

FIRM BROCHURE
(Part 2A of Form ADV)

March 31, 2014

Altisource Asset Management Corporation

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This Brochure provides information about the qualifications and business practices of Altisource Asset Management Corporation. If you have any questions about the contents of this Brochure, please contact us at (340) 692-1055. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Altisource Asset Management Corporation is also available on the SEC's website at www.adviserinfo.sec.gov.

ITEM 2: MATERIAL CHANGES

Summary of Material Changes

This Brochure dated March 31, 2014 amends the Adviser's initial Brochure dated October 4, 2013. A Summary of the Material Changes since the initial Brochure follows:

1. In Item 4, the Amount of Client Assets Managed has been updated to reflect that the Adviser managed approximately \$1,398,640,000 of non-discretionary assets as of December 31, 2013.
2. In Item 4, the description of the Adviser's principal owners has been updated to update the share ownership in the Adviser by the Chairman of the Board of Directors of the Adviser.

The Adviser, within 120 days after its fiscal year end of December 31, will ensure that its client receives either a Brochure along with a Summary of Material Changes, or a Summary of Material Changes accompanied by an offer to provide a full copy of this Brochure. To the extent that the Adviser experiences material changes in the future, clients will receive the Summary of Material Changes with a copy of this Brochure, or the Summary of Material Changes accompanied by an offer to provide a full copy of this Brochure.

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ITEM 4: ADVISORY BUSINESS

Description of Firm

Altisource Asset Management Corporation (the “Adviser”) is a United States Virgin Islands publicly traded corporation (NYSE MKT:AAMC) that provides investment advisory services to its affiliated company, Altisource Residential Corporation (“RESI”), a publicly traded real estate investment trust (NYSE:RESI). RESI is currently the Adviser’s sole client. The Adviser was organized in May 2012 but did not commence operations until December 21, 2012.

The Adviser administers the business and operations of RESI and facilitates certain of RESI’s corporate governance functions. The Adviser also provides portfolio management services to RESI in acquiring and managing distressed residential mortgage assets that are sold by financial institutions including banks, servicers, trusts and non-bank mortgage lenders. Under the Adviser’s management, RESI’s preferred resolution methodology is to modify its distressed mortgage loans. Once successfully modified, RESI expects that borrowers will typically refinance these loans with other lenders, or RESI will sell the modified loans after establishing a payment history at or near the estimated value of the underlying property, potentially generating attractive returns for RESI. Because the substantial majority of the mortgage loans RESI purchases are more than 90-days past due, the Adviser also advises RESI on how to manage these residential mortgage assets to eventually turn them into single-family rental properties.

Principal Owners

The Adviser originally was formed as a subsidiary of Altisource Portfolio Solutions S.A. (“Altisource”). On December 21, 2012, the Adviser and RESI separated from Altisource to become stand-alone publicly traded companies. Altisource contributed to the Adviser \$5 million of equity capital and distributed shares of the common stock of the Adviser to the stockholders of Altisource.

William C. Erbey, the Chairman of the Board of Directors of the Adviser, owns approximately 27% of the outstanding common stock of the Adviser (excluding options to acquire 87,350 shares of common stock of the Adviser and 49,302 shares of restricted stock of the Adviser that have not yet vested). Other than Mr. Erbey, no stockholder owns more than 25% of the outstanding common stock of the Adviser. No one in the Adviser’s senior management owns more than 25% of the Adviser.

Types of Advisory Services Offered

The Adviser specializes in managing real-estate related assets, particularly residential nonperforming and underperforming loans, and converts the majority of the loans into single family properties, which it then modifies and leases to families throughout the United States. Ocwen Loan Servicing, Inc., a subsidiary of Ocwen Financial Corporation (“Ocwen”) services all of the residential mortgage loans and real estate owned that are held as investments by RESI. At the direction of AAMC, Altisource and its subsidiaries provide renovation, property management and leasing services to RESI for the properties acquired by RESI.

The Adviser selects investments for RESI and places bids and offers to purchase real-estate assets on behalf of RESI. Please refer to Item 8 for further information on AAMC's methods of analysis and investment strategies, including details on the specific risks associated with these strategies.

Advisory Agreements

The Adviser entered into an asset management agreement with RESI concurrently with its separation from Altisource on December 21, 2012.

Amount of Client Assets Managed

As of December 31, 2013, the Adviser managed approximately \$1,398,640,000 of non-discretionary assets. Among other things, the Adviser sources, analyzes and recommends asset acquisitions for RESI. All investments must be approved by RESI's investment committee which has been formed by RESI's board of directors to ensure that the investments meet the objectives and restrictions of RESI's investment policy.

