ 1,154	$ 850	$ —	$ —	$ —	$ —	$ 1,154	$ 850
Service revenue (b)	47	64	7	5	195	133	—	—	249	202
Franchise fees (c)	181	127	—	—	—	—	(76)	(56)	105	71
Other (d)	26	29	10	14	6	4	(3)	(2)	39	45
Net revenues	$ 254	$ 220	$ 1,171	$ 869	$ 201	$ 137	$ (79)	$ (58)	$ 1,547	$ 1,168

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(a) Gross commission income at Realogy Brokerage Group is recognized at a point in time at the closing of a homesale transaction.

(b) Service revenue primarily consists of title and escrow fees at Realogy Title Group and are recognized at a point in time at the closing of a homesale transaction. Service revenue at Realogy Franchise Group includes relocation fees, which are recognized as revenue when or as the related performance obligation is satisfied dependent on the type of service performed, and fees related to leads and related services, which are recognized at a point in time at the closing of a homesale transaction or at the completion of the related service.

(c) Franchise fees at Realogy Franchise Group primarily include domestic royalties which are recognized at a point in time when the underlying franchisee revenue is earned (upon close of the homesale transaction).

(d) Other revenue is comprised of brand marketing funds received from franchisees at Realogy Franchise Group and other miscellaneous revenues across all of the business segments.

The following table shows the change in the Company's contract liabilities (deferred revenue) related to revenue contracts by reportable segment for the period:

	Beginning Balance at January 1, 2021	Additions during the period	Recognized as Revenue during the period	Ending Balance at March 31, 2021
Realogy Franchise Group:				
Deferred area development fees (a)	$ 43	$ 1	$ (3)	$ 41
Deferred brand marketing fund fees (b)	14	24	(23)	15
Deferred outsourcing management fees (c)	3	8	(8)	3
Other deferred income related to revenue contracts	10	9	(8)	11
Total Realogy Franchise Group	70	42	(42)	70
Realogy Brokerage Group:				
Advanced commissions related to development business (d)	9	—	—	9
Other deferred income related to revenue contracts	3	2	(1)	4
Total Realogy Brokerage Group	12	2	(1)	13
Total	$ 82	$ 44	$ (43)	$ 83

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(a) The Company collects initial area development fees ("ADF") for international territory transactions, which are recorded as deferred revenue when received and recognized into franchise revenue over the average 25 year life of the related franchise agreement as consideration for the right to access and benefit from Realogy's brands. In the event an ADF agreement is terminated prior to the end of its term, the unamortized deferred revenue balance will be recognized into revenue immediately upon termination.

(b) Revenues recognized include intercompany marketing fees paid by Realogy Brokerage Group.

(c) The Company earns revenues from outsourcing management fees charged to clients that may cover several of the relocation services listed above, according to the clients' specific needs. Outsourcing management fees are recorded as deferred revenue when billed (usually at the start of the relocation) and are recognized as revenue over the average time period required to complete the transferee's move, or a phase of the move that the fee covers, which is typically 3 to 6 months depending on the move type.

(d) New development closings generally have a development period of between 18 and 24 months from contracted date to closing.

Allowance for Doubtful Accounts

The Company estimates the allowance necessary to provide for uncollectible accounts receivable. The estimate is based on historical experience, combined with a review of current conditions and forecasts of future losses, and includes specific accounts for which payment has become unlikely. The process by which the Company calculates the allowance begins in the individual business units where specific problem accounts are identified and reserved primarily based upon the age profile of the receivables and specific payment issues, combined with reasonable and supportable forecasts of future losses.

Supplemental Cash Flow Information

Significant non-cash transactions included finance lease additions of $1 million and $4 million during the three months ended March 31, 2021 and 2020, respectively, which resulted in non-cash additions to property and equipment, net and other non-current liabilities.

Leases

Other than the Company's facility closures as described in Note 5, "Restructuring Costs," the Company's lease obligations as of March 31, 2021 have not changed materially from the amounts reported in our 2020 Form 10-K.

Recently Adopted Accounting Pronouncements

The Company adopted the new standard on *Simplifying the Accounting for Income Taxes* effective January 1, 2021. The new standard clarifies and simplifies aspects of the accounting for income taxes to help promote consistent application of GAAP by eliminating certain exceptions to the general principles of ASC Topic 740, Income Taxes. The adoption of this guidance did not have an impact to the Company’s Consolidated Financial Statements upon adoption on January 1, 2021.

Recently Issued Accounting Pronouncements

The Company considers the applicability and impact of all Accounting Standards Updates ("ASUs"). Recently issued standards 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.

The FASB issued its new standard on *Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity* which simplifies the accounting for instruments with characteristics of liabilities and equity, including convertible debt. The new standard reduces the number of accounting models for convertible debt instruments and convertible preferred stock resulting in fewer embedded conversion features being separately recognized from the host contract and the interest rate of more convertible debt instruments being closer to the coupon interest rate, as compared with current guidance. The new standard also amends the derivative guidance for the “own stock” scope exception, which exempts qualifying instruments from being accounted for as derivatives if certain criteria are met. In addition, the standard changes the diluted earnings per share calculation for instruments that may be settled in cash or shares and for convertible instruments. The new standard is effective for reporting periods beginning on or after December 15, 2021 with early adoption permitted as of January 1, 2021. The new standard requires adoption using either a full or modified retrospective approach and is not expected to have an impact on the Company's financial statements.

2. GOODWILL AND INTANGIBLE ASSETS

Goodwill

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

	Realogy Franchise Group	Realogy Brokerage Group	Realogy Title Group	Total Company
Balance at December 31, 2020	$ 2,509	$ 245	$ 156	$ 2,910
Goodwill acquired (a)	—	—	2	2
Goodwill reduction for sale of a business (b)	(3)	—	—	(3)
Balance at March 31, 2021	$ 2,506	$ 245	$ 158	$ 2,909
Accumulated impairment losses (c)	$ 1,447	$ 808	$ 324	$ 2,579

(a) Goodwill acquired during the three months ended March 31, 2021 relates to the acquisition of one title and settlement operation.

(b) Goodwill reduction during the three months ended March 31, 2021 relates to the sale of a relocation related business.

(c) Includes impairment charges which reduced goodwill by $540 million during 2020, $253 million during 2019, $1,279 million during 2008 and $507 million during 2007.

Intangible Assets

Intangible assets are as follows:

	As of March 31, 2021			As of December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortizable—Franchise agreements (a)	$ 2,010	$ 939	$ 1,071	$ 2,010	$ 922	$ 1,088
Indefinite life—Trademarks (b)	$ 685		$ 685	$ 685		$ 685
Other Intangibles						
Amortizable—License agreements (c)	$ 45	$ 13	$ 32	$ 45	$ 13	$ 32
Amortizable—Customer relationships (d)	510	382	128	509	376	133
Indefinite life—Title plant shares (e)	20		20	20		20
Amortizable—Other (f)	14	11	3	14	11	3
Total Other Intangibles	$ 589	$ 406	$ 183	$ 588	$ 400	$ 188

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

(b) Primarily related to real estate franchise brands 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 Realogy Franchise Group, Realogy Title Group and Realogy Brokerage Group. 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) 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 March 31,	
	2021	2020
Franchise agreements	$ 17	$ 17
Customer relationships	6	1
Other	—	1
Total	$ 23	$ 19

Based on the Company's amortizable intangible assets as of March 31, 2021, the Company expects related amortization expense for the remainder of 2021, the four succeeding years and thereafter to be approximately $68 million, $90 million, $89 million, $89 million, $89 million and $809 million, respectively.

3. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities consisted of:

	March 31, 2021	December 31, 2020
Accrued payroll and related employee costs	$ 127	$ 239
Advances from clients	58	65
Accrued volume incentives	39	46
Accrued commissions	47	48
Restructuring accruals	14	16
Deferred income	50	46
Accrued interest	58	18
Current portion of finance lease liabilities	12	13
Due to former parent	19	19
Other	99	90
Total accrued expenses and other current liabilities	$ 523	$ 600

4. SHORT AND LONG-TERM DEBT

Total indebtedness is as follows:

	March 31, 2021	December 31, 2020
Senior Secured Credit Facility:		
Non-extended Revolving Credit Commitment	$ —	$ —
Extended Revolving Credit Commitment	—	—
Term Loan B	386	1,036
Term Loan A Facility:		
Non-extended Term Loan A	196	681
Extended Term Loan A	236	—
7.625% Senior Secured Second Lien Notes	541	540
4.875% Senior Notes	406	406
9.375% Senior Notes	544	544
5.75% Senior Notes	898	—
Total Short-Term & Long-Term Debt	$ 3,207	$ 3,207
Securitization Obligations:		
Apple Ridge Funding LLC	$ 97	$ 102
Cartus Financing Limited	3	4
Total Securitization Obligations	$ 100	$ 106

Indebtedness Table

As of March 31, 2021, the Company's borrowing arrangements were as follows:

	Interest Rate	Expiration Date	Principal Amount	Unamortized Discount (Premium) and Debt Issuance Costs	Net Amount
Senior Secured Credit Facility (1):					
Non-extended Revolving Credit Commitment	(2)	February 2023	$ —	$ *	$ —
Extended Revolving Credit Commitment	(2)	February 2025 (3)	—	*	—
Term Loan B	(4)	February 2025	390	4	386
Term Loan A Facility (5):					
Non-extended Term Loan A	(6)	February 2023	197	1	196
Extended Term Loan A	(7)	February 2025 (3)	237	1	236
Senior Secured Second Lien Notes	7.625%	June 2025	550	9	541
Senior Notes	4.875%	June 2023	407	1	406
Senior Notes	9.375%	April 2027	550	6	544
Senior Notes	5.75%	January 2029	900	2	898
Total Short-Term & Long-Term Debt			$ 3,231	$ 24	$ 3,207
Securitization obligations: (8)					
Apple Ridge Funding LLC (9)		June 2021	$ 97	$ *	$ 97
Cartus Financing Limited (10)		August 2021	3	*	3
Total Securitization Obligations			$ 100	$ —	$ 100

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

(1) The available capacity under the Non-extended Revolving Credit Commitment is $477 million, while the available capacity under the Extended Revolving Credit Commitment is $948 million. As of March 31, 2021, there were no outstanding borrowings under either the Non-extended Revolving Credit Commitment or Extended Revolving Credit Commitment and $43 million of outstanding undrawn letters of credit. The Non-extended Revolving Credit Commitment expires in February 2023 and, subject to earlier spring

maturity described in footnote (3), the Extended Revolving Credit Commitment expires in February 2025, but in each instance, amounts outstanding would be classified on the balance sheet as current due to the revolving nature and terms and conditions of the facilities. On May 3, 2021, the Company had no outstanding borrowings under the Revolving Credit Facility and $43 million of outstanding undrawn letters of credit.

(2) Interest rates with respect to revolving loans under the Senior Secured Credit Facility at March 31, 2021 were based on, at the Company's option, (a) adjusted London Interbank Offering Rate ("LIBOR") plus an additional margin or (b) JP Morgan Chase Bank, N.A.'s prime rate ("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's senior secured leverage ratio, the LIBOR margin was 1.75% and the ABR margin was 0.75% for the three months ended March 31, 2021.

(3) The maturity date of each of the Extended Revolving Credit Commitment and Extended Term Loan A may spring forward to a date prior to February 2025 as follows: (i) if on or before March 2, 2023, the 4.875% Senior Notes have not been extended, refinanced or replaced to have a maturity date after May 10, 2025 (or are not otherwise discharged, defeased or repaid by March 2, 2023), the maturity date of the Extended Revolving Credit Commitment and Extended Term Loan A Facility will be March 2, 2023; and (ii) if on or before November 9, 2024, the Term Loan B Facility under the Senior Secured Credit Agreement is not extended, refinanced or replaced to have a maturity date after May 10, 2025 (or otherwise repaid prior to November 9, 2024), the maturity date of the Extended Revolving Credit Commitment and Extended Term Loan A Facility will be November 9, 2024.

(4) In January and February 2021, we used a portion of the proceeds from the issuance of 5.75% Senior Notes to pay down $655 million of outstanding borrowings under the Term Loan B Facility. The Term Loan B Facility provides for quarterly amortization payments totaling 1% per annum of the $1,080 million original principal amount. The interest rate with respect to term loans under the Term Loan B Facility is based on, at the Company’s option, (a) adjusted LIBOR plus 2.25% (with a LIBOR floor of 0.75%) or (b) ABR plus 1.25% (with an ABR floor of 1.75%). On April 28, 2021, the Company used cash on hand to pay down $150 million of the Term Loan B Facility.

(5) In January 2021, prior to the effective date of the 2021 Amendments, we used a portion of the proceeds from the issuance of 5.75% Senior Notes to pay down $250 million of outstanding borrowings under the Term Loan A Facility. The interest rates with respect to each of the Non-extended Term Loan A and Extended 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's senior secured leverage ratio, the LIBOR margin was 1.75% and the ABR margin was 0.75% for the three months ended March 31, 2021.

(6) The Company is not required to make amortization payments on the Non-extended Term Loan A. The balance of the Non-Extended Term Loan A is due at maturity on February 8, 2023.

(7) The Extended Term Loan A has quarterly amortization payments, commencing with the quarter ending June 30, 2021, equal to a percentage per quarter of the $237 million principal amount of the Extended Term Loan A outstanding on January 27, 2021 (the effective date of the 2021 Amendments), as follows: 0.625% per quarter from June 30, 2021 to March 31, 2022; 1.25% per quarter from June 30, 2022 to March 31, 2023; 1.875% per quarter from June 30, 2023 to March 31, 2024; and 2.50% per quarter for periods ending on or after June 30, 2024, with the balance of the Extended Term Loan A due at maturity on February 8, 2025.

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

(9) As of March 31, 2021, the Company had $200 million of borrowing capacity under the Apple Ridge Funding LLC securitization program leaving $103 million of available capacity.

(10) Consists of a £10 million revolving loan facility and a £5 million working capital facility. As of March 31, 2021, the Company had $21 million of borrowing capacity under the Cartus Financing Limited securitization program leaving $18 million of available capacity.

Maturities Table

As of March 31, 2021, the combined aggregate amount of maturities for long-term borrowings for the remainder of 2021 and each of the next four years is as follows:

Year	Amount
Remaining 2021 (a)	$ 12
2022	21
2023	631
2024	33
2025	1,084

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(a) Remaining 2021 includes amortization payments totaling $4 million and $8 million for the Extended Term Loan A and Term Loan B Facility, respectively. The current portion of long-term debt of $17 million shown on the Condensed Consolidated Balance Sheets consists of four quarters of amortization payments totaling $6 million and $11 million for the Extended Term Loan A and Term Loan B Facility, respectively.

Senior Secured Credit Agreement and Term Loan A Agreement

The Company's Amended and Restated Credit Agreement dated as of March 5, 2013 (as amended, amended and restated, modified or supplemented from time to time, the "Senior Secured Credit Agreement") governs its senior secured revolving credit facility (the "Revolving Credit Facility") and term loan B facility (the "Term Loan B Facility", and collectively with the Revolving Credit Facility, the "Senior Secured Credit Facility") and the Company's Term Loan A Agreement dated as of October 23, 2015 (as amended, amended and restated, modified or supplemented from time to time, the "Term Loan A Agreement") governs its senior secured term loan A credit facility (the "Term Loan A Facility").

In January 2021, the Company repaid $250 million of outstanding borrowings under the Term Loan A Facility and $655 million of outstanding borrowings under the Term Loan B Facility using proceeds from its January and February 2021 issuances of $900 million 5.75% Senior Notes due 2029. Furthermore, on January 27, 2021, Realogy Group entered into amendments to the Senior Secured Credit Agreement, referred to collectively herein as the "2021 Amendments", which among other things:

- extend the maturity for approximately $237 million of the approximately $434 million outstanding loans under the Term Loan A Facility (the "Extended Term Loan A") after giving effect to the application of the proceeds of the 5.75% Senior Notes offering, from February 2023 to February 2025, subject to the following:
    - if on or before March 2, 2023, the 4.875% Senior Notes have not been extended, refinanced or replaced to have a maturity date after May 10, 2025 (or are not otherwise discharged, defeased or repaid by March 2, 2023), the maturity date of the Extended Term Loan A will be March 2, 2023; and
    - if on or before November 9, 2024, the Term Loan B Facility under the Senior Secured Credit Agreement is not extended, refinanced or replaced to have a maturity date after May 10, 2025 (or otherwise repaid prior to November 9, 2024), the maturity date of the Extended Term Loan A will be November 9, 2024;
- extend the maturity of approximately $948 million of the $1,425 million in commitments under the Revolving Credit Facility (the "Extended Revolving Credit Commitment") from February 2023 to February 2025, subject to the earlier springing maturity dates applicable to the Extended Term Loan A described above; and
- make certain modifications to the Senior Secured Credit Agreement and Term Loan A Agreement, including amendments that reduced the maximum permitted senior secured leverage ratio (the financial covenant under such agreements) for the applicable trailing twelve-month period to below the levels that had been permitted under the amendments to the Senior Secured Credit Agreement and Term Loan A Agreement that Realogy Group entered into on July 24, 2020 (referred to collectively herein as the "2020 Amendments"), as follows:

Fiscal Quarter Ending	Senior Secured Leverage Ratio
December 31, 2020 to June 30, 2021	5.25 to 1.00
September 30, 2021 to March 31, 2022	5.00 to 1.00
June 30, 2022 and thereafter	4.75 to 1.00

Certain other covenants in the Senior Secured Credit Agreement and Term Loan A Agreement that were tightened under the 2020 Amendments will remain in place under the 2021 Amendments until the Company issues its financial results for the third quarter of 2021 and concurrently delivers an officer’s certificate to its lenders showing compliance with the senior secured leverage ratio set forth in the above table, subject to earlier termination, which we refer to as the covenant period. If Realogy Group’s senior secured leverage ratio does not exceed 5.00 to 1.00 for the fiscal quarter ending June 30, 2021 (as compared to 5.50 to 1.00 under the 2020 Amendments), the covenant period will end at the time Realogy Group delivers the compliance certificate to the lenders for such period; however, in either instance, the gradual step down in the senior secured leverage ratio described above will continue to apply. The covenants tightened during this covenant period include the reduction or elimination of the amount available for certain types of additional indebtedness, liens, restricted payments (including dividends and stock repurchases), investments (including acquisitions and joint ventures), and voluntary junior debt repayments. As was the case under the 2020 Amendments, Realogy Group also may elect to end the covenant period at any time, provided the senior secured leverage ratio does not exceed 4.75 to 1.00 as of the most recently ended quarter for which financial statements have been delivered. In such event, the senior secured leverage ratio will reset to the pre-amendment level of 4.75 to 1.00 thereafter.

Senior Secured Credit Facility

The Senior Secured Credit Facility includes:

(a) the Term Loan B Facility issued in the original aggregate principal amount of $1,080 million with a maturity date of February 2025. The Term Loan B Facility 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 Facility 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 $1,425 million Revolving Credit Facility which includes a $125 million letter of credit subfacility. The Revolving Credit Facility includes available capacity under the Non-extended Revolving Credit Commitment of $477 million and the available capacity under the Extended Revolving Credit Commitment of $948 million. The Non-extended Revolving Credit Commitment expires in February 2023 and, subject to earlier spring maturity described above, the Extended Revolving Credit Commitment expires in February 2025. 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 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%

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 and subject to certain exceptions.

Realogy Group's Senior Secured Credit Agreement contains financial, affirmative and negative covenants as well as a financial covenant that Realogy Group maintain (so long as commitments under the Revolving Credit Facility are outstanding) a maximum permitted senior secured leverage ratio.

As of March 31, 2021, under the 2021 Amendments, Realogy Group was required to maintain a senior secured leverage ratio not to exceed 5.25 to 1.00. The leverage ratio is tested quarterly regardless of the amount of borrowings outstanding and letters of credit issued under the Revolving Credit Facility at the testing date. Total senior secured net debt does not include the securitization obligations, 7.625% Senior Secured Second Lien Notes, or our unsecured indebtedness, including the Unsecured Notes. At March 31, 2021, Realogy Group was in compliance with the senior secured leverage ratio covenant with a senior secured leverage ratio of 0.64 to 1.00. For the calculation of the senior secured leverage ratio for the first quarter of 2021, see Part I., "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Senior Secured Leverage Ratio applicable to our Senior Secured Credit Facility and Term Loan A Facility".

Term Loan A Facility

The term loans under the Term Loan A Facility were originally $750 million and include the Non-extended Term Loan A due February 2023 and Extended Term Loan A due February 2025, subject to earlier spring maturity described above. The Extended Term Loan A provides for quarterly amortization based on a percentage of the principal amount of $237 million, commencing with the quarter ending June 30, 2021, as follows: 0.625% per quarter from June 30, 2021 to March 31, 2022; 1.25% per quarter from June 30, 2022 to March 31, 2023; 1.875% per quarter from June 30, 2023 to March 31, 2024; and 2.50% per quarter for periods ending on or after June 30, 2024, with the balance of the Extended Term Loan A due at maturity on February 8, 2025. No amortization payments are required on the Non-extended Term Loan A.

