UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

S QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2012

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 Number: 1-13219

Ocwen Financial Corporation

(Exact name of registrant as specified in its charter)

Florida	**65-0039856**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2002 Summit Boulevard, 6th Floor, Atlanta, Georgia 30319

(Address of principal executive offices) (Zip Code)

(561) 682-8000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has 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) has been subject to such filing requirements for the past 90 days. Yes S No £

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

Yes S No £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer S Accelerated filer £

Non-accelerated filer £ (Do not check if a smaller reporting company) Smaller reporting company £

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes £ No S

Number of shares of Common Stock, $0.01 par value, outstanding as of May1, 2012: 134,847,475 shares.

OCWEN FINANCIAL CORPORATION

FORM 10-Q

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FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this report, including, without limitation, statements regarding our financial position, business strategy and other plans and objectives for our future operations, are forward-looking statements.

These statements include declarations regarding our management's beliefs and current expectations. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could", "intend," "consider," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict" or "continue" or the negative of such terms or other comparable terminology. Such statements are not guarantees of future performance and involve a number of assumptions, risks and uncertainties that could cause actual results to materially differ from expected results. Important factors that could cause actual results to differ include, but are not limited to, the risks discussed in "Risk Factors" and the following:

- the adequacy of our financial resources, including our sources of liquidity and ability to fund and recover advances, repay borrowings and comply with debt covenants;
- the characteristics of our servicing portfolio, including prepayment speeds, float balances and delinquency and advance rates;
- our ability to grow and adapt our business, including the availability of new loan servicing and other accretive business opportunities;
- our ability to contain and reduce our operating costs;
- our ability to modify successfully delinquent loans, manage foreclosures and sell foreclosed properties;
- our reserves, valuations, provisions and anticipated realization on assets;
- our ability to manage effectively our exposure to interest rate changes and foreign exchange fluctuations;
- our credit and servicer ratings and other actions from various rating agencies;

- uncertainty related to general economic and market conditions, delinquency rates, home prices and disposition timelines on foreclosed properties;
- uncertainty related to the actions of loan owners, including mortgage-backed securities investors and government sponsored entities (GSEs), regarding loan put-backs, penalties and legal actions;
- uncertainty related to the processes for judicial and non-judicial foreclosure proceedings, including potential additional costs or delays or moratoria in the future or claims pertaining to past practices;
- uncertainty related to claims, litigation and investigations brought by private parties and government agencies regarding our servicing and foreclosure practices;
- uncertainty related to legislation, regulations, regulatory agency actions, government programs and policies, industry initiatives and evolving best servicing practices; and

- uncertainty related to acquisitions, including our ability to integrate the systems, procedures and personnel of acquired companies.

Further information on the risks specific to our business is detailed within this report and our other reports and filings with the Securities and Exchange Commission (SEC) including our Annual Report on Form 10-K for the year ended December 31, 2011 and our current reports on Form 8-K. Forward-looking statements speak only as of the date they were made and should not be relied upon. Ocwen Financial Corporation undertakes no obligation to update or revise forward-looking statements.

PART I – FINANCIAL INFORMATION
ITEM 1. INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)

	March 31, 2012	December 31, 2011
Assets		
Cash	$ 683,946	$ 144,234
Restricted cash – for securitization investors	633	675
Loans held for resale, at lower of cost or fair value	20,203	20,633
Advances	98,398	103,591
Match funded advances	2,903,171	3,629,911
Loans, net – restricted for securitization investors	56,365	58,560
Mortgage servicing rights, net	277,716	293,152
Receivables, net	62,235	83,202
Deferred tax assets, net	106,376	107,968
Goodwill	78,432	78,432
Premises and equipment, net	17,178	7,350
Investments in unconsolidated entities	21,915	23,507
Other assets	167,943	185,942
Total assets	$ 4,494,511	$ 4,737,157
Liabilities and Stockholders' Equity		
Liabilities		
Match funded liabilities	$ 2,280,323	$ 2,558,951
Secured borrowings – owed to securitization investors	51,622	53,323
Lines of credit and other secured borrowings	550,618	540,369
Debt securities	26,119	82,554
Other liabilities	159,816	158,649
Total liabilities	3,068,498	3,393,846
Commitments and Contingencies (Note 22)		
Stockholders' Equity		
Common stock, $.01 par value; 200,000,000 shares authorized; 134,847,475 and 129,899,288 shares issued and outstanding at March 31, 2012 and December 31, 2011, respectively	1,348	1,299
Additional paid-in capital	886,351	826,121
Retained earnings	543,136	523,787
Accumulated other comprehensive loss, net of income taxes	(4,822)	(7,896)
Total stockholders' equity	1,426,013	1,343,311
Total liabilities and stockholders' equity	$ 4,494,511	$ 4,737,157

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)

For the three months ended March 31,	2012	2011
Revenue		
Servicing and subservicing fees	$ 155,103	$ 102,505
Process management fees	8,791	7,796
Other revenues	652	705
Total revenue	164,546	111,006
Operating expenses		
Compensation and benefits	30,783	14,787
Amortization of mortgage servicing rights	14,314	8,923
Servicing and origination	3,287	1,922
Technology and communications	9,349	6,872
Professional services	8,559	2,384
Occupancy and equipment	15,305	4,130
Other operating expenses	4,530	2,181
Total operating expenses	86,127	41,199
Income from operations	78,419	69,807
Other income (expense)		
Interest income	2,312	2,169
Interest expense	(46,924)	(37,543)
Loss on loans held for resale, net	(420)	(904)
Equity in earnings of unconsolidated entities	252	130
Other, net	(3,520)	830
Other expense, net	(48,300)	(35,318)
Income before income taxes	30,119	34,489
Income tax expense	10,770	12,425
Net income	19,349	22,064
Net income attributable to non-controlling interests	—	10
Net income attributable to Ocwen Financial Corporation	$ 19,349	$ 22,074
Earnings per share attributable to Ocwen Financial Corporation		
Basic	$ 0.15	$ 0.22
Diluted	$ 0.14	$ 0.21
Weighted average common shares outstanding		
Basic	130,649,595	100,762,446
Diluted	138,046,270	107,777,775

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands)

For the three months ended March 31,	2012	2011
Net income	$ 19,349	$ 22,064
Other comprehensive income (loss), net of income taxes:		
Unrealized foreign currency translation income arising during the period (1)	1	20
Change in deferred loss on cash flow hedges arising during the period (2)	(1,187)	1,945
Reclassification adjustment for losses on cash flow hedges included in net income (3)	4,259	155
Net change in deferred loss on cash flow hedges	3,072	2,100
Other (4)	1	1
Total other comprehensive income, net of income taxes	3,074	2,121
Comprehensive income	22,423	24,185
Comprehensive income attributable to non-controlling interest	—	—
Comprehensive income attributable to Ocwen Financial Corporation	$ 22,423	$ 24,185

(1) Net of income tax expense of $13 for the three months ended March 31, 2011.

(2) Net of income tax benefit (expense) of $704 and $(1,073) for the three months ended March 31, 2012 and 2011, respectively.

(3) Net of income tax expense of $2,408 and $88 for the three months ended March 31, 2012 and 2011, respectively.

(4) Net of income tax expense of $1 and $1 for the three months ended March 31, 2012 and 2011, respectively.

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2012 AND 2011
(Dollars in thousands)

	Ocwen Financial Corporation Stockholders						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Taxes	Non-controlling Interest in Subsidiaries	Total
	Shares	Amount					
Balance at December 31, 2011	129,899,288	$ 1,299	$ 826,121	$ 523,787	$ (7,896)	$ —	$ 1,343,311
Net income	—	—	—	19,349	—	—	19,349
Conversion of 3.25% Convertible Notes	4,635,159	46	56,364	—	—	—	56,410
Exercise of common stock options	313,028	3	1,016	—	—	—	1,019
Equity-based compensation	—	—	2,850	—	—	—	2,850
Other comprehensive income, net of income taxes	—	—	—	—	3,074	—	3,074
Balance at March 31, 2012	134,847,475	$ 1,348	$ 886,351	$ 543,136	$ (4,822)	$ —	$ 1,426,013

	Ocwen Financial Corporation Stockholders						
	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Taxes	Non-controlling Interest in Subsidiaries	Total
	Shares	Amount					
Balance at December 31, 2010	100,726,947	$ 1,007	$ 467,500	$ 445,456	$ (9,392)	$ 246	$ 904,817
Net income (loss)	—	—	—	22,074	—	(10)	22,064
Exercise of common stock options	210,336	2	577	—	—	—	579
Equity-based compensation	—	—	886	—	—	—	886
Other comprehensive income, net of income taxes	—	—	—	—	2,111	10	2,121
Balance at March 31, 2011	100,937,283	$ 1,009	$ 468,963	$ 467,530	$ (7,281)	$ 246	$ 930,467

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

For the three months ended March 31,	2012	2011
Cash flows from operating activities		
Net income	$ 19,349	$ 22,064
Adjustments to reconcile net income to net cash provided by operating activities		
Amortization of mortgage servicing rights	14,314	8,923
Amortization of debt discount	745	6,046
Amortization of debt issuance costs – senior secured term loans	920	7,771
Depreciation	833	750
Provision for (reversal of) valuation allowance on mortgage servicing assets	204	(214)
Loss on loans held for resale, net	420	904
Equity in earnings of unconsolidated entities	(252)	(130)
Unrealized losses on derivative financial instruments	3,262	353
Gain on extinguishment of debt	—	(1,246)
Increase in deferred tax assets, net	(112)	(10)
Net cash provided by loans held for resale activities	241	233
Changes in assets and liabilities:		
Decrease in advances and match funded advances	318,386	294,180
Decrease in receivables and other assets, net	15,055	38,393
Increase (decrease) in servicer liabilities	2,444	(425)
Decrease in other liabilities	(6,273)	(11,549)
Other, net	3,474	2,010
Net cash provided by operating activities	373,010	368,053
Cash flows from investing activities		
Proceeds from sale of advance financing subsidiary and special purpose entity	87,303	—
Distributions of capital from unconsolidated entities	1,688	1,458
Investment in unconsolidated entities	—	(1,025)
Additions to premises and equipment	(10,661)	(385)
Proceeds from sales of real estate	512	230
Decrease (increase) in restricted cash – for securitization investors	42	(278)
Principal payments received on loans – restricted for securitization investors	954	1,501
Net cash provided by investing activities	79,838	1,501
Cash flows from financing activities		
Proceeds from (repayment of) match funded liabilities	79,707	(193,400)
Repayment of secured borrowings – owed to securitization investors	(1,701)	(1,864)
Repayment of lines of credit and other secured borrowings	(52,169)	(173,163)
Proceeds from sale of mortgage servicing rights accounted for as a financing	62,495	—
Redemption of debt securities	(25)	—
Exercise of common stock options	1,023	836
Other	(2,466)	(672)
Net cash provided by (used in) financing activities	86,864	(368,263)
Net increase in cash	539,712	1,291
Cash at beginning of period	144,234	127,796
Cash at end of period	$ 683,946	$ 129,087
Supplemental non-cash investing and financing activities		
Conversion of 3.25% Convertible Notes to common stock	$ 56,410	$ —
Supplemental disposition information		
Sale of mortgage servicing rights accounted for as a financing	$ 62,495	$ —
Sale of Advance Financing Subsidiary and Special Purpose Entity:		
Match funded advances	424,303	—
Debt service account	16,587	—
Prepaid lender fees and debt issuance costs	5,765	—
Other prepaid expenses	2,214	—
Match funded liabilities	(360,658)	—
Accrued interest payable and other accrued expenses	(908)	—
Net assets of advance financing subsidiary and special purpose entity	87,303	—
Cash received at closing	149,798	—
Amount due to purchaser for post-closing adjustments	(11,006)	—
Purchase price, as adjusted	$ 138,792	$ —

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Ocwen Financial Corporation (NYSE: OCN) (Ocwen or OCN), through its subsidiaries, is a leading provider of residential and commercial mortgage loan servicing, special servicing and asset management services. Ocwen is headquartered in Atlanta, Georgia with offices in West Palm Beach and Orlando, Florida, Houston, Texas, McDonough, Georgia, and Washington, DC and support operations in India and Uruguay. Ocwen is a Florida corporation organized in February 1988. Ocwen Loan Servicing, LLC (OLS), a wholly-owned subsidiary of Ocwen, is a licensed to service mortgage loans in all 50 states, the District of Columbia and two U.S. territories.

At March 31, 2012, Ocwen directly or indirectly owned all of the outstanding stock of its primary operating subsidiaries: OLS and Ocwen Financial Solutions Private Limited. Ocwen also holds a 49% equity interest in Correspondent One S.A. (Correspondent One), an entity formed with Altisource Portfolio Solutions S.A. (Altisource) in March 2011, a 27% interest in Ocwen Structured Investments, LLC (OSI) and an approximate 25% interest in Ocwen Nonperforming Loans, LLC (ONL) and Ocwen REO, LLC (OREO).

On September 1, 2011, Ocwen completed its acquisition (the Litton Acquisition) of (i) all the outstanding partnership interests of Litton Loan Servicing LP (Litton), a subsidiary of The Goldman Sachs Group, Inc. (Goldman Sachs) and a provider of servicing and subservicing of primarily non-prime residential mortgage loans and (ii) certain interest-only servicing securities (the Litton IO Strips) previously owned by Goldman Sachs & Co., also a subsidiary of Goldman Sachs (collectively referred to as Litton Loan Servicing Business). See Note 3 for additional information regarding the Litton Acquisition.

Basis of Presentation

The accompanying unaudited interim consolidated financial statements have been prepared in conformity with the instructions of the Securities and Exchange Commission (SEC) to Form 10-Q and SEC Regulation S-X, Article 10, Rule 10-01 for interim financial statements. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete financial statements. In our opinion, the accompanying unaudited financial statements contain all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation. The results of operations and other data for the three months ended March 31, 2012 are not necessarily indicative of the results that may be expected for any other interim period or for the entire year ending December 31, 2012. The unaudited interim consolidated financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2011.

The preparation of financial statements in conformity with GAAP requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from those estimates. Material estimates that are particularly significant in the near or medium term relate to fair value measurements, the provision for potential losses that may arise from litigation proceedings, the amortization of mortgage servicing rights (MSRs) and the valuation of goodwill and deferred tax assets.

Principles of Consolidation

Our financial statements include the accounts of Ocwen and its majority-owned subsidiaries. We apply the equity method of accounting to investments when the entity is not a variable interest entity (VIE), and we are able to exercise significant influence, but not control, over the policies and procedures of the entity but own 50% or less of the voting securities. We account for our investments in OSI, ONL, OREO and Correspondent One using the equity method. We have eliminated intercompany accounts and transactions in consolidation.

Variable Interest Entities

We evaluate each special purpose entity (SPE) for classification as a VIE. When an SPE meets the definition of a VIE and we determine that Ocwen is the primary beneficiary, we include the SPE in our consolidated financial statements.

We have determined that the SPEs created in connection with the match funded financing facilities discussed below are VIEs of which we are the primary beneficiary. We have also determined that we are the primary beneficiary for certain residential mortgage loan securitization trusts. The accounts of these SPEs are included in our consolidated financial statements.

Securitizations or Asset Backed Financing Arrangements

Ocwen or its subsidiaries have been a transferor in connection with a number of securitizations or asset-backed financing arrangements. We have continuing involvement with the financial assets of eight of the securitizations and three of the asset-backed financing arrangements. We also hold residual interests in and are the servicer for three securitizations where we were not a transferor.

We have aggregated these securitizations and asset-backed financing arrangements into two groups: (1) securitizations of residential mortgage loans and (2) financings of advances on loans serviced for others.

Securitizations of Residential Mortgage Loans. In prior years, we securitized residential mortgage loans using certain trusts. We accounted for these transactions as sales even though we continued to be involved with the trusts, typically by acting as the servicer or sub-servicer for the loans held by the trust and by retaining a beneficial ownership interest in the trust. The beneficial interests we held consisted of both subordinate and residual securities that we either retained at the time of the securitization or subsequently acquired.

For four of these trusts, we have determined that our involvement represents a variable interest and that we are the primary beneficiary. We have included these four trusts in our consolidated financial statements. Our involvement with each of the remaining trusts does not represent a variable interest, and therefore, we exclude them from our consolidated financial statements.

For the three months ended March 31, 2012 and 2011, the four consolidated trusts generated a loss before income taxes of $571 and $219, respectively. In the Consolidated Balance Sheet, we report the loans held by the consolidated trusts as Loans – restricted for securitization investors and we report the certificates issued by the consolidated trusts as Secured borrowings – owed to securitization investors.

We also have continuing involvement with seven unconsolidated securitization trusts where we are the transferor and hold beneficial interests. For the quarters ended March 31, 2012 and 2011, respectively, we recorded $678 and $843 of servicing and subservicing fee revenues related to these trusts. At March 31, 2012 and December 31, 2011, respectively, we had advances of $12,346 and $12,627 and MSRs of $1,072 and $1,157 that were associated with these trusts. Although we are the servicer for these trusts, the residual interests that we hold in these entities have no value and no potential for return of significant cash flows. As a result, we have no exposure to loss from these holdings. Further, since our valuation of the residual interests is based on anticipated cash flows, we are unlikely to receive any future benefits from our residual interests in these trusts.

With regard to both the consolidated and the unconsolidated securitization trusts, we have no obligation to provide financial support to the trusts and have provided no such support. The creditors of the trusts can look only to the assets of the trusts themselves for satisfaction of the debt and have no recourse against the assets of Ocwen. Similarly, the general creditors of Ocwen have no claim on the assets of the trusts. Our exposure to loss as a result of our continuing involvement is limited to the carrying values of our investments in the residual and subordinate securities of the trusts, our MSRs that are related to the trusts and our advances to the trusts. We consider the probability of loss arising from our advances to be remote because of their position ahead of most of the other liabilities of the trusts. At March 31, 2012 and December 31, 2011, our investment in the securities of the trusts was $2,045 and $2,513, respectively, all of which is eliminated in consolidation.

Financings of Advances on Loans Serviced for Others. Match funded advances on loans serviced for others result from our transfers of residential loan servicing advances to SPEs in exchange for cash. These SPEs issue debt supported by collections on the transferred advances. We made these transfers under the terms of three advance facility agreements. We classify the transferred advances on our Consolidated Balance Sheet as Match funded advances and the related liabilities as Match funded liabilities. Collections on the advances pledged to the SPEs are used to repay principal and interest and to pay the expenses of the entity. Holders of the debt issued by these entities can look only to the assets of the entities themselves for satisfaction of the debt and have no recourse against Ocwen. However, OLS has guaranteed the payment of the obligations under the securitization documents of one of the entities, Ocwen Servicer Advance Funding (Wachovia), LLC (OSAFW). The maximum amount payable under the guarantee is limited to 10% of the notes outstanding at the end of the facility's revolving period on July 1, 2013. As of March 31, 2012, OSAFW had $149,805 of notes outstanding.

The following table summarizes the assets and liabilities of the SPEs formed in connection with our match funded advance facilities, at the dates indicated:

	March 31, 2012	December 31, 2011
Match funded advances	$ 2,903,171	$ 3,629,911
Other assets	118,696	139,352
Total assets	$ 3,021,867	$ 3,769,263
Match funded liabilities	$ 2,280,323	$ 2,558,951
Due to affiliates (1)	961,473	1,131,661
Other liabilities	1,587	1,985
Total liabilities	$ 3,243,383	$ 3,692,597

(1) Amounts are payable to Ocwen and its consolidated affiliates and are eliminated in consolidation.

See Note 7 and Note 11 for additional information regarding Match funded advances and Match funded liabilities.

Reclassification

Within the operating activities section of the Consolidated Statement of Cash Flows for the three months ended March 31, 2011, we reclassified Unrealized losses on derivative financial instruments from Other, net to conform to the current year presentation.

NOTE 2 RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Standards Update (ASU) 2011-03 (Accounting Standards Codification (ASC) 860, Transfers and Servicing): Reconsideration of Effective Control for Repurchase Agreements. ASC 860 prescribes when an entity may or may not recognize a sale upon the transfer of financial assets subject to repurchase agreements. That determination is based, in part, on whether the entity has maintained effective control over the transferred financial assets. Repurchase agreements are accounted for as secured financings if the transferee has not surrendered control over the transferred assets. The amendments in this ASU remove from the assessment of effective control the criterion relating to the transferor's ability to repurchase or redeem financial assets on substantially the agreed terms, even in the event of default by the transferee. The Financial Accounting Standards Board (FASB) concluded that this criterion is not a determining factor of effective control. Consequently, the amendments in this update also eliminate the requirement to demonstrate that the transferor possesses adequate collateral to fund substantially all the cost of purchasing replacement financial assets. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Our adoption of the provisions in this ASU effective January 1, 2012 did not have a material impact on our consolidated financial statements.

ASU 2011-04 (ASC 820, Fair Value Measurement): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this ASU explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The amendments clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements and prescribe certain additional disclosures about fair value measurements, including: for fair value measurements within Level 3 of the fair value hierarchy, disclosing the valuation process used and the sensitivity of fair value measurement to changes in unobservable inputs; and for items not carried at fair value but for which fair value must be disclosed, categorization by level of the fair value hierarchy. Our adoption of this standard effective January 1, 2012 did not have a material impact on our consolidated financial statements. See Note 5 for our fair value disclosures.

ASU 2011-05 (ASC 220, Comprehensive Income): Presentation of Comprehensive Income, Current U.S. GAAP allows reporting entities three alternatives for presenting other comprehensive income and its components in financial statements. One of those presentation options is to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This ASU eliminates that option. This ASU also requires consecutive presentation of the statement of net income and other comprehensive income and requires that an entity present reclassification adjustments from other comprehensive income to net income by component on the face of both the statement in which net income is presented and the statement in which other comprehensive income is presented. ASU 2011-12, which was issued on December 23, 2011, defers indefinitely the provision regarding the presentation of reclassification adjustments. Our adoption of this standard effective January 1, 2012 did not have a material impact on our consolidated financial statements.

NOTE 3 BUSINESS ACQUISITION

As disclosed in Note 1, Ocwen completed its acquisition of the Litton Loan Servicing Business on September 1, 2011. The adjusted base purchase price for the Litton Acquisition was $247,369. In addition to the base purchase price, Ocwen repaid at closing Litton's $2,423,123 outstanding debt on an existing servicing advance financing facility and entered into a new advance financing facility under which it borrowed $2,126,742. Ocwen and certain of its subsidiaries also entered into a $575,000 senior secured term loan agreement to fund the base purchase price and the amount by which the repayment of Litton's advance financing facility debt exceeded the proceeds from the new advance financing facility. There were no adjustments to the purchase price during the first quarter of 2012 and we do not anticipate any such significant adjustments subsequent to March 31, 2012.

The transaction was accounted for using the acquisition method of accounting which requires, among other things, that Ocwen recognize the assets acquired and the liabilities assumed at their fair values as of the acquisition date. We recorded $65,622 of goodwill in our Servicing segment in connection with the Litton Acquisition. The allocation of the purchase price is considered preliminary and therefore subject to change until the end of the measurement period (up to one year from the acquisition date). There were no revisions to the allocation of the purchase price during the first quarter of 2012, and we do not anticipate any such significant adjustments subsequent to March 31, 2012.

Pro forma impact of the Litton Acquisition

The following table presents supplemental pro forma information for the three months ended March 31, 2011 as if the acquisition of Litton occurred on January 1, 2010. The pro forma consolidated results are not indicative of what Ocwen's consolidated net earnings would have been if Ocwen had completed the acquisition of Litton on January 1, 2010 because of differences in servicing practices and cost structure between Ocwen and Litton. In addition, the pro forma consolidated results do not purport to project the future results of Ocwen combined nor do they reflect the expected realization of any cost savings associated with the Litton Acquisition.