ITEM 5: FEES AND COMPENSATION

The following chart summarizes the fees and compensation to the Adviser by RESI:

Type of Fee	Description of Fee (Payable by RESI – a public REIT)
Incentive Fee	<p>Under the asset management agreement with RESI, the Adviser will received a quarterly incentive fee as follows (the incentive fee will only be paid if and when RESI makes dividend payments to its stockholders):</p> <ul style="list-style-type: none"> (i) 2% of all cash available for distribution by RESI to its stockholders and to the Adviser of the incentive fee, which is referred to as "available cash," until the aggregate amount per share of available cash for the quarter (based on the average number of shares of RESI's common stock outstanding during the quarter), which is referred to as the "quarterly per share distribution amount," exceeds \$0.161, then (ii) 15% of all additional available cash for the quarter until the quarterly per share distribution amount exceeds \$0.193, then (iii) 25% of all additional available cash for the quarter until the quarterly per share distribution amount exceeds \$0.257, and thereafter (iv) 50% of all additional available cash for the quarter; <p>in each case set forth in clauses (i) through (iv), as such amounts</p>

	may be appropriately adjusted from time to time to take into account the effect of any stock split, reverse stock split or stock dividend.
Expense Reimbursement	Under the asset management agreement, RESI is required to reimburse the Adviser on a monthly basis for (i) the direct and indirect expenses that the Adviser incurs or payments it makes on RESI's behalf, including, but not limited to, the allocable compensation and routine overhead expenses of all employees and staff of the Adviser based on the percentage time such employee(s) spend on RESI versus other clients or the business of the Adviser, and (ii) all other reasonable operating and overhead expenses the Adviser incurs related to the asset management services it provides to RESI.
Shareholder Services Fee	Not applicable.
Termination Fee	RESI may not terminate the asset management agreement without cause during the first 24 months of its term. Following such 24-month period, RESI may terminate the asset management agreement without cause upon certain determinations made by the independent directors of RESI. If RESI terminates the agreement without cause, or the Adviser terminates for cause, RESI will be required to pay the Adviser a termination fee equal to three times the average annual incentive management fee earned by the Adviser during the prior 24-month period immediately preceding the date of termination, calculated as of the end of the most recently completed fiscal quarter prior to the date of termination.

Fees paid by RESI will be calculated by the Adviser within 30 days after the end of each quarter. Payment will be made by RESI after delivery of a written statement setting forth the computation of the fee for such quarter.

RESI maintains agreements with third parties for administration, custody, transfer agency and fund accounting services, and RESI may pay for these certain services in addition to the incentive fees and reimbursement of expenses set forth above. RESI also maintains agreements with Ocwen, which is a related party loan servicer, to provide loan servicing for generally all of the loans owned by RESI, which costs are in addition to the incentive fee and expense reimbursement described in the above table. RESI also maintains agreements with Altisource— also a related party — to provide renovation, property management and leasing services to RESI, which costs are also in addition to the incentive fee and expense reimbursements described in the above table.

ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Performance-based fees are in the form of incentive fees described in Item 5.

RESI is currently the Adviser's sole client. The Adviser provides corporate governance services to RESI in addition to asset management services; therefore, Adviser's executive officers are also the executive officers of RESI.

ITEM 7: TYPES OF CLIENTS

The Adviser provides investment advice to RESI, a publicly traded REIT. RESI does not have suitability or net worth qualifications. Currently, the Adviser provides services solely to RESI and does not generally offer services to the public.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis and Investment Strategies

RESI's investment objective is to generate attractive risk adjusted return over the long term. The Adviser utilizes proprietary analytical and portfolio management expertise and technology to review potential investments in residential whole loans. The Adviser may also provide advice to RESI on acquiring its properties for single-family rental management through strategies that include residential mortgage services clean-up call options; residential mortgage backed securities; securitization loans and other similar investments. The investment analysis review process involves, among other things, reviewing loan collateral characteristics, aggregate loan portfolio profiles, cash flow analysis, and the structure of investment acquisition.