The interest rates with respect to the Term Loan A Facility are based on, at the Company'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 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%

The Term Loan A Agreement contains covenants that are substantially similar to those in the Senior Secured Credit Agreement.

Senior Secured Second Lien Notes

The 7.625% Senior Secured Second Lien Notes mature on June 15, 2025 and interest is payable semiannually on June 15 and December 15 of each year.

The 7.625% Senior Secured Second Lien Notes are guaranteed on a senior secured second priority basis by Realogy Intermediate and each domestic subsidiary of Realogy Group, other than certain excluded entities, that is a guarantor under its Senior Secured Credit Facility and Term Loan A Facility and certain of its outstanding debt securities. The 7.625% Senior Secured Second Lien Notes are also guaranteed by Realogy Holdings on an unsecured senior subordinated basis. The 7.625% Senior Secured Second Lien Notes are secured by substantially the same collateral as Realogy Group's existing first lien obligations under its Senior Secured Credit Facility and Term Loan A Facility on a second priority basis.

The indentures governing the 7.625% Senior Secured Second Lien Notes contain various covenants that limit the ability of Realogy Intermediate, Realogy Group and Realogy Group's restricted subsidiaries to take certain actions, which covenants are subject to a number of important exceptions and qualifications. These covenants are substantially similar to the covenants in the indenture governing the 9.375% Senior Notes due 2027, as described under *Unsecured Notes* below.

Unsecured Notes

In January and February 2021, the Company issued an aggregate principal amount of $900 million of 5.75% Senior Notes due 2029 and used the gross proceeds of $905 million to repay $250 million of outstanding borrowings under the Term Loan A Facility and $655 million of outstanding borrowings under the Term Loan B Facility.

The 4.875% Senior Notes, 9.375% Senior Notes and 5.75% Senior Notes (collectively the "Unsecured Notes") are unsecured senior obligations of Realogy Group that mature on June 1, 2023, April 1, 2027 and January 15, 2029, respectively. Interest on the Unsecured Notes is payable each year semiannually on June 1 and December 1 for the 4.875% Senior Notes, on April 1 and October 1 for the 9.375% Senior Notes, and on January 15 and July 15 for the 5.75% Senior Notes (commencing on July 15, 2021).

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, Term Loan A Facility and Realogy Group's outstanding debt securities and are guaranteed by Realogy Holdings on an unsecured senior subordinated basis.

The indenture governing the 4.875% Senior Notes contains various negative covenants that limit Realogy Group's and its restricted subsidiaries' ability to take certain actions, which covenants are subject to a number of important exceptions and qualifications. These covenants include limitations on Realogy Group's and its restricted subsidiaries’ ability to (a) incur or guarantee additional indebtedness, or issue disqualified stock or preferred stock, (b) pay dividends or make distributions to their stockholders, (c) repurchase or redeem capital stock, (d) make investments or acquisitions, (e) incur restrictions on the ability of certain of their subsidiaries to pay dividends or to make other payments to Realogy Group, (f) enter into transactions with affiliates, (g) create liens, (h) merge or consolidate with other companies or transfer all or substantially all of their assets, (i) transfer or sell assets, including capital stock of subsidiaries and (j) prepay, redeem or repurchase debt that is subordinated in right of payment to the Unsecured Notes.

The covenants in the indenture governing the 9.375% Senior Notes are substantially similar to the covenants in the indentures governing the 4.875% Senior Notes, with certain exceptions, including several changes relating to Realogy Group's ability to make restricted payments, and in particular, its ability to repurchase shares and pay dividends.

Specifically, with respect to the 9.375% Senior Notes Indenture, (a) neither the cumulative credit basket (nor any other basket) is available to repurchase shares to the extent the consolidated leverage ratio is equal to or greater than 4.0 to 1.0 on a pro forma basis giving effect to such repurchase; (b) the cumulative credit basket for which restricted payments may otherwise be available is equal to 50% of Consolidated Net Income (as defined in such indenture) for the period (taken as one accounting period) from January 1, 2019 to the end of the most recently ended fiscal quarter for which internal financial statements are available at the time of any such restricted payment; provided however, that, to the extent the Consolidated Leverage Ratio is equal to or greater than 4.0 to 1.0, then 25% of the Consolidated Net Income for the aforementioned period will be included; (c) the consolidated leverage ratio must be less than 3.0 to 1.0 to use the unlimited general restricted payment basket (which payments will reduce the cumulative credit basket, but not below zero); (d) the $100 million general restricted payment basket may be used only for Restricted Investments (as defined in such indenture); and (e) a restricted payment basket is available for up to $45 million of dividends per calendar year (with any actual dividends deducted from the available cumulative credit basket). The covenants in the indenture governing 5.75% Senior Notes are substantially similar to the covenants in the indentures governing the 4.875% Senior Notes, but also include some of the additional limitations of the 9.375% Senior Notes.

The consolidated leverage ratio is measured by dividing Realogy Group's total net debt by the trailing four quarters EBITDA. EBITDA, as defined in the indenture governing the 9.375% Senior Notes (as well as the other Unsecured Notes and 7.625% Senior Secured Second Lien Notes), is substantially similar to EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement. Net debt under the indentures governing the 9.375% Senior Notes, 7.625% Senior Secured Second Lien Notes and 5.75% Senior Notes is Realogy Group's total indebtedness (excluding securitizations) less (i) its cash and cash equivalents in excess of restricted cash and (ii) a $200 million seasonality adjustment permitted when measuring the ratio on a date during the period of March 1 to May 31.

Securitization Obligations

Realogy Group has secured obligations through Apple Ridge Funding LLC under a securitization program which expires in June 2021. As of March 31, 2021, the Company had $200 million of borrowing capacity under the Apple Ridge Funding LLC securitization program with $97 million being utilized, leaving $103 million of available capacity subject to maintaining sufficient relocation related assets to collateralize the securitization obligation.

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 which expires in August 2021. As of March 31, 2021, there were $3 million of outstanding borrowings under the facilities leaving $18 million of available capacity subject to maintaining sufficient relocation related assets to collateralize the securitization obligation. 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 Agreement and the indentures governing the Unsecured Notes and 7.625% Senior Secured Second Lien 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 operations 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 the Company's relocation services.

Certain of the funds that Realogy Group receives from relocation receivables and related assets are required to be utilized to repay securitization obligations. These obligations are collateralized by $134 million and $135 million of underlying relocation receivables and other related relocation assets at March 31, 2021 and December 31, 2020, 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 Consolidated Balance Sheets.

Interest incurred in connection with borrowings under these facilities amounted to $1 million and $2 million for the three months ended March 31, 2021 and 2020, respectively. 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 operations where interest is generally earned on such assets. These securitization obligations represent floating rate debt for which the average weighted interest rate was 3.9% and 3.8% for the three months ended March 31, 2021 and 2020, respectively.

Gain/Loss on the Early Extinguishment of Debt and Write-Off of Financing Costs

As a result of the refinancing transactions in January and February 2021, the Company recorded a loss on the early extinguishment of debt of $17 million and wrote off certain financing costs of $1 million to interest expense during the three months ended March 31, 2021.

5. RESTRUCTURING COSTS

Restructuring charges were $5 million and $12 million for the three months ended March 31, 2021 and 2020, respectively. The components of the restructuring charges for the three months ended March 31, 2021 and 2020 were as follows:

	Three Months Ended March 31,	
	2021	2020
Personnel-related costs (1)	$ 2	$ 3
Facility-related costs (2)	3	9
Total restructuring charges	$ 5	$ 12

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(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, amortization of lease assets that will continue to be incurred under the contract for its remaining term without economic benefit to the Company, accelerated depreciation on asset disposals and other facility and employee relocation related costs.

Facility and Operational Efficiencies Program

Beginning in the first quarter of 2019, the Company commenced the implementation of a plan to accelerate its office consolidation to reduce storefront costs, as well as institute other operational efficiencies to drive profitability. In addition, the Company commenced a plan to transform and centralize certain aspects of the operational support and drive changes in how it serves its affiliated independent sales agents from a marketing and technology perspective to help such agents be more productive and enable them to make their businesses more profitable. In the third quarter of 2019, the Company reduced headcount in connection with the wind-down of a former affinity real estate benefit program. In the fourth quarter of 2019, the Company expanded its operational efficiencies program to focus on workforce optimization. This workforce optimization initiative was focused on consolidating similar or overlapping roles, reducing the number of hierarchical layers and streamlining work and decision making. Furthermore, at the end of 2019, the Company expanded these strategic initiatives which have resulted in additional operational and facility related efficiencies in 2020.

As a result of the COVID-19 pandemic, the Company transitioned substantially all of its employees to a remote-work environment in mid-March 2020 and have worked to comply with state and local regulators to ensure safe working conditions. Many of the Company's employees continued to work remotely on a full-time or hybrid basis. This transition to remote work has allowed the Company to reevaluate its office space needs. As a result, additional facility and operational efficiencies were identified and implemented in the second half of 2020 and additional facility initiatives are expected in 2021.

The following is a reconciliation of the beginning and ending reserve balances related to the Facility and Operational Efficiencies Program:

	Personnel-related costs	Facility-related costs	Total
Balance at December 31, 2020	$ 5	$ 22	$ 27
Restructuring charges (1)	2	3	5
Costs paid or otherwise settled	(4)	(5)	(9)
Balance at March 31, 2021	$ 3	$ 20	$ 23

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(1) In addition, the Company incurred an additional $1 million of facility-related costs for lease asset impairments in connection with the Facility and Operational Efficiencies Program during the three months ended March 31, 2021.

The following table shows the total costs currently expected to be incurred by type of cost related to the Facility and Operational Efficiencies Program:

	Total amount expected to be incurred (1)	Amount incurred to date	Total amount remaining to be incurred (1)
Personnel-related costs	$ 56	$ 52	$ 4
Facility-related costs	109	64	45
Other restructuring costs	1	1	—
Total	$ 166	$ 117	$ 49

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(1) Facility-related costs include potential lease asset impairments to be incurred under the Facility and Operational Efficiencies Program.

The following table shows the total costs currently expected to be incurred by reportable segment related to the Facility and Operational Efficiencies Program:

	Total amount expected to be incurred	Amount incurred to date	Total amount remaining to be incurred
Realogy Franchise Group	$ 32	$ 30	$ 2
Realogy Brokerage Group	82	62	20
Realogy Title Group	6	6	—
Corporate and Other	46	19	27
Total	$ 166	$ 117	$ 49

6. EQUITY

Condensed Consolidated Statement of Changes in Equity for Realogy Holdings

	Three Months Ended March 31, 2021						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Equity
	Shares	Amount					
Balance at December 31, 2020	115.5	$ 1	$ 4,876	$ (3,055)	$ (59)	$ 4	$ 1,767
Net income	—	—	—	33	—	1	34
Stock-based compensation	—	—	6	—	—	—	6
Issuance of shares for vesting of equity awards	1.4	—	—	—	—	—	—
Shares withheld for taxes on equity awards	(0.5)	—	(8)	—	—	—	(8)
Dividends	—	—	—	—	—	(2)	(2)
Balance at March 31, 2021	116.4	$ 1	$ 4,874	$ (3,022)	$ (59)	$ 3	$ 1,797

	Three Months Ended March 31, 2020						
	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Non-controlling Interests	Total Equity
	Shares	Amount					
Balance at December 31, 2019	114.4	$ 1	$ 4,842	$ (2,695)	$ (56)	$ 4	$ 2,096
Net loss	—	—	—	(462)	—	—	(462)
Other comprehensive loss	—	—	—	—	(1)	—	(1)
Stock-based compensation	—	—	6	—	—	—	6
Issuance of shares for vesting of equity awards	1.4	—	—	—	—	—	—
Shares withheld for taxes on equity awards	(0.5)	—	(4)	—	—	—	(4)
Dividends	—	—	—	—	—	(1)	(1)
Balance at March 31, 2020	115.3	$ 1	$ 4,844	$ (3,157)	$ (57)	$ 3	$ 1,634

Condensed Consolidated Statement of Changes in Equity for Realogy Group

The Company has not included a statement of changes in equity for Realogy Group as the operating results of Group are consistent with the operating results of Realogy Holdings as all revenue and expenses of Realogy Group flow up to Realogy Holdings and there are no incremental activities at the Realogy Holdings level. The only difference between Realogy Group and Realogy Holdings is that the $1 million in par value of common stock in Realogy Holdings' equity is included in additional paid-in capital in Realogy Group's equity.

Stock-Based Compensation

During the first quarter of 2021, the Company granted restricted stock units related to 0.9 million shares with a weighted average grant date fair value of $14.10 and performance stock units related to 0.6 million shares with a weighted average grant date fair value of $11.55. The Company granted all time-based equity awards in the form of restricted stock units which are subject to ratable vesting over a three-year period.

7. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share attributable to Realogy Holdings

Basic earnings (loss) per share is computed based on net income (loss) attributable to Realogy Holdings stockholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings (loss) 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. The following table sets forth the computation of basic and diluted earnings (loss) per share:

	Three Months Ended March 31,	
(in millions, except per share data)	2021	2020
Numerator:		
Net income (loss) attributable to Realogy Holdings shareholders	$ 33	$ (462)
Denominator:		
Weighted average common shares outstanding (denominator for basic earnings (loss) per share calculation)	115.9	114.7
Dilutive effect of stock-based compensation (a)(b)	2.5	—
Weighted average common shares outstanding (denominator for diluted earnings (loss) per share calculation)	118.4	114.7
Earnings (loss) per share attributable to Realogy Holdings shareholders:		
Basic earnings (loss) per share	$ 0.28	$ (4.03)
Diluted earnings (loss) per share	$ 0.28	$ (4.03)

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(a) The three months ended March 31, 2021 exclude 5.8 million shares of common stock issuable for incentive equity awards, which include performance share units based on the achievement of target amounts, that are anti-dilutive to the diluted earnings per share computation.

(b) The Company was in a net loss position for the three months ended March 31, 2020 and therefore the impact of incentive equity awards were excluded from the computation of dilutive loss per share as the inclusion of such amounts would be anti-dilutive.

8. 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:

- concerning anti-trust and anti-competition matters (including claims related to NAR or MLS rules regarding buyer broker commissions);
- that independent residential real estate sales agents engaged by Realogy Brokerage Group or by affiliated franchisees—under certain state or federal laws—are potentially employees instead of independent contractors, and they or regulators therefore may bring claims against Realogy Brokerage Group 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 or similar claims against Realogy Franchise Group as an alleged joint employer of an affiliated franchisee’s independent sales agents;
- concerning other employment law matters, including other types of worker classification claims as well as wage and hour claims and retaliation claims;
- that the Company is vicariously liable for the acts of franchisees under theories of actual or apparent agency;
- by current or former franchisees that franchise agreements were breached including improper terminations;
- concerning alleged RESPA or state real estate law violations;
- concerning claims related to the Telephone Consumer Protection Act, including autodialer claims;
- 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;
- related to copyright law, including infringement actions alleging improper use of copyrighted photographs on websites or in marketing materials without consent of the copyright holder or claims challenging our trademarks;
- concerning breach of obligations to make websites and other services accessible for consumers with disabilities;
- concerning claims generally against the title agent contending that the agent knew or should have known that a transaction was fraudulent or that the agent was negligent in addressing title defects or conducting the settlement;
- concerning information security, including claims under new and emerging data privacy laws related to the protection of customer, employee or third-party information;
- concerning cyber-crime, including claims related to the diversion of homesale transaction closing funds; and
- those related to general fraud claims.

Worker Classification Litigation

Whitlach v. Premier Valley, Inc. d/b/a Century 21 M&M and Century 21 Real Estate LLC (Superior Court of California, Stanislaus County). This was filed as a putative class action complaint on December 20, 2018 by plaintiff James Whitlach against Premier Valley Inc., a Century 21 Real Estate independently-owned franchisee doing business as Century 21 M&M (“Century 21 M&M”). The complaint also names Century 21 Real Estate LLC, a wholly-owned subsidiary of the Company and the franchisor of Century 21 Real Estate (“Century 21”), as an alleged joint employer of the franchisee’s independent sales agents and seeks to certify a class that could potentially include all agents of both Century 21 M&M and Century 21 in California. In February 2019, the plaintiff amended his complaint to assert claims pursuant to the California Private Attorneys General Act (“PAGA”). Following the Court's dismissal of the plaintiff's non-PAGA claims without prejudice in June 2019, the plaintiff filed a second amended complaint asserting one cause of action for alleged civil penalties under PAGA in June 2020 and continued to pursue his PAGA claims as a representative of purported "aggrieved employees" as defined by PAGA. As such representative, the plaintiff seeks all non-individualized relief available to the purported aggrieved employees under PAGA, as well as attorneys’ fees. Under California law, PAGA claims are generally not subject to arbitration and may result in exposure in the form of additional penalties.

In the second amended complaint, the plaintiff continues to allege that Century 21 M&M misclassified all of its independent real estate agents, salespeople, sales professionals, broker associates and other similar positions as independent contractors, failed to pay minimum wages, failed to provide meal and rest breaks, failed to pay timely wages, failed to keep proper records, failed to provide appropriate wage statements, made unlawful deductions from wages, and failed to reimburse plaintiff and the putative class for business related expenses, resulting in violations of the California Labor Code. The demurrer filed by Century 21 M&M (and joined by Century 21) on August 3, 2020 to the plaintiff's amended complaint, was granted by the Court on November 10, 2020, dismissing the case without leave to replead. On January 20, 2021, plaintiff filed a notice of appeal of the Court's order granting the demurrer. This case raises various previously unlitigated claims and the PAGA claim adds additional litigation, financial and operating uncertainties.

Real Estate Industry Litigation

Moehrl, Cole, Darnell, Nager, Ramey, Sawbill Strategic, Inc., Umpa and Ruh v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc. (U.S. District Court for the Northern District of Illinois). This amended putative class action complaint (the "amended *Moehrl* complaint"), filed on June 14, 2019, (i) consolidates the *Moehrl* and *Sawbill* litigation reported in our Form 10-Q for the period ended March 31, 2019, (ii) adds certain plaintiffs and defendants, and (iii) serves as a response to the separate motions to dismiss filed on May 17, 2019 in the prior *Moehrl* litigation by each of NAR and the Company (along with the other defendants named in the prior *Moehrl* complaint).

In the amended *Moehrl* complaint, the plaintiffs allege that the defendants engaged in a continuing contract, combination, or conspiracy to unreasonably restrain trade and commerce in violation of Section 1 of the Sherman Act because defendant NAR allegedly established mandatory anticompetitive policies for the multiple listing services and its member brokers that require brokers to make an offer of buyer broker compensation when listing a property. The plaintiffs further allege that commission sharing, which provides for the broker representing the seller sharing or paying a portion of its commission to the broker representing the buyer, is anticompetitive and violates the Sherman Act, and that the defendant franchisors conspired with NAR by requiring their respective franchisees to comply with NAR's policies and Code of Ethics. The plaintiffs seek a permanent injunction enjoining the defendants from requiring home sellers to pay buyer broker commissions or to otherwise restrict competition among buyer brokers, an award of damages and/or restitution, attorneys fees and costs of suit. In October 2019, the Department of Justice ("DOJ") filed a statement of interest for this matter, in their words "to correct the inaccurate portrayal, by defendant The National Association of Realtors ('NAR'), of a 2008 consent decree between the United States and NAR." A motion to appoint lead counsel in the case was granted on an interim basis by the Court on May 30, 2020. On October 2, 2020, the Court denied the separate motions to dismiss filed in August 2019 by each of NAR and the Company (together with the other defendants named in the amended *Moehrl* complaint). Discovery between the plaintiffs and defendants is ongoing.

Sitzer and Winger v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., RE/MAX Holdings, Inc., and Keller Williams Realty, Inc. (U.S. District Court for the Western District of Missouri). This is a putative class action complaint filed on April 29, 2019 and amended on June 21, 2019 by plaintiffs Joshua Sitzer and Amy Winger against NAR, the Company, Homeservices of America, Inc., RE/MAX Holdings, Inc., and Keller Williams Realty, Inc. The complaint contains substantially similar allegations, and seeks the same relief under the Sherman Act, as the *Moehrl* litigation. The *Sitzer* litigation is limited both in allegations and relief sought to the State of Missouri and includes an additional cause of action for alleged violation of the Missouri Merchandising Practices Act, or MMPA. On August 22, 2019, the Court denied defendants' motions to transfer the *Sitzer* matter to the U.S. District Court for the Northern District of Illinois and on October 16, 2019, denied the motions to dismiss this litigation filed respectively by NAR and the Company (together with the other named brokerage/franchisor defendants). In September 2019, the DOJ filed a statement of interest and appearances for this matter for the same purpose stated in the *Moehrl* matter. In July 2020, the DOJ requested the Company provide it with all materials produced for *Sitzer*, with such request related to and preceding the subsequent civil lawsuit filed and related settlement agreement between the DOJ and NAR in November 2020. Discovery between the plaintiffs and defendants is ongoing.