Revenues	$	152,877
Net loss	$	(6,198)

Facility Closure Costs

Following the Litton Acquisition, we incurred severance and other benefits during 2011 related to the termination of former Litton employees. During the first quarter of 2012, we vacated one of the leased facilities acquired as part of the Litton Acquisition. During 2010, we incurred similar costs related to our acquisition of the U.S. non-prime mortgage servicing business known as "HomEq Servicing" (the HomEq Acquisition) when we terminated the former HomEq employees and vacated the leased facilities. The following table provides a reconciliation of the beginning and ending liability balances for employee termination benefits and lease termination costs related to the Litton and HomEq acquisitions:

	Employee termination benefits (1)	Lease termination costs (2)	Total
Liability balance at December 31, 2011 (3)	$ 5,163	$ 5,287	$ 10,450
Additions charged to operations (3)	1,896	4,779	6,675
Amortization of discount	—	52	52
Payments	(5,811)	(655)	(6,466)
Liability balance at March 31, 2012 (3)	$ 1,248	$ 9,463	$ 10,711

(1) The remaining liability of $1,248 for employee termination benefits related to the Litton Acquisition represents unpaid severance. We expect to pay this liability during the second quarter of 2012. The remaining liability for employee termination benefits related to the HomEq Acquisition was paid during 2011.

(2) The lease agreements that we assumed associated with the former Litton facilities located in Houston, Texas and McDonough, Georgia expire in 2012 and 2017, respectively. In March 2012, we vacated the facility located in McDonough, Georgia and recorded a charge of $4,779 to establish a liability for the remaining lease payments discounted through the lease expiration date. This charge is reported in Occupancy and equipment expense. This lease does not contain an option for early termination, and we are actively attempting to sublease this space. The liability balance at December 31, 2011 relates to an accrual established in 2010 for the remaining lease payments on the vacated HomEq facilities discounted through the early termination date of the leases, including early termination penalties due in 2013.

(3) All charges were recorded in the Servicing segment. The liabilities are included in Other liabilities in the Consolidated Balance Sheet.

NOTE 4 ASSET SALE

On March 5, 2012, Ocwen completed its sale to HLSS Holdings, LLC (HLSS Holdings), a wholly owned subsidiary of Home Loan Servicing Solutions, Ltd. (HLSS), of the right to receive the servicing fees, excluding ancillary income, relating to certain mortgage servicing (Rights to MSRs) for approximately $15.2 billion of UPB and related servicing advances that we acquired in connection with the HomEq Acquisition. HLSS Holdings also acquired HomEq Servicer Advance Facility Transferor, LLC and HomEq Servicer Advance Receivables Trust 2010-ADV1 (together the Advance SPEs). As a result of the acquisition of the Advance SPEs, HLSS Holdings assumed the related match funded liabilities, with the exception of the Class D Term Note which Ocwen agreed to repay prior to closing, under the structured servicing advance financing facility that we entered into to fund the advances that were acquired as part of the HomEq Acquisition (the HomEq Servicing advance facility). This sale to HLSS Holdings of the Rights to MSRs and related servicing advances and the assumption of the HomEq Servicing advance facility by HLSS Holdings is referred to as the HLSS Transaction. See Note 11 for additional information regarding the match funded liabilities assumed by HLSS Holdings.

Ocwen received proceeds of $149,798 at closing based on the estimated purchase price as of February 28, 2012. Of that amount, $37,449 was used to prepay a portion of Ocwen's senior secured term loan facility. On March 31, 2012, the purchase price was reduced to $138,792 as a result of post-closing adjustments that principally resulted from declines in match funded advances between February 28, 2012 and March 5, 2012. Ocwen recorded a liability of $11,006 payable to HLSS.

As part of the HLSS Transaction, Ocwen retains legal ownership of the MSRs and continues to service the related mortgage loans. However, Ocwen will service the loans for a reduced fee because HLSS Holdings has assumed the match funded liabilities as well as the obligation for future servicing advances related to the MSRs. Ocwen is obligated to transfer legal ownership of the MSRs to HLSS Holdings if and when the required third party consents are obtained. At that time, Ocwen would commence subservicing the MSRs under essentially the same terms and conditions pursuant to a subservicing agreement with HLSS Holdings which was also executed on February 10, 2012.

The following table summarizes the purchase price of the assets and liabilities sold to HLSS in connection with the HLSS Transaction:

Sale of MSRs accounted for as a financing	$	62,458
Sale of Advance SPEs:		
Match funded advances		413,374
Debt service account		14,786
Prepaid lender fees and debt issuance costs		5,422
Other prepaid expenses		1,928
Match funded liabilities		(358,335)
Accrued interest payable and other accrued expenses		(841)
Net assets of Advance SPEs		76,334
Purchase price, as adjusted		138,792
Amount due HLSS for post-closing adjustments		11,006
Cash received at closing	$	149,798

Because Ocwen has retained legal title to the MSRs, the sale of the Rights to MSRs to HLSS has been accounted for as a financing. As a result, we have not derecognized the MSRs, and we have established a liability equal to the sales price. If and when the third party consents are obtained, legal title will transfer to HLSS, and we expect to record a sale with the gain deferred and derecognize the MSRs. The sales proceeds represent the estimated fair value of the MSRs. Our investment in the Advance SPEs was sold at carrying value and accounted for as a sale. The consolidated assets and liabilities of the advance SPEs were derecognized at the time of the sale.

We determined that the HLSS Transaction did not constitute the disposal of a business. Therefore, there was no need to consider goodwill in determining the gain on the sale. Because the HLSS Transaction resulted in the sale of a portion of the assets within the Residential Servicing reporting unit which is an indicator that goodwill for the reporting unit should be tested for impairment, we updated our qualitative assessment of whether it was more likely than not that the fair value of the Residential Servicing reporting unit was less than its carrying amount as of March 31, 2012. Our updated assessment indicated that goodwill was not impaired.

In 2010, Ocwen entered into a hedge of the effect of changes in interest rates on the total cash flows of the HomEq Servicing advance financing facility. With the assumption of the financing liabilities by HLSS, Ocwen terminated the hedging relationship and recognized in earnings $5,958 of hedge losses that were included in Accumulated other comprehensive loss. HLSS purchased the Rights to MSRs in March for $10,046 more than Ocwen's carrying value. This amount will be realized over time as the Rights to MSRs amortize.

Ocwen also entered into an agreement with HLSS Management, LLC (HLSS Management), a wholly owned subsidiary of HLSS, for the provision of certain professional services to us and the provision by us of certain professional services to HLSS Management. See Note 20 for additional information regarding this agreement.

NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

The three broad categories are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.
Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Where available, we utilize quoted market prices or observable inputs rather than unobservable inputs to determine fair value. We classify assets in their entirety based on the lowest level of input that is significant to the fair value measurement.

The carrying amounts and the estimated fair values of our financial instruments are as follows at the dates indicated:

		March 31, 2012		December 31, 2011	
	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Loans held for resale (1)	3	$ 20,203	$ 20,203	$ 20,633	$ 20,633
Loans, net – restricted for securitization investors (2)	3	56,365	52,905	58,560	55,165
Advances (2)	3	3,001,569	3,001,569	3,733,502	3,733,502
Receivables, net (2)	3	62,235	62,235	83,202	83,202
Financial liabilities:					
Match funded liabilities (2)	3	$ 2,280,323	$ 2,293,124	$ 2,558,951	$ 2,569,131
Lines of credit and other secured borrowings (2)	3	550,618	560,365	540,369	550,860
Secured borrowings – owed to securitization investors (2)	3	51,622	50,870	53,323	52,652
Debt securities (2)	2	26,119	24,682	82,554	92,125
Derivative financial instruments, net (3)	3	$ (12,806)	$ (12,806)	$ (16,676)	$ (16,676)

(1) Measured at fair value on a non-recurring basis.

(2) Financial instruments disclosed, but not carried, at fair value.

(3) Measured at fair value on a recurring basis.

The methodologies that we use and key assumptions that we make to estimate the fair value of instruments are described in more detail by instrument below:

Derivative Financial Instruments

Our derivatives are not exchange-traded and therefore quoted market prices or other observable inputs are not available. Fair value is based on information provided by third-party pricing sources. Third-party valuations are derived from proprietary models based on inputs that include yield curves and contractual terms such as fixed interest rates and payment dates. Although we do not adjust the information obtained from the third-party pricing sources, we review this information to ensure that it provides a reasonable basis for estimating fair value. Our review is designed to identify information that appears stale, information that has changed significantly from the prior period, and other indicators that the information may not be accurate. For interest rate contracts, significant increases or decreases in the unobservable portion of the yield curves in isolation will result in substantial changes in the fair value measurement. See Note 15 for additional information on derivative financial instruments.

Loans Held for Resale

Loans held for resale are reported at the lower of cost or fair value. We account for the excess of cost over fair value as a valuation allowance with changes in the valuation allowance included in Loss on loans held for resale, net, in the period in which the change occurs. All loans held for resale were measured at fair value because their cost of $34,164 exceeded their estimated fair value of $20,203 at March 31, 2012. At March 31, 2012 and December 31, 2011, the carrying value of loans held for resale is net of a valuation allowance of $13,961 and $14,257, respectively. Current market illiquidity has reduced the availability of observable pricing data.

When we enter into an agreement to sell a loan to an investor at a set price, the loan is valued at the commitment price. The fair value of loans for which we do not have a firm commitment to sell is based upon a discounted cash flow analysis. We stratify our fair value estimate of uncommitted loans held for resale based upon the delinquency status of the loans. We base the fair value of our loans on the expected future cash flows discounted at a rate commensurate with the risk of the estimated cash flows. The more significant inputs used in estimating future cash flows on performing loans are: historical default rates, re-performance rates on defaulted loans, loss severity on defaulted loans, average resolution timeline, average coupon; and a discount rate. The more significant inputs used in estimating future cash flows on non-performing loans are: the current market value, the resolution timeline; estimated foreclosure and disposition costs; and a discount rate.

The more significant assumptions used in the March 31, 2012 valuation of performing loans include: historical default rates of 5% to 10%; re-performance rates on defaulted loans of 35%; loss severity on defaulted loans of 20% to 50%; an average resolution timeline of 12 months; an average coupon of 7.8%; and a discount rate of 10%. Significant assumptions used in the March 31, 2012 valuation of nonperforming loans include: the current market value of the underlying collateral based on third party sources such as appraisals or broker price opinions; a resolution timeline of 10 to 42 months depending on the state in which the property is located and the type of property; estimated foreclosure and disposition costs that are based on historical experience and considering that state in which the property is located and the type of property; and a discount rate of 15%.

Loans – Restricted for Securitization Investors

Loans – restricted for securitization investors are reported at cost, less an allowance for loan losses and are comprised of loans that are secured by first or second liens on one- to four-family residential properties. We base the fair value of our loans on the expected future cash flows discounted at a rate commensurate with the risk of the estimated cash flows. Significant assumptions include expected prepayment rates and delinquency and cumulative loss curves. The more significant assumptions used in our March 31, 2012 valuations were: prepayment speeds of 3% to 6%; default rates of 20% to 28%; and a discount rate of 20% to 22%.

Mortgage Servicing Rights

We estimate the fair value of our MSRs by calculating the present value of expected future cash flows utilizing assumptions that we believe are used by market participants. The most significant assumptions used in our internal valuation are the speed at which mortgages prepay and delinquency experience, both of which we derive from our historical experience and available market data. Other assumptions used in our internal valuation are:

- Cost of servicing
- Discount rate
- Interest rate used for computing the cost of Servicing advances
- Interest rate used for computing float earnings
- Compensating interest expense
- Collection rate of other ancillary fees

The significant components of the estimated future cash inflows for MSRs include servicing fees, late fees, prepayment penalties, float earnings and other ancillary fees. Significant cash outflows include the cost of servicing, the cost of financing servicing advances and compensating interest payments. We derive prepayment speeds and delinquency assumptions from historical experience adjusted for prevailing market conditions. We develop the discount rate internally, and we consider external market-based assumptions in determining the interest rate for the cost of financing advances, the interest rate for float earnings and the cost of servicing. The more significant assumptions used in the March 31, 2012 valuation include prepayment speeds ranging from 14.32% to 22.14% (depending on loan type) and delinquency rates ranging from 15.97% to 24.17% (depending on loan type). Other assumptions include an interest rate of 1-month LIBOR plus 4% for computing the cost of financing advances, an interest rate of 1-month LIBOR for computing float earnings and a discount rate of 20%.

We perform an impairment analysis based on the difference between the carrying amount and fair value after grouping our loans into the applicable strata based on one or more of the predominant risk characteristics of the underlying loans. The risk factors used to assign loans to strata include the credit score (FICO) of the borrower, the loan to value ratio and the default risk. Our strata include:

- Subprime
- ALT A
- High-loan-to-value
- Re-performing
- Special servicing
- Other

Advances

We value advances that we make on loans that we service for others at their carrying amounts because they have no stated maturity, generally are realized within a relatively short period of time and do not bear interest.

Receivables

The carrying value of receivables generally approximates fair value because of the relatively short period of time between their origination and realization.

Borrowings

We base the fair value of our debt securities on quoted prices in markets with limited trading activity. The carrying value of match funded liabilities and secured borrowings that bear interest at a rate that is adjusted regularly based on a market index approximates fair value. For other match funded or secured borrowings that bear interest at a fixed rate, we determine fair value by discounting the future principal and interest repayments at a market rate commensurate with the risk of the estimated cash flows. We estimate principal repayments of match funded liabilities during the amortization period based on our historical advance collection rates and taking into consideration any plans to refinance the notes. The more significant assumptions used in the March 31, 2012 valuation of match funded liabilities bearing a fixed interest rate were a discount rate of 2.5% to 3.5% and estimated repayments using an advance reduction curve that is based on historical experience.

The following table presents assets and liabilities measured at fair value categorized by input level within the fair value hierarchy:

	Carrying value	Level 1	Level 2	Level 3
At March 31, 2012:				
Measured at fair value on a recurring basis:				
Derivative financial instruments, net	$ (12,806)	—	—	$ (12,806)
Measured at fair value on a non-recurring basis:				
Loans held for resale	20,203	—	—	20,203
MSRs (1)	204	—	—	204
At December 31, 2011:				
Measured at fair value on a recurring basis:				
Derivative financial instruments, net	$ (16,676)	$ —	$ —	$ (16,676)
Measured at fair value on a non-recurring basis:				
Loans held for resale	20,633	—	—	20,633
Mortgage servicing rights (1)	214	—	—	214

(1) Balances represent the carrying value of the impaired stratum of MSRs, net of a valuation allowance of $2,494 and $2,290 at March 31, 2012 and December 31, 2011, respectively. The estimated fair value exceeded amortized cost for all other strata.

The following tables present a reconciliation of the changes in fair value of our Level 3 assets that we measure at fair value on a recurring basis for the periods indicated:

For the three months ended March 31,	Derivative Financial Instruments 2012	2011
Beginning balance	$ (16,676)	$ (15,351)
Purchases, issuances, sales and settlements:		
Purchases	—	—
Issuances	—	—
Sales	—	—
Settlements	2,357	46
	2,357	46
Total realized and unrealized gains and (losses) (1):		
Included in Other, net	3,468	(353)
Included in Other comprehensive income (loss)	(1,955)	3,261
	1,513	2,908
Transfers in and / or out of Level 3	—	—
Ending balance	$ (12,806)	$ (12,397)

(1) Total net (losses) gains attributable to derivative financial instruments still held at March 31, 2012 and 2011 were $(4,272) and $(2,908), respectively.

NOTE 6 ADVANCES

Advances, representing payments made on behalf of borrowers or on foreclosed properties, consisted of the following at the dates indicated:

	March 31, 2012	December 31, 2011
Servicing:		
Principal and interest	$ 25,359	$ 30,462
Taxes and insurance	32,180	33,387
Foreclosure and bankruptcy costs	11,181	8,390
Other	25,803	27,442
	94,523	99,681
Corporate Items and Other	3,875	3,910
	$ 98,398	$ 103,591

NOTE 7 MATCH FUNDED ADVANCES

Match funded advances on residential loans we service for others, as more fully described in Note 1—Principles of Consolidation-Financings of Advances on Loans Serviced for Others, are comprised of the following at the dates indicated:

	March 31, 2012	December 31, 2011
Principal and interest	$ 1,344,017	$ 1,679,536
Taxes and insurance	1,164,296	1,452,707
Foreclosure and bankruptcy costs	228,133	259,231
Real estate servicing costs	83,823	121,705
Other	82,902	116,732
	$ 2,903,171	$ 3,629,911

NOTE 8 MORTGAGE SERVICING

Servicing Assets. Servicing assets, or MSRs, are comprised of a single residential class. MSRs are an intangible asset representing the right to service a portfolio of mortgage loans. We generally obtain MSRs by purchasing them from the owners of the mortgage loans. The following table summarizes the activity in the carrying value of residential servicing assets for the three months ended March 31, 2012:

Balance at December 31, 2011	$	293,152
Purchases		—
Increase in impairment valuation allowance		(204)
Amortization (1)		(15,232)
Balance at March 31, 2012	$	277,716

(1) In the Consolidated Statement of Operations, Amortization of mortgage servicing rights is reported net of the amortization of servicing liabilities and includes the amount of charges we recognized to increase servicing liability obligations.

As disclosed in Note 4, we sold certain Rights to MSRs related to serviced loans with a UPB of approximately $15.2 billion on March 5, 2012 as part of the HLSS Transaction. The sales price of $62,458 represents the fair value of the MSRs at the time of the sale. We accounted for this sale as a financing because we retained legal title to the MSRs. As a result, we did not derecognize the MSRs, and we established a liability equal to the sales price. If and when the third party consents are obtained, legal title will transfer to HLSS, and we expect to record a sale with the gain deferred and derecognize the MSRs. Until such time, we continue to recognize the full amount of servicing revenue and amortization of the MSRs. The carrying value of the MSRs at March 31, 2012 was $51,298.

The following table presents the composition of our servicing and subservicing portfolios by type of property serviced as measured by UPB. The servicing portfolio represents purchased MSRs while subservicing generally represents all other MSRs.

UPB of Assets Serviced:	**Residential**	**Commercial**	**Total**
March 31, 2012:			
Servicing	$ 75,930,077	$ —	$ 75,930,077
Subservicing	22,510,389	367,356	22,877,745
	$ 98,440,466	$ 367,356	$ 98,807,822
December 31, 2011:			
Servicing	$ 78,675,160	$ —	$ 78,675,160
Subservicing	23,524,062	290,863	23,814,925
	$ 102,199,222	$ 290,863	$ 102,490,085

Residential assets serviced consist principally of mortgage loans, primarily subprime, but also include foreclosed real estate. Residential assets include small-balance commercial assets that are managed using the REALServicing™ application. Commercial assets subserviced consist of large-balance foreclosed real estate. Assets serviced for others are not included on our Consolidated Balance Sheet.

Custodial accounts, which hold funds representing collections of principal and interest we receive from borrowers, are held in escrow by an unaffiliated bank and excluded from our Consolidated Balance Sheet. Custodial accounts amounted to approximately $523,800 and $555,500 at March 31, 2012 and December 31, 2011, respectively.

Valuation Allowance for Impairment. During 2008, we established a valuation allowance for impairment of $3,624 on the high-loan-to-value stratum of our MSRs as the estimated fair value was less than the carrying value. Changes in the valuation allowance for impairment are reflected in Servicing and origination expenses in our Consolidated Statement of Operations. Net of the valuation allowance of $2,494 and $2,290, the carrying value of this stratum was $204 and $214 at March 31, 2012 and December 31, 2011, respectively. For all other strata, the fair value exceeded the carrying value at March 31, 2012.

The estimated fair value of residential MSRs at March 31, 2012 and December 31, 2011 was $316,078 and $340,015, respectively.

Servicing Liabilities. Servicing liabilities are included in Other liabilities. See Note 14 for additional information.

NOTE 9 RECEIVABLES

Receivables consisted of the following at the dates indicated:

	Receivables	Allowance for Credit Losses	Net
March 31, 2012			
Servicing (1)	$ 38,727	$ (2,576)	$ 36,151
Income taxes receivable	13,879	—	13,879
Affordable housing (2)	5,568	(5,019)	549
Due from HLSS (3)	4,550	—	4,550
Due from Altisource (3)	3,206	—	3,206
Derivatives, at fair value (4)	2,750	—	2,750
Other	2,848	(1,698)	1,150
	$ 71,528	$ (9,293)	$ 62,235
December 31, 2011			
Servicing (1)	$ 53,852	$ (1,648)	$ 52,204
Income taxes receivable	21,518	—	21,518
Affordable housing (2)	5,568	(5,019)	549
Due from Altisource (3)	2,309	—	2,309
Derivatives, at fair value (4)	3,600	—	3,600
Other	4,284	(1,262)	3,022
	$ 91,131	$ (7,929)	$ 83,202

(1) Balances arise from our Servicing business and primarily include reimbursable expenditures due from investors and amounts to be recovered from the custodial accounts of the trustees.

(2) Balances primarily represent payments to be received for proceeds from sales of investments in affordable housing properties. None of these receivables is delinquent.

(3) See Note 20 for additional information regarding transactions with HLSS and Altisource.

(4) Balances represent the fair value of the interest rate cap we entered into in 2011. See Note 15 for additional information regarding our use of derivative financial instruments.

Receivable balances are evaluated individually. The change in the allowance for credit losses for the three months ended March 31, 2012 and the balance of the related receivables at those dates were as follows (the disclosure requirements for the allowance for credit losses do not apply to mortgage banking activities, including the long-term servicing of loans, such as the activities of our Servicing segment):

	Affordable Housing	Other	Total
Allowance for credit losses balance at December 31, 2011	$ 5,019	$ 1,262	$ 6,281
Charge offs	—	—	—
Recoveries	—	—	—
Provision (reversal), net	—	455	455
Other	—	(19)	(19)
Allowance for credit losses balance at March 31, 2012	$ 5,019	$ 1,698	$ 6,717
Receivables balance at March 31, 2012	$ 5,568	$ 2,848	$ 8,416

NOTE 10 OTHER ASSETS

Other assets consisted of the following at the dates indicated:

	March 31, 2012	December 31, 2011
Debt service accounts (1)	$ 106,679	$ 115,867
Interest earning collateral deposits (2)	29,675	27,191
Prepaid lender fees and debt issuance costs, net (3)	18,502	27,113
Real estate, net	3,061	3,368
Prepaid expenses and other	10,026	12,403
	$ 167,943	$ 185,942

(1) Under our three advance funding facilities, we are contractually required to remit collections on pledged advances to the trustee within two days of receipt. The collected funds are not applied to reduce the related match funded debt until the payment dates specified in the indenture. The balances also include amounts that have been set aside from the proceeds of our four match funded advance facilities to provide for possible shortfalls in the funds available to pay certain expenses and interest. These funds are held in interest earning accounts. As disclosed in Note 4, in March 2012 we transferred to HLSS the debt service account related to the match funded liabilities assumed by HLSS. This account had a balance of $14,786 at the time of the transfer.

(2) The balances include $19,528 and $19,623 of cash collateral held by the counterparties to certain of our derivative agreements at March 31, 2012 and December 31, 2011, respectively.

(3) Unamortized costs relate to match funded liabilities and other secured borrowings of the Servicing segment. We amortize these costs to the earlier of the scheduled amortization date, contractual maturity date or prepayment date of the debt. As disclosed in Note 4, we transferred $5,422 of deferred costs to HLSS in connection with their assumption of the related match funded liabilities in March 2012.