Material Risks

Set forth below is a summary of risks generally applicable to investments in mortgage loans and mortgage-related:

- ***Real Estate Risk:*** Residential property values are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions (such as an oversupply of housing); construction quality, age and design; demographic factors; and retroactive changes to building or similar codes. Decreases in property values could cause the Adviser's clients to suffer losses.
- ***Interest Rate Risk:*** Real estate investments are subject to interest rate risk in connection with (a) acquisition and ownership of residential mortgage loans and (b) debt financing activities. Interest rate risk is highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond the Adviser's or its clients' control. Changes in interest rates may affect the fair value of the residential mortgage loans and real estate underlying its clients' portfolios as well as their financing interest rate expense. In the future, the Adviser also may undertake risk mitigation activities with respect to debt financing interest rate obligations; a significantly rising interest rate environment could have an adverse effect on the cost of such financing. To mitigate this risk, the Adviser may use derivative financial instruments such as interest rate swaps and interest rate options in an effort to reduce the variability of earnings caused by changes in the interest rates. If

and when undertaken, these derivative instruments may expose clients to certain risks such as price and interest rate fluctuations, timing risk, volatility risk, credit risk, counterparty risk and changes in the liquidity of markets.

- **Market Risk:** Market risk represents the potential loss in value of financial instruments caused by movements in market factors, including, but not limited to, market liquidity, investor sentiment, interest and foreign exchange rates. The investments in which the Adviser invests may trade in limited markets or have restrictions on resale or transfer and may not be able to be liquidated on demand if needed. The value assigned to these investments may differ significantly from the values that would have been used had a ready market existed and such differences could be material to the financial statements. Adverse changes in economic conditions are more likely to lead to a weakened capacity of borrowers to make principal payments and interest payments. An economic downturn could severely affect the ability of highly leveraged borrowers to service their debt obligations or to repay their obligations.
- **Leverage Risk:** As part of its investment strategy, the Adviser may utilize borrowings, including repurchase agreements, which have mark-to-market risk. Financing may not always be available on acceptable terms, in the necessary amounts, or for the period needed.
- Additional risks and risk factors applicable to the Adviser's services to RESI are set forth in RESI's publicly filed documents:
 - o RESI's most recent Registration Statement on Form S-11, filed with the Securities and Exchange Commission (the "SEC") on November 20, 2014, as amended; and
 - o RESI's most recent Annual Report on Form 10-K and its quarterly reports on Form 10-Q.

ITEM 9: DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of an adviser or the integrity of its management. The Adviser does not have any such legal or disciplinary events and thus has no information to disclose with respect to this Item.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Financial Industry Activities

RESI has entered into a servicing agreement with Ocwen under which Ocwen services all of the residential mortgage loans and real estate owned that are held as investments by RESI. RESI also entered into a master services agreement with Altisource Portfolio Solutions S.A. (referred to herein as Altisource) and its subsidiaries under which Altisource provides renovation, property management and leasing services to RESI under management by AAMC.

Affiliations

William C. Erbey, the Chairman of the Board of Directors of the Adviser, is the Chairman and has a significant ownership interest in each of the following public companies:

- o Ocwen Financial Corporation, a public company, which through its subsidiaries acts as a loan servicer that receives compensation from clients;
- o Altisource, a public company which, through its wholly-owned subsidiaries, Altisource Solutions, S.a r.l and Altisource Single Family, Inc., provides renovation, property and leasing managers; and
- o Altisource Residential Corporation (referred to herein as RESI) – the client of the Adviser and a public company.

In providing investment advisory services, the Adviser uses the expertise of Ocwen and Altisource. Ocwen receives compensation or compensation in kind as a result of servicing the residential mortgage loans acquired by RESI, and Altisource and its subsidiaries receive compensation or compensation in kind as a result of providing renovation, property management and leasing services for RESI's real estate portfolio. Please see the Risk Factor disclosure about potential conflicts of interest in RESI's publicly filed documents.

The Adviser's use of affiliated service providers may create conflicts of interest with its clients. The agreements with each of Ocwen and Altisource provide for an initial term of 15 years and may contain terms that are less favorable to RESI than agreements negotiated with unaffiliated third parties. The Adviser's use of affiliated service providers may indirectly influence the Adviser's choice of investments for clients and may create an incentive for the Adviser to utilize strategies that generate or increase fees to such affiliates.

However, the Adviser believes that its agreements with Ocwen and Altisource provide efficiency and predictability in certain major components of its cost structure and that its efforts will benefit from the efficiency and predictability provided by these agreements. The Adviser views the loan servicing capabilities of Ocwen as superior relative to other servicers in terms of cost, management experience, technology infrastructure and platform scalability. The Adviser also believes that its relationship with Altisource provides the Adviser a distinct advantage as it allows the Adviser to bid on large attractive portfolios regardless of geography at an attractive cost structure.