Leeder v. The National Association of Realtors, Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, The Long & Foster Companies, Inc., RE/MAX LLC, and Keller Williams Realty, Inc. (U.S. District Court for the Northern District of Illinois Eastern Division). In this putative class action filed on January 25, 2021, the plaintiff takes issue with certain NAR policies, including those related to buyer broker compensation at issue in the *Moehrl* and *Sitzer* matters as well as those at issue in the 2020 settlement between the DOJ and NAR, but claims the alleged conspiracy has harmed buyers (instead of sellers). The plaintiff alleges that the defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and were unjustly enriched, and seek a permanent injunction enjoining NAR from establishing in the future the same or similar rules, policies, or practices as those challenged in the action as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses. The Company (together with the other companies named in the complaint) filed a motion to dismiss the complaint on April 20, 2021.

Conti v. San Francisco Association of Realtors, National Association of Realtors, Greater San Diego Association of Realtors, Realogy Holdings Corp., Compass SF I, Inc., Sotheby's International Realty, Homeservices of America, Inc., Rodeo Realty, Inc., RE/MAX Holdings, Inc., and Keller Williams Realty, Inc. (U.S. District Court for the Northern District of California San Francisco Division). In this putative class action filed on March 19, 2021, the plaintiff raises claims regarding the NAR policies and rules similar to those at issue in the *Leeder* matter, alleging violations of the Sherman Act, the California Cartwright Act, the California Unfair Competition Law as well as unjust enrichment claims. The plaintiff seeks a permanent injunction enjoining NAR from establishing in the future the same or similar rules, policies, or practices as those challenged in the action as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses.

Rubenstein, Nolan v. The National Association of Realtors, Realogy Holdings Corp., Coldwell Banker, Sotheby's Investment Realty, and Homeservices of America, Inc. (U.S. District Court for the District of Connecticut). In this putative class action, the plaintiffs take issue with the same NAR policies related to buyer broker compensation at issue in the *Moehrl* and *Sitzer* matters, but claim the alleged conspiracy has harmed buyers (instead of sellers) and is a federal racketeering violation (instead of a violation of federal antitrust law). On October 29, 2020, the plaintiffs filed a statement with the Court outlining the alleged racketeering violations. The Company filed its motion to dismiss the amended complaint on November 30, 2020 and on January 23, 2021, the plaintiffs filed their objections and opposition. On January 25, 2021, the Court granted defendants' motion to stay discovery pending its determination of the pending motion to dismiss.

Bauman, Bauman and Nosalek v. MLS Property Information Network, Inc., Realogy Holdings Corp., Homeservices of America, Inc., BHH Affiliates, LLC, HSF Affiliates, LLC, RE/MAX LLC, and Keller Williams Realty, Inc. (U.S. District Court for the District of Massachusetts). This is a putative class action filed on December 17, 2020, wherein the plaintiffs take issue with policies and rules similar to those at issue in the *Moehrl*, *Sitzer* and *Rubenstein* matters, but rather than objecting to the national policies and rules published by NAR, this lawsuit specifically objects to the alleged policies and rules of a multiple listing service that is owned by realtors, including in part by one of Realogy's company-owned brokerages. The plaintiffs allege that the defendants made agreements and engaged in a conspiracy in restraint of trade in violation of the Sherman Act and seek a permanent injunction, enjoining the defendants from continuing conduct determined to be unlawful, as well as an award of damages and/or restitution, interest, and reasonable attorneys' fees and expenses. The Company (together with the other companies named in the complaint) filed a motion to dismiss the complaint on March 1, 2021.

The Company disputes the allegations in each of the captioned matters described above and will vigorously defend these actions. Given the early stages of each of these cases, we cannot estimate a range of reasonably possible losses for this 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 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.

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Closed Securities Litigation

Tanaskovic v. Realogy Holdings Corp., et. al. (U.S. District Court for the District of New Jersey). The Court granted the Company's motion to dismiss this matter with prejudice on January 21, 2021. On February 18, 2021, the parties agreed not to pursue the litigation any further with each party bearing their own costs.

Fried v. Realogy Holdings Corp., et al. (U.S. District Court for the District of New Jersey). On March 26, 2021, the Court approved a stipulation and order of voluntary dismissal with prejudice of this matter, with each party bearing their own costs.

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Company-Initiated Litigation

Realogy Holdings Corp., NRT New York LLC (d/b/a The Corcoran Group), Sotheby's International Realty, Inc., Coldwell Banker Residential Brokerage Company, Coldwell Banker Residential Real Estate LLC, NRT West, Inc., Martha Turner Properties, L.P. And Better Homes and Gardens Real Estate LLC v. Urban Compass, Inc., and Compass, Inc. (Supreme Court New York, New York County). On July 10, 2019, the Company and certain of its subsidiaries filed a complaint against Urban Compass, Inc. and Compass, Inc. (together, "Compass") alleging misappropriation of trade secrets; tortious interference with contract; intentional and tortious interference with prospective economic advantage; unfair competition under New York common law; violations of the California Unfair Competition Law, Business and Professional Code Section 17200 et. seq. (unfair competition); violations of New York General Business Law Section 349 (deceptive acts or practices); violations of New York General Business Law Sections 350 and 350-a (false advertising); conversion; and aiding and abetting breach of contract. The Company seeks, among other things, actual and compensatory damages, injunctive relief, and attorneys' fees and costs. The Company subsequently amended its complaint (which, among other things, withdrew the count for aiding and abetting breach of contract and added a count for defamation). Beginning in September 2019, Compass filed a series of motions, which the Company opposed, including a motion to dismiss and a motion to compel arbitration with respect to certain claims involving Corcoran. In June 2020, having previously denied certain portions of Compass' motion to dismiss, the Court denied the balance of the motion to dismiss, and denied as moot Compass' motion to compel arbitration, granting the Company leave to amend the allegations in its complaint that relate to Corcoran's exclusive listings in order to clarify the claims and damages sought in the action. The Company filed its amended complaint in July 2020. On December 18, 2020, the Court denied a motion to compel arbitration filed by Compass in September 2020 with respect to certain claims in the Company's amended complaint concerning or purportedly related to Corcoran and Sotheby's International Realty, Inc. Compass subsequently filed an appellate brief appealing the Court's denial. On April 8, 2021, the Appellate Division denied Compass' request for a stay pending appeal. On January 28, 2021, Compass filed its answer to the Company's amended complaint, as well as counterclaims and third-party claims against the Company and certain of its subsidiaries, alleging unfair competition, tortious interference with prospective business relations, defamation, injurious falsehoods, and misappropriation of trade secrets. The third-party claim names a Company-affiliated franchise brokerage and an independent contractor for that franchise. Compass seeks compensatory and punitive damages, injunctive relief, disgorgement of profits, interest and attorneys' fees. Discovery in the case is continuing. On March 1, 2021, the Company filed a motion to dismiss (with respect to certain counterclaims) and a reply (to the remaining counts of the counterclaims). On April 22, 2021, pursuant to a stipulation of the parties, the Court ordered the dismissal without prejudice of Compass's third-party claims and those counterclaims against the Company related to unfair competition under New York common law, conspiracy and misappropriation of trade secrets.

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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, indemnification (under contract or common law), franchising arrangements, the fiduciary duties of brokers, 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 agents, antitrust and anti-competition claims (including claims related to NAR or MLS rules regarding buyer broker commissions), general fraud claims (including wire fraud associated with third-party diversion of funds from a brokerage transaction), claims under the False Claims Act (or similar state laws), consumer lending and debt collection law claims, employment law claims, including claims challenging the classification of independent sales agents as independent contractors, wage and hour related claims, and claims related to business actions responsive to the COVID-19 outbreak and governmental and regulatory directives thereto, and claims alleging violations of RESPA, state consumer fraud statutes or federal consumer protection 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. In addition, with the increasing requirements resulting from government laws and regulations concerning data breach notifications and data privacy and protection obligations, claims associated with these laws may become more common. While most litigation involves claims against the Company, from time to time the

Company commences litigation, including litigation against former employees, franchisees and competitors when it alleges that such persons or entities have breached agreements or engaged in other wrongful conduct.

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Cendant Corporate Liabilities and 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 Group), travel distribution services ("Travelport"), hospitality services, including timeshare resorts ("Wyndham Worldwide"), and vehicle rental ("Avis Budget Group"). Pursuant to the Separation and Distribution Agreement dated as of July 27, 2006 among Cendant, Realogy Group, Wyndham Worldwide and Travelport (the "Separation and Distribution Agreement"), 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.

The due to former parent balance was $19 million at both March 31, 2021 and December 31, 2020. The due to former parent balance was comprised of the Company’s portion of the following: (i) Cendant’s remaining contingent tax liabilities, (ii) potential liabilities related to Cendant’s terminated or divested businesses, and (iii) potential liabilities related to the residual portion of accruals for Cendant operations.

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.

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 $995 million at March 31, 2021 and $585 million at December 31, 2020, respectively. 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.

9. SEGMENT INFORMATION

The reportable segments presented below represent the Company’s 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 segments. Management evaluates the operating results of each of its reportable segments based upon revenue and Operating EBITDA. Operating 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), income taxes, and other items that are not core to the operating activities of the Company such as restructuring charges, former parent legacy items, gains or losses on the early extinguishment of debt, impairments, gains or losses on discontinued operations and gains or losses on the sale of investments or other assets. The Company’s presentation of Operating EBITDA may not be comparable to similar measures used by other companies.

	Revenues (a)	
	Three Months Ended March 31,	
	2021	2020
Realogy Franchise Group	$ 254	$ 220
Realogy Brokerage Group	1,171	869
Realogy Title Group	201	137
Corporate and Other (b)	(79)	(58)
Total Company	$ 1,547	$ 1,168

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(a) Transactions between segments are eliminated in consolidation. Revenues for the Realogy Franchise Group include intercompany royalties and marketing fees paid by Realogy Brokerage Group of $79 million and $58 million for the three months ended March 31, 2021 and 2020, respectively. Such amounts are eliminated through the Corporate and Other line.

(b) Includes the elimination of transactions between segments.

	Operating EBITDA	
	Three Months Ended March 31,	
	2021	2020
Realogy Franchise Group	$ 141	$ 96
Realogy Brokerage Group	(5)	(51)
Realogy Title Group	61	12
Corporate and Other (a)	(35)	(25)
Total Company	162	32
Less: Depreciation and amortization	51	45
Interest expense, net	38	101
Income tax expense (benefit)	17	(141)
Restructuring costs, net (b)	5	12
Impairments (c)	1	477
Loss on the early extinguishment of debt (d)	17	—
Net income (loss) attributable to Realogy Holdings and Realogy Group	$ 33	$ (462)

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(a) Includes the elimination of transactions between segments.

(b) The three months ended March 31, 2021 includes restructuring charges of $2 million at Realogy Franchise Group, $2 million at Realogy Brokerage Group and $1 million at Corporate and Other.

The three months ended March 31, 2020 includes restructuring charges of $2 million at Realogy Franchise Group, $9 million at Realogy Brokerage Group and $1 million at Realogy Title Group.

(c) Impairments for the three months ended March 31, 2021 relate to lease asset impairments. Non-cash impairments for the three months ended March 31, 2020 include:

- a goodwill impairment charge of $413 million related to Realogy Brokerage Group;
- an impairment charge of $30 million related to Realogy Franchise Group's trademarks;
- $30 million of impairment charges during the three months ended March 31, 2020 (while Cartus Relocation Services was held for sale) to reduce the net assets to the estimated proceeds; and
- other asset impairments of $4 million primarily related to lease asset impairments.

(d) Loss on the early extinguishment of debt is recorded in Corporate and Other.

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 2020 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, or MD&A, contains forward-looking statements. See "Forward-Looking Statements" in this Quarterly Report as well as our 2020 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 services and report our operations in the following three business segments:

- **Realogy Franchise Group**—franchises the Century 21®, Coldwell Banker®, Coldwell Banker Commercial®, Corcoran®, ERA®, Sotheby's International Realty® and Better Homes and Gardens® Real Estate brand names. As of March 31, 2021, our real estate franchise systems and proprietary brands had approximately 327,500 independent sales agents worldwide, including approximately 191,700 independent sales agents operating in the U.S. (which included approximately 53,700 company owned brokerage independent sales agents). As of March 31, 2021, our real estate franchise systems and proprietary brands had approximately 20,400 offices worldwide in 118 countries and territories, including approximately 5,700 brokerage offices in the U.S. (which included approximately 670 company owned brokerage offices). This segment also includes our lead generation activities and global relocation services operation.
- **Realogy Brokerage Group**—operates a full-service real estate brokerage business with approximately 670 owned and operated brokerage offices with approximately 53,700 independent sales agents principally under the Coldwell Banker®, Corcoran® and Sotheby's International Realty® brand names in many of the largest metropolitan areas in the U.S.
- **Realogy Title Group**—provides full-service title, escrow and settlement services to consumers, real estate companies, corporations and financial institutions with many of these services provided in connection with the Company's real estate brokerage and relocation services businesses. Our title insurance underwriter, Title Resources Guaranty Company, provides title underwriting services relating to the closing of home purchases and refinancing of home loans, working with affiliated and independent agents. This segment also includes the Company's share of equity earnings for our Guaranteed Rate Affinity mortgage origination joint venture.

Our technology and data group pursues technology-enabled solutions to support our business segments and franchisees as well as independent sales agents affiliated with Realogy Brokerage and Franchise Groups and their customers.

RECENT DEVELOPMENTS

Capital Structure

In January and February 2021, Realogy Group entered into refinancing transactions, including the issuance in the aggregate of $900 million of 5.75% Senior Notes due 2029 (with gross proceeds of $905 million used to pay down $250 million of the Term Loan A Facility and $655 million of the Term Loan B Facility) and the amendment of the Senior Secured Credit Agreement and Term Loan A Agreement (the "2021 Amendments"). Among other things, the 2021 Amendments provide for the extension of the maturity of a portion of the remaining balance of the Term Loan A Facility from 2023 to 2025 and the extension of the maturity of a portion of the Revolving Credit Facility from 2023 to 2025, in each case subject to certain earlier springing maturity dates.

On April 28, 2021, the Company used cash on hand to pay down $150 million of the Term Loan B Facility, reducing the principal amount of that Facility to $240 million.

See "Liquidity and Capital Resources" below, as well as Note 4, "Short and Long-Term Debt", to the Condensed Consolidated Financial Statements for additional information.

CURRENT BUSINESS AND INDUSTRY TRENDS

The first quarter of 2021 demonstrated continued strength in the residential real estate market, which has improved markedly from a sharp decline in homesale transactions, primarily in the second quarter of 2020, due to factors related to the COVID-19 crisis. According to the National Association of Realtors ("NAR"), as of its most recent publication, for March 2021, the seasonally-adjusted annual rate of total existing homesale transactions was 6.0 million, a 7% increase from actual homesale transactions of 5.6 million in 2020 and a 10% improvement over the three-year average (2018-2020) of actual homesale transactions of 5.4 million.

According to NAR, during the first quarter of 2021, homesale transaction volume increased 28% over the first quarter of 2020 primarily due to a 14% increase in homesale transactions and a 12% increase in average homesale price.

Homesale transaction volume on a combined basis for Realogy Franchise and Brokerage Groups increased 44% during the three months ended March 31, 2021 compared to the three months ended March 31, 2020. Homesale transaction volume at Realogy Franchise Group increased 47% during such period, primarily as a result of a 22% increase in average homesale price and a 20% increase in existing homesale transactions. Homesale transaction volume at Realogy Brokerage Group increased 37% during such period, primarily as a result of a 20% increase in existing homesale transactions and a 14% increase in average homesale price.

We believe that the strong recovery to date, including increased demand, has been driven by certain beneficial consumer trends such as home buyer preferences for certain geographies (including attractive tax and weather destinations) and demand in the high-end market, supported by an increase in the prevalence of remote work arrangements, home buying trends among millennials, a favorable mortgage rate environment and low inventory contributing to higher average homesale price.

Overall, our company owned and franchise operations have benefited since the second half of 2020 from geographic and high-end transaction mix. We believe that the increase in homesale transaction volume at Realogy Franchise Group as compared to the broader market has been primarily driven since the second half of 2020 by strong performance in the high-end of the market. In addition to the foregoing factor, we believe lower homesale transaction volume for our company owned brokerages compared to franchised brokerages has been largely attributable to the geographic footprint of our company-owned brokerages, in particular in New York City, which while gaining strength in the first quarter of 2021, continued to lag the general residential real estate market.

We expect that quarterly comparisons to 2020 periods will be volatile throughout the remainder of 2021 due to the significant disruptions to the typical seasonality patterns of the residential real estate market caused by the COVID-19 crisis during 2020. For example, as shown in the tables below, NAR forecasts in its most recent press release that homesale transaction volume will increase 57% in the second quarter of 2021 as compared to the second quarter of 2020 – the quarter in which the COVID-19 crisis had the most negative impact on the industry (with 2020 second quarter homesale transaction volume down 16% from 2019). The same 2021 NAR forecast, when compared to the second quarter of 2019, still shows strong improvement – with 35% growth forecasted in the second quarter of 2021.

NAR Forecasted Homesale Transaction Volume

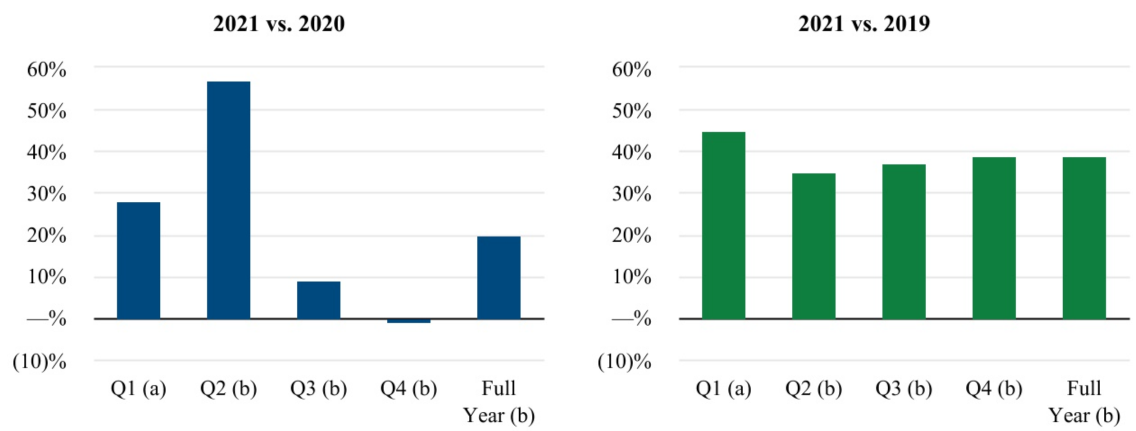

Table of Contents

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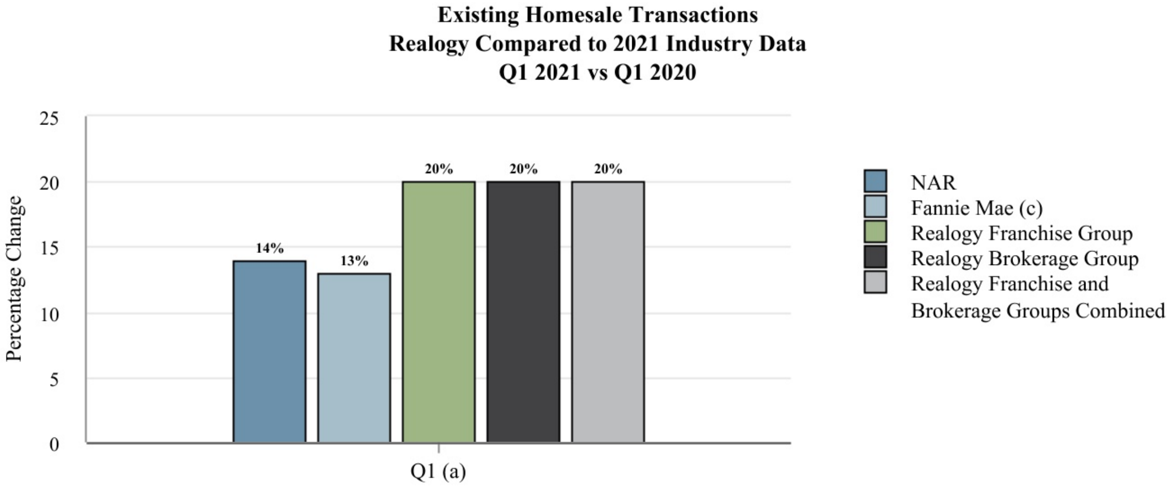
(a) Q1 existing homesale data is as of the most recent NAR press release, which is subject to sampling error.

