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

**FORM 8-K
CURRENT REPORT**
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 2018 (August 9, 2018)

ALTISOURCE ASSET MANAGEMENT CORPORATION
(Exact name of Registrant as specified in its charter)

| | | |
|--|--|---|
| United States Virgin Islands (State or other jurisdiction of incorporation or organization) | 001-36063 (Commission File Number) | 66-0783125 (I.R.S. Employer Identification No.) |
|--|--|---|

5100 Tamarind Reef
Christiansted, United States Virgin Islands 00820
(Address of principal executive offices including zip code)

(340) 692-1055
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On August 9, 2018, Altisource Asset Management Corporation issued a press release announcing its financial results for the quarter ended June 30, 2018. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02, including the information in Exhibit 99.1, is furnished solely pursuant to Item 2.02 of this Form 8-K. Consequently, it is not deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section. It may only be incorporated by reference in another filing under the Securities Exchange Act of 1934 or Securities Act of 1933 if such subsequent filing specifically references this Item 2.02 of this Form 8-K.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

| Exhibit No. | Description |
|----------------------|---|
| 99.1 | Press Release of Altisource Asset Management Corporation dated August 9, 2018 |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 9, 2018

Altisource Asset Management Corporation
By: /s/ Stephen H. Gray
Stephen H. Gray
General Counsel and Secretary



FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

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Altisource Asset Management Corporation Reports Second Quarter 2018 Results

CHRISTIANSTED, U.S. Virgin Islands, August 9, 2018 (GLOBE NEWSWIRE) - Altisource Asset Management Corporation ("AAMC" or the "Company") (NYSE MKT: AAMC) today announced financial and operating results for the second quarter of 2018.

Second Quarter 2018 Highlights and Recent Developments

- Advised Front Yard Residential Corporation ("Front Yard") on the acquisition of property management firm HavenBrook Partners, LLC ("HavenBrook") as well as the portfolio of 3,236 homes managed by HavenBrook, increasing Front Yard's single-family rental ("SFR") portfolio to approximately 15,000 homes.
- Maintained strong operating metrics for Front Yard.
- Reduced Front Yard's remaining legacy REOs to 190, down 41% from 320 at March 31, 2018 and down 61% from 490 at December 31, 2017.
- Continued optimization of Front Yard's funding, of which 65% had fixed or capped rates and 79% had maturities of over three years.

On August 8, 2018, Front Yard acquired HavenBrook and the 3,236 homes managed by HavenBrook, expanding its SFR portfolio to approximately 15,000 homes and providing Front Yard with an internal property management platform. The combined purchase price was \$485.0 million. As part of the internalization of Front Yard's property management, we negotiated Front Yard's amendment to its Master Services Agreement with Altisource Portfolio Solutions S.A. ("ASPS"). Under the amendment, the properties currently managed by ASPS are expected to be transitioned into the newly acquired HavenBrook property management platform by December 31, 2018. In conjunction with this acquisition, Berkadia Commercial Mortgage LLC provided Front Yard with \$508.7 million of 10-year, fixed rate financing as part of the Freddie Mac's affordable single-family rental pilot program, further solidifying Front Yard as a leader in the affordable housing rental market. This financing includes the transfer of certain properties already owned by Front Yard from its existing warehouse facilities to the new financing arrangement.

"The completion of this transformative acquisition represents a significant milestone in Front Yard's evolution," stated Chief Executive Officer George Ellison. "Under our guidance, this new internal property management platform will enable Front Yard to provide affordable homes and excellent service to its tenants while driving operating efficiency. As Front Yard begins to realize the benefits of this structure, we expect positive results for the shareholders of AAMC."

Second Quarter 2018 Financial Results

AAMC's net loss attributable to common stockholders for the second quarter of 2018 was \$1.1 million, or \$0.69 per diluted share, which included a \$0.6 million change in the fair value of our shares of Front Yard common stock, compared to \$1.8 million, or \$1.15 per diluted share, for the second quarter of 2017. AAMC's net loss attributable to common stockholders for the six months ended June 30, 2018 was \$5.5 million, or \$3.44 per diluted share, which included a \$(2.3) million change in the fair value of our shares of Front Yard common stock, compared to \$3.2 million, or \$2.03 per diluted share, for the six months ended June 30, 2017.

About AAMC

AAMC is an asset management company that provides portfolio management and corporate governance services to investment vehicles. Additional information is available at www.altisourceamc.com.

Forward-looking Statements

This press release contains forward-looking statements that involve a number of risks and uncertainties. Those forward-looking statements include all statements that are not historical fact, including statements about management's beliefs and expectations. Forward-looking statements are based on management's beliefs as well as assumptions made by and information currently available to management. Because such statements are based on expectations as to future economic performance and are not statements of historical fact, actual results may differ materially from those projected. The risks and uncertainties to which forward-looking statements are subject include, but are not limited to: AAMC's ability to implement its business plan; AAMC's ability to leverage strategic relationships on an efficient and cost-effective basis; AAMC's and Front Yard's ability to compete; Front Yard's ability to implement its business plan; general economic and market conditions; governmental regulations, taxes and policies; AAMC's ability to generate adequate and timely sources of liquidity and financing for itself or Front Yard; Front Yard's ability to sell non-rental real estate owned properties on favorable terms or at all; AAMC's ability to identify and acquire assets for Front Yard's portfolio; Front Yard's ability to complete potential transactions in accordance with anticipated terms and on a timely basis or at all; AAMC's ability to integrate newly acquired rental assets into Front Yard's portfolio; the ability to successfully and efficiently integrate and manage Front Yard's newly acquired property manager or effectively manage the performance of Front Yard's internal property manager at the level and/or the cost that it anticipates; the failure of external property managers to effectively perform their obligations under their agreements with Front Yard; our failure to maintain Front Yard's qualification as a REIT; and other risks and uncertainties detailed in the "Risk Factors" and other sections described from time to time in the Company's current and future filings with the Securities and Exchange Commission. The foregoing list of factors should not be construed as exhaustive.