NOTE 11 MATCH FUNDED LIABILITIES

Match funded liabilities, as more fully described in Note 1—Principles of Consolidation – Match Funded Advances on Loans Serviced for Others, are comprised of the following at:

Borrowing Type	Interest Rate	Maturity (1)	Amortization Date (1)	Unused Borrowing Capacity (2)	Balance Outstanding	
					March 31, 2012	December 31, 2011
Promissory Note (3)	3.3875%	Sept. 2013	Sept. 2013	$ 125,077	$ 1,767,723	$ 1,784,043
Advance Receivable Backed Note Series 2009-3 (4)	4.14%	July 2023	July 2012	—	210,000	210,000
Variable Funding Note Series 2009-2	1-Month LIBOR + 350 bps	Nov. 2023	Nov. 2012	100,000	—	—
Variable Funding Note Series 2009-1 (5)	Commercial paper rate + 200 bps or 1-Month LIBOR plus 325 bps	Dec. 2023	Dec. 2012	647,205	152,795	11,687
Advance Receivable Backed Note Series 2010-1 (4)(6)	3.59%	Sep. 2023	Feb. 2011	—	—	40,000
Class A-1 Term Note (7)	Commercial paper rate + 350 bps	Aug. 2043	Aug. 2013	—	—	340,185
Class A-2 Variable Funding Note (7)	Commercial paper rate + 350 bps	Aug. 2043	Aug. 2013	—	—	—
Class B Term Note (7)	Commercial paper rate + 525 bps	Aug. 2043	Aug. 2013	—	—	15,850
Class C Term Note (7)	Commercial paper rate + 625 bps	Aug. 2043	Aug. 2013	—	—	15,056
Class D Term Note (7)	1-Month LIBOR + 750 bps	Aug. 2043	Aug. 2013	—	—	11,638
Advance Receivable Backed Notes	1-Month LIBOR + 200 bps	Jan. 2014	July 2013	115,195	149,805	130,492
				$ 987,477	$ 2,280,323	$ 2,558,951

(1) The amortization date of our facilities is the date on which the revolving period ends under each advance facility note and repayment of the outstanding balance must begin if the note is not renewed or extended. The maturity date is the date on which all outstanding balances must be repaid. In two advance facilities, there are multiple notes outstanding. For each note, after the amortization date, all collections that represent the repayment of advances pledged to the facility must be applied to reduce the balance of the note outstanding, and any new advances are ineligible to be financed.

(2) Unused borrowing capacity is available to us provided that we have additional eligible collateral to pledge. Collateral may only be pledged to one facility. At March 31, 2012, we had no available unused collateral to pledge.

(3) This note was issued in connection with the financing of advances acquired in connection with the acquisition of Litton on September 1, 2011. Borrowing capacity under this facility declined to $1,892,800 on March 1, 2012 and will further decline to $1,637,591 on September 1, 2012, $1,403,650 on March 1, 2013 and $1,169,708 on September 1, 2013.

(4) These notes were issued under the Term Asset-Backed Securities Loan Facility program administered by the Federal Reserve Bank of New York.

(5) The interest rate for this note is determined using a commercial paper rate that reflects the borrowing costs of the lender plus a margin of 200 bps or 1-Month LIBOR plus 325 bps if the lender funds its lending other than through commercial paper. Effective March 12, 2012 the lender transferred this note from its commercial paper conduit and began charging interest based on 1-Month LIBOR. Beginning June 15, 2012, maximum borrowing capacity under this note will be reduced to the extent that the lender's commitment under any other advance facilities of Ocwen or its affiliates exceeds $200,000.

(6) This note entered into its amortization period in February 2011. The 2010-1 Indenture Supplement provided for scheduled amortization of $40,000 per quarter through January 2012.

(7) These notes were issued in connection with the financing of advances acquired as part of the HomEq Acquisition. The Class D Term Note was repaid in full on March 2, 2012. On March 5, 2012, HLSS assumed the remaining balances as part of the HLSS Transaction.

NOTE 12 LINES OF CREDIT AND OTHER SECURED BORROWINGS

Lines of credit and other secured borrowings are comprised of the following:

Borrowings	Collateral	Interest Rate	Maturity	Unused Borrowing Capacity	Balance Outstanding March 31, 2012	Balance Outstanding December 31, 2011
Servicing:						
Senior secured term loan (1)	(1)	1-Month LIBOR + 550 bps with a LIBOR floor of 1.50% (1)	Sept. 2016	$ —	$ 494,426	$ 546,250
Financing liability – MSRs pledged (2)	MSRs (2)	(2)	(2)	—	61,674	—
				—	556,100	546,250
Corporate Items and Other						
Securities sold under an agreement to repurchase (3)	Ocwen Real Estate Asset Liquidating Trust 2007-1 Notes	(3)	(3)	—	4,265	4,610
					560,365	550,860
Discount (1)				—	(9,747)	(10,491)
				$ —	$ 550,618	$ 540,369

(1) On September 1, 2011, we entered into a senior secured term loan facility agreement and borrowed $575,000 that was primarily used to fund a portion of the Litton Acquisition. The loan was issued with an original issue discount of $11,500 that we are amortizing over the term of the loan. Borrowings bear interest, at the election of Ocwen, at a rate per annum equal to either (a) the base rate [the greatest of (i) the prime rate of Barclays Bank PLC in effect on such day, (ii) the federal funds effective rate in effect on such day plus 0.50% and (iii) the one-month Eurodollar rate (1-Month LIBOR)], plus a margin of 4.50% and a base rate floor of 2.50% or (b) 1-Month LIBOR, plus a margin of 5.50% with a 1-Month LIBOR floor of 1.50%. We are required to repay the principal amount of the loan in consecutive quarterly installments of $14,375 per quarter commencing September 30, 2011 through June 30, 2016, with the balance becoming due on September 1, 2016. The loan is secured by a first priority security interest in substantially all of the tangible and intangible assets of Ocwen.

(2) On March 5, 2012, Ocwen completed the HLSS Transaction, in which it transferred to HLSS the Rights to MSRs that had been acquired as part of the HomEq Acquisition. However, because Ocwen has not yet transferred legal title to the MSRs, the sale was accounted for as a financing with the proceeds from the sale of the MSRs recorded as a financing liability. The financing liability is being amortized using the interest method with the servicing income that is remitted to HLSS representing payments of principal and interest. The liability has no contractual maturity but will be amortized over the estimated life of the pledged MSRs. The balance of the liability is reduced each month based on the change in the estimated fair value of the pledged MSRs. See Note 4 for additional information regarding the HLSS Transaction.

(3) In August 2010, we obtained financing under a repurchase agreement for the Class A-2 and A-3 notes issued by Ocwen Real Estate Asset Liquidating Trust 2007-1 which have a current face value of $28,610. This agreement has no stated credit limit and lending is determined for each transaction based on the acceptability of the securities presented as collateral. Borrowings mature and are renewed monthly. The borrowings secured by the Class A-2 notes bear interest at 1-Month LIBOR + 200 basis points and borrowings secured by the Class A-3 notes bear interest at 1-Month LIBOR + 300 basis points.

NOTE 13 DEBT SECURITIES

Debt securities consisted of the following at the periods indicated:

	March 31, 2012	December 31, 2011
3.25% Contingent Convertible Senior Unsecured Notes due August 1, 2024	$ —	$ 56,435
10.875% Capital Securities due August 1, 2027	26,119	26,119
	$ 26,119	$ 82,554

On February 27, 2012, we provided notice of redemption to all the holders of our 3.25% Contingent Convertible Senior Unsecured Notes (Convertible Notes) stating our election to redeem all of the outstanding notes on March 28, 2012 (Redemption Date). Of the $56,435 outstanding principal balance of the Convertible Notes, $56,410 was converted to 4,635,159 shares of common stock at a conversion rate of 82.1693 per $1,000 (in dollars) principal amount (representing a conversion price of $12.17 per share) with 11 fractional shares settled in cash. The remaining $25 principal balance of the Convertible Notes was redeemed at a cash price of 100% of principal outstanding, plus accrued and unpaid interest.

NOTE 14 OTHER LIABILITIES

Other liabilities were comprised of the following at December 31:

	March 31, 2012	December 31, 2011
Accrued expenses (1)	$ 44,718	$ 53,516
Payable to servicing and subservicing investors (2)	31,470	28,824
Checks held for escheat	22,974	24,687
Derivatives, at fair value (3)	15,556	20,276
Payable to HLSS (4)	12,384	—
Servicing liabilities (5)	8,744	9,662
Payable to Altisource (4)	5,579	4,274
Liability for selected tax items	4,607	4,524
Accrued interest payable	2,497	4,140
Other	11,287	8,746
	$ 159,816	$ 158,649

(1) As disclosed in Note 3, accrued expenses include lease termination liabilities of $9,463 and $5,287 at March 31, 2012 and December 31, 2011, respectively, related to our closure of Litton and HomEq facilities. Accrued expenses also include accruals for litigation of $5,127 and $5,550 at March 31, 2012 and December 31, 2011, respectively.

(2) The balance represents amounts due to investors in connection with loans we service under servicing and subservicing agreements.

(3) See Note 15 for additional information regarding derivatives.

(4) See Note 20 for additional information regarding transactions with HLSS and Altisource.

(5) We recognize a servicing liability for those agreements that are not expected to compensate us adequately for performing the servicing. During the three months ended March 31, 2012 and 2011, amortization of servicing liabilities exceeded the amount of charges we recognized to increase servicing liability obligations by $918 and $701, respectively. Amortization of mortgage servicing rights is reported net of this amount in the Consolidated Statement of Operations.

NOTE 15 DERIVATIVE FINANCIAL INSTRUMENTS

Because our current derivative agreements are not exchange-traded, we are exposed to credit loss in the event of nonperformance by the counterparty to the agreements. We control this risk through credit monitoring procedures including financial analysis, dollar limits and other monitoring procedures. The notional amount of our contracts does not represent our exposure to credit loss.

Foreign Currency Exchange Rate Risk Management

In August and October 2011, we entered into foreign exchange forward contracts with a notional amount of $59,400 to hedge against the effect of changes in the value of the India Rupee (INR) on amounts payable to our India subsidiary, OFSPL, through February 2013. These contracts replaced those that expired in April 2011. We did not designate the foreign exchange contracts as hedges. On January 27, 2012, we terminated the remaining foreign exchange forward contracts.

Our operations in Uruguay also expose us to foreign currency exchange rate risk, but we consider this risk to be insignificant.

Interest Rate Management

In our Servicing segment, during 2010, we entered into three interest rate swaps in order to hedge against the effects of changes in interest rates on our borrowings under our advance funding facilities. In 2011, we entered into an additional four interest rate swaps and one interest rate cap. The cap was not designated as a hedge.

The following summarizes our use of swaps at March 31, 2012 to hedge the effects of changes in the interest rate environment on borrowings under our advance funding facilities:

Purpose	Date Opened	Effective Date (1)	Maturity	We Pay	We Receive	Notional Amount	Fair Value
Not designated as hedges:							
Hedge the effects of a change in 1-Month LIBOR on borrowing under a $265,000 advance funding facility (2)	April 2010	July 2010	July 2013	2.0590%	1-Month LIBOR	$ 250,000	$ (5,844)
Hedge the effects of a change in the lender's commercial paper rate and 1-Month LIBOR on borrowing under an advance facility (3)	May 2010 and June 2010	September 2010	August 2013	1.5750% and 1.5275%	1-Month LIBOR	407,089	(6,148)
Total not designated as hedges						657,089	(11,992)
Designated as hedges:							
Hedge the effects of changes in 1-Month LIBOR or the lenders' commercial paper rate on advance funding facilities	October 2011	June 2013	January 2015	0.9275% and 0.9780%	1-Month LIBOR	201,892	(2,407)
Hedge the effects of changes in 1-Month LIBOR or the lenders' commercial paper rate on advance funding facilities (4)	December 2011	February 2012	January 2015	0.7000% and 0.6825%	1-Month LIBOR	464,834	(1,157)
Total designated as hedges						666,726	(3,564)
Total						$ 1,323,815	$ (15,556)

(1) The effective date of the swap is the date from which monthly settlements begin to be computed.

(2) We originally designated this swap as a cash flow hedge; however, the hedging relationship failed to meet the effectiveness criterion both for the third quarter of 2011 and on a prospective basis beyond the third quarter because declines in advances pledged as collateral to the hedged debt resulted in lower than anticipated borrowings. As a result, we discontinued hedge accounting for this hedging relationship effective July 1, 2011 and began amortizing to earnings the $6,179 of deferred losses in Accumulated other comprehensive loss. Unamortized deferred losses were $3,862 at March 31, 2012. Amortization will continue until the related advance facility matures in July 2013. The balance outstanding under the advance facility at March 31, 2012 was $149,805.

(3) The hedging relationship was terminated when the advance facility was assumed on March 5, 2012 by HLSS as part of the HLSS Transaction. See Note 4 for additional information regarding the match funded liabilities assumed by HLSS Holdings.

(4) Projected net settlements on the swaps for the next twelve months total approximately $1,300 of payments to the counterparties.

The following table summarizes our use of derivatives during the three months ended March 31, 2012:

	Interest Rate Cap	Foreign Exchange Forwards	Interest Rate Swaps
Notional balance at December 31, 2011	$ 1,600,000	$ 46,200	$ 1,393,685
Additions	—	—	—
Maturities	—	—	(69,870)
Terminations	—	(46,200)	—
Notional balance at March 31, 2012	$ 1,600,000	$ —	$ 1,323,815
Fair value of derivative assets (liabilities) at (1):			
March 31, 2012	$ 2,750	$ —	$ (15,556)
December 31, 2011	$ 3,600	$ (5,785)	$ (14,491)
Maturity	May 2014	—	July 2013 to January 2015

(1) Derivatives are reported at fair value in Receivables or Other liabilities.

Other income (expense), net, includes the following related to derivative financial instruments for the three months ended March 31:

	2012	2011
Net realized and unrealized gains (losses) on derivative financial instruments that are not designated as hedges (1)	$ 3,405	$ (110)
Unrealized gains (losses) arising from ineffectiveness of interest rate swaps designated as cash flow hedges	63	(243)
Amortization of deferred losses included in Accumulated other comprehensive loss related to a discontinued hedging relationship	(772)	—
Write off of deferred losses included in Accumulated other comprehensive loss related to the hedge against the effects of changes in interest rates on an advance financing facility assumed by HLSS (See Note 4)	(5,958)	—
	$ (3,262)	$ (353)

(1) Includes the gain of $3,359 that we realized upon termination of the remaining foreign exchange forward contracts.

Included in Accumulated other comprehensive loss at March 31, 2012 and December 31, 2011, respectively, were $7,338 and $12,114 of deferred unrealized losses, before taxes of $2,650 and $4,354, respectively, on the interest rate swaps that we designated as cash flow hedges.

NOTE 16 SERVICING AND SUBSERVICING FEES

We earn fees for providing services to owners of mortgage loans and foreclosed real estate. The following table presents the principal components of servicing and subservicing fees for the three months ended March 31:

	2012	2011
Loan servicing and subservicing fees	$ 112,589	$ 77,437
Late charges	18,845	8,544
Home Affordable Modification Program (HAMP) fees	12,684	8,638
Loan collection fees	3,339	2,554
Custodial accounts (float earnings)	787	539
Other	6,859	4,793
	$ 155,103	$ 102,505

NOTE 17 INTEREST EXPENSE

The following table presents the components of Interest expense for each category of our interest-bearing liabilities for the three months ended March 31:

	2012	2011
Match funded liabilities	$ 31,115	$ 20,784
Secured borrowings – owed to securitization investors	256	196
Lines of credit and other secured borrowings	14,222	15,238
Debt securities:		
3.25% Convertible Notes	153	459
10.875% Capital Trust Securities	710	710
Escrow deposits	468	156
	$ 46,924	$ 37,543

NOTE 18 BASIC AND DILUTED EARNINGS PER SHARE

Basic EPS excludes common stock equivalents and is calculated by dividing net income (loss) attributable to OCN by the weighted average number of common shares outstanding during the period. We calculate diluted EPS by dividing net income attributable to OCN, as adjusted to add back interest expense net of income tax on the Convertible Notes, by the weighted average number of common shares outstanding including the potential dilutive common shares related to outstanding stock options, restricted stock awards and the Convertible Notes. The following is a reconciliation of the calculation of basic EPS to diluted EPS for the three months ended March 31:

	2012	2011
Basic EPS:		
Net income attributable to Ocwen Financial Corporation	$ 19,349	$ 22,074
Weighted average shares of common stock	130,649,595	100,762,446
Basic EPS	$ 0.15	$ 0.22
Diluted EPS:		
Net income attributable to Ocwen Financial Corporation	$ 19,349	$ 22,074
Interest expense on Convertible Notes, net of income tax (1)	99	293
Adjusted net income attributable to OCN	$ 19,448	$ 22,367
Weighted average shares of common stock	130,649,595	100,762,446
Effect of dilutive elements:		
Convertible Notes (1)	4,057,736	4,637,224
Stock options (2) (3)	3,337,571	2,378,105
Common stock awards	1,368	—
Dilutive weighted average shares of common stock	138,046,270	107,777,775
Diluted EPS	$ 0.14	$ 0.21
Stock options excluded from the computation of diluted EPS:		
Anti-dilutive(2)	151,250	20,000
Market-based(3)	558,750	1,615,000

(1) Prior to the redemption of the Convertible Notes in March 2012, we computed their effect on diluted EPS using the if-converted method. Interest expense and related amortization costs applicable to the Convertible Notes, net of income tax, were added back to net income. We assumed the conversion of the Convertible Notes into shares of common stock for purposes of computing diluted EPS unless the effect was anti-dilutive. The effect is anti-dilutive whenever interest expense on the Convertible Notes, net of income tax, per common share obtainable on conversion exceeds basic EPS. As disclosed in Note 13, we issued 4,635,159 shares of common stock upon conversion of the Convertible Notes.

(2) These stock options were anti-dilutive because their exercise price was greater than the average market price of our stock.

(3) Shares that are issuable upon the achievement of certain performance criteria related to OCN's stock price and an annualized rate of return to investors.

NOTE 19 BUSINESS SEGMENT REPORTING

Our business segments reflect the internal reporting that we use to evaluate operating performance of products and services and to assess the allocation of our resources.

A brief description of our current business segments is as follows:

Servicing. Through this segment, we provide residential and commercial mortgage loan servicing, special servicing and asset management services. We earn fees for providing these services to owners of the mortgage loans and foreclosed real estate. In most cases, we provide these services either because we purchased the MSRs from the owner of the mortgage or because we entered into a subservicing or special servicing agreement with the entity that owns the MSR. Subprime loans represent the largest category, or strata of the residential loans that we service. Subprime loans represent residential loans that were made to borrowers who generally did not qualify under guidelines of Fannie Mae and Freddie Mac (nonconforming loans) or have subsequently become delinquent. This segment is primarily comprised of our core residential servicing business.

Corporate Items and Other. Corporate Items and Other includes items of revenue and expense that are not directly related to a business, business activities that are individually insignificant, interest income on short-term investments of cash and certain corporate expenses. Loans held for resale, Investments in unconsolidated entities and Debt securities are also included in Corporate Items and Other. Other business activities included in Corporate Items and Other that are not considered to be of continuing significance include our affordable housing investment activities

We allocate interest income and expense to each business segment for funds raised or for funding of investments made, including interest earned on cash balances and short-term investments and interest incurred on corporate debt. We also allocate expenses generated by corporate support services to each business segment.

Financial information for our segments is as follows:

	Servicing	Corporate Items and Other	Corporate Eliminations	Business Segments Consolidated
Results of Operations				
For the three months ended March 31, 2012				
Revenue	$ 164,192	$ 658	$ (304)	$ 164,546
Operating expenses (1)	82,879	3,395	(147)	86,127
Income (loss) from operations	81,313	(2,737)	(157)	78,419
Other income (expense), net:				
Interest income	—	2,312	—	2,312
Interest expense (1)	(46,526)	(398)	—	(46,924)
Other	(310)	(3,535)	157	(3,688)
Other expense, net	(46,836)	(1,621)	157	(48,300)
Income (loss) before income taxes	$ 34,477	$ (4,358)	$ —	$ 30,119
For the three months ended March 31, 2011				
Revenue	$ 110,869	$ 471	$ (334)	$ 111,006
Operating expenses (1)	39,783	1,570	(154)	41,199
Income (loss) from operations	71,086	(1,099)	(180)	69,807
Other income (expense), net:				
Interest income	47	2,122	—	2,169
Interest expense (1)	(37,501)	(42)	—	(37,543)
Other	1,148	(1,272)	180	56
Other income (expense), net	(36,306)	808	180	(35,318)
Income (loss) before income taxes	$ 34,780	$ (291)	$ —	$ 34,489
Total Assets				
March 31, 2012	$ 3,530,184	$ 964,327	$ —	$ 4,494,511
December 31, 2011	$ 4,310,354	$ 426,803	$ —	$ 4,737,157
March 31, 2011	$ 2,153,047	$ 412,740	$ —	$ 2,565,787

(1) Depreciation and amortization expense are as follows:

	Servicing	Corporate Items and Other	Business Segments Consolidated
For the three months ended March 31, 2012:			
Depreciation expense	$ 255	$ 578	$ 833
Amortization of MSRs	14,314	—	14,314
Amortization of debt discount	745	—	745
Amortization of debt issuance costs – senior secured term loan	920	—	920
For the three months ended March 31, 2011:			
Depreciation expense	$ 25	$ 725	$ 750
Amortization of MSRs	8,923	—	8,923
Amortization of debt discount	6,046	—	6,046
Amortization of debt issuance costs – senior secured term loan	7,771	—	7,771

NOTE 20 RELATED PARTY TRANSACTIONS

Ocwen's Chairman of the Board of Directors, William C. Erbey, also serves as Chairman of the Board for both Altisource and HLSS. As a result, he has obligations to Ocwen as well as to Altisource and HLSS. Mr. Erbey currently owns approximately 13% of the common stock of Ocwen, approximately 25% of the common stock of Altisource and approximately 5% of the common stock of HLSS.

For purposes of governing certain of the ongoing relationships between Ocwen and Altisource after the spin-off in August 2009, and to provide for an orderly transition to the status of two independent companies, we entered into certain agreements with Altisource. Under these agreements, Altisource and Ocwen provide to each other services in such areas as human resources, vendor management, corporate services, six sigma, quality assurance, quantitative analytics, treasury, accounting, tax matters, risk management, law, strategic planning, compliance and other areas where we, and Altisource, may need assistance and support. Altisource also provides certain technology products and support services to us, including the REALSuite™ of applications that support our Servicing business. In addition, in the third quarter of 2011, Ocwen and Altisource entered into a Data Access and Services Agreement under which Ocwen agreed to make available to Altisource certain data from Ocwen's servicing portfolio in exchange for a per asset fee.

Certain services provided by Altisource under these contracts are charged to the borrower and/or loan investor. Accordingly, such services, while derived from our loan servicing portfolio, are not reported as expenses by Ocwen. These services include residential property valuation, residential property preservation and inspection services, title services and real estate sales.

Our business is currently dependent on many of the services and products provided under these long-term contracts which are effective for up to eight years with renewal rights. We believe the rates charged under these agreements are market rates as they are materially consistent with one or more of the following: the fees charged by Altisource to other customers for comparable services and the rates Ocwen pays to or observes from other service providers.

For the three months ended March 31, 2012 and 2011, we generated revenues of $3,612 and $2,906 respectively, under our agreements with Altisource. We also incurred expenses of $6,530 and $5,091 for the three months ended March 31, 2012 and 2011, respectively, principally for technology products and support services including the REALSuite™ of products that support our Servicing business. At March 31, 2012 and December 31, 2011, the net payable to Altisource was $2,373 and $1,965, respectively.

Ocwen subleases from Altisource its principal executive office space in Atlanta, Georgia under an agreement entered into in 2010.