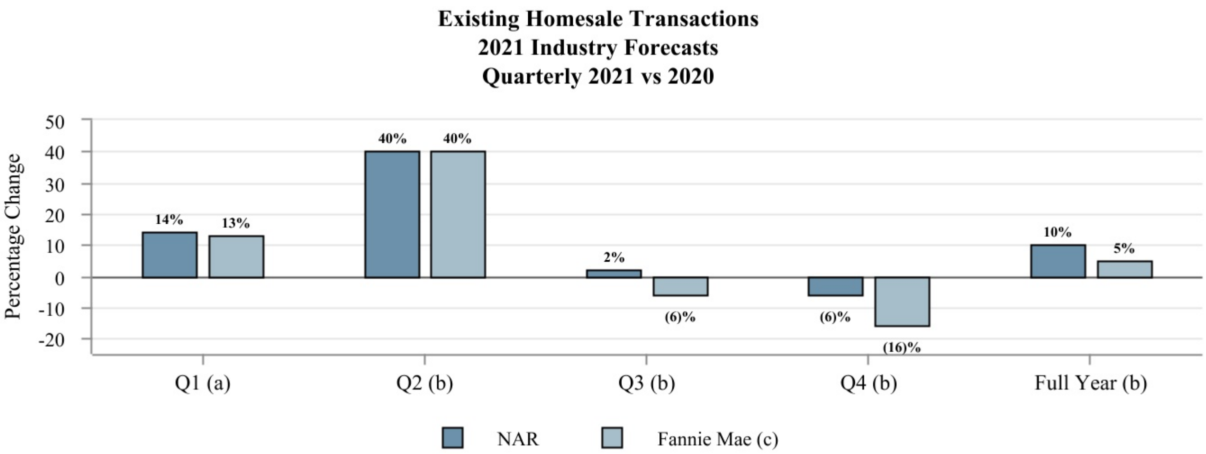
(b) Forecasted existing homesale data, on a seasonally adjusted basis, is as of the most recent NAR forecast.

There remain significant uncertainties regarding whether the beneficial consumer trends discussed above will be maintained at the same strength or at all, and whether such trends will continue to have a positive effect on our financial results as well as significant uncertainties related to the COVID-19 crisis, including the severity, duration and extent of the pandemic (and the impact of vaccines and virus mutations).

Existing Homesales

For the quarter ended March 31, 2021 compared to the same period in 2020, NAR existing homesale transactions increased to 1.2 million homes or up 14%. For the quarter ended March 31, 2021, homesale transactions on a combined basis for Realogy Franchise and Brokerage Groups increased 20% compared to the same period in 2020 due primarily to continued strength in the residential real estate market, which we attribute to certain beneficial consumer trends supported by other factors, including a favorable mortgage rate environment and low inventory contributing to higher average homesale price, partially offset by the impact of competition and the geographic concentration of Realogy Brokerage Group. The quarterly and annual year-over-year trends in homesale transactions are as follows:





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(a) Q1 existing homesale data is as of the most recent NAR press release, which is subject to sampling error.

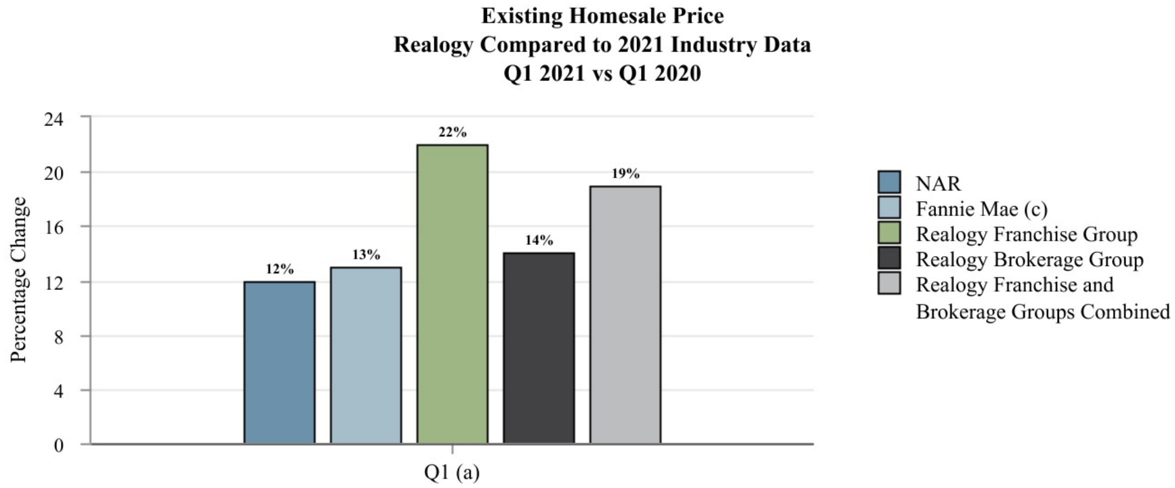
(b) Forecasted existing homesale data, on a seasonally adjusted basis, is as of the most recent NAR forecast.

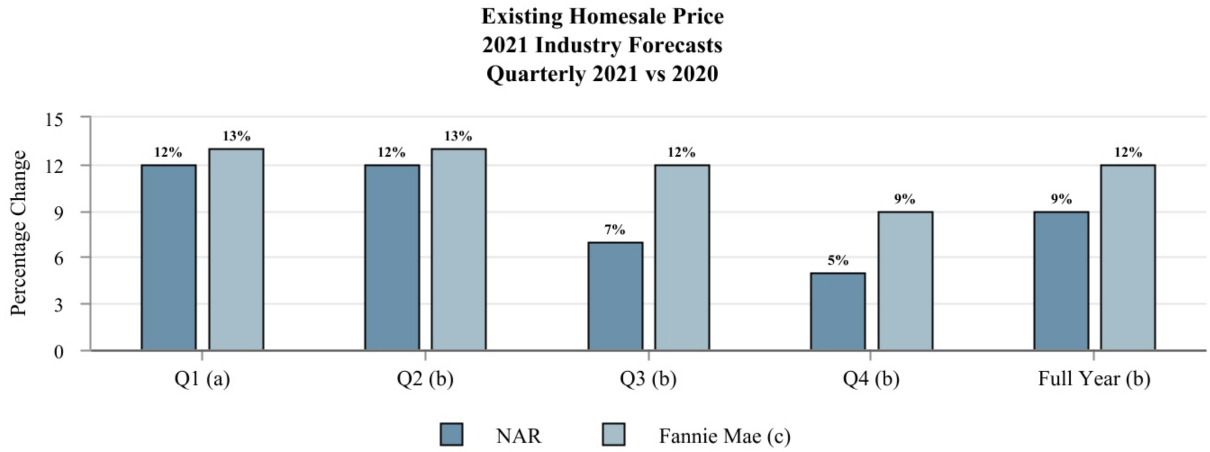
(c) Forecasted existing homesale data, on a seasonally adjusted basis, is as of the most recent Fannie Mae press release.

As of their most recent releases, NAR is forecasting existing homesale transactions to remain flat in 2022 while Fannie Mae is forecasting existing homesale transactions to decrease 6% for the same period.

Existing Homesale Price

For the quarter ended March 31, 2021 compared to the same period in 2020, NAR existing homesale average price increased 12%. For the quarter ended March 31, 2021, average homesale price on a combined basis for Realogy Franchise and Brokerage Groups increased 19% compared to the same period in 2020 which consisted of a 22% increase in average homesale price for Realogy Franchise Group and a 14% increase in average homesale price for Realogy Brokerage Group. We believe that the delta between Realogy Brokerage Group and Realogy Franchise Group in the first quarter of 2021 was primarily driven by particularly strong performance by Realogy Franchise Group in the high-end market as well as Realogy Brokerage Group's geographic footprint, in particular in New York City. We believe that the delta between Realogy Franchise Group and NAR in the first quarter of 2021 was primarily driven by particularly strong performance by Realogy Franchise Group in the high-end of the market. The quarterly and annual year-over-year trends in the price of homes are as follows:





(a) Q1 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 median existing homesale price to increase 3% in 2022 while Fannie Mae is forecasting median existing homesale price to increase 4% for the same period.

2020 Temporary Cost-Saving Initiatives. Quarterly earnings comparisons will also be challenged by the absence in the second and third quarters of 2021 of the temporary cost-saving measures we took in 2020 in response to the COVID-19 crisis. Those temporary measures resulted in approximately $150 million of aggregate savings in the second and third quarter of 2020, with approximately two-thirds of such amount recognized in the second quarter of 2020. Substantially all of these measures were reversed during the third quarter of 2020 and we do not expect to realize comparable cost-savings from these prior temporary initiatives in future periods, the absence of which is expected to have a negative impact on period-over-period comparisons of our expenses.

Inventory. Continued or accelerated declines in inventory, whether attributable to the COVID-19 crisis or otherwise, may result in insufficient supply to meet any increased demand driven by the lower interest rate environment and beneficial consumer trends. Additional inventory pressure arises from periods of slow or decelerated new housing construction. Even before the COVID-19 crisis, low housing inventory levels had been an industry-wide concern, in particular in certain highly sought-after geographies and at lower price points. According to NAR, the inventory of existing homes for sale in the U.S. decreased approximately 28% from 1.5 million as of March 2020 to 1.1 million as of March 2021. As a result, inventory has decreased from 3.3 months of supply in March 2020 to 2.1 months as of March 2021. These levels continue to be significantly below the 10-year average of 4.8 months, the 15-year average of 6.0 months and the 25-year average of 5.6 months.

While insufficient inventory levels generally have a negative impact on homesale transaction growth, during the three months ended March 31, 2021, Realogy Franchise and Brokerage Groups saw a 20% increase in homesale transactions on a combined basis compared to the same period in 2020. We believe that an intensified pace of inventory supply turnover beginning in the second half of 2020 has contributed to the reported low levels of inventory, without a correlating decrease in homesale transactions. For example, at our company owned Coldwell Banker brokerages, the speed at which a home that was listed for sale went under contract reduced to a median of 15 days on the market in the first quarter of 2021 from a median of 31 days on the market in the first quarter of 2020. There is significant uncertainty as to whether this recent pattern of low inventory, but increased homesale transactions driven by supply turnover will continue as constraints in home inventory levels have typically had and may continue to have an adverse impact on the number of homesale transactions closed by Realogy Franchise and Brokerage Groups. In addition, in periods of rapid inventory turnover there is an increased risk that new homesale unit listings will not keep pace with demand, which could also negatively impact homesale transaction volume.

Unemployment. According to the U.S. Bureau of Labor Statistics, the U.S. unemployment rate declined to 6.0% in March 2021, down considerably from a high of 14.8% reached in April 2020, but still 2.5% higher compared to its pre-pandemic level in February 2020. If the COVID-19 pandemic continues to impact employment levels and economic activity for a substantial period, or if jobs recovery slows or worsens, it could lead to an increase in loan defaults and foreclosure activity and may make it more difficult for potential home buyers to arrange financing.

Mortgage Rates. We have been in an unusually prolonged period of historic low interest rates. A wide variety of factors can contribute to mortgage rates, including Treasury note yields, federal interest rates, inflation, demand, consumer income, unemployment levels and foreclosure rates. Yields on the 10-year Treasury note hit all-time lows during the COVID-19 crisis, but as of March 31, 2021 were 1.74% as compared to 0.70% as of March 31, 2020. According to Freddie Mac, mortgage rates on commitments for a 30-year, conventional, fixed-rate first mortgage lowered to an average of 2.88% for the first quarter of 2021 compared to 3.51% for the first quarter of 2020. Although mortgage rates began to increase during the first quarter of 2021 from the lows seen in 2020, they continue to be at low levels compared to the 10-year average of 3.93%, according to Freddie Mac. On March 31, 2021, mortgage rates were 3.08%, or approximately 40 basis points higher than on December 31, 2020 and approximately 90 basis points lower than the 10-year average, according to Freddie Mac.

Our financial results are favorably impacted by a low interest rate environment as a decline in mortgage rates generally drives increased refinancing activity and homesale transactions. For example, the Company recorded equity earnings from our mortgage origination joint venture, Guaranteed Rate Affinity, of $30 million and $9 million for the three months ended March 31, 2021 and 2020 which, for the three months ended March 31, 2021, represented approximately 19% of the Company's Operating EBITDA. Realogy Title Group also experienced a 130% increase in the number of refinancing title and closing units processed as a result of homeowners refinancing their home loans for the three months ended March 31, 2021 as compared to March 31, 2020. The refinancing volume of these businesses are inherently cyclical and this level of volume may not be maintained or may meaningfully decrease with fluctuations in market conditions such as mortgage rates. We have been and could again be negatively impacted by a rising interest rate environment as increases in mortgage rates have a negative impact on refinancing title and closing units and mortgage unit volumes, could compress margins at Guaranteed Rate Affinity, and adversely impact housing affordability and homesale transaction volume.

Due to the economic effects of the COVID-19 crisis, banks may tighten mortgage standards, even if rates remain at low levels or decline, which could limit the availability of mortgage financing. In addition, many individuals and businesses have benefited and may be continuing to benefit from one or more federal and/or state monetary or fiscal programs meant to assist in the navigation of COVID-related financial challenges (including mortgage forbearance programs), and the termination or substantial curtailment of, or failure to extend, such programs could have a negative impact on their financial health.

Affordability. The fixed housing affordability index, as reported by NAR, decreased from 176 for February 2020 to 173 for February 2021. A housing affordability 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. Housing affordability may be impacted in future periods by increases in average homesale price and the low inventory environment as well as the rise in unemployment and economic challenges as a result of the COVID-19 crisis, but we are unable to estimate the extent due to the uncertainties of the COVID-19 crisis and its related impact on the U.S. economy.

Recruitment and Retention of Independent Sales Agents; Commission Income. Recruitment and retention of independent sales agents and independent sales agent teams are critical to the business and financial results of a brokerage, including our company owned brokerages and those operated by our affiliated franchisees. In the first quarter of 2021, agents affiliated with our company owned brokerages grew 3% and, based on information from such franchisees, agents affiliated with our U.S. franchisees increased 1%, in each case as compared to March 31, 2020. Aggressive competition for the affiliation of independent sales agents has negatively impacted recruitment and retention efforts at both Realogy Franchise and Brokerage Groups, in particular with respect to more productive sales agents, and has previously had and may continue to have a negative impact on our market share. These competitive market factors are expected to continue to put upward pressure on the average share of commissions earned by independent sales agents and may continue to impact our franchisees; such franchisees have and may continue to seek reduced royalty fee arrangements or other incentives from us to offset the continued business pressures on such franchisees, which would result in a reduction in royalty fees paid to us.

This competitive environment has continued throughout most of the COVID-19 crisis, particularly at the outset of the pandemic, when we took proactive measures to preserve liquidity, including in connection with our recruitment and retention efforts.

Non-Traditional Market Participants. While real estate brokers using historical real estate brokerage models typically compete for business primarily on the basis of services offered, brokerage commission, reputation, utilization of technology and personal contacts, participants pursuing non-traditional methods of marketing real estate may compete in other ways, including companies that employ technologies intended to disrupt historical real estate brokerage models or minimize or eliminate the role traditional brokers and sales agents perform in the homesale transaction process. The significant size of the U.S. real estate market has continued to attract outside capital investment in disruptive and traditional competitors that seek to access a portion of this market, including iBuying business models. These competitors and their investors may pursue increases in market share over profitability, further complicating the competitive landscape.

A growing number of companies are competing in non-traditional ways for a portion of the gross commission income generated by homesale transactions. For example, an increasing number of sales agents are operating in a virtual capacity, which may dilute the relationship between the brokerage and the agent. In addition, many iBuying business models seek to disintermediate real estate brokers and independent sales agents from buyers and sellers of homes by reducing or eliminating brokerage commissions that may be earned on those transactions. In October 2020, we continued to evolve our agent-focused iBuying offerings through the launch of a joint venture with Home Partners of America intended to expand the geographic reach of our RealSure program, which is available in 13 U.S. markets as of March 31, 2021 (and is expected to expand to 20 U.S. markets in 2021). Under the RealSure Sell program, sellers with qualifying properties receive a cash offer valid for 45 days immediately upon listing, and during this time frame have the opportunity to pursue a better price by marketing their property with an affiliated independent sales agent. Sellers who are enrolled in RealSure Sell can utilize RealSure Buy to make a more competitive offer on their next home before their current home is sold by leveraging their RealSure Sell cash offer.

In addition, the concentration and market power of the top listing aggregators allow them to monetize their platforms by a variety of actions, including but not limited to setting up competing brokerages and/or expanding their offerings to include products (including agent tools) and services ancillary to the real estate transaction, such as title, escrow and mortgage origination services, that compete with services offered by us, charging significant referral, listing and display fees, diluting the relationship between agents and brokers and between agents and the consumer, tying referrals to use of their products, consolidating and leveraging data, and engaging in preferential or exclusionary practices to favor or disfavor other industry participants. These actions divert and reduce the earnings of other industry participants, including our company owned and franchised brokerages. Aggregators could intensify their current business tactics or introduce new programs that could be materially disadvantageous to our business and other brokerage participants in the industry and such tactics could further increase pressures on the profitability of our company owned and franchised brokerages and affiliated independent sales agents, reduce our franchisor service revenue and dilute our relationships with our franchisees and our franchisees' relationships with affiliated independent sales agents and buyers and sellers of homes. For example, one dominant listing aggregator recently launched a brokerage with employee sales agents in several locations to support its iBuying offering and has joined many local multiple listing services, known as MLSs, as a participating broker to gain electronic access directly to real estate listings rather than relying on disparate electronic feeds from other brokers participating in the MLSs or MLS syndication feeds.

New Development. Realogy Brokerage Group has relationships with developers, primarily in major cities, in particular New York City, to provide marketing and brokerage services in new developments. New development closings can vary significantly from year to year due to timing matters that are outside of our control, including long cycle times and irregular project completion timing. In addition, the new development industry has also experienced significant disruption due to the COVID-19 crisis. Accordingly, earnings attributable to this business can fluctuate meaningfully from year to year, impacting both homesale transaction volume and the share of gross commission income we realize on such transactions.

Relocation Spending. Global corporate spending on relocation services has continued to shift to lower cost relocation benefits as corporate clients engage in cost reduction initiatives and/or restructuring programs, as well as changes in employment relocation trends. As a result of a shift in the mix of services and number of services being delivered per move, our relocation operations have been increasingly subject to a competitive pricing environment and lower average revenue per relocation. Lower volume growth, in particular with respect to global relocation activity, has also impacted the operating results of our relocation operations. The COVID-19 crisis as well as U.S. immigration and visa restrictions have exacerbated these trends. These factors are expected to continue to put pressure on the financial results of Cartus Relocation Services (part of the Realogy Franchise Group segment).

Leads Generation. Through Realogy Leads Group, a part of Realogy Franchise Group, we seek to provide high-quality leads to affiliated agents, including through real estate benefit programs that provide home-buying and selling assistance to members of organizations such as credit unions and interest groups that have established members who are buying or selling a home as well as to consumers and corporations who have expressed interest in a certain brand, product or service (such as relocation services). We operate several real estate benefit programs, including a program with a large long-term client as well as other programs we have launched in the past two years, including AARP® Real Estate Benefits. There can be no assurance that we will be able to maintain or expand these programs, and even if we are successful in these efforts, such programs may not generate a meaningful number of high-quality leads.

* * *

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 Realogy Brokerage Group's results;
- NAR’s forecasts utilize seasonally adjusted annualized rates and median price;
- NAR historical data is subject to periodic review and revision and these revisions have been material in the past, 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 Realogy Franchise and Brokerage Groups, we measure operating performance using the following key operating metrics: (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 Realogy Franchise Group, we also use net royalty per side, which represents the royalty payment to Realogy Franchise Group for each homesale transaction side taking into account royalty rates, average broker commission rates, volume incentives achieved and other incentives. We utilize net royalty per side as it includes the impact of changes in average homesale price as well as all incentives and represents the royalty revenue impact of each incremental side.

For Realogy Brokerage Group, we also use gross commission income per side, which represents gross commission income divided by closed homesale sides. Gross commission income includes commissions earned in homesale transactions and certain other activities, primarily leasing transactions. Realogy Brokerage Group, as a franchisee of Realogy Franchise Group, pays a royalty fee of approximately 6% per transaction to Realogy Franchise Group from the commission earned on a real estate transaction. The remainder of gross commission income is split between the broker (Realogy Brokerage Group) and the independent sales agent in accordance with their applicable independent contractor agreement (which specifies the portion of the broker commission to be paid to the agent), which varies by each agent agreement.

For Realogy Title Group, 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. Results are favorably impacted by the low mortgage rate environment. An increase or decrease in homesale transactions will impact the financial results of Realogy Title Group; however, their financial results are not significantly impacted by a change in homesale price.

The following table presents our drivers for the three months ended March 31, 2021 and 2020. See "Results of Operations" below for a discussion as to how these drivers affected our business for the periods presented.