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

As an investment adviser, the Adviser owes a fiduciary duty to its clients. Accordingly, the Adviser and its employees will not act or behave in any manner or engage in any activity that (i) creates even the suspicion or appearance of the misuse of material non-public information, (ii) gives rise to, or appears to give rise to, any breach of a duty owed to any client or (iii) creates any undisclosed and/or unaddressed conflict of interest, between any client, on the one hand, and the Adviser or any

employee, on the other hand, or between clients. The Adviser seeks to foster and maintain a reputation for honesty, integrity and professionalism.

The Adviser has adopted a Code of Business Conduct and Ethics that sets forth standards of ethical and business conduct expected of the Adviser's personnel and addresses conflicts that may arise from personal trading by such personnel. The Code of Business Conduct and Ethics, among other things, requires compliance with the federal securities laws, reflects the Adviser's fiduciary responsibilities and those of their advisory personnel, prohibits certain personal securities transactions, requires the Adviser's personnel to periodically report their personal securities transactions and to preclear certain securities transactions and addresses prevention of the misuse of material non-public information. The Code of Business Conduct and Ethics will be provided to any Client upon request

ITEM 12: BROKERAGE PRACTICES

Not Applicable.

ITEM 13: REVIEW OF ACCOUNTS

The Adviser has formed an investment committee comprised of its Chief Executive Officer and Chairman. Among other things, the investment committee primarily is responsible for reviewing the performance of investments recommended for RESI against projections and for determining conformity of the investment recommendations with RESI's investment policies and objectives. The investment committee will review and consider RESI's portfolio no less frequently than quarterly. More frequent reviews of RESI's portfolio may be undertaken by the Adviser's other investment professionals as deemed appropriate, taking into account revisions in investment objectives, material movement in the market and other like and unlike factors.

The Adviser prepares periodic detailed reports covering RESI's portfolio, which are provided to the RESI's board of directors. In addition, because RESI's shares are registered with the SEC, the following are examples of reports covering RESI's operations which are available to the public:

1. 10-Ks on an annual basis.
2. 10-Qs quarterly.
3. 8-Ks filed for material activity affecting RESI.
4. Supplements to RESI's prospectus during the offering period disclosing activity within RESI (acquisitions, dispositions, refinancings, etc.).
5. Post-Effective Amendments to RESI's prospectus filed approximately every 90 days during the offering period to update the prospectus.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

The Adviser does not currently have any relationship with any third-party firm or individual whose purpose is marketing and/or gathering assets for us.

ITEM 15: CUSTODY

It is the Adviser's general policy to not have physical custody of any client assets. To the extent that the Adviser might otherwise be deemed to have custody, the Adviser will operate in reliance upon the reporting requirement exemption in the Custody Rule with respect to RESI by causing RESI to distribute audited financial statements annually, prepared in accordance with GAAP, to shareholders no later than 120 days after the end of each fiscal year.

ITEM 16: INVESTMENT DISCRETION

Pursuant to the asset management agreement and subject to oversight by RESI's board of directors, the Adviser administers RESI's business activities and day-to-day operations and facilitates certain of RESI's corporate governance functions. RESI's board of directors has approved an investment policy that sets forth RESI's investment objectives, policies and restrictions. All investments must be approved by RESI's investment committee which has been formed by RESI's board of directors to ensure that the investments meet the objectives and restrictions of the investment policy.

For RESI's investments, the Adviser is responsible for (1) sourcing, analyzing, recommending and executing asset acquisitions approved by RESI's investment committee, including its acquisitions of sub-performing and non-performing residential mortgage loan portfolios and related financing activities, (2) analyzing and recommending sales of properties, (3) overseeing Altisource's renovation, leasing and property management of RESI's single-family rental properties, (4) overseeing Ocwen's servicing of RESI's residential mortgage loan portfolios and (5) performing related asset management duties.

ITEM 17: VOTING CLIENT SECURITIES

RESI typically does not hold voting securities, and, consequently, the Adviser does not vote proxies on behalf of RESI. To the extent RESI holds voting securities in the future, the Adviser has been delegated the authority to vote proxies regarding RESI portfolio securities. To the extent that the Adviser does vote proxies, they will be voted in the Adviser's clients' best interests and according to the Adviser's proxy voting policy. A copy of the proxy voting policy and/or record of how proxies, if any, have been voted are available to clients upon request.

ITEM 18: FINANCIAL INFORMATION

The Adviser does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. The Adviser does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients and has not been the subject of a bankruptcy proceeding.