Ocwen and Altisource each hold a 49% equity interest in Correspondent One. Correspondent One facilitates the purchase of conforming and government-guaranteed residential mortgages from approved mortgage originators and resells the mortgages to secondary market investors. Correspondent One provides members of Lenders One additional avenues to sell loans beyond Lenders One's preferred investor arrangements and the members' own network of loan buyers.

As disclosed in Note 4, Ocwen entered into an agreement with HLSS Management for the provision of certain professional services and the provision by us of certain professional services to HLSS Management. Services provided by HLSS Management include valuation analysis of potential MSR acquisitions, treasury management services and other similar services. Services provided by Ocwen include legal, licensing and regulatory compliance support services, risk management services and other similar services. This agreement has an initial term of six years and is subject to termination by either party upon the occurrence of certain events. The fees charged by Ocwen and HLSS Management are based on the actual costs incurred by the party providing the service plus an additional markup of 15%.

For the period from March 5, 2012 through March 31, 2012, we earned $10 of revenues and incurred $251 of expenses under our professional services agreement with HLSS Management. At March 31, 2012, the net payable to HLSS was $7,834 which consists principally of the $11,006 due to HLSS for the adjustment to the purchase price for the HLSS Transaction, less $2,732 due to Ocwen as a fee for servicing the loans to which HLSS holds the Rights to MSRs and $1,808 due to Ocwen for the reimbursement of advances made on behalf of HLSS on loans subject to the Rights to MSRs that we continue to service. Since March 5, 2012, HLSS has reimbursed Ocwen for $95,889 of such advances.

NOTE 21 REGULATORY REQUIREMENTS

Our business is subject to extensive regulation by federal, state and local governmental authorities, including the Federal Trade Commission (FTC), the federal Consumer Financial Protection Bureau (CFPB), the SEC and various state agencies that license, audit and conduct examinations of our mortgage servicing and collection activities in a number of states. From time to time, we also receive requests from federal, state and local agencies for records, documents and information relating to our policies, procedures and practices regarding our loan servicing and debt collection business activities. We incur significant ongoing costs to comply with new and existing laws and governmental regulation of our business.

We must comply with a number of federal, state and local consumer protection laws including, among others, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, the Real Estate Settlement Procedures Act (RESPA), the Truth in Lending Act (TILA), the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, Homeowners Protection Act, the Federal Trade Commission Act and, more recently, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), and state foreclosure laws. These statutes apply to debt collection, use of credit reports, safeguarding of non−public personally identifiable information about our customers, foreclosure and claims handling, investment of and interest payments on escrow balances and escrow payment features, and mandate certain disclosures and notices to borrowers. These requirements can and do change as statutes and regulations are enacted, promulgated or amended.

In April 2012, the CFPB announced that it is considering new rules under the Dodd-Frank Act that would require mortgage servicers to (i) warn borrowers before any interest rate adjustments on their mortgages and provide alternatives for borrowers to consider, (ii) provide monthly mortgage statements that explicitly breakdown principal, interest, fees, escrow, and due dates, (iii) provide options for avoiding lender-placed, or “forced-placed”, insurance, (iv) provide early outreach to borrowers in danger of default regarding options to avoid foreclosure, (v) provide that payments be credited to borrower accounts the day they are received, (vi) require borrower account records be kept current, (vii) provide increased accessibility to servicing staff and records for borrowers, and (viii) investigate errors within 30 days and improve staff accessibility to consumers, among other things. The CFPB stated that it will seek public comment before formally promulgating the rules, which are expected to be finalized by early next year.

There are a number of foreign laws and regulations that are applicable to our operations in India and Uruguay, including acts that govern licensing, employment, safety, taxes, insurance, and the laws and regulations that govern the creation, continuation and the winding up of companies as well as the relationships between the shareholders, the company, the public and the government in both countries.

NOTE 22 COMMITMENTS AND CONTINGENCIES

Litigation

In September 2006, the Bankruptcy Trustee in Chapter 7 proceedings involving American Business Financial Services, Inc. (ABFS) brought an action against multiple defendants, including Ocwen, in Bankruptcy Court. The action arises out of Debtor-in-Possession financing to ABFS by defendant Greenwich Capital Financial Products, Inc. and the subsequent purchases by Ocwen of MSRs and certain residual interests in mortgage-backed securities previously held by ABFS. The Trustee filed an amended complaint in March 2007 alleging various claims against Ocwen including turnover, fraudulent transfers, accounting, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, breach of contract, fraud, civil conspiracy and conversion. The Trustee seeks compensatory damages in excess of $100,000 and punitive damages jointly and severally against all defendants. In April 2008, Ocwen filed an answer denying all charges and a counterclaim for breach of contract, fraud, negligent misrepresentation and indemnification in connection with the MSR purchase transaction. Fact discovery is complete and both Ocwen and the Trustee have filed motions for partial summary judgment. We believe that the Trustee’s allegations against Ocwen are without merit and intend to continue to vigorously defend against this matter. We are unable to provide any estimate of possible loss or range of possible loss at this time.

We are subject to various other pending legal proceedings, including those subject to loss sharing provisions of the Litton Acquisition. In our opinion, the resolution of those proceedings will not have a material effect on our financial condition, results of operations or cash flows.

Tax Matters

On December 21, 2009, the India tax authorities issued a draft income tax assessment order (the First Order) with respect to assessment year 2006 – 2007. The proposed adjustment would impose upon OFSPL additional tax of INR 41,760 ($816) and interest of INR 18,297 ($358) for the Assessment Year 2006 – 2007, and penalties may be assessed. OCN and OFSPL intend to vigorously contest this Order and any imposition of tax and interest and do not believe they have violated any statutory provision or rule. OFSPL has filed an application with the Dispute Resolution Panel for the First Order. OFSPL received the final assessment order (the Second Order) on November 24, 2010, with a demand of INR 64,085 ($1,252), reflecting tax of INR 41,712 ($815) and interest of INR 22,373 ($437). In response, OFSPL petitioned for assistance to be provided by the Competent Authority under the Mutual Agreement Procedures of the U.S./India income tax treaty, furnished a Bank Guarantee for INR 76,754 ($1,500) related to transfer pricing matters and paid INR 7,647 ($149) towards non-transfer pricing issues. Furthermore, OFSPL has submitted an appeal of the Second Order to the Income Tax Appellate Tribunal.

On January 4, 2011, OFSPL received a draft assessment order (the Third Order) with respect to assessment year 2007 – 2008. The proposed adjustment would impose upon OFSPL additional tax of INR 63,885 ($1,249) and interest of INR 28,748 ($562). OFSPL filed an application and received no relief from the Dispute Resolution Panel for the Third Order. OFSPL filed an appeal of the Third Order with the Income Tax Appellate Tribunal on December 20, 2011 and simultaneously filed a Competent Authority application under the Mutual Agreement Procedures of the U.S./India income tax treaty. Further, a Bank Guarantee for INR 128,719 ($2,516) was furnished to the India tax authorities with respect to transfer pricing matters and OFSPL obtained abeyance on the demand of INR 4,376 ($86) relating to non-transfer pricing matters. Due to the uncertainties inherent in the Appeals and Competent Authority processes, Ocwen and OFSPL cannot currently estimate any additional exposure beyond the amount currently detailed in the Orders. We also cannot predict when these tax matters will be resolved. Competent Authority assistance requests under the Mutual Agreement Procedures should preserve Ocwen's right to offset any potential increase in India taxes against Ocwen's U.S. taxes.

Other Information

In July 2010, OLS received two subpoenas from the Federal Housing Finance Agency (FHFA) as conservator for Freddie Mac and Fannie Mae in connection with ten private label mortgage securitization transactions where Freddie Mac and Fannie Mae have invested. The transactions include mortgage loans serviced but not originated by OLS or its affiliates. There is no allegation of wrongdoing in the subpoenas against OLS, and we are cooperating with the FHFA's requests.

On November 24, 2010, OLS received a Civil Investigative Demand (CID) from the Federal Trade Commission (FTC) requesting documents and information regarding various servicing activities. There is no allegation of wrongdoing against OLS in the FTC CID, and we are cooperating with the FTC's request.

On November 7, 2011, OLS received a CID from the Attorney General's Office of the Commonwealth of Massachusetts requesting documents and information regarding certain foreclosures executed in Massachusetts. There is no allegation of wrongdoing against OLS in the Massachusetts Attorney General CID, and we are cooperating with the Massachusetts Attorney General's request.

On January 18, 2012, OLS received a subpoena from the New York Department of Financial Services requesting documents regarding OLS' policies, procedures and practices regarding lender placed or "force placed" insurance which is required to be provided for borrowers who allow their hazard insurance policies to lapse. There is no allegation of wrongdoing against OLS in the subpoena, and we are cooperating with the New York Department of Financial Service's request.

Ongoing inquiries into servicer foreclosure processes could result in additional actions by state or federal governmental bodies, regulators or the courts that could result in temporary moratoria on mortgage foreclosures or an extension of foreclosure timelines, which may be applicable generally to the servicing industry or to us in particular. In addition, a number of our match funded advance facilities contain provisions that limit the eligibility of advances to be financed based on the length of time that advances are outstanding, and two of our match funded advance facilities have provisions that limit new borrowings if average foreclosure timelines extend beyond a certain time period, either of which, if such provisions applied, could adversely affect liquidity by reducing our average effective advance rate. In addition, governmental bodies may impose regulatory fines or penalties as a result of our foreclosure processes or impose additional requirements or restrictions on such activities which could increase our operating expenses. Increases in the amount of advances and the length of time to recover advances, fines or increases in operating expenses, and decreases in the advance rate and availability of financing for advances would lead to increased borrowings, reduced cash and higher interest expense which could negatively impact our liquidity and profitability. With respect to the Servicing segment, Ocwen is not the title owner of record for any foreclosed real estate, and neither Ocwen nor any of its subsidiaries make any type of direct title warranty to a subsequent purchaser of foreclosed real estate.

Ocwen has been a party to loan sales and securitizations dating back to the 1990s. The majority of securities issued in these transactions has been retired and are not subject to put-back risk. There is one remaining securitization with an original UPB of approximately $200,000 where Ocwen provided representations and warranties and the loans were originated in the last decade. Ocwen performed due diligence on each of the loans included in this securitization. The outstanding UPB of this securitization was $45,596 at March 31, 2012, and the outstanding balance of the notes was $45,450. Ocwen is not aware of any inquiries or claims regarding loan put-backs for any transaction where we made representations and warranties. We do not expect loan put-backs to result in any material change to our financial position, operating results or liquidity.

NOTE 23 SUBSEQUENT EVENTS

On April 2, 2012, Ocwen completed its acquisition of an MSR portfolio of approximately $22.2 billion in UPB of securitized agency and non-agency residential mortgage loans, approximately $9.9 billion of which Ocwen had previously subserviced, from Saxon Mortgage Services, Inc. (the Saxon MSR Transaction). The Saxon MSR Transaction also includes Ocwen's acquisition of the Seller's subservicing agreements relating to approximately $2.7 billion in UPB of agency and non-agency residential mortgage loans.

The base purchase price for the Saxon MSR Transaction was $73.8 million which was paid in cash by Ocwen at closing. To finance the Saxon MSR Transaction, we utilized a combination of cash on hand, cash generated through operations, the net proceeds from a public offering of common stock on November 9, 2011 and two new two-year servicing advance facilities to borrow approximately $826 million against the approximately $1,206.8 million in servicing advances associated with the acquired MSRs. The interest rates on the two new facilities are 1-Month LIBOR plus 285 basis points on one facility and the lender's commercial paper rate plus 225 basis points on the other.

The purchase agreement for the Saxon MSR Transaction was amended in March 2012 such that Ocwen acquired the Seller's servicing assets, including substantially all of its MSR portfolio and subservicing agreements and certain other assets, rather than its stock and employees. As Ocwen no longer expects to incur any material transition or shut down costs associated with the Saxon MSR Transaction, the base purchase price increased from the previously disclosed estimated base purchase price of $59.3 million.

As part of the Saxon MSR Transaction, the Seller, its parent, Morgan Stanley, and Ocwen have agreed to certain indemnification provisions. Additionally, the Seller and Morgan Stanley agreed to retain certain contingent liabilities for losses, fines and penalties arising from claims by and/or settlements with government authorities and certain third parties relating to the Seller's and its affiliates' pre-closing foreclosure, servicing and loan origination practices. Further, the Seller, Morgan Stanley and Ocwen have agreed to share certain losses arising out of third-party claims in connection with the Seller's pre-closing performance under its servicing agreements.

On April 2, 2012, Ocwen completed its acquisition of certain MSRs from JPMorgan Chase Bank, N.A. (JPMCB) which includes servicing rights for certain third party private securitizations in which neither JPMCB nor any of its affiliated entities were issuers or loan sellers. The transaction relates to MSRs for approximately 41,200 non-prime loans with a UPB of approximately $8.1 billion (the JPMCB MSR Transaction). The purchase price of $569.9 million was paid in cash and included servicing advance receivables. Ocwen financed $418.8 million of the purchase price through an existing servicing advance facility. The remainder of the JPMCB MSR Transaction was funded through a combination of cash on-hand and cash generated through operations. As part of the JPMCB MSR Transaction, JPMCB and Ocwen have agreed to indemnification provisions for the benefit of the other party.

On May 1, 2012, Ocwen completed a second sale to HLSS Holdings of Rights to MSRs for approximately $2.9 billion of UPB and related servicing advances under terms similar to the initial sale on March 5, 2012. However, unlike the initial sale, although HLSS acquired the related servicing advances, it did not acquire the financing SPE that held the advances or assume any of the related match funded liabilities. Ocwen received proceeds of $103.8 million at closing. Of that amount, $7.1 million was used to prepay a portion of Ocwen's senior secured term loan facility and $64.4 million was used to repay a portion of the match funded debt related to the advances.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in Thousands, Except Share Data or If Otherwise Indicated)

INTRODUCTION

The following discussion of our results of operations, change in financial condition and liquidity should be read in conjunction with our Interim Consolidated Financial Statements and the related notes, all included elsewhere in this report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2011.

OVERVIEW

Strategic Priorities

The long-term success of any mortgage servicer is driven primarily by four critical factors:

1. Access to new servicing business;
2. Cost of servicing;
3. Ability to manage delinquencies and advances; and
4. Cost and amount of capital.

Ocwen is an established industry leader in cost of servicing and ability to manage delinquencies and advances. While we continue to pursue improvements in these areas, our plan for 2012 is more heavily focused on access to new servicing business, both residential and commercial, and reducing our cost of capital relative to our peers, both banks and non-banks.

For accessing new servicing business, we continue to follow a four-pronged strategy:

1. Acquisition of existing servicing platforms or mortgage servicing rights;
2. Subservicing and special servicing opportunities;
3. Flow servicing; and
4. New servicing segments.

As a result of the Litton Acquisition, which closed on September 1, 2011, Ocwen's servicing UPB grew by approximately $38.6 billion making it the 12th largest mortgage loan servicer in the U. S. Together with other acquisitions, we added a total of 259,789 loans with a UPB of $41.3 billion to our residential servicing portfolio in 2011.

On March 20, 2012, we entered into an agreement with Aurora Bank FSB to purchase the servicing rights on a portfolio of commercial mortgage loans. Closing and servicing transfer is expected at the end of May. As of March 31, 2012, the portfolio consisted of 3,389 loans with a total UPB of $1.9 billion.

On April 2, 2012, we completed the acquisition of an MSR portfolio of approximately $22.2 billion in UPB of securitized agency and non-agency residential mortgage loans, approximately $9.9 billion of which we had previously subserviced, from Saxon Mortgage Services, Inc. (the Saxon MSR Transaction). The Saxon MSR Transaction also includes our acquisition of the Seller's subservicing agreements relating to approximately $2.7 billion in UPB of agency and non-agency residential mortgage loans. Also on April 2, 2012, we completed the acquisition of certain MSRs from JPMorgan Chase Bank, N.A. (JPMCB) which includes servicing rights for certain third party private securitizations in which neither JPMCB nor any of its affiliated entities were issuers or loan sellers. This transaction relates to MSRs for approximately 41,200 non-prime loans with a UPB of approximately $8.1 billion (the JPMCB MSR Transaction).

We expect that other non-prime and prime servicing platforms and servicing portfolios will come to market in the next several months. We are currently tracking potential deals with UPB of several hundred billion dollars. To the extent that we find these opportunities to be attractive, we believe that we can compete, given our low costs and high quality servicing platform. Our technology also provides us unique capabilities to quickly scale our servicing operations to handle acquired loan portfolios. We generally underwrite our bids to purchase MSRs at a 25% to 30% rate of return on invested capital.

We also expect to continue to pursue subservicing and special servicing transactions. We have been working closely with two large banks on subservicing arrangements that could produce substantial volume in the second half of 2012. Moreover, the recently announced Federal-State servicing agreement with the five largest mortgage servicers may result in additional business opportunities for Ocwen as large servicers seek to meet their principal reduction modification commitments.

Regarding flow servicing, Correspondent One purchased approximately $6 million of conventional loans from members of Lenders One in the first quarter. Correspondent One will soon be acquiring Federal Housing Administration (FHA) loans, as well. Over time, we expect that this joint venture with Altisource (each holds 49% equity interest in the entity) will be able to use its relationship with Lenders One (which generated approximately 8% of new loans originated in the United States in 2011) to substantially grow its volume. For 2012, Correspondent One is targeting the acquisition of $500 million to $1 billion of loans. Correspondent One has seen significant, positive environmental changes in the correspondent lending market. There has been a contraction in correspondent lending and the price paid for agency mortgage servicing rights has significantly declined. At the reduced price, Correspondent One believes it is attractive to retain servicing on the closed loans that it acquires and to sell its acquired loans through to the agencies as opposed to only the larger commercial banks (who in-turn sell to the agencies).

We also plan on evaluating new segments of the servicing industry such as reverse mortgages and home equity lines of credit and developing capabilities to service these segments if advantageous to Ocwen. In addition, we deploy a full on-shore servicing alternative for entities that have that requirement.

In 2012, we continue to roll out new initiatives designed to reduce our cost of servicing, to improve our ability to manage delinquencies and advances and to meet evolving servicing practices and regulatory requirements. These initiatives are expected to lead to improved borrower customer service levels, increased short sales, increased loan modifications and reduced re-defaults on loan modifications. In most states, we have already rolled out our "Shared Appreciation Modification" (SAM) which incorporates principal reductions and lower payments for borrowers while providing a net present value positive loss mitigation outcome for investors, including the ability to recoup losses if property values increase over time. In 2011, we also rolled out our "Appointment Model" approach for communicating with our delinquent borrowers which allows borrowers to schedule a time to review their files with a resolution specialist. By allowing both the borrower and the resolution specialist to prepare for discussions in advance, we believe that the Appointment Model approach is the best way to improve service and provide borrowers with the choice of a single point of contact.

Inquiries into servicer foreclosure practices by state or federal government bodies, regulators or courts are continuing and bring the possibility of adverse regulatory actions, including extending foreclosure timelines. Foreclosure delays slow the recovery of deferred servicing fees and advances. In 2011, foreclosure timelines increased by 133 days in judicial foreclosure states and 32 days in traditional non-judicial foreclosure states as compared to 2010 averages. In the first three months of 2012, foreclosure timelines have increased by an additional 23 days in judicial foreclosure states and 17 days in traditional non-judicial foreclosure states as compared to the 2011 averages. Despite this timeline extension, the 90+ non-performing delinquency rate on the Ocwen portfolio as a percentage of UPB has declined from 27.9% at December 31, 2011 to 25.6% at March 31, 2012. This improvement occurred as modifications, especially on the Litton portfolio, have driven down delinquency rates and obviated foreclosure. Also, fewer loans have entered delinquency, as early intervention loss mitigation has improved.

We also implemented another strategic initiative that we believe will, over time, significantly reduce the amount of capital that we require through our relationship with a recently formed entity called Home Loan Servicing Solutions, Ltd. (HLSS). HLSS intends to acquire and hold MSRs and related servicing advances in a more efficient manner than is currently feasible for entities like Ocwen.

As disclosed in Note 4 to the Interim Consolidated Financial Statements, on March 5, 2012, Ocwen completed the sale of the right to receive the servicing fees, excluding ancillary income, relating to the MSRs (Rights to MSRs) to HLSS Holdings, LLC (HLSS Holdings), a wholly owned subsidiary of HLSS, related to serviced loans with a UPB of approximately $15.2 billion and the assumption by HLSS Holdings of the related match funded liabilities (the HLSS Transaction). These assets were acquired by OLS in the HomEq Acquisition. OLS also entered into a subservicing agreement with HLSS Holdings on February 10, 2012 under which it will subservice the MSRs after legal ownership of the MSRs has been transferred to HLSS Holdings. As disclosed in Note 23 to the Interim Consolidated Financial Statements, on May 1, 2012, Ocwen completed a second sale to HLSS Holdings of Rights to MSRs for approximately $2.9 billion of UPB and related servicing advances under terms similar to the initial sale. However, unlike the initial sale, HLSS did not acquire the financing SPE that held the advances or assume any of the related match funded liabilities.

In the future, HLSS may acquire additional MSRs or rights similar to the Rights to MSRs from Ocwen and enter into related subservicing arrangements with Ocwen. HLSS may also acquire MSRs from third parties. If HLSS chooses to engage Ocwen as a subservicer on these acquisitions, the effect could be to increase the benefit of this strategy to Ocwen by increasing the size of its subservicing portfolio with little or no capital requirement on the part of Ocwen. Any Rights to MSRs to be sold by Ocwen to HLSS in any subsequent transactions will be subject to customary closing conditions.

The effects on Ocwen of the HLSS Transaction include the following:

- Ocwen's liquidity and cash flows improved as the sale resulted in cash proceeds to Ocwen of approximately $150 million, 25% of which was used to reduce the balance on Ocwen's senior secured term loan that it entered into on September 1, 2011 as required under the terms of the related loan agreement. The remainder will be used for general corporate purposes.

- Ocwen's match funded liabilities decreased, as HLSS Holdings assumed the HomEq Servicing advance facility from Ocwen. However, Ocwen had hedged against the effects of changes in interest rates on interest payments made under this facility. Upon assumption of the related debt by HLSS Holdings, Ocwen terminated the hedging relationship and recognized in earnings $5,958 of hedge losses that were included in Accumulated other comprehensive loss. HLSS purchased the Rights to MSRs in March for $10,046 more than Ocwen's carrying value. This amount will be realized over time as the Rights to MSRs amortize.

- As described above, Ocwen initially sold Rights to MSRs to HLSS Holdings. While the sale of the Rights to MSRs to HLSS Holdings will achieve an economic result for Ocwen substantially identical to a sale of the MSRs, Ocwen is accounting for the transaction as a financing until the required third party consents are obtained and legal ownership of the MSRs transfers to HLSS Holdings. As a result, the MSRs remain on our balance sheet and continue to be amortized. The amount of servicing revenues recognized is unchanged as a result of the HLSS Transaction.

- Interest expense increased as the interest on the portion of the sales proceeds accounted for as a financing is greater than the interest on the HomEq Servicing advance facility transferred to HLSS.

- Ocwen will have lower capital requirements since HLSS Holdings will be acquiring not only the Rights to MSRs but also the servicer advances related to the Rights to MSRs and assuming responsibility for funding servicer advances in the future.

- Over time, Ocwen expects that the reduction in the equity required to run its servicing business will be greater than the reduction in net income, thus improving the return on equity of its servicing business.

Operations Summary

Our consolidated operating results for the first quarter of 2012 have been significantly impacted by the Litton Acquisition which closed on September 1, 2011. The operating results of the Litton Loan Servicing business are included in the Servicing segment since the acquisition date.

The following table summarizes our consolidated operating results for the three months ended March 31, 2012 and 2011. We have provided a more complete discussion of operating results by line of business in the Segment Results and Financial Condition section.