	Three Months Ended March 31,		
	2021	2020	% Change
Realogy Franchise Group (a)			
Closed homesale sides	244,698	203,188	20 %
Average homesale price	$ 394,000	$ 322,465	22 %
Average homesale broker commission rate	2.47 %	2.47 %	— bps
Net royalty per side	$ 382	$ 316	21 %
Realogy Brokerage Group			
Closed homesale sides	74,993	62,541	20 %
Average homesale price	$ 608,960	$ 533,813	14 %
Average homesale broker commission rate	2.43 %	2.41 %	2 bps
Gross commission income per side	$ 15,393	$ 13,597	13 %
Realogy Title Group			
Purchase title and closing units	33,828	28,724	18 %
Refinance title and closing units	20,467	8,899	130 %
Average fee per closing unit	$ 2,262	$ 2,269	— %

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(a) Includes all franchisees except for Realogy Brokerage Group.

A decline in the number of homesale transactions and/or 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, escrow and settlement and underwriting services or the services of our mortgage origination joint venture, and (iv) 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 agents or by an increase in volume or other incentives paid to franchisees.

With the exception of 2020, since 2014, we have experienced approximately a one basis point decline in the average homesale broker commission rate each year, which we believe has been largely attributable to increases in average homesale prices (as higher priced homes tend to have a lower broker commission) and, to a lesser extent, competitors providing fewer or similar services for a reduced fee. In 2020, the average homesale broker commission rate increased by two basis points at Realogy Brokerage Group and one basis point at Realogy Franchise Group.

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. Most of our brands utilize a volume-based incentive model with a royalty fee rate that is initially equal to 6% of the franchisee's gross commission income, but subject to reduction based upon volume incentives.

We also utilize other royalty fee models that are not generally eligible for volume incentives. For example, certain of our franchisees (including some of our largest franchisees) have a flat royalty fee rate of less than 6%. In addition, a royalty fee generally equal to 5% of franchisee commission (capped at a set amount per independent sales agent per year) is applicable to franchisees operating under the "capped fee model" that was launched for our Better Homes and Gardens Real Estate franchise business in January 2019. Our Corcoran franchise business utilizes a tiered royalty fee model under which franchisees pay us a royalty fee percentage (generally set at an initial rate of 6%) that decreases in steps during each calendar year as the franchisee’s gross commission income reaches certain levels to a minimum of 4%. We have and may, from time to time in the future, restructure or revise the model used at one or more franchised brands, including with respect to the applicable initial royalty fee rate.

Other incentives may also be used as consideration to attract new franchisees, grow franchisees (including through independent sales agent recruitment) or extend existing franchise agreements, although in contrast to volume incentives, the majority of other incentives are not homesale transaction based.

Transaction volume growth has generally exceeded royalty revenue growth due primarily to the growth in gross commission income generated by our top 250 franchisees and our increased use of other sales incentives, both of which directly impact royalty revenue. Over the past several years, our top 250 franchisees have grown faster than our other franchisees through organic growth and market consolidation. If the amount of gross commission income generated by our top 250 franchisees continues to grow at a quicker pace relative to our other franchisees, we would expect our royalty revenue to continue to increase, but at a slower pace than homesale transaction volume. Likewise, our royalty revenue would continue to increase, but at a slower pace than homesale transaction volume, if the gross commission income generated by all of our franchisees grows faster than the applicable annual volume incentive table increase or if we increase our use of standard volume or other incentives. However, in the event that the gross commission income generated by our franchisees increases as a result of increased transaction volume, we would expect to recognize an increase in overall royalty payments to us.

We face significant competition from other national real estate brokerage brand franchisors for franchisees and we expect that the trend of increasing incentives will continue in the future in order to attract, retain, and help grow certain franchisees. Taking into account competitive factors, we have and may, from time to time in the future, restructure or revise the model used at one or more franchised brands. We expect to experience pressures on net royalty per side, largely due to the impact of competitive market factors noted above, continued concentration among our top 250 franchisees, and the impact of affiliated franchisees of our Better Homes and Gardens® Real Estate brand moving to the "capped fee model" we adopted in 2019; however, these pressures were offset by increases in homesale prices in the three-month period ended March 31, 2021.

Realogy Brokerage Group 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 Realogy Franchise Group has franchised offices that are more widely dispersed across the United States. Accordingly, operating results and homesale statistics may differ between Realogy Brokerage Group and Realogy Franchise Group based upon geographic presence and the corresponding homesale activity in each geographic region. In addition, the share of commissions earned by independent sales agents directly impacts the margin earned by Realogy Brokerage Group. Such share of commissions earned by independent sales agents varies by region and commission schedules are generally progressive to incentivize sales agents to achieve higher levels of production. Commission share has been and we expect will continue to be subject to upward pressure in favor of the independent sales agent for a variety of factors, including more aggressive recruitment and retention activities taken by us and our competitors as well as growth in independent sales agent teams.

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 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 segments. Management evaluates the operating results of each of our reportable segments based upon revenue and Operating EBITDA. Operating 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), income taxes, and other items that are not core to the operating activities of the Company such as restructuring charges, former parent legacy items, gains or losses on the early extinguishment of debt, impairments, gains or losses on discontinued operations and gains or losses on the sale of investments or other assets. Our presentation of Operating EBITDA may not be comparable to similarly titled measures used by other companies.

Our results of operations should be read in conjunction with our other disclosures in this Item 2. including under the heading *Current Business and Industry Trends*.

Three Months Ended March 31, 2021 vs. Three Months Ended March 31, 2020

Our consolidated results comprised the following:

	Three Months Ended March 31,		
	2021	2020	Change
Net revenues	$ 1,547	$ 1,168	$ 379
Total expenses	1,527	1,780	(253)
Income (loss) before income taxes, equity in earnings and noncontrolling interests	20	(612)	632
Income tax expense (benefit)	17	(141)	158
Equity in earnings of unconsolidated entities	(31)	(9)	(22)
Net income (loss)	34	(462)	496
Less: Net income attributable to noncontrolling interests	(1)	—	(1)
Net income (loss) attributable to Realogy Holdings and Realogy Group	$ 33	$ (462)	$ 495

Net revenues increased $379 million or 32% for the three months ended March 31, 2021 compared with the three months ended March 31, 2020 driven by higher homesale transaction volume at Realogy Franchise and Brokerage Groups and an increase in volume at Realogy Title Group, in each case due primarily to continued strength in the residential real estate market, which we attribute to certain beneficial consumer trends supported by other factors, including a favorable mortgage rate environment and low inventory contributing to higher average homesale price.

Total expenses decreased $253 million or 14% for the first quarter of 2021 compared to the first quarter of 2020 primarily due to:

- lease asset impairments of $1 million during the first quarter of 2021 compared to $477 million in non-cash impairments during the first quarter of 2020. Non-cash impairments during the three months ended March 31, 2020 include:
  - a goodwill impairment charge of $413 million related to Realogy Brokerage Group;
  - an impairment charge of $30 million related to Realogy Franchise Group's trademarks;
  - $30 million of impairment charges during the three months ended March 31, 2020 (while Cartus Relocation Services was held for sale) to reduce the net assets to the estimated proceeds; and
  - other asset impairments of $4 million primarily related to lease asset impairments;

- a $63 million net decrease in interest expense primarily due to a $64 million decrease in expense related to mark-to-market adjustments for interest rate swaps that resulted in $13 million gains during the first quarter of 2021 compared to losses of $51 million during the first quarter of 2020; and
- a $7 million decrease in restructuring costs,

partially offset by:

- a $255 million increase in commission and other sales agent-related costs primarily due to an increase in homesale transaction volume as well as a result of higher agent commission costs primarily driven by a shift in mix to more productive, higher compensated agents, the impact of recruitment and retention efforts, and business and geographic mix;
- an $18 million increase in operating and general and administrative expenses primarily due to higher employee incentive accruals, partially offset by lower employee-related, occupancy and other operating costs as a result of cost savings initiatives; and
- a $17 million loss on the early extinguishment of debt as a result of the refinancing transactions during the first quarter of 2021.

Equity in earnings were $31 million during the first quarter of 2021 compared to earnings of $9 million during the first quarter of 2020 primarily due to an improvement in earnings of Guaranteed Rate Affinity at Realogy Title Group. Equity in earnings for Guaranteed Rate Affinity was $30 million, representing approximately 19% of the Company's Operating EBITDA for the first quarter of 2021, increasing by $21 million from $9 million in the first quarter of 2020. This improvement was the result of the low mortgage rate environment and higher loan officer count driving an increase in refinancing transactions and improved margins in the venture. Equity in earnings for the Company's other equity method investments increased $1 million from zero during the first quarter of 2021 compared with the same period in 2020.

During the first quarter of 2021, we incurred $5 million of restructuring costs primarily related to the Company's restructuring program focused on office consolidation and instituting operational efficiencies to drive profitability. The Company expects the estimated total cost of the program to be approximately $166 million, with $117 million incurred to date and $49 million remaining primarily related to future expenses as a result of reducing the leased-office footprints. See Note 5, "Restructuring Costs", to 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 an expense of $17 million for the three months ended March 31, 2021 compared to a benefit of $141 million for the three months ended March 31, 2020. Our effective tax rate was 33% and 23% for the three months ended March 31, 2021 and March 31, 2020, respectively. The effective tax rate for the three months ended March 31, 2021 was primarily impacted by non-deductible executive compensation and 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 three months ended March 31, 2021 and 2020:

	Revenues (a)				Operating EBITDA				Operating EBITDA Margin		
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change	2021	2020	Change
Realogy Franchise Group	$ 254	$ 220	34	15	$ 141	$ 96	45	47	56 %	44 %	12
Realogy Brokerage Group	1,171	869	302	35	(5)	(51)	46	90	—	(6)	6
Realogy Title Group	201	137	64	47	61	12	49	408	30	9	21
Corporate and Other	(79)	(58)	(21)	*	(35)	(25)	(10)	*			
Total Company	$ 1,547	$ 1,168	379	32	$ 162	$ 32	130	406	10 %	3 %	7
Less: Depreciation and amortization					51	45					
Interest expense, net					38	101					
Income tax expense (benefit)					17	(141)					
Restructuring costs, net (b)					5	12					
Impairments (c)					1	477					
Loss on the early extinguishment of debt (d)					17	—					
Net income (loss) attributable to Realogy Holdings and Realogy Group					$ 33	$ (462)					

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* not meaningful

(a) Includes the elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by Realogy Brokerage Group of $79 million and $58 million during the three months ended March 31, 2021 and 2020, respectively.

(b) Restructuring charges incurred for the three months ended March 31, 2021 include $2 million at Realogy Franchise Group, $2 million at Realogy Brokerage Group and $1 million at Corporate and Other. Restructuring charges incurred for the three months ended March 31, 2020 include $2 million at Realogy Franchise Group, $9 million at Realogy Brokerage Group and $1 million at Realogy Title Group.

(c) Impairments for the three months ended March 31, 2021 relate to lease asset impairments. Non-cash impairments for the three months ended March 31, 2020 include:
- a goodwill impairment charge of $413 million related to Realogy Brokerage Group;
- an impairment charge of $30 million related to Realogy Franchise Group's trademarks;
- $30 million of impairment charges during the three months ended March 31, 2020 (while Cartus Relocation Services was held for sale) to reduce the net assets to the estimated proceeds; and
- other asset impairments of $4 million primarily related to lease asset impairments.

(d) Loss on the early extinguishment of debt is recorded in Corporate and Other.

As described in the aforementioned table, Operating EBITDA margin for "Total Company" expressed as a percentage of revenues increased 7 percentage points to 10% for the three months ended March 31, 2021 compared to 3% for the same period in 2020. On a segment basis, Realogy Franchise Group's margin increased 12 percentage points to 56% from 44% primarily due to an increase in royalty revenue as a result of an increase in homesale transaction volume, partially offset by a decrease in revenue related to the early termination of third party listing fee agreements. Realogy Brokerage Group's margin increased 6 percentage points to zero from negative 6% primarily due to higher transaction volume and lower operating expenses principally driven by cost savings initiatives, partially offset by higher agent commission costs driven by a shift in mix to more productive, higher compensated agents, the impact of recruiting and retention efforts, as well as business and geographic mix. Realogy Title Group's margin increased 21 percentage points to 30% from 9% primarily due to an increase in equity in earnings of Guaranteed Rate Affinity as a result of the low mortgage rate environment and higher loan officer count driving an increase in refinancing transactions and improved margins in the venture, as well as an increase in underwriter, refinance and resale activity at Realogy Title Group.

Corporate and Other Operating EBITDA for the three months ended March 31, 2021 declined $10 million to negative $35 million primarily due to higher employee incentive accruals.

Realogy Franchise and Brokerage Groups on a Combined Basis

The following table reflects Realogy Franchise and Brokerage Groups' results before the intercompany royalties and marketing fees as well as on a combined basis to show the Operating EBITDA contribution of these business segments to the overall Operating EBITDA of the Company. The Operating EBITDA margin for the combined segments increased 6 percentage points from 4% to 10% primarily due to higher homesale transaction volume during the first quarter of 2021 compared to the first quarter of 2020:

	Revenues				Operating EBITDA				Operating EBITDA Margin		
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change	2021	2020	Change
Realogy Franchise Group (a)	$ 175	$ 162	13	8	$ 62	$ 38	24	63	35 %	23 %	12
Realogy Brokerage Group (a)	1,171	869	302	35	74	7	67	957	6	1	5
Realogy Franchise and Brokerage Groups Combined	$ 1,346	$ 1,031	315	31	$ 136	$ 45	91	202	10 %	4 %	6

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(a) The segment numbers noted above do not reflect the impact of intercompany royalties and marketing fees paid by Realogy Brokerage Group to Realogy Franchise Group of $79 million and $58 million during the three months ended March 31, 2021 and 2020, respectively.

Realogy Franchise Group

Revenues increased $34 million to $254 million and Operating EBITDA increased $45 million to $141 million for the three months ended March 31, 2021 compared with the same period in 2020.

Revenues increased $34 million primarily as a result of:

- a $30 million increase in third-party domestic franchisee royalty revenue primarily due to a 47% increase in homesale transaction volume at Realogy Franchise Group which consisted of a 22% increase in average homesale price and a 20% increase in existing homesale transactions;
- a $20 million increase in intercompany royalties received from Realogy Brokerage Group; and
- a $3 million increase in brand marketing fund revenue, for which related expenses increased $3 million,

partially offset by:

- a $13 million decrease in service and other revenue primarily related to a $18 million net decrease in revenue from our relocation and lead generation operations driven by lower volume largely related to the impact of the COVID-19 pandemic; and
- a $6 million decrease in revenue related to the early termination of third party listing fee agreements.

Realogy Franchise Group revenue includes intercompany royalties received from Realogy Brokerage Group of $76 million and $56 million during the first quarter of 2021 and 2020, respectively, which are eliminated in consolidation against the expense reflected in Realogy Brokerage Group's results.

The $45 million increase in Operating EBITDA was primarily due to the $34 million increase in revenues discussed above, a $10 million decrease in employee and other operating costs principally due to cost savings initiatives, partially offset by higher employee incentive accruals, as well as $4 million of lower expense for bad debt and notes reserves. These Operating EBITDA increases were partially offset by the $3 million increase in marketing expense discussed above.

Realogy Brokerage Group

Revenues increased $302 million to $1,171 million and Operating EBITDA increased $46 million to negative $5 million for the three months ended March 31, 2021 compared with the same period in 2020.

The revenue increase of $302 million was primarily driven by a 37% increase in homesale transaction volume at Realogy Brokerage Group which primarily consisted of a 20% increase in existing homesale transactions and a 14% increase in average homesale price. Realogy Brokerage Group benefited from continued strength in the residential real estate market, which we attribute to certain beneficial consumer trends supported by other factors, including a favorable mortgage rate environment and low inventory contributing to higher average homesale price.

Operating EBITDA increased $46 million primarily due to:

- the $302 million increase in revenues discussed above;
- a $16 million decrease in employee-related, occupancy and other operating costs due to cost savings initiatives, partially offset by higher employee incentive accruals; and
- a $3 million decrease in marketing expense primarily due to a shift in advertising and marketing strategy,

partially offset by:

- a $255 million increase in commission expenses paid to independent sales agents from $630 million for the first quarter of 2020 to $885 million in the first quarter of 2021. Commission expense increased primarily as a result of the impact of higher homesale transaction volume as discussed above, as well as higher agent commission costs primarily driven by a shift in mix to more productive, higher compensated agents, the impact of recruiting and retention efforts, as well as business and geographic mix; and
- a $20 million increase in royalties paid to Realogy Franchise Group from $56 million during the first quarter of 2020 to $76 million during the first quarter of 2021 associated with the homesale transaction volume increase as described above.

Realogy Title Group

Revenues increased $64 million to $201 million and Operating EBITDA increased $49 million to $61 million for the three months ended March 31, 2021 compared with the same period in 2020.

Revenues increased $64 million primarily as a result of a $29 million increase in underwriter revenue (including a $27 million increase in underwriter revenue with unaffiliated agents, which had a $4 million net positive impact on Operating

EBITDA due to the related expense increase of $23 million) and a $21 million increase in refinance revenue due to an increase in activity in the refinance market driven by the favorable interest rate environment. In addition, there was a $13 million increase in resale revenue attributable to increased purchase unit activity due to continued strength in the residential real estate market, which we attribute to certain beneficial consumer trends supported by other factors, including a favorable mortgage rate environment and low inventory contributing to higher average homesale price. Equity earnings or losses related to our minority interest in Guaranteed Rate Affinity are included in the financial results of Realogy Title Group, but are not reported as revenue to Realogy Title Group.

Operating EBITDA increased $49 million primarily as a result of the $64 million increase in revenues discussed above, a $22 million increase in equity in earnings mostly related to Guaranteed Rate Affinity as a result of the low mortgage rate environment and higher loan officer count driving an increase in refinancing transactions and improved margins in the venture and $6 million unrealized gain on an investment. These increases were partially offset by a $23 million increase in variable operating costs related to the increase in underwriter revenue with unaffiliated agents discussed above where the revenue and expense are recorded on a gross basis and a $20 million increase in employee and other operating costs due to higher variable costs as a result of higher volume and higher employee incentive accruals.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Financial Condition

	March 31, 2021	December 31, 2020	Change
Total assets	$ 6,894	$ 6,934	$ (40)
Total liabilities	5,097	5,167	(70)
Total equity	1,797	1,767	30

For the three months ended March 31, 2021, total assets decreased $40 million primarily due to:

- a $116 million decrease in cash and cash equivalents;
- a $22 million net decrease in franchise agreements and other amortizable intangible assets primarily due to amortization; and
- a $9 million decrease in property and equipment,

partially offset by:

- a $89 million increase in other current and non-current assets;
- a $10 million net increase in operating lease assets; and
- a $7 million increase in trade and relocation receivables primarily due to seasonal increases in volume.

Total liabilities decreased $70 million primarily due to:

- a $77 million decrease in accrued expenses and other current liabilities primarily due to the payment of employee-related liabilities in the first quarter of 2021 which were fully accrued as of December 31, 2020, partially offset by accrued interest;
- a $25 million decrease in accounts payable; and
- a $6 million decrease in securitization obligations,

partially offset by:

- a $16 million increase in other non-current liabilities;
- a $16 million increase in deferred tax liabilities; and
- a $6 million increase in operating lease liabilities.

Total equity increased $30 million primarily due to net income of $33 million for the three months ended March 31, 2021 partially offset by a $2 million decrease in additional paid in capital related to the Company's stock-based compensation activity for the three months ended March 31, 2021.

Liquidity and Capital Resources

We have historically satisfied our liquidity needs with cash flows from operations and funds available under our Revolving Credit Facility and securitization facilities. Our primary liquidity needs have been to service our debt and finance our working capital and capital expenditures. We currently expect to prioritize investing in our business and reducing indebtedness.

We are significantly encumbered by our debt obligations. As of March 31, 2021, our total debt, excluding our securitization obligations, was $3,231 million compared to $3,239 million as of December 31, 2020. Our liquidity position has been and is expected to continue to be negatively impacted by the interest expense on our debt obligations, which could be intensified by a significant increase in LIBOR (or any replacement rate) or ABR.

In January and February 2021, Realogy Group entered into refinancing transactions, including the issuance in the aggregate of $900 million of 5.75% Senior Notes due 2029 (the proceeds of which were used to pay down $250 million of the Term Loan A Facility and $655 million of the Term Loan B Facility) and the amendment of the Senior Secured Credit Agreement and Term Loan A Agreement (the "2021 Amendments"). The 2021 Amendments provide for the extension of the maturity of a portion of the remaining balance of the Term Loan A facility from 2023 to 2025 and the extension of the maturity of a portion of the Revolving Credit Facility from 2023 to 2025, in each case subject to certain earlier springing maturity dates. The 2021 Amendments also reduce the maximum permitted senior secured leverage ratio (the financial covenant under such agreements) under the Senior Secured Credit and Term Loan A Agreements to below the levels that had been permitted under the amendments to the Senior Secured Credit Agreement and Term Loan A Agreement entered into by the Company in July 2020 (the "2020 Amendments"). As was the case under the 2020 Amendments, the revised senior secured leverage ratio will remain in place through the second quarter of 2022, unless earlier terminated by us, and on and after the second quarter of 2022, the senior secured leverage ratio will return to 4.75 to 1.00 (which was the applicable level prior to the effectiveness of the 2020 and 2021 Amendments). See Note 4, "Short and Long-Term Debt", to the Condensed Consolidated Financial Statements for additional information. On April 28, 2021, the Company used cash on hand to pay down $150 million of the Term Loan B Facility, reducing the principal amount of that Facility to $240 million.