The statements made in this press release are current as of the date of this press release only. The Company undertakes no obligation to publicly update or revise any forward-looking statements or any other information contained herein, whether as a result of new information, future events or otherwise.

Altisource Asset Management Corporation
Condensed Consolidated Statements of Operations
(In thousands, except share and per share amounts)
(Unaudited)

| | Three months ended June 30, | | Six months ended June 30, | |
|---|-----------------------------|------------|---------------------------|------------|
| | 2018 | 2017 | 2018 | 2017 |
| Revenues: | | | | |
| Management fees from Front Yard | \$ 3,644 | \$ 3,999 | \$ 7,371 | \$ 8,210 |
| Conversion fees from Front Yard | 53 | 434 | 116 | 1,038 |
| Expense reimbursements from Front Yard | 219 | 210 | 481 | 406 |
| Total revenues | 3,916 | 4,643 | 7,968 | 9,654 |
| Expenses: | | | | |
| Salaries and employee benefits | 4,524 | 5,281 | 8,738 | 9,968 |
| Legal and professional fees | 467 | 336 | 819 | 1,020 |
| General and administrative | 843 | 726 | 1,790 | 1,883 |
| Total expenses | 5,834 | 6,343 | 11,347 | 12,871 |
| Other income (loss): | | | | |
| Change in fair value of Front Yard common stock | 601 | — | (2,339) | — |
| Dividend income on Front Yard common stock | 243 | 243 | 487 | 487 |
| Other income | 49 | 15 | 92 | 27 |
| Total other income (loss) | 893 | 258 | (1,760) | 514 |
| Loss before income taxes | (1,025) | (1,442) | (5,139) | (2,703) |
| Income tax expense | 42 | 300 | 292 | 357 |
| Net loss | (1,067) | (1,742) | (5,431) | (3,060) |
| Amortization of preferred stock issuance costs | (52) | (51) | (103) | (103) |
| Net loss attributable to common stockholders | \$ (1,119) | \$ (1,793) | \$ (5,534) | \$ (3,163) |
| Loss per share of common stock – basic: | | | | |
| Loss per basic share | \$ (0.69) | \$ (1.15) | \$ (3.44) | \$ (2.03) |
| Weighted average common stock outstanding – basic | 1,612,382 | 1,563,272 | 1,608,163 | 1,554,462 |
| Loss per share of common stock – diluted: | | | | |
| Loss per diluted share | \$ (0.69) | \$ (1.15) | \$ (3.44) | \$ (2.03) |
| Weighted average common stock outstanding – diluted | 1,612,382 | 1,563,272 | 1,608,163 | 1,554,462 |

Altisource Asset Management Corporation
Condensed Consolidated Balance Sheets
(In thousands, except share and per share amounts)

| | June 30, 2018 (unaudited) | December 31, 2017 |
|--|------------------------------|-------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 29,266 | \$ 33,349 |
| Short-term investments | 142 | 625 |
| Front Yard common stock | 16,927 | 19,266 |
| Receivable from Front Yard | 4,252 | 4,151 |
| Prepaid expenses and other assets | 1,371 | 1,022 |
| Total current assets | 51,958 | 58,413 |
| Other non-current assets | 1,484 | 1,974 |
| Total assets | \$ 53,442 | \$ 60,387 |
| Current liabilities: | | |
| Accrued salaries and employee benefits | \$ 3,114 | \$ 5,651 |
| Accounts payable and other accrued liabilities | 713 | 2,085 |
| Total liabilities | 3,827 | 7,736 |
| Commitments and contingencies | | |
| | — | — |
| Redeemable preferred stock: | | |
| Preferred stock, \$0.01 par value, 250,000 shares issued and outstanding as of June 30, 2018 and December 31, 2017; redemption value \$250,000 | 249,649 | 249,546 |
| Stockholders' deficit: | | |
| Common stock, \$0.01 par value, 5,000,000 authorized shares; 2,832,462 and 1,613,268 shares issued and outstanding, respectively, as of June 30, 2018 and 2,815,122 and 1,599,210 shares issued and outstanding, respectively, as of December 31, 2017 | 28 | 28 |
| Additional paid-in capital | 40,387 | 37,765 |
| Retained earnings | 32,106 | 38,970 |
| Accumulated other comprehensive loss | — | (1,330) |
| Treasury stock, at cost, 1,219,194 shares as of June 30, 2018 and 1,215,912 shares as of December 31, 2017 | (272,555) | (272,328) |
| Total stockholders' deficit | (200,034) | (196,895) |
| Total liabilities and equity | \$ 53,442 | \$ 60,387 |