	2012	2011	% Change
Consolidated:			
Revenue	$ 164,546	$ 111,006	48%
Operating expenses	86,127	41,199	109
Income from operations	78,419	69,807	12
Other expense, net	(48,300)	(35,318)	37
Income before income taxes	30,119	34,489	(13)
Income tax expense	10,770	12,425	(13)
Net income	19,349	22,064	(12)
Net income attributable to non-controlling interest	—	10	(100)
Net income attributable to Ocwen	$ 19,349	$ 22,074	(12)
Segment income before income taxes:			
Servicing	$ 34,477	$ 34,780	(1)%
Corporate items and other	(4,358)	(291)	1,398
	$ 30,119	$ 34,489	(13)

Three Months Ended March 2012 versus March 2011. Residential servicing and subservicing fees were higher than the first three months of 2011 primarily as a result of 39% growth in the average servicing portfolio that included approximately $38.6 billion acquired on September 1, 2011 related to the Litton Acquisition.

Operating expenses for the three months ended March 31, 2012 increased principally because of the effects of growth in the servicing portfolio which resulted in a substantial increase in staffing and higher amortization of MSRs. The increase in staffing during the first quarter of 2012 includes servicing personnel added to support the Saxon and JPMCB MSR transactions which closed on April 2, 2012. We continue to invest ahead of growth by hiring in advance of need and adding larger than required facilities and infrastructure, as we position ourselves for continued success. In addition, operating expenses for the first quarter of 2012 include a charge of $4,779 to establish a liability for the remaining lease payments on the former Litton facility located in McDonough, Georgia that we vacated in March. We also incurred a fee of $3,689 in the first quarter of 2012 as a result of cancelling our planned $200,000 upsizing of the senior secured term loan facility. Cash from operations, the HLSS Transaction and advance financing facilities provided sufficient cash to fund the Saxon and JPMCB MSR transactions. In spite of the increase in operating expenses, income from operations increased by $8,612, or 12%, in the three months ended March 31, 2012 as compared to 2011.

Other expense, net increased by $12,982 primarily due to a $9,381 increase in interest expense. Interest expense on borrowings related to the Litton Acquisition of $27,639 during the first quarter of 2012, were partially offset by a $19,785 decline in interest expense on borrowings related to the HomEq Acquisition. In addition, net losses on derivatives were $2,909 higher in the first quarter of 2012 primarily due to the recognition of deferred hedge losses of $5,958 on swaps as a result of the assumption of the related match funded debt by HLSS in March offset in part by a gain of $3,359 we realized on the termination of foreign exchange forward contracts in January. HLSS purchased the Rights to MSRs in March for $10,046 more than Ocwen's carrying value. This amount will be realized over time as the Rights to MSRs amortize.

Change in Financial Condition Summary

The overall decline in assets of $242,646 or 5% during the first quarter of 2012 was principally the result of the following changes:

- Cash was $539,712 higher at March 31, 2012 in anticipation of funding the Saxon and JPMCB MSR transactions on April 2, 2012.
- Total advances decreased by $731,933 due primarily to the disposition of HomEq related advances of $413,374 to HLSS and a reduction in advances on the remaining portfolio, primarily Litton.
- MSRs decreased by $15,436 due primarily to amortization expense.
- Receivables decreased by $20,967 due primarily to declines in receivables related to our Servicing business and income taxes receivable.
- Other assets decreased by $17,999 primarily as a result of the transfer of other assets with a carrying value of $22,136 to HLSS as part of the HLSS Transaction including the debt service account and unamortized debt issuance costs related to the HomEq advance financing facility assumed by HLSS.

Liabilities decreased by $325,348, or 10%, during the first quarter of 2012 primarily because of the following items:

- Match funded liabilities decreased by $278,628 reflecting the transfer of the HomEq advance facility balance of $358,335 to HLSS as part of the HLSS Transaction offset in part by increased borrowings on other facilities. We used the $354,445 of net proceeds from our common stock offering in November 2011 to temporarily reduce our borrowings to fund advances rather than invest the proceeds at current short-term investment rates that are below our effective cost of borrowing. We increased our advance borrowings as of March 31, 2012 in order to release these proceeds to fund the Saxon and JPMCB MSR transactions on April 2, 2012.
- Lines of credit and other secured borrowings increased by $10,249 primarily due to the HLSS Transaction. The sale of MSRs to HLSS was accounted for as a financing and resulted in the recognition of a liability of $62,458. This increase was partly offset by repayments of $51,824 on the $575,000 senior secured loan including a required prepayment of $37,449 from the proceeds received on the HLSS Transaction.
- Debt securities declined by $56,435 due to the conversion of the remaining principal balance of the 3.25% Convertible Notes in March resulting in our issuance of 4,635,159 shares of common stock.

Liquidity Summary

We define liquidity as unencumbered cash balances plus unused, collateralized advance financing capacity. Our liquidity as of March 31, 2012, as measured by cash and available credit, was $683,946, an increase of $132,879, or 24%, from December 31, 2011. At March 31, 2012, our cash position was $683,946 compared to $144,234 at December 31, 2011. We had no available credit on collateralized but unused advance financing capacity at March 31, 2012 compared to $406,833 at December 31, 2011. The decrease in available credit occurred because we had borrowed the maximum amount that could be supported by the available collateral to support the closing of the Saxon and the JPMCB MSR transactions on April 2, 2012. The decrease in available credit is also due in part to our success in reducing advances which resulted in a lower amount of advances pledged to our advance financing facilities.

Our investment policies emphasize principal preservation by limiting investments to include:

- Securities issued by the U.S. government, a U.S. agency or a U.S. GSE
- Money market mutual funds
- Money market demand deposits
- Demand deposit accounts

We regularly monitor and project cash flow to minimize liquidity risk. In assessing our liquidity outlook, our primary focus is on maintaining cash and unused borrowing capacity that is sufficient to meet the needs of the business.

At March 31, 2012, $987,477 of our maximum borrowing capacity remained unused. However, as noted above, the amount of collateral pledged to these facilities limits additional borrowing, and none of the unused borrowing capacity was readily available at the end of the quarter. We may utilize the unused borrowing capacity in the Servicing business in the future by pledging additional qualifying collateral to these facilities. In order to reduce fees charged by lenders (which we recognize as interest expense), we maintain unused borrowing capacity at a level that we consider prudent relative to the current levels of advances and match funded advances and to meet our funding needs for reasonably foreseeable changes in advances.

Interest Rate Risk Summary

Interest rate risk is a function of (i) the timing of re-pricing and (ii) the dollar amount of assets and liabilities that re-price at various times. We are exposed to interest rate risk to the extent that our interest rate sensitive liabilities mature or re-price at different speeds, or on different bases, than interest-earning assets.

We have executed a hedging strategy aimed at largely neutralizing the impact of changes in interest rates within a certain period based on the projected excess of variable rate debt over cash and float balances. As of March 31, 2012, the notional amount of our outstanding swaps was significantly greater than the exposure of projected variable rate debt net of cash and float balances. However, additional borrowing to fund the Saxon and JPMCB MSR transactions that closed in April will bring our swap positions more in line with our exposure to changes in interest rates. Our excess swap positions do not currently affect our application of hedge accounting because $201,892 of our swaps are forward starting and do not become effective until June 2013, and $657,089 of our swaps are not currently designated to any hedging relationship.

Nevertheless, future variances between the projected excess of variable rate debt over cash and float balances and actual results could result in our becoming over-hedged or under-hedged. See Note 15 to our Interim Consolidated Financial Statements for additional information regarding our use of derivatives.

CRITICAL ACCOUNTING POLICIES

Our ability to measure and report our operating results and financial position is heavily influenced by the need to estimate the impact or outcome of future events. Our critical accounting policies relate to the estimation and measurement of these risks. Because they inherently involve significant judgments and uncertainties, an understanding of these policies is fundamental to understanding Management’s Discussion and Analysis of Results of Operations and Financial Condition. Our significant accounting policies are discussed in detail on pages 33 through 35 of Management’s Discussion and Analysis of Results of Operations and Financial Condition and in Note 1 to our Consolidated Financial Statements for the year ended December 31, 2011 included in our Annual Report on Form 10-K filed February 29, 2012. Such policies have not changed during 2012.

SEGMENT RESULTS AND FINANCIAL CONDITION

For the Servicing segment and for Corporate Items and Other, the following section provides a discussion of the changes in financial condition during the three months ended March 31, 2012 and a discussion of pre-tax results of operations for the three months ended March 31, 2012 and 2011.

Servicing

The following table presents selected results of operations of our Servicing segment for the three months ended March 31:

	2012	2011
Revenue		
Servicing and subservicing fees:		
Residential	$ 153,661	$ 101,937
Commercial	1,721	859
	155,382	102,796
Process management fees	8,791	7,796
Other	19	277
Total revenue	164,192	110,869
Operating expenses		
Compensation and benefits	23,761	9,961
Amortization of servicing rights	14,314	8,923
Servicing and origination	3,276	1,897
Technology and communications	7,668	5,277
Professional services	6,610	2,094
Occupancy and equipment	14,587	3,358
Other operating expenses	12,663	8,273
Total operating expenses	82,879	39,783
Income from operations	81,313	71,086
Other income (expense)		
Interest income	—	47
Interest expense	(46,526)	(37,501)
Gain on debt redemption	—	1,246
Other, net	(310)	(98)
Total other expense, net	(46,836)	(36,306)
Income before income taxes	$ 34,477	$ 34,780

The following table provides selected operating statistics at or for the three months ended March 31:

	2012	2011	% Change
Residential Assets Serviced			
Unpaid principal balance:			
Performing loans (1)	$ 71,202,762	$ 51,196,312	39%
Non-performing loans	21,397,364	13,489,904	59
Non-performing real estate	5,840,340	5,856,745	—
Total residential assets serviced (2)	$ 98,440,466	$ 70,542,961	40
Average residential assets serviced	$ 100,440,043	$ 72,167,125	39
Prepayment speed (average CPR)	14.2%	13.9%	2
Percent of total UPB:			
Servicing portfolio	77.1%	69.3%	11%
Subservicing portfolio	22.9%	30.7%	(25)
Non-performing residential assets serviced, excluding Freddie Mac	25.6%	24.7%	4
Number of:			
Performing loans (1)	516,417	364,243	42%
Non-performing loans	109,128	68,066	60
Non-performing real estate	29,965	29,878	—
Total number of residential assets serviced (2)	655,510	462,187	42
Average number of residential assets serviced	663,804	470,362	41
Percent of total number:			
Servicing portfolio	77.7%	68.7%	13%
Subservicing portfolio	22.3%	31.3%	(29)
Non-performing residential assets serviced, excluding Freddie Mac	19.1%	18.3%	4
Residential Servicing and Subservicing Fees			
Loan servicing and subservicing	$ 111,885	$ 77,102	45%
Late charges	18,845	8,544	121
HAMP fees	12,684	8,638	47
Loan collection fees	3,328	2,554	30
Custodial accounts (float earnings)	787	539	46
Other	6,132	4,560	34
	$ 153,661	$ 101,937	51
Financing Costs			
Average balance of advances and match funded advances	$ 3,368,011	$ 1,913,825	76%
Average borrowings (3)	2,812,360	1,424,384	97
Interest expense on borrowings (4)	42,337	35,949	18
Facility costs included in interest expense (4)	4,161	11,633	(64)
Discount amortization included in interest expense (4)	745	6,046	(88)
Effective average interest rate (4)	6.02%	10.10%	(40)
Average 1-month LIBOR	0.26%	0.26%	—
Average Employment			
India and other	4,525	1,962	131%
United States (5)	743	236	215
Total	5,268	2,198	140
Collections on loans serviced for others	$ 2,185,885	$ 1,514,052	44%

(1) Performing loans include those loans that are current and those loans for which borrowers are making scheduled payments under loan modification, forbearance or bankruptcy plans. We consider all other loans to be non-performing.

(2) Subprime loans represent the largest category, or strata, of residential loans that we service. At March 31, 2012, we serviced 534,916 subprime loans with a UPB of $81,264,858. This compares to 548,504 subprime loans with a UPB of $84,726,233 at December 31, 2011 and 347,344 subprime loans with a UPB of $54,102,564 at March 31, 2011.

(3) Excludes an average of $20,139 of borrowing and $2,944 of interest expense related to the financing liability that we recognized in connection with the HLSS Transaction. See Note 4 to the Interim Consolidated Financial Statements for additional information regarding the HLSS Transaction.

(4) In the first quarter of 2011, we prepaid $162,500 of the debt incurred under the $350,000 senior secured term loan in addition to the mandatory quarterly repayment of $8,750. As a result of these prepayments, we wrote-off to interest expense a proportionate amount of the related debt discount and deferred facility costs, amounting to $4,699 of debt discount and $7,187 of deferred facility costs. Excluding these additional costs, the effective annual interest rate would have been 6.76% for the first quarter of 2011.

(5) Includes an average of 154 employees of Litton for the three months ended March 31, 2012. Newly-hired Ocwen employees are now principally

responsible for the servicing-related duties for the loans acquired from Litton.

The following table provides information regarding the changes in our portfolio of residential assets serviced:

	Amount of UPB		Count	
	2012	2011	2012	2011
Servicing portfolio at beginning of the year	$ 102,199,222	$ 73,886,391	671,623	479,165
Additions	47,480	222,872	206	1,233
Runoff	(3,806,236)	(3,566,302)	(16,319)	(18,211)
Servicing portfolio at March 31	$ 98,440,466	$ 70,542,961	655,510	462,187

Three months ended March 2012 versus March 2011. Residential servicing and subservicing fees for the first quarter of 2012 were 51% higher than the first quarter of 2011 primarily because of a 39% increase in the average UPB of residential assets serviced. The increase in the average UPB is principally the result of the $38.6 billion of UPB that we acquired in the Litton Acquisition on September 1, 2011. Servicing fees for the three months ended March 31, 2012 include $62,901 earned on the Litton portfolio.

At March 31, 2012, the percentage of UPB representing servicing rather than subservicing was 77.1%, an 11% increase as compared to 69.3% on March 31, 2011. This increase was a result of the Litton Acquisition. Revenue increased relative to average UPB for the first three months of 2012 to 0.15% as compared to 0.14% for the three months of 2011 due primarily due to a higher mix of servicing versus subservicing.

When we return a loan to performing status, we generally recognize revenue in the form of deferred servicing fees and late fees. For loans modified under HAMP, however, we earn HAMP fees in place of late fees. Excluding HAMP fees, we recognized loan servicing fees and late charges of $26,282 and $17,297 during the first three months of 2012 and 2011, respectively, as a result of modifications completed. In addition, we earned total HAMP fees of $12,684 and $8,638 in the first three months of 2012 and 2011, respectively. These amounts included HAMP success fees of $8,902 and $5,235 in the first three months of 2012 and 2011, respectively, on loans that were still performing at the one-year anniversary of their modification. We completed 23,491 modifications during the first quarter of 2012, down 4% from the 24,502 modifications completed during the first quarter of 2011 but up 26% compared to the 18,663 modifications completed during the fourth quarter of 2011. SAM accounted for 28.5% of our modifications in the first three months of 2012. 15% of completed modifications were HAMP in the first three months of 2012 as compared to 14% in 2011. In January 2012, the federal government announced that it was extending the HAMP program through December 2013. In addition, the new “HAMP 2.0” increases incentives for principal reduction modifications, extends the program to renter-occupied investment properties and makes the program more flexible for borrowers with certain large non-mortgage debts such as medical obligations.

As of March 31, 2012, we estimate that the balance of uncollected and unrecognized servicing fees related to delinquent borrower payments was $216,286 compared to $220,044 at December 31, 2011 and $116,431 as of March 31, 2011. The increase from March 31, 2011 is primarily due to the $38.6 billion of servicing UPB acquired in the Litton Acquisition.

Operating expenses were higher by $43,096 in the first quarter of 2012 as compared to 2011 primarily because of the effects of the Litton Acquisition that closed on September 1, 2011 and costs related to preparing for the Saxon and JPMCB MSR transactions that closed on April 2, 2012. Our average staffing increased by a combined 3,070 as we increased our staffing to manage the actual and planned increase in the servicing portfolio and we insourced certain foreclosure functions that had previously been outsourced. Amortization of MSRs increased by $5,391 in the three months ended March 31, 2012 due to $7,089 of amortization attributed to Litton offset in part by a decline in amortization on pre-existing MSRs. Total non-recurring operating expenses attributed to Litton, excluding amortization of MSRs, were $10,055 and were primarily comprised of severance and other employee termination benefits of $1,565 and occupancy and equipment costs of $7,381 including the $4,779 charge to establish a liability for the remaining lease payments on the former Litton facility located in McDonough, Georgia that we vacated in March. Operating expenses for the first quarter of 2012 also include the $3,689 fee we incurred as a result of cancelling our planned $200,000 upsizing of our senior secured term loan facility. Cash generated from operations, the sale of assets to HLSS and maximized borrowings under our advance facilities enabled us to close the Saxon and JPMCB MSR transactions without upsizing our senior secured term loan as had been originally planned. Total operating expenses for the first three months of 2012 were 0.08% of average UPB as compared to 0.06% for the first three months of 2011. Excluding amortization of MSRs and non-recurring operating expenses attributed to Litton, total operating expenses for the first three months of 2012 were 0.07% of average UPB.

The decrease in our overall delinquency rates from 27.9% of total UPB at December 31, 2011 to 25.6% at March 31, 2012 is largely the result of modifications, especially of the Litton portfolio, which have driven down delinquency rates and averted foreclosures on delinquent loans. In addition, fewer loans have entered delinquency as early loss mitigation efforts have improved. Excluding the effects of new acquisitions or of any changes to foreclosure processes that may occur during 2012, we expect overall delinquency rates to decline; however, this outcome is not assured.

Average prepayment speed increased slightly to 14.2% for the first three months of 2012 from 13.9% for the same period of 2011. An increase in principal reduction modifications was largely offset by a decline in involuntary reductions other than real estate sales. Principal modification reductions for the first quarter of 2012 were 2.7%, or 19% of average CPR, as compared to 1.5%, or 11% of average CPR, for the first quarter of 2011. Real estate sales and other involuntary liquidations combined accounted for approximately 53% of average CPR with principal reduction modifications, regular principal payments and other voluntary payoffs accounting for the remaining 47%. For the first quarter of 2011, total involuntary and voluntary reductions accounted for 61% and 39%, respectively, of average CPR.

Excluding interest on the financing liability that we recognized in connection with the HLSS Transaction (See Note 4 to the Interim Consolidated Financial Statements for additional information on the HLSS Transaction), interest expense on borrowings for the first three months of 2012 was 18% higher than in 2011. This increase was principally the result of:

- the effects of an increase in average borrowings on advance facilities as a result of the Litton Acquisition and interest on the $575,000 senior secured term loan that we also entered into on September 1, 2011 in connection with the Litton Acquisition.

- offset by:

    - the write-off to interest expense of $11,886 of related debt discount and deferred debt issuance costs in the first quarter of 2011 as a result of repayments on the $350,000 senior secured term loan related to the HomEq Acquisition including $122,500 of accelerated prepayments on this loan;

    - a decline of net settlement payments related to interest rate swap agreements to $1,921 in 2012 as compared to $2,928 of such settlement payments in 2011; and

    - lower spreads on advance facilities, particularly as a result of the 3.39% fixed rate on the Litton advance facility

Average borrowings of the Servicing segment increased by 97% during the first three months of 2012 as compared to the first three months of 2011 as average advances and match funded advances increased by 76% during the same period because of advances and MSRs acquired as part of the Litton Acquisition which averaged $2,288,948 during the first quarter of 2012 partially offset by a decline in average advances arising from the HomEq Acquisition which declined by $290,557. Borrowing increased relative to advances because of a somewhat higher percentage of advances funded under the Litton advance facility than under other advance facilities and because of increased borrowing in the first quarter of 2012 to support the Saxon and JPMCB MSR transactions.

The following table presents selected assets and liabilities of the Servicing segment at:

	March 31, 2012	December 31, 2011
Advances (1)	$ 94,523	$ 99,681
Match funded advances(1)	2,903,171	3,629,911
Mortgage servicing rights (Residential) (2)	277,716	293,152
Receivables, net (3)	36,151	52,204
Goodwill	78,432	78,432
Debt service accounts (4)	106,679	115,867
Prepaid lender fees and debt issuance costs, net (5)	18,502	27,113
Due from HLSS	4,550	—
Derivatives, at fair value (interest rate cap)	2,750	3,600
Due from Altisource	1,550	1,580
Other	6,160	8,814
Total assets	$ 3,530,184	$ 4,310,354
Match funded liabilities (6)	$ 2,280,323	$ 2,558,951
Lines of credit and other secured borrowings (7)	546,353	535,759
Accrued expenses (8)	30,514	35,738
Payable to servicing and subservicing investors (9)	31,470	28,824
Checks held for escheat	18,201	19,870
Payable to HLSS	12,168	—
Servicing liabilities	8,744	9,662
Accrued interest payable	1,854	1,915
Other	13,017	8,629
Total liabilities	$ 2,942,644	$ 3,199,348

(1) Advances decreased in the first three months of 2012 primarily due to the HLSS Transaction and a reduction in advances on the remaining portfolio. Advances acquired in connection with the HomEq Acquisition declined from $462,784 at December 31, 2011 to $413,374 at which time they were transferred to HLSS Holdings as part of the HLSS Transaction. Advances on the remaining portfolio declined by $269,113 including a $201,727 decline in the advances acquired in connection with the Litton Acquisition. Excluding the effect of any new acquisitions or significant foreclosure process changes, we expect advances to continue to decline; however, there is no assurance that this will occur.

(2) MSRs decreased due to amortization of $15,232 and a $204 increase in the impairment valuation allowance.

(3) Receivables include reimbursable expenditures due from investors and amounts to be recovered from the custodial accounts of the trustees. The decline in 2012 is primarily due to an $18,543 decrease in amounts due from subservicing investors offset in part by an increase of $6,313 in amounts to be recovered from the custodial accounts of the trustees.

(4) The decline in debt service accounts is due to the transfer of the account related to the HomEq match funded advance facility to HLSS as part of the HLSS Transaction. This decrease was partly offset by higher balance requirements related to the other match funded facilities as a result of increased borrowings.

(5) As disclosed in Note 4, we transferred $5,422 of deferred costs to HLSS in connection with their assumption of the related match funded liabilities in March 2012.

(6) The balance of match funded liabilities decreased because of the HLSS Transaction offset in part by increased borrowings on other facilities. With the exception of the Class D Term Note which Ocwen repaid prior to closing, HLSS Holdings assumed the $358,335 balance of match funded liabilities under the structured servicing advance financing facility that we entered into to fund the advances acquired as part of the HomEq Acquisition. The total balance outstanding under the HomEq advance facility at December 31, 2011 was $382,729. The increase in borrowings under our other advance facilities occurred because we borrowed the maximum amount that could be supported by the available collateral to support the closing of the Saxon and JPMCB MSR transactions on April 2, 2012.

(7) Lines of credit and other secured borrowings increased by $10,594 primarily due to the HLSS Transaction. The sale of Rights to MSRs to HLSS was accounted for as a financing and resulted in the recognition of a liability of $62,458 equal to the sales proceeds. The increase in lines of credit and other secured borrowings attributed to this financing liability was partly offset by repayments of $51,824 on the $575,000 senior secured loan including a required prepayment of $37,449 from the proceeds received on the HLSS Transaction. See Note 12 to the Consolidated Financial Statements for additional information regarding these liabilities.

(8) The net decrease in accrued expenses is primarily due to a decline in yearend accrued expenses related to the Litton Acquisition offset in part by the recognition of a liability of $4,779 in March 2012 for the remaining lease payments on the former Litton facility located in McDonough, Georgia that we vacated. See Note 3 and Note 14 to the Interim Consolidated Financial Statements for additional information on the Litton Acquisition and other liabilities.