At March 31, 2021, we were in compliance with the financial covenant in each of the Senior Secured Credit Agreement and the Term Loan A Agreement with a senior secured leverage ratio of 0.64 to 1.00 (as compared to the maximum ratio of 5.25 to 1.00 permitted under the 2021 Amendments for such period) with secured debt (net of readily available cash) of $597 million and trailing four quarters EBITDA calculated on a Pro Forma Basis (as those terms are defined in the Senior Secured Credit Agreement) of $935 million. We believe that we will continue to be in compliance with the senior secured leverage ratio and meet our cash flow needs during the next twelve months. For additional information, see below under the header "Financial Obligations—Covenants under the Senior Secured Credit Facility, Term Loan A Facility and Indentures".

We will continue to evaluate potential refinancing and financing transactions, subject to the restrictions during the covenant period described in the 2020 Amendments, including refinancing certain tranches of our indebtedness and extending maturities, among other potential alternatives. 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. Financing may not be available to us on commercially reasonable terms, on terms that are acceptable to us, or at all. Any future indebtedness may impose various additional restrictions and covenants on us which could limit our ability to respond to market conditions, to make capital investments or to take advantage of business opportunities.

Historically, operating results and revenues for all of our businesses have been strongest in the second and third quarters of the calendar year, although the strong recovery in the second half of 2020 resulted in higher than historic operating results and revenues in the fourth quarter of 2020 and first quarter of 2021. 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 the seasonal fluctuations in the business. Consequently, our need to borrow under the Revolving Credit Facility and corresponding debt balances are generally at their highest levels at or around the end of the first quarter of every year.

We may from time to time seek to repurchase our outstanding Unsecured Notes, 7.625% Senior Secured Second Lien Notes or term loans through, as applicable, 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.

In addition, we are required to pay quarterly amortization payments for the Extended Term Loan A and Term Loan B Facility. Remaining payments for 2021 total $4 million and $8 million for the Extended Term Loan A and Term Loan B Facility, respectively, and we expect payments for 2022 to total $10 million and $11 million for the Extended Term Loan A and Term Loan B Facility, respectively.

We have historically utilized net operating losses to offset the majority of our federal and state income tax payments. Based upon current financial projections, we expect that we will utilize the majority of our remaining net operating losses during 2022.

If the recovery of the residential real estate market were to materially slow or reverse itself, if the economy as a whole does not improve or if the broader real estate industry (including REITs, commercial and rental markets) were to experience a significant downturn, our business, financial condition and liquidity may be materially adversely affected, including our ability to access capital, grow our business and return capital to stockholders.

Cash Flows

At March 31, 2021, we had $409 million of cash, cash equivalents and restricted cash, a decrease of $114 million compared to the balance of $523 million at December 31, 2020. The following table summarizes our cash flows for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31,		
	2021	2020	Change
Cash provided by (used in):			
Operating activities	$ (37)	$ (82)	$ 45
Investing activities	(32)	(39)	7
Financing activities	(45)	500	(545)
Effects of change in exchange rates on cash, cash equivalents and restricted cash	—	(1)	1
Net change in cash, cash equivalents and restricted cash	$ (114)	$ 378	$ (492)

For the three months ended March 31, 2021, $45 million less cash was used in operating activities compared to the same period in 2020 principally due to:

- $108 million more cash provided by operating results;
- $30 million more cash from dividends received primarily from Guaranteed Rate Affinity; and
- $12 million less cash used for other assets,

partially offset by:

- $94 million more cash used for accounts payable, accrued expenses and other liabilities;
- $6 million less cash provided by the net change in relocation and trade receivables; and
- $5 million more cash used for other operating activities.

For the three months ended March 31, 2021, we used $7 million less cash for investing activities compared to the same period in 2020 primarily due to:

- $6 million less cash used for property and equipment additions; and
- $4 million less cash used for other investing activities,

partially offset by $5 million more cash used for investments in unconsolidated entities.

For the three months ended March 31, 2021, $45 million of cash was used in financing activities compared to $500 million of cash provided by during the same period in 2020. For the three months ended March 31, 2021, $45 million of cash was used as follows:

- $19 million of cash paid as a result of the refinancing transactions in the first quarter of 2021;
- $8 million of tax payments related to net share settlement for stock-based compensation;
- $8 million of other financing payments primarily related to finance leases;
- $7 million net decrease in securitization borrowings; and
- $3 million of quarterly amortization payments on the term loan facilities.

For the three months ended March 31, 2020, $500 million of cash was provided by financing activities related to $565 million of additional borrowings under the Revolving Credit Facility partially offset by:

- $43 million net decrease in securitization borrowings;
- $11 million of other financing payments primarily related to finance leases;
- $7 million of quarterly amortization payments on the term loan facilities; and
- $4 million of tax payments related to net share settlement for stock-based compensation.

Financial Obligations

See Note 4, "Short and Long-Term Debt", to the Condensed Consolidated Financial Statements, for information on the Company's indebtedness as of March 31, 2021.

LIBOR Transition

LIBOR is the subject of recent national, international and other regulatory guidance and proposals for reform. As a result of concerns about the accuracy of the calculation of LIBOR, a number of British Bankers' Association member banks entered into settlements with certain regulators and law enforcement agencies with respect to the alleged manipulation of LIBOR, and LIBOR and other "benchmark" rates are subject to ongoing national and international regulatory scrutiny and reform. The cessation date for submission and publication of rates for certain tenors of LIBOR has since been extended by the ICE Benchmark Administration until mid-2023. In response to concerns regarding the future of LIBOR, the United States Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing LIBOR with a new index calculated by short-term repurchase agreements, backed by U.S. Treasury securities: the Secured Overnight Financing Rate, or "SOFR." We are unable to predict whether SOFR will attain market traction as a LIBOR replacement or the impact of other reforms, whether currently enacted or enacted in the future. Any new benchmark rate, including SOFR, will likely not replicate LIBOR exactly and if future rates based upon a successor rate are higher than LIBOR rates as currently determined, it could result in an increase in the cost of our variable rate indebtedness and may have a material adverse effect on our financial condition and results of operations.

Our primary interest rate exposure is interest rate fluctuations, specifically with respect to LIBOR, due to its impact on our variable rate borrowings under the Senior Secured Credit Facility (for our Revolving Credit Facility and Term Loan B Facility) and the Term Loan A Facility. As of March 31, 2021, we had interest rate swaps based on LIBOR with a notional value of $1,000 million to manage a portion of our exposure to changes in interest rates associated with our variable rate borrowings.

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

The Senior Secured Credit Agreement, Term Loan A Agreement, and the indentures governing the Unsecured Notes and 7.625% Senior Secured Second Lien 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.

Pursuant to the 2020 Amendments to the Senior Secured Credit Agreement and Term Loan A Agreement, certain of these restrictions were tightened, including reducing (or eliminating) the amount available for certain types of additional indebtedness, liens, restricted payments (including dividends and stock repurchases), investments (including acquisitions and joint ventures), and voluntary junior debt repayments.

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 Agreement and Term Loan A Agreement require us to maintain a senior secured leverage ratio.

Senior Secured Leverage Ratio applicable to our Senior Secured Credit Facility and Term Loan A Facility

The senior secured leverage ratio is tested quarterly. Prior to the 2020 Amendments, the senior secured leverage ratio could not exceed 4.75 to 1.00. Pursuant to the 2021 Amendments, the senior secured leverage ratio financial covenant contained in each of the Senior Secured Credit Agreement and Term Loan A Agreement has been amended to require that Realogy Group maintain a senior secured leverage ratio not to exceed 5.25 to 1.00 commencing with the fourth quarter of 2020 through and including the second quarter of 2021 and thereafter will step down to 5.00 to 1.00 through and including the first quarter of 2022, and will return to 4.75 to 1.00 on and after the second quarter of 2022. As was the case under the 2020 Amendments, we also may elect to end the covenant period under the 2021 Amendments at any time, provided the senior secured leverage ratio does not exceed 4.75 to 1.00 as of the most recently ended quarter for which financial statements have been delivered. In such event, the senior secured leverage ratio will reset to the pre-amendment level of 4.75 to 1.00 thereafter.

The senior secured leverage ratio is measured by dividing Realogy Group's total senior secured net debt by the trailing four quarters EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement. Total senior secured net debt does not include the 7.625% Senior Secured Second Lien Notes, our unsecured indebtedness, including the Unsecured Notes, or the securitization obligations. EBITDA calculated on a Pro Forma Basis, as defined in the Senior Secured Credit Agreement, includes adjustments to EBITDA for restructuring, retention and disposition costs, former parent legacy cost (benefit) items, net, loss (gain) 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 trailing four-quarter period. The Company was in compliance with the senior secured leverage ratio covenant at March 31, 2021.

A reconciliation of net (loss) income attributable to Realogy Group to Operating EBITDA and EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement, for the four-quarter period ended March 31, 2021 is set forth in the following table:

		Less	Equals	Plus	Equals
	Year Ended December 31, 2020	Three Months Ended March 31, 2020	Nine Months Ended December 31, 2020	Three Months Ended March 31, 2021	Twelve Months Ended March 31, 2021
Net (loss) income attributable to Realogy Group (a)	$ (360)	$ (462)	$ 102	$ 33	$ 135
Income tax (benefit) expense	(104)	(141)	37	17	54
(Loss) income before income taxes	(464)	(603)	139	50	189
Depreciation and amortization	186	45	141	51	192
Interest expense, net	246	101	145	38	183
Restructuring costs, net	67	12	55	5	60
Impairments	682	477	205	1	206
Former parent legacy cost, net	1	—	1	—	1
Loss on the early extinguishment of debt	8	—	8	17	25
Operating EBITDA (b)	726	32	694	162	856
Bank covenant adjustments:					
Pro forma effect of business optimization initiatives (c)					46
Non-cash charges (d)					24
Pro forma effect of acquisitions and new franchisees (e)					6
Incremental securitization interest costs (f)					3
EBITDA as defined by the Senior Secured Credit Agreement					$ 935
Total senior secured net debt (g)					$ 597
Senior secured leverage ratio					**0.64 x**

(a) Net (loss) income attributable to Realogy consists of: (i) loss of $14 million for the second quarter of 2020, (ii) income of $98 million for the third quarter of 2020, (iii) income of $18 million for the fourth quarter of 2020 and (iv) income of $33 million for the first quarter of 2021.

(b) Operating EBITDA consists of: (i) $175 million for the second quarter of 2020, (ii) $313 million for the third quarter of 2020, (iii) $206 million for the fourth quarter of 2020 and (iv) $162 million for the first quarter of 2021.

(c) Represents the four-quarter pro forma effect of business optimization initiatives.

(d) Represents the elimination of non-cash expenses including $39 million of stock-based compensation expense less $8 million of other items, $5 million of foreign exchange benefits and $2 million for the change in the allowance for doubtful accounts and notes reserves for the four-quarter period ended March 31, 2021.

(e) Represents the estimated impact of acquisitions and franchise sales activity, net of brokerages that exited our franchise system as if these changes had occurred on April 1, 2020. Franchisee sales activity is comprised of new franchise agreements as well as growth through acquisitions and independent sales agent recruitment by existing franchisees with our assistance. We have made a number of assumptions in calculating such estimates and there can be no assurance that we would have generated the projected levels of Operating EBITDA had we owned the acquired entities or entered into the franchise contracts as of April 1, 2020.

(f) Incremental borrowing costs incurred as a result of the securitization facilities refinancing for the twelve months ended March 31, 2021.

(g) Represents total borrowings under the Senior Secured Credit Facility (including the Revolving Credit Facility and Term Loan B Facility) and Term Loan A Facility and borrowings secured by a first priority lien on our assets of $824 million plus $28 million of finance lease obligations less $255 million of readily available cash as of March 31, 2021. Pursuant to the terms of our senior secured credit facilities, total senior secured net debt does not include our securitization obligations, 7.625% Senior Secured Second Lien Notes or unsecured indebtedness, including the Unsecured Notes.

Consolidated Leverage Ratio applicable to our 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes

The consolidated leverage ratio is measured by dividing Realogy Group's total net debt by the trailing four quarter EBITDA. EBITDA, as defined in the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes, is substantially similar to EBITDA calculated on a Pro Forma Basis for the period presented, as those terms are defined in the Senior Secured Credit Agreement. Net debt under the indentures is Realogy Group's total indebtedness (excluding securitizations) less (i) its cash and cash equivalents in excess of restricted cash and (ii) a $200 million seasonality adjustment permitted when measuring the ratio on a date during the period of March 1 to May 31.

The consolidated leverage ratio under the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes for the four-quarter period ended March 31, 2021 is set forth in the following table:

		As of March 31, 2021
Non-extended Revolving Credit Commitment	$	—
Extended Revolving Credit Commitment		—
Non-extended Term Loan A		197
Extended Term Loan A		237
Term Loan B		390
7.625% Senior Secured Second Lien Notes		550
4.875% Senior Notes		407
9.375% Senior Notes		550
5.75% Senior Notes		900
Finance lease obligations		28
Corporate Debt (excluding securitizations)		3,259
Less: Cash and cash equivalents		404
Net Corporate Debt (excluding securitizations)		2,855
Less: Seasonality adjustment (a)		200
Net debt under the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes	$	2,655
EBITDA as defined under the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes (b)	$	935
Consolidated leverage ratio under the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes		**2.8 x**

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(a) The indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes provide for a $200 million seasonality adjustment permitted when measuring the ratio on a date during the period of March 1 to May 31. Without this seasonality adjustment, the ratio would have been 3.1x for the quarter ended March 31, 2021.

(b) As set forth in the immediately preceding table, for the four-quarter period ended March 31, 2021, EBITDA, as defined under the indentures governing the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes, was the same as EBITDA calculated on a Pro Forma Basis, as those terms are defined in the Senior Secured Credit Agreement.

At March 31, 2021 the amount of the Company's cumulative credit under the 9.375% Senior Notes and 7.625% Senior Secured Second Lien Notes was approximately $471 million. At March 31, 2021, the cumulative credit basket available for restricted payments was approximately $450 million under the indenture governing the 9.375% Senior Notes and approximately $471 million under the indenture governing 7.625% Senior Secured Second Lien Notes.

See Note 4, "Short and Long-Term Debt—Senior Secured Credit Facility and Term Loan A Facility" and "—Unsecured Notes" and "— Senior Secured Second Lien Notes", 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 Operating EBITDA. These measures are derived on the basis of methodologies other than in accordance with GAAP.

Operating 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), income taxes, and other items that are not core to the operating activities of the Company such as restructuring charges, former parent legacy items, gains or losses on the early extinguishment of debt, impairments, gains or losses on discontinued operations and gains or losses on the sale of investments or other assets. Operating EBITDA is our primary non-GAAP measure.

We present Operating EBITDA because we believe it is useful as a supplemental measure in evaluating the performance of our operating businesses and provides greater transparency into our results of operations. Our management, including our chief operating decision maker, uses Operating EBITDA as a factor in evaluating the performance of our business. 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 Operating 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, as well as other items that are not core to the operating activities of the Company such as restructuring charges, gains or losses on the early extinguishment of debt, former parent legacy items, impairments, gains or losses on discontinued operations and gains or losses on the sale of investments or other assets, which may vary for different companies for reasons unrelated to operating performance. We further believe that Operating EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an Operating EBITDA measure when reporting their results.

Operating EBITDA has limitations as an analytical tool, and you should not consider Operating EBITDA either in isolation or as a substitute for analyzing our results as reported under GAAP. Some of these limitations are:

- this measure does not reflect changes in, or cash required for, our working capital needs;
- this measure does 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;
- this measure does not reflect our income tax expense or the cash requirements to pay our taxes;
- this measure does 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 this measure does not reflect any cash requirements for such replacements; and
- other companies may calculate this measure differently so they may not be comparable.

Contractual Obligations

The Company's future contractual obligations as of March 31, 2021 have not changed materially from the amounts reported on the "Contractual Obligations Update" table in our 2020 Form 10-K, which included the Company's debt transactions on a pro forma basis that occurred during the first quarter of 2021, as described in Note 4, "Short and Long-Term Debt", to the Condensed Consolidated Financial Statements.

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, 2020, which includes a description of our critical accounting policies that involve subjective and complex judgments that could potentially affect reported results.

Impairment of goodwill and other indefinite-lived intangible assets

Goodwill represents the excess of acquisition costs over the fair value of the net tangible assets and identifiable intangible assets acquired in a business combination. Other indefinite-lived intangible assets primarily consist of trademarks acquired in business combinations. Goodwill and other indefinite-lived assets are not amortized, but are subject to impairment testing. The aggregate carrying values of our goodwill and other indefinite-lived intangible assets were $2,909 million and $705 million, respectively, at March 31, 2021 and are subject to an impairment assessment annually as of October 1, or whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. This assessment compares carrying values of the goodwill reporting units and other indefinite lived intangible assets to their respective fair values and, when appropriate, the carrying value is reduced to fair value.

In testing goodwill, the fair value of each reporting unit is estimated using the income approach, a discounted cash flow approach. For the other indefinite lived intangible assets, fair value is estimated using the relief from royalty method. Management utilizes long-term cash flow forecasts and the Company's annual operating plans adjusted for terminal value assumptions. The fair value of the Company's reporting units and other indefinite lived intangible assets are determined utilizing the best estimate of future revenues, operating expenses, including commission expense, market and general economic conditions, trends in the industry, as well as assumptions that management believes marketplace participants would utilize including discount rates, cost of capital, trademark royalty rates, and long-term growth rates. The trademark royalty rate was determined by reviewing similar trademark agreements with third parties. Although management believes that assumptions are reasonable, actual results may vary significantly. These impairment assessments involve the use of accounting estimates and assumptions, changes in which could materially impact our financial condition or operating performance if actual results differ from such estimates and assumptions. To address this uncertainty, a sensitivity analysis is performed on key estimates and assumptions.

Significant negative industry or economic trends, disruptions to our business, unexpected significant changes or planned changes in use of the assets, a decrease in our business results, growth rates that fall below our assumptions, divestitures, and a sustained decline in our stock price and market capitalization may have a negative effect on the fair values and key valuation assumptions. Such changes could result in changes to our estimates of our fair value and a material impairment of goodwill or other indefinite-lived intangible assets. Management considered these factors and does not believe that it was more likely than not that the fair value of a reporting unit is less than its carrying amount.

Recently Issued Accounting Pronouncements

The SEC issued a final rule on *Management’s Discussion and Analysis, Selected Financial Data, and Supplementary Financial Information* adopting amendments to modernize, simplify, and enhance certain financial disclosure requirements in Regulation S-K. In summary, the amendments eliminate the requirement to provide selected financial data in Item 301, replace the requirement for tabular supplementary financial information in Item 302 with a principles-based disclosure requirement regarding material retrospective changes and make amendments to Management’s Discussion and Analysis (MD&A) in Item 303 intended to eliminate duplicative disclosures and modernize and enhance MD&A disclosures for the benefit of investors, while simplifying compliance efforts for registrants. The amendments became effective on February 10, 2021 and companies are required to comply with the amendments beginning with the first fiscal year that ends on or after the date that is 210 days after publication in the Federal Register (which was on January 11, 2021). Therefore, the Company will not be required to comply with the amended rules until its 2021 Annual Report on Form 10-K. The rules may be applied early on an Item by Item basis as long as all of the amendments within an Item comply.

See Note 1, "Basis of Presentation", to the Condensed Consolidated Financial Statements for a discussion of recently issued FASB 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 March 31, 2021, 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 Facility under the Senior Secured Credit Facility and the Term Loan A Facility. Given that our borrowings under the Senior Secured Credit Facility and Term Loan A Facility are generally based upon LIBOR, this rate (or any replacement 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 March 31, 2021, we had variable interest rate long-term debt outstanding under our Senior Secured Credit Facility and Term Loan A Facility of $824 million, which excludes $100 million of securitization obligations. The weighted average interest rate on the outstanding amounts under our Senior Secured Credit Facility and Term Loan A Facility at March 31, 2021 was 2.40%. The interest rate with respect to the Term Loan B Facility 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 March 31, 2021 senior secured leverage ratio, the LIBOR margin was 1.75%. At March 31, 2021, the one-month LIBOR rate was 0.11%; therefore, we have estimated that a 0.25% increase in LIBOR would have a $1 million impact on our annual interest expense.

As of March 31, 2021, we had interest rate swaps with a notional value of $1,000 million to manage a portion of our exposure to changes in interest rates associated with our $824 million of variable rate borrowings. Our interest rate swaps were as follows:

Notional Value (in millions)	Commencement Date	Expiration Date
$450	November 2017	November 2022
$400	August 2020	August 2025
$150	November 2022	November 2027

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 3.11%. The Company had a liability of $63 million for the fair value of the interest rate swaps at March 31, 2021. 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 $8 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 and that 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 and that 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 March 31, 2021 and for the three-month periods ended March 31, 2021 and 2020 have been reviewed by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Their reports, dated May 5, 2021, 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 8, "Commitments and Contingencies—Litigation", to the Condensed Consolidated Financial Statements included elsewhere in this Quarterly Report for additional information on the Company's legal proceedings.

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 and even cases brought by us can involve counterclaims asserted against us. In addition, litigation and other legal matters, including class action lawsuits and 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, investigations, claims and regulatory proceedings against other participants in the residential real estate industry or relocation industry may impact the Company and its affiliated franchisees when the rulings or settlements in those cases cover practices common to the broader industries and which may generate litigation for the Company. Examples may include claims associated with RESPA compliance (including, but not limited to, those related to the broker-to-broker exception, marketing agreements or consumer rebates), broker fiduciary duties, multiple listing service practices, sales agent classification, federal and state fair housing laws, consumer lending and debt collection laws, false or fraudulent claims laws, and state laws limiting or prohibiting inducements, cash rebates and gifts to consumers. For example, there is active worker classification litigation in New Jersey against a competing residential real estate brokerage where the plaintiff seeks to reclassify independent sales agents as employees, from which the Company could be impacted if there is an adverse ruling.

The Company also may be impacted by litigation, investigations, claims and regulatory proceedings against companies in other industries. For example, there is current worker classification litigation in New Jersey against an insurance brokerage and an adverse ruling in that case could have an adverse impact on the pending litigation in New Jersey against the competing residential real estate brokerage described above as well as on the New Jersey real estate industry in general. Also, there have been several challenges to the constitutionality and enforceability of a California worker classification statute adopted in 2019 as it applies to other industries, which could potentially result in the statute being found unconstitutional and of no force - which could have the effect of eliminating that statute's less restrictive test applicable to real estate professionals in that state. Changes in current legislation, regulations or interpretations that are applicable to the residential real estate service industry may also impact the Company.

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: May 5, 2021

/S/ CHARLOTTE C. SIMONELLI
Charlotte C. Simonelli
Executive Vice President and
Chief Financial Officer

Date: May 5, 2021

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

EXHIBIT INDEX

Exhibit	Description
4.1	Indenture, dated as of January 11, 2021, among Realogy Group LLC, as Issuer, Realogy Co-Issuer Corp., as Co-Issuer, Realogy Holdings Corp., the Note Guarantors (as defined therein) and The Bank of New York Mellon Trust Company, N.A., as Trustee, governing the 5.75% Senior Notes due 2029 (incorporated by reference to Exhibit 4.1 to Registrants' Current Report on Form 8-K filed on January 11, 2021).
4.2	Form of 5.75% Senior Notes due 2029 (included in the 5.75% Senior Note Indenture filed as Exhibit 4.1 to Registrants' Current Report on Form 8-K filed on January 11, 2021).
4.3	Supplemental Indenture No. 1 dated as of February 4, 2021 to the 5.75% Senior Note Indenture (Incorporated by reference to Exhibit 4.2 to the Registrants' Current Report on Form 8-K filed on February 4, 2021).
10.1	Tenth Amendment, dated as of January 27, 2021, to the Amended and Restated Credit Agreement, dated as of March 5, 2013, as amended, among Realogy Intermediate Holdings LLC, Realogy Group LLC, the several lenders parties thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the lenders (Incorporated by reference to Exhibit 10.1 to the Registrants' Current Report on Form 8-K filed on January 27, 2021).
10.2	Fourth Amendment, dated as of January 27, 2021, to the Term Loan A Agreement, dated as of October 23, 2015, among Realogy Intermediate Holdings LLC, Realogy Group LLC, the lenders party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent for the lenders (Incorporated by reference to Exhibit 10.2 to Registrants' Current Report on Form 8-K filed on January 27, 2021).
10.3*	Form of Notice of Grant and Restricted Stock Unit Agreement under the 2018 Long-Term Incentive Plan.
10.4*	Form of Notice of Grant and Performance Share Unit Agreement under the 2018 Long-Term Incentive Plan.
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	The following financial information from Realogy's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 formatted in iXBRL (Inline eXtensible Business Reporting Language) includes: (i) the Condensed Consolidated Statements of Operations, (ii) the Condensed Consolidated Statements of Comprehensive Income (Loss), (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

Exhibit 10.3

REALOGY HOLDINGS CORP.

2018 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT NOTICE OF GRANT & RESTRICTED STOCK UNIT AGREEMENT

Realogy Holdings Corp. (the "Company"), pursuant to its 2018 Long-Term Incentive Plan (the "Plan"), hereby grants to the individual listed below (the "Participant"), an Award of Restricted Stock Units. The Award of Restricted Stock Units is subject to all of the terms and conditions set forth herein and in the Restricted Stock Unit agreement attached hereto as Exhibit A (the "Agreement") and the Plan, which are incorporated herein by reference. In addition, as a condition to receiving this Award of Restricted Stock Units, the Participant understands and agrees to continue to be bound by and comply with the restrictive covenants and other provisions set forth [in the Participant's Executive Restrictive Covenant Agreement with the Company]/[in Sections 9 and 10 of the Participant's Employment Agreement with the Company]/[in Sections 9 and 10 of the Participant's Executive Severance Agreement with the Company]/[in the Restrictive Covenant Agreement attached hereto as Exhibit B] (the "Restrictive Covenants Agreement"), a copy of which the Participant acknowledges receipt. The Participant understands and agrees that the Restrictive Covenants Agreement (and any side letter thereto) shall survive the grant, vesting or termination of the Restricted Stock Units, sale of the Shares with respect to the Restricted Stock Units and any termination of employment of the Participant, and that full compliance with the Restrictive Covenants Agreement is an express condition precedent to (i) the receipt, delivery and vesting of any Restricted Stock Units and (ii) any rights to any payments with respect to the Restricted Stock Units.

Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice of Grant ("Notice") and the Agreement.

Participant:

Grant Date:

Total Number of Restricted Stock Units:

Vesting Dates: One-third of the Restricted Stock Units will vest on each of the first three grant anniversary dates: _______________, _________________, and ______________ (each, a "Vesting Date").

By accepting this grant, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Notice, including the Restrictive Covenants Agreement. The Participant has reviewed the Agreement, the Plan and this Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the Restricted Stock Units Award.

Participant's Consent Regarding Use of Personal Information. By accepting this Award, the Participant explicitly consents (i) to the use of the Participant's Personal Information (as defined in Section 6.15 of the Agreement and to the extent permitted by law) for the purpose of implementing, administering and managing the Participant's Award under the Plan and of being considered for participation in future equity, deferred cash or other award programs (to the extent he/she is eligible under the terms of such plan or program, and without any guarantee that any award will be made); and (ii) to the use, transfer, processing and storage, electronically or otherwise, of his/her Personal Information, as such use has occurred to date, and as such use may occur in the future, in connection with this or any equity or other award, as described above.

Note: Participants electing to accept this grant via the Fidelity Stock Plan Services Net Benefits OnLine Grant Award Acceptance Process are not required to print and sign this Agreement.

REALOGY HOLDINGS CORP.   PARTICIPANT

By: ______________________________   By: ______________________________

Print Name: Print Name:

Title:

Exhibit A

RESTRICTED STOCK UNIT AGREEMENT

Pursuant to the Restricted Stock Unit Notice of Grant (the "Notice") to which this Restricted Stock Unit Agreement (this "Agreement") is attached, Realogy Holdings Corp. (the "Company"), has granted to the Participant the number of Restricted Stock Units under the Company's 2018 Long-Term Incentive Plan (the "Plan") as indicated in the Notice. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and Notice.

ARTICLE I

GENERAL

1.1 Incorporation of Terms of Plan. The Restricted Stock Unit Award is subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II

GRANT OF RESTRICTED STOCK UNITS

2.1 Grant of Restricted Stock Units. In consideration of the Participant's past and/or continued employment with or Services to the Company or any Affiliate and for other good and valuable consideration, effective as of the Grant Date set forth in the Notice (the "Grant Date"), the Company grants to the Participant the number of Restricted Stock Units as set forth in the Notice, upon the terms and conditions set forth in the Plan and this Agreement, and subject to the Participant's full compliance at all times with the restrictive covenants and other provisions set forth in the Restrictive Covenants Agreement (as defined in the Notice), which is an express condition precedent to (i) the receipt, delivery and vesting of any Restricted Stock Units and (ii) any rights to any payments with respect to the Restricted Stock Units.

2.2 Consideration to the Company. In consideration of the grant of the Restricted Stock Units by the Company, the Participant agrees to render Services to the Company or any Affiliate and to comply at all times with the Restrictive Covenants Agreement. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continue in the employ or Service of the Company or any Affiliate or shall interfere with or restrict in any way the rights of the Company and its Affiliates, which rights are hereby expressly reserved, to discharge or terminate the Services of the Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or an Affiliate and the Participant.

ARTICLE III

RESTRICTIONS AND RESTRICTION PERIOD

3.1 Restrictions. The Restricted Stock Units granted hereunder may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of and shall be subject to a risk of forfeiture as described in Section 4.1 below until the Restricted Stock Units vests.

3.2 Restricted Period. Subject to Articles 4 and 5 of this Agreement, the Restricted Stock Units shall vest on each Vesting Date as set forth in the Notice.

3.3 Settlement of Restricted Stock Units. Except as set forth in Sections 4.2 and 5.1 of this Agreement, within a reasonable period of time following vesting of the Restricted Stock Units (and in no event more than 60 days following such vesting), the Company shall pay and transfer to the Participant a number of shares of Common Stock of Realogy Holdings Corp. (the "Shares") equal to the aggregate number of Restricted Stock Units that have vested, subject to the Participant's full compliance at all times with the Restrictive Covenants Agreement.

3.4 No Rights as a Stockholder. Unless and until a certificate or certificates representing the Shares shall have been issued by the Company to the Participant in connection with the payment of Shares in connection with vested Restricted Stock Units, the Participant shall not be, or have any of the rights or privileges of a stockholder of the Company with respect to, the Shares.

3.5 Dividend Equivalents Rights. The Restricted Stock Units will carry dividend equivalent rights related to any cash dividend paid by the Company while the Restricted Stock Units are outstanding. In the event the Company pays a cash dividend on its outstanding Shares following the grant of the Restricted Stock Units, the number of Restricted Stock Units will be increased by the number of units determined by dividing (i) the amount of the cash dividend on the number of Shares covered by the Restricted Stock Units at the time of the related dividend record date, by (ii) the closing price of a Share on the related dividend payment date. Any additional Restricted Stock Units credited as dividend equivalents will be subject to the same vesting requirements, settlement provisions, and other terms and conditions as the original Restricted Stock Units to which they relate. Any additional Restricted Stock Units credited as dividend equivalents that result in a fractional Share shall be carried forward on each of the first and second Vesting Date to the subsequent Vesting Date and shall be rounded up to the nearest whole Share on the third and final Vesting Date.

3.6 Deferral. Subject to Section 409A of the Code, the Participant may be permitted to elect to defer receipt of his or her Shares related to the Restricted Stock Units under a separate deferral program.

ARTICLE IV

FORFEITURES

4.1 Termination of Employment. Except as provided in Sections 4.2, 4.3 and 5.1 of this Agreement, if the Participant terminates employment with or ceases to provide Services to the Company or any Affiliate for any reason, then the Restricted Stock Units, to the extent not vested, shall be forfeited to the Company without payment of any consideration by the Company, and neither the Participant nor any of his or her successors, heirs, assigns or personal representatives shall thereafter have any further rights or interests in such Restricted Stock Units.

4.2 Retirement. In the case of a Participant’s Retirement on or following the first anniversary of the Grant Date, the Restricted Stock Units, to the extent not vested, shall become fully vested upon such Retirement and the Company shall pay and transfer to the Participant the Shares in such amounts and at such times as are set forth in the Notice as if the Participant had remained employed with the Company, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement.

4.3 Death or Disability. If the Participant terminates employment with or ceases to provide Services to the Company or any Affiliate on account of death or Disability, the Restricted Stock Units, to the extent not vested, shall become fully vested upon such termination of employment or Services and shall be paid in accordance with Section 3.3 above.

4.4 Clawback of Award. The Award of Restricted Stock Units is subject to any clawback or recoupment policies of the Company, as in effect from time to time (including the Company’s Clawback Policy), or as otherwise required by law. In addition, in the event that the Administrator determines in its sole discretion that the Participant has violated the Restrictive Covenant Agreement, the Company may require reimbursement or forfeiture of all or a portion of any proceeds, gains or other economic benefit realized or realizable by the Participant under the Award. Upon such determination any such proceeds, gains or other economic benefit must be paid by the Participant to the Company and any unvested portion of the Award shall immediately terminate and shall be forfeited.

ARTICLE V

CHANGE IN CONTROL

5.1 Change in Control. In the event of a Change in Control:

(a) With respect to each outstanding Restricted Stock Unit that is assumed or substituted in connection with a Change in Control, in the event that during the twenty-four (24) month period following such Change in Control a Participant's employment or Service is terminated without Cause by the Company or any Affiliate or the Participant resigns from employment or Service from the Company or any Affiliate with Good

Reason, (i) the restrictions, payment conditions, and forfeiture conditions applicable to such Restricted Stock Unit shall lapse (but, the Participant's obligations under the Restrictive Covenants Agreement and this Agreement shall not lapse), and (ii) such Restricted Stock Unit shall become fully vested and payable within ten (10) days following such termination of employment or Services.

(b) With respect to each outstanding Restricted Stock Unit that is not assumed or substituted in connection with a Change in Control, except as would result in the imposition of additional taxes and penalties under Section 409A of the Code, immediately upon the occurrence of the Change in Control, (i) the restrictions, payment conditions, and forfeiture conditions applicable to such Restricted Stock Unit granted shall lapse (but, the Participant's obligations under the Restrictive Covenants Agreement and this Agreement shall not lapse), and (ii) such Restricted Stock Unit shall become fully vested and payable within ten (10) days following the Change in Control.

5.2 Assumption/Substitution. For purposes of Section 5.1, the Restricted Stock Units shall be considered assumed or substituted for if, following the Change in Control, the Restricted Stock Units are (i) based on shares of common stock that are traded on an established U.S. securities market and (ii) of comparable value and remains subject to the same terms and conditions that were applicable to the Restricted Stock Units immediately prior to the Change in Control except that the Restricted Stock Units that relate to Shares shall instead relate to the common stock of the acquiring or ultimate parent entity.

ARTICLE VI

MISCELLANEOUS

6.1 Administration. The Administrator shall have the power to interpret the Plan, the Restrictive Covenants Agreement and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Restricted Stock Units.

6.2 Restrictions on Transfer. Restricted Stock Units that have not vested may not be transferred or otherwise disposed of by the Participant, including by way of sale, assignment, transfer, pledge, hypothecation or otherwise, except as permitted by the Administrator, or by will or the laws of descent and distribution.

6.3 Invalid Transfers. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Restricted Stock Units by any holder thereof in violation of the provisions of this Agreement shall be valid, and the Company will not transfer any of said Restricted Stock Units on its books or otherwise nor will any of said Restricted Stock Units be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

6.4 Adjustments. The Participant acknowledges that the Restricted Stock Units are subject to modification and termination in certain events as provided in this Agreement and Article 3 of the Plan.

6.5 Termination of Employment or Service/Breach of the Restrictive Covenants Agreement. The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to termination of employment or Service, including without limitation, whether a termination has occurred, whether any termination resulted from a discharge for Cause and whether any particular leave of absence constitutes a termination, as well as whether the Participant has fully complied with the Restrictive Covenants Agreement for purposes of this Agreement.

6.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Executive Vice President and Chief Administrative Officer at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant's last address reflected on the Company's records.

6.7 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

6.8 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

6.9 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Restricted Stock Units are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

6.10 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Restricted Stock Units in any material way without the prior written consent of the Participant.

6.11 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in this Article 6, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

6.12 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the Restricted Stock Units and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

6.13 Entire Agreement. The Plan, the Notice, the Restrictive Covenants Agreement and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

6.14 Section 409A. The intent of the parties is that payments and benefits under this Agreement and the Award be exempt from, or comply with, Section 409A of the Internal Revenue Code (the "Code"), and accordingly, to the maximum extent permitted, this Agreement and the Award shall be interpreted and administered to be in accordance therewith. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement and the Award which are subject to Section 409A of the Code until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Agreement and the Award shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Agreement and the Award that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement and the Award during the six-month period immediately following the Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or, if earlier, the Participant's death). The Company makes no representation that any or all of the payments described in this Agreement and the Award will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Participant understands and agrees that he or she shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

6.15 Disclosure Regarding Use of Personal Information.

(a) Definition and Use of “Personal Information”. In connection with the grant of the Award, and any other award under other incentive award programs, and the implementation and administration of any such program, including, without limitation, the Participant’s actual participation, or consideration by the Company for potential future participation, in any program at any time, it is or may become necessary for the Company to collect, transfer, use, and hold certain personal information regarding Participant in and/or outside of Participant’s country of employment. The “Personal Information” the Company may collect, process, store and transfer for the purposes outlined above may include the Participant’s name, nationality, citizenship, tax or other residency status, work authorization, date of birth, age, government/tax identification number, passport number, brokerage account information, GEID or other internal identifying information, home address, work address, job and location history, compensation and incentive award information and history, business unit, employing entity, and the Participant’s beneficiaries and contact information. The Participant may obtain more details regarding the access and use of his or her personal information, and may correct or update such information, by contacting his or her human resources representative or local equity coordinator.

(b) Use, Transfer, Storage and Processing of Personal Information. The use, transfer, storage and processing of Personal Information electronically or otherwise, may be in connection with the Company’s internal administration of its incentive award programs, or in connection with tax or other governmental and regulatory compliance activities directly or indirectly related to an incentive award program. To the extent permitted by law, Personal Information may be used by third parties retained by the Company to assist with the administration and compliance activities of its incentive award programs, and may be transferred by the entity that employs (or any entity that has employed) the Participant from the Participant’s country of employment to the Company (or its Affiliates or Subsidiaries) and third parties located in the U.S. and in other countries. Specifically, those parties that may have access to the Participant’s Personal Information for the purposes described herein include, but are not limited to: (i) human resources personnel responsible for administering the award programs, including local and regional equity award coordinators, and global coordinators located in the U.S.; (ii) Participant’s U.S. broker and equity account administrator and trade facilitator; (iii) Participant’s U.S., regional and local employing entity and business unit management, including Participant’s supervisor and his or her superiors; (iv) the Administrator; (v) the Company’s technology systems support team (but only to the extent necessary to maintain the proper operation of electronic information systems that support the incentive award programs); and (vi) internal and external legal, tax and accounting advisors (but only to the extent necessary for them to advise the Company on compliance and other issues affecting the incentive award programs in their respective fields of expertise). At all times, Company personnel and third parties will be obligated to maintain the confidentiality of the Participant’s Personal Information except to the extent the Company is required to provide such information to governmental agencies or other parties. Such action will always be undertaken only in accordance with applicable law.

ARTICLE VII

DEFINITIONS

Wherever the following terms are used in the Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

7.1 "Disability" shall mean a condition such that an individual would be considered disabled for the purposes of Section 409(A) of the Code.

7.2 "Retirement" shall mean a “separation from service” (within the meaning of Section 409A of the Code) with the Company and all Affiliates (other than for Cause) after attaining eligibility for Retirement. A Participant attains eligibility for Retirement upon the earlier of (a) age 65 or (b) age 55 with at least ten (10) whole years of consecutive service starting from the Participant's most recent hire date with the Company and all Affiliates. For the avoidance of doubt, the phrase “consecutive service” in the preceding sentence shall not include time spent by the Participant:

(a) as a consultant or advisor to the Company or its Affiliates following a “separation from service” within the meaning of Section 409A of the Code;

(b) engaged as an independent sales agent affiliated with one of the Company’s or its Affiliates’ real estate brands; or

(c) employed with or providing services to any business acquired by the Company or any Affiliate prior to the time such business was acquired by the Company or any Affiliate or employed with or providing services to any business after the time such business was divested by the Company or any Affiliate.

7.3 “Service” or “Services” shall mean services performed by the Participant for the Company or its Affiliates as an Employee, consultant or adviser, provided that services performed by a Participant in the capacity as an independent sales agent affiliated with one of the Company’s or its Affiliates’ real estate brands shall not constitute Service.

REALOGY HOLDINGS CORP.