(9) The balance represents amounts due to investors in connection with loans we service under servicing and subservicing agreements.

Corporate Items and Other

The following table presents selected results of operations of Corporate Items and Other for the periods ended March 31:

	2012	2011
Revenue	$ 658	$ 471
Operating expenses	3,395	1,570
Loss from operations	(2,737)	(1,099)
Other income (expense)		
Net interest income	1,914	2,080
Loss on loans held for resale, net	(420)	(904)
Equity in (losses) earnings of unconsolidated entities	95	(50)
Other, net	(3,210)	(318)
Other income (expense), net	(1,621)	808
Loss from continuing operations before income taxes	$ (4,358)	$ (291)

Three months ended March 2012 versus March 2011. Operating expenses were higher during the first three months of 2012 primarily due to the effects of an increase in staffing of support functions in response to the growth in our Servicing business. In addition, litigation related expenses were lower in the first quarter of 2011 as we reduced litigation accruals related to a judgment in a vendor dispute which was paid in May 2011.

Net interest income (expense) consists primarily of interest income on loans held by the consolidated securitization trusts and on loans held for resale.

Other, net for the first three months of 2012 includes the recognition of $5,958 of deferred hedge losses on swaps that were previously included in Accumulated other comprehensive loss. We had entered into these swaps to hedge the effects of changes in the interest rate on notes issued in connection with the financing of advances acquired as part of the HomEq Acquisition. The hedging relationship was terminated when the advance facility was assumed on March 5, 2012 by HLSS as part of the HLSS Transaction. This loss was partially offset by a realized gain of $3,359 on our termination of foreign exchange forward contracts in January 2012 that we had entered into to hedge against the effects of changes in the value of the India Rupee on amounts payable to our India subsidiary, OFSPL. HLSS purchased the Rights to MSRs in March for $10,046 more than Ocwen's carrying value. This amount will be realized over time as the Rights to MSRs amortize.

The following table presents selected assets and liabilities of Corporate Items and Other at:

	March 31, 2012	December 31, 2011
Cash	$ 683,946	$ 144,234
Restricted cash – for securitization investors	633	675
Loans held for resale (1)	20,203	20,633
Advances	3,875	3,910
Loans, net – restricted for securitization investors (2)	56,365	58,560
Receivables, net	3,355	4,300
Income taxes receivable	13,879	21,518
Deferred tax assets, net	106,376	107,968
Premises and equipment, net (3)	16,006	6,153
Interest-earning collateral deposits (4)	28,675	26,191
Real estate (5)	3,061	3,368
Investment in unconsolidated entities (6)	21,915	23,507
Other	6,038	5,786
Total assets	$ 964,327	$ 426,803
Secured borrowings – owed to securitization investors (2)	$ 51,622	$ 53,323
Lines of credit and other secured borrowings	4,265	4,610
Debt securities (7)	26,119	82,554
Derivatives, at fair value (4)	15,557	20,276
Accrued expenses (8)	14,204	17,778
Checks held for escheat	4,774	4,817
Liability for selected tax items	4,607	4,524
Payable to Altisource	1,292	2,401
Accrued interest payable	643	2,226
Payable to HLSS	216	—
Other	2,555	1,989
Total liabilities	$ 125,854	$ 194,498

(1) Loans held for resale are net of valuation allowances of $13,961 and $14,257 at March 31, 2012 and December 31, 2011, respectively, and include non-performing loans with a net carrying value of $7,214 and $8,553, respectively. The UPB of nonperforming loans held for resale as a percentage of total UPB was 51% at March 31, 2012 compared to 55% at December 31, 2011.

(2) Loans held by the consolidated securitization trusts are net of an allowance for loan losses of $3,141 and $2,702 at March 31, 2012 and December 31, 2011, respectively, and include nonperforming loans with a UPB of $11,980 and $11,861, respectively. Secured borrowings – owed to securitization investors represent certificates issued by the consolidated securitization trusts. See Note 1 to the Interim Consolidated Financial Statements for additional information regarding the securitization trusts.

(3) The increase in premises and equipment is primarily due to the build-out of two new leased facilities located in Mumbai, India that we expect to be operational in the second quarter of 2012 and a new disaster recovery facility located in the U.S.

(4) As disclosed in Note 15 to the Interim Consolidated Financial Statements, during 2010 and 2011 we entered into interest rate swap agreements to hedge against our exposure to an increase in variable interest rates on match funded advance borrowings. The decline in fair value at March 31, 2012 is primarily the result of terminating the foreign exchange forward contracts which had a fair value of $5,785 at December 31, 2012. Interest-earning collateral deposits at March 31, 2012 and December 31, 2011 includes $19,528 and $19,623, respectively, of cash collateral on deposit with the counterparties to our derivatives, the majority of which relates to the swap agreements.

(5) Includes $2,555 and $2,722 at March 31, 2012 and December 31, 2011, respectively, of foreclosed properties from our portfolio of loans held for resale that are reported net of fair value allowances of $2,072 and $2,406, respectively.

(6) Investment in unconsolidated entities declined $1,592 primarily due to $1,688 of distributions received from one of our asset management entities, OSI.

(7) As disclosed in Note 13, $56,410 of the outstanding 3.25% Convertible Notes were converted to 4,635,159 shares of common stock on March 28, 2012 at a conversion rate of 82.1693 per $1,000 (in dollars) principal amount (representing a conversion price of $12.17 per share). The remaining $25 principal balance was redeemed at a cash price of 100% of principal outstanding, plus accrued and unpaid interest.

(8) The decline in accrued expenses in 2012 is primarily due to the payment of the 2011 annual bonuses in March. See Note 14 to the Interim Consolidated Financial Statements for additional information regarding accrued expenses.

STOCKHOLDERS' EQUITY

Total stockholders' equity amounted to $1,426,013 at March 31, 2012 as compared to $1,343,311 at December 31, 2011. This increase of $82,702 is primarily due to net income of $19,349 and the conversion of $56,410 of our 3.25% Convertible Notes to 4,635,159 shares of common stock. The exercise of stock options and the recognition of compensation related to employee share-based awards also contributed to the increase in stockholders' equity in the first quarter of 2012. Although the effects on total stockholders' equity were offsetting, Accumulated other comprehensive loss, net of income taxes, declined by $3,074 primarily due to the reclassification of accumulated unrealized losses on swaps to earnings as a result of the assumption of the HomEq Servicing advance facility debt by HLSS.

INCOME TAX EXPENSE

Income tax expense was $10,770 and $12,425 for the three months ended March 31, 2012 and 2011, respectively.

Our effective tax rate for the first three months of 2012 was 35.76% as compared to 36.03% for the same period in 2011. Income tax provisions for interim (quarterly) periods are based on estimated annual income taxes calculated separately from the effect of significant, infrequent or unusual items. Income tax expense on income before income taxes differs from amounts that would be computed by applying the Federal corporate income tax rate of 35% primarily because of the effect of foreign taxes and foreign tax rates, foreign income with an indefinite deferral from U.S. taxation, losses from consolidated VIEs, state taxes and changes in the liability for selected tax items.

LIQUIDITY AND CAPITAL RESOURCES

As noted in the Overview – Liquidity section, our liquidity as of March 31, 2012, as measured by unencumbered cash plus unused, collateralized advance financing capacity was $683,946, a decrease of $132,879, or 24%, from December 31, 2011. At March 31, 2012, our cash position was $683,946 compared to $144,234 at December 31, 2011. We had maximized our borrowing under our advance financing facilities to support the closing of the Saxon and JPMCB MSR transactions, and there was no unused, collateralized advance financing capacity available at March 31, 2012. We have invested cash that is in excess of our immediate operating needs primarily in money market deposit accounts.

Investment policy and funding strategy. Our primary sources of funds for near-term liquidity are:

- collections of servicing fees and ancillary revenues;
- collections of prior servicer advances in excess of new advances;
- proceeds from match funded liabilities; and
- proceeds from lines of credit and other secured borrowings.

In addition to these near-term sources, potential additional long-term sources of liquidity include proceeds from the issuance of debt securities and equity capital; although we cannot assure you that they will be available on terms that we find acceptable. On November 9, 2011, we completed the public offering of 28,750,000 shares of common stock at a per share price of $13.00 and received net proceeds of $354,445. In 2011, we used the net proceeds to temporarily reduce our borrowings under advance funding facilities rather than invest the proceeds at current short-term investment rates that our below our effective cost of borrowing. In 2012, we increased our advance borrowings in order to make these proceeds available to fund servicing acquisitions We believe that we have the ability to raise as much as $600 million of additional senior secured debt if needed.

Our primary uses of funds are:

- payments for advances in excess of collections on existing servicing portfolios;
- payment of interest and operating costs;
- purchase of MSRs and related advances; and
- repayments of borrowings.

We closely monitor our liquidity position and ongoing funding requirements, and we regularly monitor and project cash flow by period to minimize liquidity risk. In assessing our liquidity outlook, our primary focus is on three measures:

- requirements for maturing liabilities compared to dollars generated from maturing assets and operating cash flow;
- the change in advances and match funded advances compared to the change in match funded liabilities and
- unused borrowing capacity.

At March 31, 2012, $987,477 of our maximum borrowing capacity remained unused. We maintain unused borrowing capacity for three reasons:

- as a protection should advances increase due to increased delinquencies;
- as a protection should we be unable to either renew existing facilities or obtain new facilities; and
- to provide capacity for the acquisition of additional MSRs.

Outlook. As also noted in the Overview – Liquidity Summary in order to reduce fees charged by lenders (which we recognize as interest expense), we maintain unused borrowing capacity at a level that we consider prudent relative to the current levels of advances and to meet our funding needs for reasonably foreseeable changes in advances. We also monitor the duration of our funding sources. With an increase in the term of our funding sources, we better match the duration of our advances and corresponding borrowings and further reduce the relative cost of up-front facility fees and expenses. The $1,767,723 two-year note under our Litton facility and $149,805 of two-year notes under a second facility account for 84% of our total outstanding advance financing at March 31, 2012.

We believe that we have sufficient capacity to fund all but the largest servicing acquisitions without issuing equity capital. Cash from operations, the HLSS Transaction and advance financing facilities provided sufficient funds to close the Saxon and JPMCB MSR transactions on April 2, 2012.

Debt financing summary. During the first three months of 2012, we:

- Repaid $51,824 on the $575,000 senior secured loan including a required prepayment of $37,449 from the proceeds received on the HLSS Transaction;
- Repaid the remaining $40,000 balance of the Advance Receivable Backed Note Series 2010-1;
- Repaid the remaining $10,401 balance of the Class D Term Note issued in connection with the financing of the advances acquired as part of the HomEq Acquisition;
- Transferred to HLSS the $358,335 balance of the other match funded term notes issued in connection with the HomEq Acquisition; and
- Repaid $16,320 of the Promissory Note that we issued in connection with the financing of the advances acquired as part of the Litton Acquisition.

Maximum borrowing capacity for match funded advances decreased by $856,671 from $4,124,471 at December 31, 2011 to $3,267,800 at March 31, 2012. This decrease is primarily a result of the assumption by HLSS of one of our advance financing facilities in connection with the HLSS Transaction (See Note 4 to the Interim Consolidated Financial Statements for additional information regarding the HLSS Transaction.). This facility had a maximum borrowing capacity of $582,729 at December 31, 2011. In addition, borrowing capacity under the Promissory Note that we executed in connection with the Litton Acquisition declined by $233,942 in accordance with the terms of the facility. We also repaid the remaining $40,000 balance of the Series 2010-1 Note on February 15, 2012.

Our unused advance borrowing capacity decreased from $1,565,520 at December 31, 2011 to $987,477at March 31, 2012. The decrease is due in part to the decline in borrowing capacity under the Promissory Note that we executed in connection with the Litton Acquisition, as noted above, and the loss of the unused borrowing capacity of $200,000 that was available at December 31, 2011 under the facility that was assumed by HLSS. In addition, we increased our borrowing under our advance financing facilities to the maximum amount that could be supported by the available collateral to support the closing of the Saxon and JPMCB MSR transactions on April 2, 2012.

Our ability to finance servicing advances is a significant factor that affects our liquidity. One of our match funded advance facilities is subject to increases in the financing discount if deemed necessary by the rating agencies in order to maintain the minimum rating required for the facility. While Fitch has placed the notes under our Advance Receivable Backed Note Series on negative watch, we do not expect future advance rate changes to have a material effect on our liquidity. Our ability to continue to pledge collateral under each advance facility depends on the performance of the collateral. Currently, the large majority of our collateral qualifies for financing under the advance facility to which it is pledged.

As discussed in Note 22 to the Interim Consolidated Financial Statements and under the Servicing discussion in the Business – Operating Segments section, ongoing inquiries into servicer foreclosure processes could result in actions by state or federal governmental bodies, regulators or the courts that could result in a further extension of foreclosure timelines. While the effect of such extensions could be an increase in advances, the effect on liquidity will be lessened if Ocwen maintains its ability to utilize spare capacity on its advance facilities because approximately 74% of the increase in advances could be borrowed. Furthermore, if foreclosure moratoria are issued in a manner that brings into question the timely recovery of advances on foreclosed properties, Ocwen may no longer be obligated to make further advances and may be able to recover existing advances in certain securitizations from pool-level collections which could mitigate any advance increase. The effects of the extension of foreclosure timelines have, thus far, been more than offset by the effects of increases in other forms of resolution, and advances have continued to decline. Absent significant changes in the foreclosure process, we expect advances to continue to decline.

Some of our existing debt covenants limit our ability to incur additional debt in relation to our equity, require that we do not exceed maximum levels of delinquent loans and require that we maintain minimum levels of liquid assets and earnings. Failure to comply with these covenants could result in restrictions on new borrowings or the early termination of our borrowing facilities. We believe that we are currently in compliance with these covenants and do not expect them to restrict our activities.

Cash flows for the three months ended March 31, 2012. Our operating activities provided $373,010 of cash largely due to collections of servicing advances (primarily on the Litton portfolio) and net income adjusted for amortization and other non-cash items. Excluding the match funded advances sold to HLSS in connection with the HLSS Transaction, collections of servicing advances were $318,386. Operating cash flows were used principally to increase cash balances to support the closing of the Saxon and JPMCB MSR transactions in April 2012.

Our investing activities provided $79,838 of cash. We received $87,303 of proceeds from HLSS on the sale of Advance SPEs. We also received $1,688 of distributions from one of our asset management entities during the first quarter. Cash used for additions to premises and equipment of $10,661 primarily relates to the build-out of two new leased facilities in India and the disaster recovery facility located in the U.S.

Our financing activities provided $86,864 of cash consisting primarily of $79,707 received from match funded liabilities, excluding the match funded liabilities assumed by HLSS as part of the HLSS Transaction. In addition, we received $62,495 from the sale of Rights to MSRs to HLSS in a transaction accounted for as a financing. These cash inflows were partially offset by repayments of $51,824 on the $575,000 senior secured loan including a required prepayment of $37,449 from the proceeds received on the HLSS Transaction.

Cash flows for the three months ended March 31, 2011. Our operating activities provided $368,053 of cash primarily due to collections of servicing advances on the HomEq Servicing portfolio and net income (adjusted for amortization and other non-cash items). In addition to the $294,180 of advance and match funded advance collections, balances required to be maintained in interest-earning debt service accounts declined by $16,668 because of the repayments on the related match funded borrowings. Also, amounts to be recovered from the custodial accounts of trustees declined by $12,630. Operating cash flows were used principally to repay borrowings under advance financing facilities and the $350,000 senior secured term loan.

Our investing activities provided $1,501 of cash during the three months ended March 31, 2011. We received $1,458 of distributions from our asset management entities during the first quarter.

Our financing activities used $368,263 of cash, principally from operating cash flows, as the collections of advances allowed us to make net repayments of $193,400 on match funded liabilities. In addition, we were able to repay $171,250 of our high-cost borrowings under the senior secured term loan, including $162,500 of optional prepayments.

CONTRACTUAL OBLIGATIONS AND OFF BALANCE SHEET ARRANGEMENTS

Contractual Obligations

We believe that we have adequate resources to fund all unfunded commitments to the extent required and meet all contractual obligations as they come due. Such contractual obligations include the 10.875% Capital Securities, lines of credit and other secured borrowings, interest payments and operating leases. See Note 22 to the Interim Consolidated Financial Statements for additional information regarding commitments and contingencies.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in transactions with a variety of financial institutions and other companies that are not reflected on our balance sheet. We are subject to potential financial loss if the counterparties to our off-balance sheet transactions are unable to complete an agreed upon transaction. We seek to limit counterparty risk through financial analysis, dollar limits and other monitoring procedures. We have also entered into non-cancelable operating leases principally for our office facilities.

Derivatives. We record all derivative transactions at fair value on our consolidated balance sheets. We use these derivatives primarily to manage our interest rate risk. The notional amounts of our derivative contracts do not reflect our exposure to credit loss. See Note 15 to our Interim Consolidated Financial Statements for additional information regarding derivatives.

Involvement with SPEs. We use SPEs for a variety of purposes but principally in the financing of our servicing advances and in the securitization of mortgage loans.

Our securitizations of mortgage loans in prior years were structured as sales. We have retained both subordinated and residual interests in these SPEs. We determined that four of these loan securitization trusts are VIEs and that we are the primary beneficiary. We have included these four trusts in our consolidated financial statements.

We generally use match funded securitization facilities to finance our servicing advances. The SPEs to which the advances are transferred in the securitization transaction are included in our consolidated financial statements either because we have the majority equity interest in the SPE or because we are the primary beneficiary where the SPE is a VIE. The holders of the debt of these SPEs can look only to the assets of the SPEs for satisfaction of the debt and have no recourse against OCN. However, OLS has guaranteed the payment of the obligations of the issuer under one of our match funded facilities. The maximum amount payable under the guarantee is limited to 10% of the notes outstanding at the end of the facility's revolving period on July 1, 2013.

VIEs. In addition to certain of our financing SPEs, we have invested in several other VIEs primarily in connection with purchases of whole loans. If we determine that we are the primary beneficiary of a VIE, we report the VIE in our consolidated financial statements.

RECENT ACCOUNTING DEVELOPMENTS

Recent Accounting Pronouncements

Listed below are accounting pronouncements that we recently adopted which did not have a material impact on our Interim Consolidated Financial Statements in 2012 but have resulted in additional disclosures in the notes to our Interim Consolidated Financial Statements. For additional information regarding these pronouncements, see Note 2 to the Interim Consolidated Financial Statements.

ASU 2011-03 (ASC 860, Transfers and Servicing): Reconsideration of Effective Control for Repurchase Agreements. Repurchase agreements are accounted for as secured financings if the transferee has not surrendered control over the transferred assets. The amendments in this ASU remove from the assessment of effective control the criterion relating to the transferor's ability to repurchase or redeem financial assets on substantially the agreed terms, even in the event of default by the transferee. The amendments in this ASU also eliminate the requirement to demonstrate that the transferor possesses adequate collateral to fund substantially all the cost of purchasing replacement financial assets. The guidance in this ASU is effective for the first interim or annual period beginning on or after December 15, 2011, with early adoption prohibited. Our adoption of this standard effective January 1, 2012 did not have a material impact on our Interim Consolidated Financials Statements.

ASU 2011-04 (ASC 820, Fair Value Measurement): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. The amendments in this ASU explain how to measure fair value. They do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. The amendments clarify FASB's intent about the application of existing fair value measurement and disclosure requirements and prescribe certain additional disclosures about fair value measurements. The provisions of this ASU are effective for interim and annual periods beginning on or after December 15, 2011, with early adoption prohibited. Our adoption of this standard effective January 1, 2012 did not have a material impact on our Interim Consolidated Financials Statements.

ASU 2011-05 (ASC 220, Comprehensive Income): Presentation of Comprehensive Income, Current U.S. GAAP allows reporting entities three alternatives for presenting other comprehensive income and its components in financial statements. One of those presentation options is to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. This ASU eliminates that option. This ASU also requires consecutive presentation of the statement of net income and other comprehensive income and requires that an entity present reclassification adjustments from other comprehensive income to net income by component on the face of both the statement in which net income is presented and the statement in which other comprehensive income is presented. This latter provision was indefinitely deferred by ASU 2011-12 on December 23, 2011. The provisions of this ASU are effective for interim and annual periods beginning after December 15, 2011. Our adoption of this standard effective January 1, 2012 did not have a material impact on our Interim Consolidated Financials Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (DOLLARS IN THOUSANDS)

Market risk includes liquidity risk, interest rate risk and foreign currency exchange rate risk. Market risk also reflects the risk of declines in the valuation of financial instruments and the collateral underlying loans. Our Investment Committee reviews significant transactions that may impact market risk and is authorized to utilize a wide variety of techniques and strategies to manage market risk including, in particular, interest rate and foreign currency exchange rate risk.

Liquidity Risk

We are exposed to liquidity risk primarily because the cash required to support the Servicing business includes the requirement to make advances pursuant to servicing contracts. In general, we finance our operations through operating cash flow, match funding agreements and secured borrowings. See "Overview - Liquidity Summary" and "Liquidity and Capital Resources" for additional discussion of liquidity.

Interest Rate Risk

As explained in the Overview – Interest Rate Risk Summary section, interest rate risk is a function of (i) the timing and (ii) the dollar amount of assets and liabilities that re-price at each point in time. Based on March 31, 2012 balances, if interest rates increase by 1% on our variable rate advance financing and interest earning cash and float balances, we estimate a net positive impact of approximately $19,900 resulting from an increase of $12,100 in annual interest income and a decrease of $7,800 in annual interest expense. The decrease in interest expense reflects a reduction of approximately $10,800 due to the anticipated effects of our hedging activities.

	March 31, 2012
Fixed-rate borrowings	
Match funded liabilities	$ 1,977,723
Debt securities	26,119
	2,003,842
Variable-rate borrowings	
Match funded liabilities	302,600
Senior secured term loan (1)	494,426
Securities sold under an agreement to repurchase	4,265
	801,291
Total borrowings outstanding (2)	$ 2,805,133
Float balances (held in custodial accounts, excluded from our consolidated balance sheet)	$ 523,800
Notional balance of interest rate swaps (3)	1,323,815

(1) Balance excludes the unamortized discount of $9,747.

(2) Total borrowings excludes Secured borrowings – owed to securitization investors and the liability recognized in connection with the sale of MSRs to HLSS which was accounted for as a financing. See Note 4 to the Interim Consolidated Financial Statements for additional information regarding the HLSS Transaction.

(3) Notional balance includes four interest rate swaps with a notional amount of $666,726 that have been designated as hedges of our exposure to rising interest rates on variable-rate match funded advance facilities. Two of these swaps, with notional amounts of $201,892, are forward-starting swaps that do not become effective until June 2013. The remaining $657,089 of swaps are not currently designated to any hedging relationship.

Excluding Loans, net – restricted for securitization investors, our Consolidated Balance Sheet at March 31, 2012 included interest-earning assets totaling $609,369. Interest-earning assets are comprised of $452,812 of interest-earning cash accounts, $106,679 of debt service accounts, $29,675 of interest-earning collateral accounts and $20,203 of loans held for resale.

We exclude Loans – restricted for securitization investors and Secured borrowings – owed to securitization investors from the analysis of rate-sensitive asset and liabilities above because the interest rate sensitive assets and liabilities of the consolidated trusts do not represent an interest rate risk for Ocwen. Ocwen has no obligation to provide financial support to the trusts. The creditors of the trusts can look only to the assets of the trusts themselves for satisfaction of the debt and have no recourse against the assets of Ocwen. Similarly, the general creditors of Ocwen have no claim on the assets of the trusts. Our exposure to loss is limited to the carrying values of our investments in the residual and subordinate securities of the trusts.

Foreign Currency Exchange Rate Risk

We are exposed to foreign currency exchange rate risk in connection with our investment in non-U.S. dollar functional currency operations to the extent that our foreign exchange positions remain unhedged. Our operations in Uruguay and India expose us to foreign currency exchange rate risk, but we do not consider this risk significant. As of December 31, 2011, we had entered into foreign exchange forward contracts with a notional balance of $46,200 to hedge against the effect of changes in the value of the India Rupee on recurring amounts payable to our India subsidiary, OFSPL, for services rendered to U.S. affiliates. We did not designate these contracts as hedges. In January 2012, we terminated these contracts prior to their scheduled maturity after determining that the cost of maintaining the contracts exceeded our probable exposure to exchange rate risk.

ITEM 4. CONTROLS AND PROCEDURES

Our management, under the supervision of and with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act) as of March 31, 2012. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2012, our disclosure controls and procedures (1) were designed and functioning effectively to ensure that material information relating to Ocwen, including its consolidated subsidiaries, is made known to our Chief Executive Officer and Chief Financial Officer by others within those entities, particularly during the period in which this report was being prepared and (2) were operating effectively in that they provided reasonable assurance that information required to be disclosed by Ocwen in the reports that it files or submits under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including the Chief Executive Officer or Chief Financial Officer, as appropriate, to allow timely decisions regarding disclosure.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act) occurred during the fiscal quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 22—Commitments and Contingencies to the Interim Consolidated Financial Statements for information regarding legal proceedings.

ITEM 1A. RISK FACTORS

We include a discussion of the principal risks and uncertainties that affect or could affect our business operations under Item 1A on pages 15 through 24 of our Annual Report on Form 10-K for the year ended December 31, 2011 and should be read in conjunction with such disclosures.

ITEM 6. EXHIBITS

(3) Exhibits.

2.1	Amended and Restated Purchase Agreement, dated March 18, 2012, among Ocwen Financial Corporation (solely for purposes of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12), Ocwen Loan Servicing, LLC, Morgan Stanley (solely for purposes of Article 5, Section 7.4, Article 11 and Article 12), SCI Services, Inc., Saxon Mortgage Services, Inc., and Morgan Stanley Mortgage Capital Holdings, LLC (filed herewith)
10.1	Master Servicing Rights Purchase Agreement, dated February 10, 2012, between Ocwen Loan Servicing, LLC and HLSS Holdings, LLC (filed herewith)
10.2	Sale Supplement, dated February 10, 2012, between Ocwen Loan Servicing, LLC and HLSS Holdings, LLC (filed herewith)
10.3	Master Subservicing Agreement, dated February 10, 2012, between Ocwen Loan Servicing, LLC and HLSS Holdings, LLC (filed herewith)
10.4	Subservicing Supplement, dated February 10, 2012, between Ocwen Loan Servicing, LLC and HLSS Holdings, LLC (filed herewith)
10.5	Professional Services Agreement, dated February 10, 2012, between Ocwen Financial Corporation, together with its subsidiaries and affiliates, and HLSS Management, LLC (filed herewith)
11.1	Computation of earnings per share (1)

31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith)

(1) Incorporated by reference from Note 18—Basic and Diluted Earnings per Share to the Interim Consolidated Financial Statements.

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.

OCWEN FINANCIAL CORPORATION

Date: May 4, 2012

By: /s/ John V. Britti
John V. Britti,
Executive Vice President and Chief Financial Officer
(On behalf of the Registrant and as its principal financial officer)

Exhibit 2.1

EXECUTION VERSION

AMENDED AND RESTATED

PURCHASE AGREEMENT

BY AND AMONG

MORGAN STANLEY (solely for purposes of Article 5, Section 7.4, Article 11 and Article 12),

SCI SERVICES, INC.,

SAXON MORTGAGE SERVICES, INC.,

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,

OCWEN FINANCIAL CORPORATION (solely for purposes of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12)

AND

OCWEN LOAN SERVICING, LLC

DATED AS OF March 18, 2012

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EXHIBITS

AMENDED AND RESTATED PURCHASE AGREEMENT

This AMENDED AND RESTATED PURCHASE AGREEMENT (this "Agreement"), dated as of March 18, 2012, is made by and among SCI Services, Inc., a Virginia corporation (the "Company"), Saxon Mortgage Services, Inc., a Texas corporation ("Seller"), Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company ("Parent"), solely for the purposes of Article 5, Section 7.4, Article 11 and Article 12, Morgan Stanley, a Delaware corporation ("Morgan Stanley"), Ocwen Loan Servicing, LLC, a Delaware limited liability company ("Buyer"), and solely for the purposes of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12, Ocwen Financial Corporation, a Florida corporation ("OFC"). The Company, Seller, Parent and Buyer shall be referred to herein from time to time collectively as the "Parties." Capitalized terms used but not otherwise defined herein have the meanings set forth in Section 1.1.

WHEREAS, the Parties (and certain of their Affiliates) entered into a Purchase Agreement, dated as of the Execution Date (the "Original Purchase Agreement");

WHEREAS, the Parties now wish to amend and restate the Original Purchase Agreement in its entirety as set forth herein;

WHEREAS, the transactions set forth in the Restructuring Transactions Step Plan in Exhibit C (the "Restructuring Transactions") have been or will be consummated prior to the Closing Date;

WHEREAS, Parent or an Affiliate of Parent owns the MS Servicing Rights;

WHEREAS, Parent or an Affiliate of Parent will use reasonable best efforts to cause the MS Servicing Rights to be transferred to Seller (the "MSSR Transfer"); and

WHEREAS, the Parties desire that, subject to the terms and conditions hereof, at the Closing, each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, Buyer will acquire from Seller the Closing Purchased Assets and Subsequent Transfer Purchased Assets, as forth herein, and Buyer will assume the Assumed Liabilities as set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
CERTAIN DEFINITIONS

Section 1.1 Definitions. As used in this Agreement, the following terms have the respective meanings set forth below.

"Accounting Firm" has the meaning set forth in Section 2.5(b)(ii).

"Action" means any civil, criminal, investigative or administrative claim, demand, action, suit, charge, citation, complaint, notice of violation, proceeding (public or private), litigation, prosecution, arbitration or inquiry by or before any Governmental Entity whether at law, in equity or otherwise.

"Adjustment Amount" means the amounts (which may be a positive or a negative number) determined in accordance with Exhibit D.

"Affiliate" means, with respect to any Person, any other Person who, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person as of the date on which, or at any time during the period for which, the determination of affiliation is being made.

"Agreement" has the meaning set forth in the introductory paragraph to this Agreement.

"Alternative Debt Financing" has the meaning set forth in Section 7.14(b).

"Ancillary Documents" means each Assignment and Assumption Agreement, each Bill of Sale, the Restricted Subservicing Agreement, the documents used to effect the consummation of the MSSR Transfer and Restructuring Transactions (including, in each case, any and all exhibits, schedules and attachments to such documents and any other documents executed or delivered in connection therewith), in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Ancillary Income" means any and all income, revenue, fees, expenses, charges or other monies that the Seller is entitled to receive, collect or retain as servicer or subservicer pursuant to the Servicing Agreements (other than Servicing Fees), including fees payable to the Seller under HAMP, fees and charges for dishonored checks (insufficient funds fees), payoff fees, assumption fees, late fees, commissions and administrative fees on insurance and similar fees and charges collected from or assessed against mortgagors to the extent payable to the Seller, as servicer or subservicer, under the terms of the Servicing Agreements.

"Applicable Subsequent Transfer Conditions" has the meaning set forth in Section 2.3(b)(i).

"Assignment and Assumption Agreement" means each Assignment and Assumption Agreement to be executed by the Seller and the Buyer on the Closing, each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, substantially in the form of Exhibit A attached hereto.

"Assumed Liabilities" has the meaning set forth in Section 2.2(b).

"Basket Amount" has the meaning set forth in Section 11.4(a).

"Bill of Sale" means each Bill of Sale to be executed by the Seller and the Buyer at the Closing Date, each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, substantially in the form of Exhibit B attached hereto.

"Burdensome Condition" means (x) any condition that would reasonably be likely to constitute a Material Adverse Effect or (y) any condition that would reasonably be likely to materially impair the ability of OFC or its Subsidiaries to continue to conduct their respective businesses (including the Business) following the Closing substantially in the manner conducted immediately prior to the Closing (after giving effect to any changes relating to the Business as contemplated by this Agreement and the Ancillary Documents).

"Business" has the meaning set forth on Section 1.1(a) of the Disclosure Schedules.

"Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of business.

"Buyer" has the meaning set forth in the introductory paragraph to this Agreement.

"Buyer Fundamental Representations and Warranties" means the representations and warranties of (i) Buyer set forth in Section 6.1 (Organization), Section 6.2 (Authority) and Section 6.5 (Brokers) and (ii) OFC set forth in Section 6.11 (Organization and Authority of OFC).

"Buyer Indemnitee" has the meaning set forth in Section 11.2(a).

"Buyer Trigger Conditions" has the meaning set forth in Section 10.2(b)(ii).

"Calculation Time" means, as applicable, 12:01 A.M. New York time on the Closing Date, each Subsequent Transfer Date and the Subsequent Transfer Clean-Up Date, as applicable.

"Claims" means any and all past, existing or future, claims, demands, obligations, liabilities, debt, obligation or commitments of any kind, whether known or unknown, suspect or unsuspected, at law or in equity, solely arising from or related to any act or omission by any Group Company prior to the Closing.

"Closing" has the meaning set forth in Section 2.3(a).

"Closing Assets Purchase Price" means $1,451,487,000 plus the MSR Premium.

"Closing Assumed Liabilities" has the meaning set forth in Section 2.2(a).

"Closing Date" has the meaning set forth in Section 2.3(a).

"Closing Date Mortgage Loans" means the Mortgage Loans serviced by Seller or a Seller Affiliate under the Closing Date Servicing Agreements.

"Closing Date Servicing Agreement" means any Servicing Agreement listed on Section 3.9(a)(i) of the Disclosure Schedules.

"Closing Excluded Liabilities" has the meaning set forth in Section 2.2(c).

"Closing Excluded Taxes" means: (a) all Taxes owed by Morgan Stanley, Parent, Seller, the Group Companies or any of their respective Affiliates for any period, other than any Taxes imposed with respect to the Closing Purchased Assets or the Closing Assumed Liabilities or the income derived therefrom for any Post-Closing Period; (b) all Taxes relating to the Closing Excluded Liabilities for any period; and (c) all Taxes relating to the Closing Purchased Assets (including the income derived therefrom) or the Closing Assumed Liabilities imposed with respect to or otherwise attributable to any Pre-Closing Period.

"Closing Payment" means the (i) Closing Assets Purchase Price, plus (ii) the Estimated Adjustment Amount (which may be a positive or negative number) calculated in respect of the Purchased Assets.

"Closing Purchased Assets" has the meaning set forth in Section 2.1(a).

"Closing Statement" has the meaning set forth in Section 2.5(b)(i).

"Closing Statement Date" has the meaning set forth in Section 2.5(b)(i).

"Closing Statement Date Shortfall Amount" has the meaning set forth in Section 2.5(b)(i).

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time.

"Committed Lenders" means Credit Suisse AG, New York Branch, Wells Fargo Bank, National Association and their successors and assigns.

"Common Interest Matters" has the meaning set forth in Section 7.8(f).

"Company" has the meaning set forth in the introductory paragraph to this Agreement.

"Confidentiality Agreement" has the meaning set forth in Section 7.5(a).

"Contract" means any written or oral agreement, contract, commitment, instrument, undertaking, loan agreement, credit agreement, note, bond, mortgage, indenture, lease or other obligation (but excluding any Licenses and Permits), in each case which is legally binding, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Control" means, as to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, equity or debt interests, by Contract or otherwise. The terms "Controlled", "Controlled by", "under common Control with" and "Controlling" shall have correlative meanings. For the purposes of this Agreement, Morgan Stanley shall be deemed not to be Controlled by any Person. For the purposes of this Agreement, OFC shall be deemed not to be Controlled by any Person

"Controlling Party" has the meaning set forth in Section 11.3(e).

"Conversion Plan" has the meaning set forth in Section 7.15(b).

"Criminal Third Party Claim" has the meaning set forth in Section 11.3(g).

"Custodial Account" means (i) each trust account maintained by the Company or any of its Subsidiaries, as servicer, pursuant to the Servicing Agreements, for the benefit of the applicable trustee and/or the applicable noteholders or certificateholders and (ii) any amounts deposited or maintained therein.

"Custodial Account Funded Advances" means, at any time, the aggregate amount of Servicer Advances of delinquent principal and interest payment on Mortgage Loans required under the related Servicing Agreements, which the servicer has either funded or reimbursed using funds on deposit in the related Custodial Account that were held for distribution on a future distribution date, less all amounts paid by the servicer into such Custodial Accounts to reimburse such Custodial Accounts for amounts used to fund or reimburse such Servicer Advances.

"Custodial File" means, with respect to any Mortgage Loan, all of the documents maintained on file with a document custodian or trustee with respect to such Mortgage Loan.

"De Minimis Threshold" has the meaning set forth in Section 11.4(c).

"Debt Commitment Letters" has the meaning set forth in Section 6.6(a).

"Debt Financing" has the meaning set forth in Section 6.6(a).

"Defendant Party" has the meaning set forth in Section 7.8(h).

"Definitive Shortfall Amount" has the meaning set forth in Section 2.5(b)(i).

"Delivery Date" has the meaning set forth in Section 7.11.

"Disclosure Schedules" means the disclosure schedules dated as of the date of this Agreement and delivered by Seller to Buyer prior to the execution and delivery of this Agreement.

"Eligible Assets" has the meaning set forth in Section 2.3(b)(ii).

"Eligible MSRs" has the meaning set forth in Section 2.5(g)(iii).

"Estimated Adjustment Amount" has the meaning set forth in Section 2.5(a).

"Estimated Closing Statement" has the meaning set forth in Section 2.5(a).

"Estimated Shortfall Amount" has the meaning set forth in Section 2.5(a).

"Excluded Liabilities" has the meaning set forth in Section 2.2(d).

"Execution Date" means October 19, 2011.

"Expiration Date" has the meaning set forth in Section 11.1(a).

"Federal Funds Rate" means the offered rate as reported in The Wall Street Journal (Eastern Edition) in the "Money Rates" section for reserves traded among commercial banks for overnight use in amounts of one million dollars or more or, if no such rate is published for a day, the rate published for the preceding Business Day, calculated on a daily basis based on a 365-day year.

"FHLMC" means the Federal Home Loan Mortgage Corporation or any successor thereto.

"Final Closing Shortfall Amount" has the meaning set forth in Section 2.5(d)(ii).

"Final Definitive Shortfall Amount" has the meaning set forth in Section 2.5(d)(iii).

"Final Purchase Price" has the meaning set forth in Section 2.5(d)(i).

"FNMA" means the Federal National Mortgage Association or any successor thereto.

"GAAP" means United States generally accepted accounting principles.

"Global Subservicing Agreement" means the subservicing agreement between Seller and the Buyer on substantially the same terms contained in the form attached hereto as Exhibit I with such modifications as reasonably agreed between the Parties.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example (but not limited to the following), the "Governing Documents" of a corporation are its certificate of incorporation or articles of incorporation and bylaws, the "Governing Documents" of a limited partnership are its limited partnership agreement and certificate of limited partnership and the "Governing Documents" of a limited liability company are its operating agreement and certificate of formation.

"Governmental Entity" means (i) any federal, state, local, municipal, foreign or other government (including any political or other subdivision or judicial, legislative, executive, regulatory or administrative entity, branch, agency, department, board, bureau, commission, authority or other body of any of the foregoing), (ii) any governmental, quasi governmental entity of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal), whether foreign or domestic, (iii) any body exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature, whether foreign or domestic or (iv) any of the GSEs.

"Group Companies" means, collectively, the Company and each of its Subsidiaries after giving effect to the Restructuring Transactions.

"GSEs" means FNMA, FHLMC, the Federal Housing Administration, the Government National Mortgage Association and Federal Home Loan Banks.

"HAMP" means the Home Affordable Modification Program created under the Emergency Economic Stabilization Act of 2008.

"HELOC Loans" has the meaning set forth in Section 2.3(b).

"HELOC Loans Setup Date" has the meaning set forth in Section 2.3(b).

"HSR Act" means the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

"HUD" means the United States Department of Housing and Urban Development or any successor thereto.

"Indemnified Party" has the meaning set forth in Section 11.3(a).

"Insurance Policies" has the meaning set forth in Section 3.17.

"Integration Coordinators" has the meaning set forth in Section 7.3(b).

"Latest Balance Sheet" has the meaning set forth in Section 3.6(a).

"Law" means any federal, state, local, municipal, foreign, international, multinational or other administrative order, code, constitution, law, ordinance, principle of common law, rule, regulation, statute, or treaty.

"Liability" means any liability, debt, obligation, commitment, guaranty, claim, loss, damage, deficiency, fine, cost or expense of any kind, whether relating to payment, performance or otherwise, known or unknown, asserted or unasserted, accrued or unaccrued, liquidated or unliquidated, fixed, absolute or contingent.

"Licenses and Permits" means, collectively, all licenses, registrations, permits, orders, franchises, variances, exemptions, exceptions, consents, clearances, filings, approvals and certificates of occupancy now or hereafter issued, approved, required or granted by any Governmental Entity in connection with the operations of the Group Companies, together with all renewals and modifications thereof.

"Lien" means any mortgage, pledge, security interest, encumbrance or lien.

"Loan File" means, with respect to each Mortgage Loan, (i) the Custodial File and all other documents, instruments, agreements and records in the possession of the Seller relating to such Mortgage Loan that are reasonably necessary for the servicing of such Mortgage Loan and (ii) the right (if any) to request or demand copies of any document, instrument, agreement or record relating to such Mortgage Loan under the applicable Servicing Agreement or applicable Mortgage Loan documents.

"Loss" has the meaning set forth in Section 11.2(a).

"Loss Sharing Claim" means any Action, whenever made (including, without limitation, all Pending Claims and Ordinary Course Claims), by any third party against any Seller Indemnitee or any Buyer Indemnitee (other than those Actions which are included within any Retained Liability) resulting from or arising out of any actual or alleged breach or violation of Law, License or Permit or Contract (other than this Agreement or any Ancillary Document) by any Group Company prior to Closing, in each case in connection with the performance of any mortgage servicing activities (including, without limitation, payment collections, loss mitigation activities, loan modifications, foreclosures, evictions or similar activities) by any of the Group Companies, whether pursuant to any Servicing Agreement or otherwise; provided, however, that Loss Sharing Claims shall not include any (i) Retained Liability (except as provided in clause (i) of paragraph (7) of Section 1.1(e) of the Disclosure Schedules) or (ii) any Liabilities that OFC or any of its Affiliates has, or may have in the future, under its subservicing arrangements existing on the date hereof.

"Material Adverse Effect" means any change, development, circumstance, effect, event or fact that has had a material adverse effect upon the Purchased Assets or the Assumed Liabilities, taken as a whole; provided, however, that any such change, development, circumstance, effect, event or fact arising from or related to: (i) conditions affecting the United States economy generally, the housing or mortgage market or the mortgage servicing industry, (ii) any national or international political conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in GAAP, (v) changes in any Law or other general binding directives issued by any Governmental Entity, (vi) effects or conditions resulting from the announcement of the transactions contemplated by this Agreement or the identity of Buyer (including employee departures), (vii) any material failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the Execution Date; provided that any change, effect, event or occurrence that caused or contributed to such failure to meet projections, forecasts or predictions shall not be excluded pursuant to this clause (vii), (viii) settlements or agreements entered into between one or more mortgage servicers, on the one hand, and a Governmental Entity or Governmental Entities, on the other, (ix) any increases or decreases in servicing advances, (x) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, including the completion of the transactions contemplated hereby and thereby; provided that, for the purposes of this clause (x) only, any action taken by the Group Companies to comply with Section 7.1(a) and (b) shall not be deemed to be an action contemplated by this Agreement, (xi) any adverse change in or effect on the Purchased Assets or the Assumed Liabilities that is cured prior to the Closing, or (xii) any development related to litigation, regulatory matters or compliance with Law, Licenses or Permits that is adverse to the Group Companies (except for unforeseen regulatory action directed exclusively against the Company (the substance of which is not also directed at other mortgage loan servicers, whether or not supervised by the same Governmental Entities as the Company) that materially and adversely restricts the Company's long term ability to perform its obligations under its Servicing Agreements, in each case, shall not be taken into account in determining whether a "Material Adverse Effect" has occurred; provided, further, however, that any change, development, circumstance, effect, event or fact referred to in clauses (i) through (v) may be taken into account in determining whether or not there has been a "Material Adverse Effect" to the extent such change, development, circumstance, effect, event or fact has a materially disproportionate adverse affect on the Purchased Assets or the Assumed Liabilities, taken as a whole, as compared to other mortgage servicers similar to the Group Companies (in which case the incremental materially disproportionate impact or impacts may be taken into account in determining whether or not there has been or may be a "Material Adverse Effect").

"Materials" means (i) all previously prepared memoranda of law and all analyses and materials related to an MS Claim, (ii) all agreements, contracts and other memoranda, including preparatory materials, drafts and all oral and written communications pertaining to an MS Claim, and (iii) any documents or other information relating to an MS Claim that would otherwise be protected by any applicable privilege or work product protection from disclosure to third parties other than the Parties hereto. For the avoidance of doubt, Materials shall not include any information relating to a Party which is or becomes publicly available other than through a breach of this Agreement by the disclosing Party.

"Mortgage Loan" means any residential mortgage loan, chattel loan or other loan or extension of credit (including any related REO Property and all Mortgage Loans subject to HAMP, including any Mortgage Loans in a trial modification period or as to which a modification is in process) with respect to which the Seller owns (or will, following the MSSR Transfer, own) the Servicing Rights as of the Closing Date, the applicable Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date.

"MS Claim" means any claim or Action (including any repurchase demand or claim) brought or made against any Seller Indemnitee, including claims made prior to the commencement of an Action (including, without limitation, in the form of correspondence from a borrower, investor or financial guarantor) in respect of any residential mortgage loan, chattel loan or other loan for which any Group Company is or was the holder of the Servicing Rights, or otherwise relating to or arising from the conduct or operations of the Company or its Subsidiaries, including any claim or Action resulting from or arising out of any act or omission, an actual or alleged breach or violation of Law, License or Permit or Contract by the Company or any of its Subsidiaries, in each case in connection with the performance by the Company or any of its Subsidiaries of its obligations under Servicing Agreements or any sub-servicing arrangements, or otherwise related to any mortgage loan in respect of which the Company or any of its Subsidiaries performed servicing, subservicing, administrative, ministerial, due diligence or other related functions on behalf of or at the request of Morgan Stanley, Parent or any of its Affiliates.

"MS Names and Marks" has the meaning set forth in Section 7.10(a).

"MS Servicing Rights" means the Servicing Rights identified on Section 1.1(c) of the Disclosure Schedules.

"MSR Premium" means $43,600,750.

"MSSR Servicing Agreements" has the meaning set forth in Section 2.5(e).

"MSSR Transfer" shall have the meaning set forth in the recitals to this Agreement.

"New Debt Commitment Letter" has the meaning set forth in Section 7.14(b).

"Non-Controlling Party" has the meaning set forth in Section 11.3(e).

"Notice of Claim" has the meaning set forth in Section 11.2(c).

"Objection" has the meaning set forth in Section 2.5(b)(ii).

"Objection Notice" has the meaning set forth in Section 2.5(b)(ii).

"OFC" has the meaning set forth in the introductory paragraph to this Agreement.

"Ordinary Course Claim" means any Action against any of the Group Companies or any properties or rights of the Group Companies, which (a) if adversely decided, would not reasonably be expected to result in monetary damages in excess of $350,000, (b) does not challenge or seek to prevent, enjoin or delay the transactions contemplated by the Transaction Agreements or (c) does not involve allegations of criminal behavior regarding the properties, assets and operations of any of the Group Companies, the Business or any of its employees.