2018 LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE NOTICE OF GRANT

& PERFORMANCE SHARE AGREEMENT

Realogy Holdings Corp. (the "Company"), pursuant to Section 8.4 of the 2018 Long-Term Incentive Plan (the "Plan"), hereby grants to the individual listed below (the "Participant"), an Award of performance share units (a "Performance Share Award" or "Performance Shares"). The Performance Share Award is subject to all of the terms and conditions set forth herein and in the Performance Share Agreement attached hereto as Exhibit A (the "Agreement") and the Plan, which are incorporated herein by reference. In addition, as a condition to receiving this Performance Share Award, the Participant understands and agrees to be bound by and comply with the restrictive covenants and other provisions set forth [in the Participant's Executive Restrictive Covenant Agreement with the Company]/[in Sections 9 and 10 of the Participant's Employment Agreement with the Company]/[in Sections 9 and 10 of the Participant's Executive Severance Agreement with the Company]/[in the Restrictive Covenant Agreement attached hereto as Exhibit B] (the "Restrictive Covenant Agreement"), a copy of which the Participant acknowledges receipt. The Participant understands and agrees that the Restrictive Covenant Agreement shall survive the grant, vesting or termination of the Performance Shares, sale of the Shares with respect to the Performance Shares and any termination of employment of the Participant, and that full compliance with the Restrictive Covenant Agreement is an express condition precedent to (i) the receipt, delivery and vesting of any Performance Shares and (ii) any rights to any payments with respect to the Performance Shares.

Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Notice of Grant ("Notice") and the Agreement.

Participant:

Grant Date:

Target Grant:

Performance Period:

Performance Criteria: See Schedule I to Exhibit A attached hereto

By accepting this grant, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Notice, including the Restrictive Covenants Agreement. The Participant has reviewed the Agreement, the Plan and this Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Notice and fully understands all provisions of this Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or relating to the Performance Share Award.

Participant's Consent Regarding Use of Personal Information. By accepting this Award, the Participant explicitly consents (i) to the use of the Participant's Personal Information (as defined in Section 6.15 of the Agreement and to the extent permitted by law) for the purpose of implementing, administering and managing the Participant's Award under the Plan and of being considered for participation in future equity, deferred cash or other award programs (to the extent he/she is eligible under the terms of such plan or program, and without any guarantee that any award will be made); and (ii) to the use, transfer, processing and storage, electronically or otherwise, of his/her Personal Information, as such use has occurred to date, and as such use may occur in the future, in connection with this or any equity or other award, as described above.

Note: Participants electing to accept this grant via the Fidelity Stock Plan Services Net Benefits OnLine Grant Award Acceptance Process are not required to print and sign this Agreement.

REALOGY HOLDINGS CORP.	PARTICIPANT
By: ______________________________	By: ______________________________
Print Name:	Print Name:
Title:	

Exhibit A

PERFORMANCE SHARE AGREEMENT

Pursuant to the Performance Share Notice of Grant (the "Notice") to which this Performance Share Agreement (this "Agreement") is attached, Realogy Holdings Corp. (the "Company"), has granted to the Participant the number of Performance Shares under the Company's 2018 Long-Term Incentive Plan (the "Plan") as indicated in the Notice. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and Notice.

ARTICLE I.

GENERAL

1.1 Incorporation of Terms of Plan. The Performance Share Award is subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

GRANT OF PERFORMANCE SHARES

2.1 Grant of Performance Shares. In consideration of the Participant's past and/or continued employment with or Service to the Company or any Affiliate and for other good and valuable consideration, effective as of the Grant Date set forth in the Notice (the "Grant Date"), the Company grants to the Participant the number of Performance Shares as set forth in the Notice (the "Target Grant"), upon the terms and conditions set forth in the Plan and this Agreement, including Schedule 1 attached hereto, and subject to the Participant's full compliance at all times with the restrictive covenants and other provisions set forth in the Restrictive Covenants Agreement (as defined in the Notice), which is an express condition precedent to (i) the receipt, delivery and vesting of any Performance Shares and (ii) any rights to any payments with respect to the Performance Shares.

2.2 Consideration to the Company. In consideration of the grant of the Performance Shares by the Company, the Participant agrees to render Services to the Company or any Affiliate and to comply at all times with the Restrictive Covenants Agreement. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continue in the employ or Service of the Company or any Affiliate or shall interfere with or restrict in any way the rights of the Company and its Affiliates, which rights are hereby expressly reserved, to discharge or terminate the Services of the Participant at any time for any reason whatsoever, with or without Cause, except to the extent expressly provided otherwise in a written agreement between the Company or an Affiliate and the Participant.

ARTICLE III.

PERFORMANCE CRITERIA AND PERFORMANCE PERIOD

3.1 Performance Period. Subject to the remaining terms of this Agreement, after completion of the Performance Period as set forth on the Grant Notice, the number of Performance Shares ultimately earned under this Agreement will be based on the Company's performance against certain criteria (the "Performance Criteria") as set forth on Schedule 1 hereto.

3.2 Settlement of Performance Shares. Each Performance Share Award earned under this Agreement shall entitle the Participant to receive a number of shares of Common Stock of Realogy Holdings Corp. (the "Shares") equal to a multiple of the Target Grant (plus any dividend equivalents credited under Section 3.4 below), as determined in accordance with Schedule 1 hereto and subject to the terms and conditions described herein (subject to any reductions for tax withholding or otherwise to the extent permitted under the Plan or this Agreement), including the Participant's full compliance at all times with the Restrictive Covenants Agreement. Fractional shares issuable upon settlement of the Performance Share Award shall be rounded up to the nearest whole share. The Company may, in its sole discretion, deliver such Shares (i) by issuing the Participant a certificate of Common Stock representing the appropriate number of Shares, (ii) through electronic delivery to a brokerage or similar securities-holding account in the name of the Participant, or (iii) through such other commercially reasonable means available for the delivery of securities. Except as provided in Article V below, Shares earned under this Agreement shall be delivered within sixty (60) days following the end of the Performance Period, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement. Any portion of the Performance Share Award that could have been earned in accordance with the provisions of Schedule 1 that is not earned as of the end of the Performance Period shall be immediately forfeited at the end of the Performance Period.

3.3 No Rights as a Stockholder. Unless and until a certificate or certificates representing the Shares shall have been issued by the Company to the Participant in connection with the payment of Shares related to the vested Performance Share Award, the Participant shall not be, or have any of the rights or privileges of a stockholder of the Company with respect to, the Performance Share Award or the Shares.

3.4 Dividend Equivalents Rights. The Performance Share Award will carry dividend equivalent rights related to any cash dividend paid by the Company while the Performance Share Award is outstanding. In the event the Company pays a cash dividend on its outstanding Shares following the grant of the Performance Share Award, the number of Performance Shares will be increased by the number of units determined by dividing (i) the amount of the cash dividend on the number of Shares covered by the Performance Shares at the time of the related dividend record date, by (ii) the closing price of a Share on the related dividend payment date. Any additional Performance Shares credited as dividend equivalents will be subject to the same vesting requirements, performance conditions, settlement provisions, and other terms and conditions as the original Performance Shares to which they relate. Any additional Performance Shares credited as dividend equivalents that result in a fractional Share shall be carried forward to the final Vesting Date.

3.5 Deferral. The Participant may be permitted to elect to defer receipt of his or her Shares related to the Performance Share Award, to the extent permitted by and in accordance with a separate deferral program.

ARTICLE IV.

FORFEITURES

4.1 Termination of Employment. Except as otherwise specifically set forth in this Article IV, if the Participant terminates employment with or ceases to provide Services to the Company or any Affiliate prior to the date on which the Performance Period ends, this Agreement will terminate and be of no further force or effect on the date that the Participant is no longer actively employed by or providing Services to the Company or any of its Affiliates and the Performance Share Award shall be forfeited on such date. The Participant will, however, be entitled to receive any Shares payable under this Agreement if the Participant's employment terminates or Services cease after the Performance Period but before the Participant's receipt of such Shares.

4.2 Death or Disability. Except as set forth in Section 5.1 below, if the Participant terminates employment with or ceases to provide Services to the Company or any Affiliate prior the end of the Performance Period on account of death or Disability, the Participant shall vest in a number of Performance Shares equal to the number of Performance Shares that would have vested based upon actual performance had the Participant's employment or Services not terminated, pro-rated for the number of full months of the Performance Period during which the Participant was employed by or was providing Services to the Company or any Affiliate.

4.3 Termination other than for Cause or for Good Reason. Except as set forth in Section 5.1 below, in the case where the Participant terminates employment with or ceases to provide Services to the Company or any Affiliate prior to the end of the Performance Period other than for Cause or the Participant resigns from employment from the Company or any Affiliate with Good Reason, the Participant shall vest in a number of Performance Shares equal to the number of Performance Shares that would have vested based upon actual performance had the Participant's employment or Services not terminated, pro-rated for the number of full months of the Performance Period during which the Participant was employed by or was providing Services to the Company or any Affiliate.

4.4 Retirement. In the case of a Participant’s Retirement on or following the first anniversary of the commencement of the Performance Period, the Participant shall vest in a number of Performance Shares equal to the number of Performance Shares that would have vested based upon actual performance had the Participant's employment or Services not terminated, without pro-ration.

4.5 Timing of Payment. Without limiting the foregoing, in the event the Participant's employment or Services terminate before the end of the Performance Period on account of death, Disability, Retirement or termination by the Company other than for Cause or a resignation for Good Reason, any portion of the Performance Share Award which vests in accordance with either Sections 4.2, 4.3 or 4.4 above shall be payable at the time and in the manner set forth in Section 3.2 following the end of the Performance Period, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement.

4.6 Clawback of Award. The Performance Share Award is subject to any clawback or recoupment policies of the Company, as in effect from time to time (including the Company’s Clawback Policy), or as otherwise required by law. In addition, in the event that the Administrator determines in its sole discretion that the Participant has violated the Restrictive Covenant Agreement, the Company may require reimbursement or forfeiture of all or a portion of any proceeds, gains or other economic benefit realized or realizable by the Participant under the Award. Upon such determination any such proceeds, gains or other economic benefit must be paid by the Participant to the Company and any unvested portion of the Award shall immediately terminate and shall be forfeited.

ARTICLE V.

CHANGE IN CONTROL

5.1 Change in Control. In the event that Change in Control occurs during the Performance Period, the Performance Share Award shall, immediately prior to the Change in Control, (a) be converted to a number of Performance Shares equal to the Target Grant, (b) cease to be subject to the achievement of the Performance Criteria and (c) vest in full at the end of the Performance Period provided the Participant is employed by or is providing Services to the Company or any Affiliate on such date and fully complies at all times with the Restrictive Covenants Agreement, subject to the following:

(a) With respect to each outstanding Performance Share that is assumed or substituted in connection with the Change in Control, in the event that during the Performance Period,

(i) a Participant's employment or Service is terminated other than for Cause by the Company or any Affiliate or the Participant resigns from employment from the Company or any Affiliate with Good Reason, (1) the Performance Shares shall become fully vested and (2) the Performance Shares shall be settled in shares of stock underlying the Performance Shares as soon as practicable, but in no event later than ten (10) days following such termination, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement; or

(ii) a Participant's employment or Service is terminated on account of death or Disability, (1) the Performance Shares shall become fully vested and (2) the Performance Shares shall be settled in shares of stock underlying the Performance Shares as soon as practicable, but in no event later than ten (10) days following such termination, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement.

(b) With respect to each outstanding Performance Share that is not assumed or substituted in connection with a Change in Control, immediately upon the occurrence of the Change in Control, (i) the Performance Shares shall become fully vested and (ii) the Participant shall receive in cash the "Value" of one share of Common Stock multiplied by the Target Grant, provided that the Participant fully complies at all times with the Restrictive Covenants Agreement. As soon as practicable, but in no event later than ten (10) days, following the Change in Control, the Company or its successor shall deliver to the Participant (or, if applicable, the Participant's estate) the cash payment as calculated pursuant to the preceding sentence. For purposes of this Agreement, the term "Value" means the Fair Market Value of one Share on the last trading day before the date of the Change in Control, or if greater, the value of one Share in connection with the Change in Control, but only if such value is determinable immediately prior to the date of the Change in Control.

5.2 Assumption/Substitution. For purposes of Section 5.1, the Performance Shares shall be considered assumed or substituted for if, following the Change in Control, the Performance Shares are (i) based on shares of common stock that are traded on an established U.S. securities market and (ii) of comparable value and remains subject to the same terms and conditions that were applicable to the Performance Shares immediately prior to the Change in Control except that the Performance Shares shall instead relate to the common stock of the acquiring or ultimate parent entity and the Performance Shares shall no longer be subject to the achievement of the Performance Criteria.

ARTICLE VI.

MISCELLANEOUS

6.1 Administration. The Administrator shall have the power to interpret the Plan, the Restrictive Covenants Agreement and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Performance Shares.

6.2 Restrictions on Transfer. Performance Shares that have not vested may not be transferred or otherwise disposed of by the Participant, including by way of sale, assignment, transfer, pledge, hypothecation or otherwise, except as permitted by the Administrator, or by will or the laws of descent and distribution.

6.3 Invalid Transfers. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any of the Performance Shares by any holder thereof in violation of the provisions of this Agreement shall be valid, and the Company will not transfer any of said Performance Shares on its books or otherwise nor will any of said Performance Shares be entitled to vote, nor will any dividends be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

6.4 Adjustments. The Participant acknowledges that the Performance Shares are subject to modification and termination in certain events as provided in this Agreement and Article 3 of the Plan.

6.5 Termination of Employment or Service/Breach of the Restrictive Covenants Agreement. The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to termination of employment or Service, including without limitation, whether a termination has occurred, whether any termination resulted from a discharge for Cause and whether any particular leave of absence constitutes a termination, as well as whether the Participant has fully complied with the Restrictive Covenants Agreement for purposes of this Agreement.

6.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Executive Vice President and Chief Administrative Officer at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant's last address reflected on the Company's records.

6.7 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

6.8 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

6.9 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Performance Shares are granted, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

6.10 Amendments, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; provided, however, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Performance Shares in any material way without the prior written consent of the Participant.

6.11 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in this Article 6, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

6.12 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the Performance Shares and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

6.13 Entire Agreement. The Plan, the Notice, the Restrictive Covenants Agreement and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

6.14 Section 409A. The intent of the parties is that payments and benefits under this Agreement and the Award be exempt from, or comply with, Section 409A of the Internal Revenue Code (the "Code"), and accordingly, to the maximum extent permitted, this Agreement and the Award shall be interpreted and administered to be in accordance therewith. Notwithstanding anything contained herein to the contrary, the Participant shall not be considered to have terminated employment with the Company for purposes of any payments under this Agreement and the Award which are subject to Section 409A of the Code until the Participant would be considered to have incurred a "separation from service" from the Company within the meaning of Section 409A of the Code. Each amount to be paid or benefit to be provided under this Agreement and the Award shall be construed as a separate identified payment for purposes of Section 409A of the Code, and any payments described in this Agreement and the Award that are due within the "short term deferral period" as defined in Section 409A of the Code shall not be treated as deferred compensation unless applicable law requires otherwise. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement and the Award during the six-month period immediately following the Participant's separation from service shall instead be paid on the first business day after the date that is six months following the Participant's separation from service (or, if earlier, the Participant's death). The Company makes no representation that any or all of the payments described in this Agreement and the Award will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Participant understands and agrees that he or she shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A.

6.15 Disclosure Regarding Use of Personal Information.

(a) Definition and Use of “Personal Information”. In connection with the grant of the Award, and any other award under other incentive award programs, and the implementation and administration of any such program, including, without limitation, the Participant’s actual participation, or consideration by the Company for potential future participation, in any program at any time, it is or may become necessary for the Company to collect, transfer, use, and hold certain personal information regarding Participant in and/or outside of Participant’s country of employment. The “Personal Information” the Company may collect, process, store and transfer for the purposes outlined above may include the Participant’s name, nationality, citizenship, tax or other residency status, work authorization, date of birth, age, government/tax identification number, passport number, brokerage account information, GEID or other internal identifying information, home address, work address, job and location history, compensation and incentive award information and history, business unit, employing entity, and the Participant's beneficiaries and contact information. The Participant may obtain more details regarding the access and use of his or her personal information, and may correct or update such information, by contacting his or her human resources representative or local equity coordinator.

(b) Use, Transfer, Storage and Processing of Personal Information. The use, transfer, storage and processing of Personal Information electronically or otherwise, may be in connection with the Company's internal administration of its incentive award programs, or in connection with tax or other governmental and regulatory compliance activities directly or indirectly related to an incentive award program. To the extent permitted by law, Personal Information may be used by third parties retained by the Company to assist with the administration and compliance activities of its incentive award programs, and may be transferred by the entity that employs (or any entity that has employed) the Participant from the Participant's country of employment to the Company (or its Affiliates or Subsidiaries) and third parties located in the U.S. and in other countries. Specifically, those parties that may have access to the Participant's Personal Information for the purposes described herein include, but are not limited to: (i) human resources personnel responsible for administering the award programs, including local and regional equity award coordinators, and global coordinators located in the U.S.; (ii) Participant's U.S. broker and equity account administrator and trade facilitator; (iii) Participant's U.S., regional and local employing entity and business unit management, including Participant's supervisor and his or her superiors; (iv) the Administrator; (v) the Company's technology systems support team (but only to the extent necessary to maintain the proper operation of electronic information systems that support the incentive award programs); and (vi) internal and external legal, tax and accounting advisors (but only to the extent necessary for them to advise the Company on compliance and other issues affecting the incentive award programs in their respective fields of expertise). At all times, Company personnel and third parties will be obligated to maintain the confidentiality of the Participant's Personal Information except to the extent the Company is required to provide such information to governmental agencies or other parties. Such action will always be undertaken only in accordance with applicable law.

ARTICLE VII.

DEFINITIONS

Wherever the following terms are used in the Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

7.1 "Disability" shall mean a condition such that an individual would be considered disabled for the purposes of Section 409(A) of the Code.

7.2 "Retirement" shall mean "separation from service" (within the meaning of Section 409A of the Code) with the Company and all Affiliates (other than for Cause) after attaining eligibility for Retirement. A Participant attains eligibility for Retirement upon the earlier of (a) age 65 or (b) age 55 with at least ten (10) whole years of consecutive Service starting from the Participant's most recent hire date with the Company and all Affiliates. For the avoidance of doubt, the phrase "consecutive service" in the preceding sentence shall not include time spent by the Participant:

(a) as a consultant or advisor to the Company or its Affiliates following a "separation from service" within the meaning of Section 409A of the Code;

(b) engaged as an independent sales agent affiliated with one of the Company's or its Affiliates' real estate brands; or

(c) employed with or providing services to any business acquired by the Company or any Affiliate prior to the time such business was acquired by the Company or any Affiliate or employed with or providing services to any business after the time such business was divested by the Company or any Affiliate.

7.3 "Service" or "Services" shall mean services performed by the Participant for the Company or its Affiliates as an Employee, consultant or adviser, provided that services performed by a Participant in the capacity as an independent sales agent affiliated with one of the Company's or its Affiliates' real estate brands shall not constitute Service.

Schedule 1

Exhibit 15.1

May 5, 2021

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

Commissioners:

We are aware that our report dated May 5, 2021 on our review of interim financial information of Realogy Holdings Corp., which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-8 dated October 12, 2012 (No. 333 - 184383), May 5, 2016 (No. 333 - 211160), October 23, 2017 (No. 333 - 221080) and May 2, 2018 (No. 333-224609) of Realogy Holdings Corp.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

Exhibit 31.1

CERTIFICATION

I, Ryan M. Schneider, 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: May 5, 2021

/s/ RYAN M. SCHNEIDER
CHIEF EXECUTIVE OFFICER

Exhibit 31.2

CERTIFICATION

I, Charlotte C. Simonelli, 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: May 5, 2021

/s/ CHARLOTTE C. SIMONELLI
CHIEF FINANCIAL OFFICER

Exhibit 31.3

CERTIFICATION

I, Ryan M. Schneider, 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: May 5, 2021

/s/ RYAN M. SCHNEIDER
CHIEF EXECUTIVE OFFICER

Exhibit 31.4

CERTIFICATION

I, Charlotte C. Simonelli, 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: May 5, 2021

/s/ CHARLOTTE C. SIMONELLI
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 March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Ryan M. Schneider, as Chief Executive Officer of the Company, and Charlotte C. Simonelli, 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 or her 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/ RYAN M. SCHNEIDER
RYAN M. SCHNEIDER
CHIEF EXECUTIVE OFFICER
May 5, 2021

/S/ CHARLOTTE C. SIMONELLI
CHARLOTTE C. SIMONELLI
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
May 5, 2021

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 March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Ryan M. Schneider, as Chief Executive Officer of the Company, and Charlotte C. Simonelli, 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 or her 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/ RYAN M. SCHNEIDER
RYAN M. SCHNEIDER
CHIEF EXECUTIVE OFFICER
May 5, 2021

/S/ CHARLOTTE C. SIMONELLI
CHARLOTTE C. SIMONELLI
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER
May 5, 2021