"Ordinary Course of Business" has the meaning set forth in Section 3.7.

"Original Commitment Letters" has the meaning set forth in Section 7.11.

"Parent" has the meaning set forth in the introductory paragraph to this Agreement.

"Parties" has the meaning set forth in the introductory paragraph to this Agreement.

"Pending Claim" means any Action pending or threatened as of the Execution Date including those set forth on Section 3.13 of the Disclosure Schedules.

"Permitted Liens" means (i) mechanics', materialmen's, carriers', repairers' and other Liens arising or incurred in the ordinary course of business for amounts that are not yet delinquent or are being contested in good faith, (ii) Liens for Taxes, assessments or other governmental charges not yet due and payable as of the Closing Date or which are being contested in good faith by appropriate proceedings (if applicable), (iii) encumbrances and restrictions on real property (including easements, covenants, conditions, rights of way and similar restrictions) which would not be reasonably likely to materially interfere with the Group Companies' present uses or occupancy of such real property, (iv) Liens which would not be reasonably likely to materially interfere with the Group Companies' present uses or occupancy of the real property or assets affected thereby, (v) Liens granted to any lender at the Closing in connection with any financing by Buyer of the transactions contemplated hereby, (vi) zoning, building codes and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Entity having jurisdiction over such real property, (vii) matters that would be disclosed by an accurate survey or inspection of the real property which would not be reasonably likely to materially interfere with the Group Companies' present uses or occupancy of the real property affected thereby, (viii) Liens described on Section 1.1(d) of the Disclosure Schedules and (ix) any Lien or other matter affecting the right, title or interest of a licensor, sublicensor, lessor or sublessor under any license, sublicense, lease or sublease agreement or in the property being licensed, sublicensed, leased or subleased, and any statutory Lien of any licensor, sublicensor, lessor or sublessor under a real property license, sublicense, lease or sublease, in each case, which would not be reasonably likely to materially interfere with the Group Companies' present uses or occupancy of the property or assets affected thereby.

"Person" shall mean any individual, partnership, corporation, limited liability company, limited liability partnership, joint stock company, unincorporated organization or association, trust, joint venture, association, Governmental Entity or other similar entity, whether or not a legal entity.

"Post-Closing Period" means any taxable period (or portion thereof) beginning after the Closing Date.

"Pre-Closing Period" means any taxable period (or portion thereof) ending on or prior to the Closing Date.

"Post-Subsequent Transfer Period" means any taxable period (or portion thereof) beginning after the applicable Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable.

"Pre-Subsequent Transfer Period" means any taxable period (or portion thereof) ending on or prior to the applicable Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable.

"Purchased Assets" has the meaning set forth in Section 2.1(b).

"Purchase Price" means the (i) Closing Assets Purchase Price plus (ii) the Adjustment Amount (which may be a positive or negative number) as finally determined in accordance with Section 2.5(b).

"Related Escrow Accounts" means all funds held by the Company and its Subsidiaries in respect of the Mortgage Loans (other than the Custodial Accounts) for the benefit of the mortgagors, including all buy-down funds, tax and insurance funds and other escrow and impound amounts (including interest accrued thereon held for the benefit of the mortgagors).

"Remaining Subsequent Transfer Assets" has the meaning set forth in Section 2.3(b)(i).

"REO Property" means real estate, owned property and chattels resulting from the foreclosure or repossession of such property by a Group Company.

"Required Financials" has the meaning set forth in Section 7.18.

"Responsible Party" has the meaning set forth in Section 11.3(a).

"Restricted Servicing Rights" has the meaning set forth in Section 2.5(g)(i).

"Restricted Subservicing Agreement" has the meaning set forth in Section 2.5(g)(i).

"Restructuring Transactions" has the meaning set forth in the recitals to this Agreement.

"Retained Liability" means any Losses associated with the Actions set forth on Section 1.1(e) of the Disclosure Schedules. For the avoidance of doubt, except as provided on Section 1.1(e) of the Disclosure Schedules, "Retained Liability" shall not include, without limitation, (i) Losses suffered or paid, directly or indirectly, as a result of, in connection with, or arising out of Actions with respect to loan origination or related activity against a Group Company in any capacity (such as servicer or sub-servicer) other than in its capacity as sponsor, originator or depositor or (ii) any Liabilities that OFC or any of its Affiliates has, or may have in the future, under its subservicing arrangements existing on the date hereof.

"Seller" has the meaning set forth in the introductory paragraph to this Agreement.

"Seller Fundamental Representations and Warranties" means the representations and warranties of (i) the Company and Seller set forth in Section 3.1(a) (Organization), Section 3.2 (Authority), Section 3.22 (Title to Purchased Assets) and Section 3.23 (Brokers and Finders), (ii) Parent set forth in Section 4.1 (Organization; Authority), Section 4.3 (Ownership) and Section 4.6 (Brokers) and (iii) Morgan Stanley set forth in Section 5.1 (Organization and Authority).

"Seller Indemnitee" has the meaning set forth in Section 11.2(b).

"Servicer Advances" means, with respect to a Mortgage Loan, servicing advances for delinquent principal, interest, tax or insurance payments or for property protection expenses or other servicing advances of any type.

"Servicer Advance Receivable" means, with respect to any Servicer Advances, the contractual right to reimbursement pursuant to the terms of the applicable Servicing Agreement for such Servicer Advances made by the Seller in its capacity as servicer or subservicer pursuant to such Servicing Agreement, which Servicer Advances have not previously been reimbursed, and including all rights of the servicer to enforce payment of such obligation under the related Servicing Agreement.

"Servicing Agreement" means any Contract pursuant to which Seller is obligated to a third party to administer, collect and remit payments of principal and interest, to collect and forward payments of Taxes and insurance, to administer escrow accounts, and to foreclose, repossess or liquidate collateral after default, or serve as a subservicer, for any Mortgage Loan.

"Servicing Agreement Consents" means the requisite consents under the Servicing Agreements listed on Section 3.5 of the Disclosure Schedules.

"Servicing Fees" means all compensation payable to the Seller as servicer under the Servicing Agreements, including each servicing fee payable based on a percentage of the outstanding principal balance of the Mortgage Loans and any other amounts payable to the Seller as servicer (including any deferred or accrued Servicing Fees, as reflected on the Estimated Closing Statement) under the Servicing Agreements, but excluding all Ancillary Income.

"Servicing Rights" means, with respect to any Mortgage Loan, all of Seller's right, title and interest in and to (a) the right and obligation to administer, collect and remit payments of principal and interest, and to provide reporting information to others in accordance with the related Servicing Agreement, (b) to collect and forward payments of Taxes, insurance and other escrow amounts, (c) the Custodial Accounts (and the earnings and benefits related thereto) and the right to administer escrow accounts (including the Related Escrow Accounts) and any and all custodial or escrow accounts established for the servicing of the Mortgage Loans, including, to the extent provided in the applicable Servicing Agreement, any right to direct the disposition, disbursement, distribution on or investment of amounts deposited therein, (d) the provision of all other services required with regard to such Mortgage Loan, (e) the right to receive all Servicing Fees, Ancillary Income and other contractually provided compensation for such services and to exercise any rights as a servicer or subservicer pursuant to the related Servicing Agreement, (f) the right of ownership, possession, control and use of any and all Loan Files and other relevant documents and accounts pertaining to the servicing of the Mortgage Loans to the extent provided to Seller in any Servicing Agreement, (g) the rights with respect to, and obligations to make, any Servicer Advances as required pursuant to any Servicing Agreement, (h) the "clean-up call" right, if any, to purchase the Mortgage Loans upon the aggregate principal balance thereof being reduced below a specified amount to the extent provided to Seller in any Servicing Agreement, (i) the right to enter into arrangements that generate Ancillary Income in respect of the Mortgage Loans to the extent provided to Seller or otherwise permitted under any Servicing Agreement, and (j) all other rights, powers and privileges of Seller as the servicer or subservicer under the Servicing Agreements as expressly set forth therein or as deemed at law.

"Servicing Transfer" has the meaning set forth in Section 7.17.

"Shared Defendant Party" has the meaning set forth in Section 7.8(h).

"Shared Litigation" has the meaning set forth in Section 7.8(h).

"Shared Loss Cap" means an amount equal to $83,000,000.

"Shortfall Amount" means the sum of any reconciled shortfalls net of excess amounts (expressed as a positive number), if any, contained in the Custodial Accounts and Related Escrow Accounts as of the Closing Date, other than any shortfalls in the Custodial Accounts as of the Closing Date resulting from the use by or on behalf of the Company or its Subsidiaries of funds on deposit in such Custodial Accounts in respect of any Custodial Account Funded Advances. A "shortfall" in any Custodial Account or Related Escrow Account on any date means the amount by which amounts required to be on deposit therein pursuant to the related Servicing Agreement exceeds the amount on deposit therein.

"Shortfall Statement" has the meaning set forth in Section 2.5(b)(i).

"Subsequent Transfer Assumed Liabilities" has the meaning set forth in Section 2.2(b).

"Subsequent Transfer Buyer Bringdown Certificate" means each Subsequent Transfer Buyer Bringdown Certificate to be executed by the Buyer and delivered to Seller on each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, substantially in the form of Exhibit G attached hereto.

"Subsequent Transfer Clean-Up Date" has the meaning set forth in Section 2.3(b)(i).

"Subsequent Transfer Date" has the meaning set forth in Section 2.3(b).

"Subsequent Transfer Excluded Liabilities" has the meaning set forth in Section 2.2(d).

"Subsequent Transfer Excluded Taxes" means: (a) all Taxes owed by Morgan Stanley, Parent, Seller, the Group Companies or any of their respective Affiliates for any period other than any Taxes imposed with respect to the applicable Subsequent Transfer Purchased Assets or the applicable Subsequent Transfer Assumed Liabilities or the income derived therefrom for any applicable Post-Subsequent Transfer Period; (b) all Taxes relating to the applicable Subsequent Transfer Excluded Liabilities for any period; and (c) all Taxes relating to the applicable Subsequent Transfer Purchased Assets (including the income derived therefrom) or the applicable Subsequent Transfer Assumed Liabilities imposed with respect to or otherwise attributable to any Pre-Subsequent Transfer Period.

"Subsequent Transfer Mortgage Loans" means the Mortgage Loans serviced by Seller or a Seller Affiliate under the Subsequent Transfer Servicing Agreements.

"Subsequent Transfer Purchased Assets" has the meaning set forth in Section 2.1(b).

"Subsequent Transfer Seller Bringdown Certificate" means each Subsequent Transfer Seller Bringdown Certificate to be executed by the Seller and delivered to Buyer on each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, substantially in the form of Exhibit F attached hereto.

"Subsequent Transfer Servicing Agreement" means any Servicing Agreement listed on Section 3.9(a)(ii) of the Disclosure Schedules.

"Subservicing Termination Date" has the meaning set forth in Section 2.5(g)(i).

"Subsidiary" means, with respect to any Person, (a) any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of capital stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or Controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of such Person or a combination thereof or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or Controlled, directly or indirectly, by such Person or one or more Subsidiaries of such Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be a, or Control any, managing director or general partner of such business entity (other than a corporation) or (b) another Person the accounts of which would be consolidated with and into those of the first Person in such first Person's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date. The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"Tax" or "Taxes" means any tax, governmental fee or other like assessment or charge of any kind, including income, gross receipts, franchise, estimated, alternative minimum, add on minimum, sales, use, transfer, real property gains, registration, value added, ad valorem excise, severance, stamp, occupation, windfall profits, customs duties, real property, personal property, capital stock, social security (or similar), unemployment, disability, payroll, license, employee or other withholding tax, and any interest, penalties or additions to tax in respect of the foregoing.

"Tax Returns" means all reports, returns, information returns, elections, agreements, declarations or other documents of any nature or kind (including any attached schedules, supplements and additional or supporting material) filed or required to be filed with respect to Taxes, including any claim for refund, amended return or declaration of estimated Taxes (and including any amendments with respect thereto).

"Termination Date" has the meaning set forth in Section 10.1(d).

"Termination Fee" has the meaning set forth in Section 10.2(b).

"Third Party Claim" has the meaning set forth in Section 11.3(a).

"Top Mortgage Servicers" means the twenty (20) largest residential mortgage servicers by market share as set forth in "Inside Mortgage Finance", Ocwen Loan Servicing, LLC and Litton Loan Servicing LP.

"Transaction Agreements" means, collectively, this Agreement and the Ancillary Documents.

"Transfer Taxes" has the meaning set forth in Section 8.1.

"UPB" has the meaning set forth in Section 7.17(a).

ARTICLE 2
PURCHASE AND SALE

Section 2.1 Purchased Assets.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyer will purchase, acquire and accept from Seller, and Seller will sell, convey, assign, transfer and deliver to Buyer, all of Seller's right, title and interest in and to the following assets (the "Closing Purchased Assets"), solely to the extent related to the Closing Date Mortgage Loans (other than with respect to the assets set forth in Section 2.1(a)(ii)(c)), free and clear of all Liens (other than those arising from acts of Buyer or its Affiliates):

(i) subject to the receipt of the applicable Servicing Agreement Consents (but subject to Section 2.5(g)), the Servicing Rights and the Servicing Agreements including (A) all Servicing Fees accrued but not collected as of the Calculation Time and all late fees and Ancillary Income due or assessed but not collected as of the Calculation Time and (B) all rights to receive (1) reimbursement pursuant to the Servicing Agreements for Servicer Advances outstanding as of the Calculation Time and (2) Servicing Fees that are accrued and unpaid with respect to the Servicing Agreements as of the Calculation Time;

(ii) any and all Servicer Advance Receivables that are outstanding as of the Closing (which, for the avoidance of doubt, shall include any and all Servicer Advance Receivables related to (a) the Closing Purchased Assets, (b) the Restricted Servicing Rights and (c) the Subsequent Transfer Mortgage Loans);

(iii) all causes of action, lawsuits, judgments, claims, refunds, choses in action, rights of recovery, rights of set-off, rights of recoupment, demands and any other rights or Claims of any nature, whether arising by way of counterclaim or otherwise, available to or being pursued by Seller against any mortgagor to the extent related exclusively to the Closing Purchased Assets and/or Closing Assumed Liabilities, whether pending as of the Closing Date or that arise after the Closing Date; provided, however, that the Closing Purchased Assets shall not include any claim or right of reimbursement or indemnity against any Person held by Seller in respect of any Excluded Liability; and

(iv) all credits, prepaid expenses, deferred charges, security deposits, prepaid items and duties as of the Calculation Time to the extent related to the Closing Date Mortgage Loans.

(b) Upon the terms and subject to the conditions set forth in this Agreement, following the Closing, (i) at each Subsequent Transfer Date and, subject to Section 2.3(b), upon satisfaction of the Applicable Subsequent Transfer Conditions and (ii) with respect to the Remaining Subsequent Transfer Assets, on the Subsequent Transfer Clean-Up Date, as applicable, Buyer will acquire and accept from Seller, and Seller will convey, assign, transfer and deliver to Buyer, all of Seller's right, title and interest in and to the following assets, solely to the extent related to (x) the applicable Subsequent Transfer Mortgage Loans for which the Applicable Subsequent Transfer Conditions have been obtained or (y) the Remaining Subsequent Transfer Assets as of the Subsequent Transfer Clean-Up Date, as applicable, (the "Subsequent Transfer Purchased Assets" and together with the Closing Purchased Assets, the "Purchased Assets"), free and clear of all Liens (other than those arising from acts of Buyer or its Affiliates):

(i) the Servicing Rights and the Servicing Agreements including (A) all Servicing Fees accrued but not collected as of the applicable Calculation Time and all late fees and Ancillary Income due or assessed but not collected as of the applicable Calculation Time and (B) all rights to receive (1) reimbursement pursuant to the Servicing Agreements for Servicer Advances outstanding as of the applicable Calculation Time and (2) Servicing Fees that are accrued and unpaid with respect to the Servicing Agreements as of the applicable Calculation Time;

(ii) subject to Section 2.1(a)(ii) above, all Servicer Advance Receivables relating to the Subsequent Transfer Mortgage Loans that are outstanding as of the applicable Calculation Time;

(iii) all causes of action, lawsuits, judgments, claims, refunds, choses in action, rights of recovery, rights of set-off, rights of recoupment, demands and any other rights or Claims of any nature, whether arising by way of counterclaim or otherwise, available to or being pursued by Seller against any mortgagor to the extent related exclusively to the Subsequent Transfer Purchased Assets and/or Subsequent Transfer Assumed Liabilities, whether pending as of the applicable Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, or that arise after the Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable; provided, however, that the Subsequent Transfer Purchased Assets shall not include any claim or right of reimbursement or indemnity against any Person held by Seller in respect of any Excluded Liability;

(iv) all credits, prepaid expenses, deferred charges, security deposits, prepaid items and duties as of the Calculation Time to the extent related to the Subsequent Transfer Purchased Assets; and

(v) the assets set forth on Section 2.1(b)(v) of the Disclosure Schedules.

Section 2.2 Assumption of Liabilities; Excluded Liabilities.

(a) Upon the terms and subject to the conditions set forth in this Agreement, at the Closing, Buyer will assume and shall agree to perform and discharge the following Liabilities related to the Closing Purchased Assets (the "Closing Assumed Liabilities"):

(i) without limiting the obligations of either Morgan Stanley, Seller and Parent under Section 11.2(a) or Buyer and OFC under Section 11.2(b), all Liabilities related to the Closing Purchased Assets;

(ii) all Liabilities arising from or related to the conduct of the Business or the use of the Closing Purchased Assets to the extent in respect of any period from and after the Closing Date, including all Liabilities arising from any litigation relating to the conduct of the Business from and after the Closing Date or the use of the Closing Purchased Assets from and after the Closing Date;

(iii) all Liabilities to reimburse, restore or repay all Shortfall Amounts (including any Custodial Account Funded Advances) to the related Custodial Accounts and Related Escrow Accounts; and

(iv) all Liabilities set forth on Section 2.2(a)(iv) of the Disclosure Schedules.

(b) Upon the terms and subject to the conditions set forth in this Agreement, (i) at each Subsequent Transfer Date, upon satisfaction of the Applicable Subsequent Transfer Conditions and (ii) with respect to the Remaining Subsequent Transfer Assets, on the Subsequent Transfer Clean-Up Date, as applicable, Buyer will assume and shall agree to perform and discharge the following Liabilities, solely to the extent related to (x) the applicable Subsequent Transfer Mortgage Loan for which the Applicable Subsequent Transfer Conditions have been satisfied or (y) the Remaining Subsequent Transfer Assets as of the Subsequent Transfer Clean-Up Date, as applicable (the "Subsequent Transfer Assumed Liabilities" and together with the Closing Assumed Liabilities, the "Assumed Liabilities"):

(i) without limiting the obligations of Morgan Stanley, Seller and Parent under Section 11.2(a) or Buyer and OFC under Section 11.2(b), all Liabilities related to the Subsequent Transfer Purchased Assets;

(ii) all Liabilities arising from or related to the conduct of the Business or the use of the Subsequent Transfer Purchased Assets to the extent in respect of any period from and after the applicable Subsequent Transfer Date or Subsequent Transfer Clean-Up Date, as applicable, including all Liabilities arising from any litigation relating to the conduct of the Business from and after the applicable Subsequent Transfer Date or Subsequent Transfer Clean-Up Date, as applicable, or the use of the Subsequent Transfer Purchased Assets from and after the applicable Subsequent Transfer Date or Subsequent Transfer Clean-Up Date, as applicable;

(iii) all Liabilities to reimburse, restore or repay all Shortfall Amounts (including any Custodial Account Funded Advances) to the related Custodial Accounts and Related Escrow Accounts; and

(iv) all Liabilities set forth on Section 2.2(b)(iv) of the Disclosure Schedules.

(c) Notwithstanding Section 2.2(a), from and after the Closing, Seller shall retain, and shall be responsible for paying, performing and discharging when due (and the Buyer shall not assume, or have any responsibility for, any and all Liabilities of Morgan Stanley, Parent, Seller, the Group Companies or any of their respective Affiliates, whether past, present or future, other than the Closing Assumed Liabilities, including the following Liabilities (the "Closing Excluded Liabilities"):

(i) until such time as (i) the Applicable Subsequent Transfer Conditions are satisfied with respect to the related Subsequent Transfer Purchased Assets or (ii) the Subsequent Transfer Clean-Up Date has occurred, with respect to the Remaining Subsequent Transfer Assets, as applicable, the Subsequent Transfer Assumed Liabilities;

(ii) the Closing Excluded Taxes; and

(iii) all Liabilities set forth on Section 2.2(c)(iii) of the Disclosure Schedules.

(d) Notwithstanding Section 2.2(b), from and after (i) each Subsequent Transfer Date or (ii) the Subsequent Transfer Clean-Up Date, with respect to the Remaining Subsequent Transfer Assets, as applicable, Seller shall retain, and shall be responsible for paying, performing and discharging when due, and the Buyer shall not assume, or have any responsibility for, any and all Liabilities of Morgan Stanley, Parent, Seller, the Group Companies or any of their respective Affiliates whether past, present or future, other than applicable Subsequent Transfer Assumed Liabilities related to the applicable Subsequent Transfer Mortgage Loans which have been assumed by Buyer in accordance with Section 2.2(b), including the following Liabilities (the "Subsequent Transfer Excluded Liabilities" and together with the Closing Excluded Liabilities, the "Excluded Liabilities"):

(i) the Subsequent Transfer Assumed Liabilities related to any Subsequent Transfer Mortgage Loan which has not then been transferred to Buyer pursuant to Sections 2.1(b) and 2.3(b);

(ii) the Subsequent Transfer Excluded Taxes; and

(iii) all Liabilities set forth on Section 2.2(d)(iii) of the Disclosure Schedules.

Section 2.3 Closing of the Transactions Contemplated by this Agreement.

(a) Closing. The consummation of the sale of the Closing Purchased Assets shall take place at 10:00 a.m., New York time, on (i) the third (3rd) Business Day after satisfaction (or waiver) of the conditions set forth in Article 9 (the "Closing") (other than those conditions to be satisfied by the delivery of documents or taking of any other action at the Closing by any Party) at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 or (ii) such other time, date or place as agreed to in writing by Buyer and Seller (the date on which the Closing occurs, the "Closing Date"); provided that the Closing Date shall not occur prior to April 2, 2012.

(b) Subsequent Transfers.

(i) From and after the date hereof, the Buyer shall use its reasonable best efforts to enable its servicing system to service the Subsequent Transfer Mortgage Loans under the Servicing Agreements set forth on Section 2.3(b)(i) of the Disclosure Schedules (the "HELOC Loans") (the date upon which the Buyer accomplishes the foregoing, the "HELOC Loans Setup Date"). Within three (3) Business Days of (A) the receipt of the applicable Servicing Agreement Consents with respect to any Subsequent Transfer Purchased Assets or (B) the HELOC Loans Setup Date (as applicable, the "Applicable Subsequent Transfer Conditions"), as applicable, the Buyer and Seller shall consummate the transfer of the applicable Subsequent Transfer Purchased Assets for which the Applicable Subsequent Transfer Conditions have been satisfied (each such date, a "Subsequent Transfer Date"); provided, however, that the Buyer shall cause the HELOC Loans Setup Date to occur no later than June 1, 2012. To the extent that a Subsequent Transfer Date has not occurred by July 2, 2012 (the "Subsequent Transfer Clean-Up Date") with respect to any Subsequent Transfer Purchased Assets (such Subsequent Transferred Purchased Assets which have not been transferred as of the Subsequent Transfer Clean-Up Date because the required consents have not been obtained, the "Remaining Subsequent Transfer Assets"), regardless of whether the Applicable Subsequent Transfer Conditions have been satisfied with respect to such Remaining Subsequent Transfer Assets, Seller will convey, assign, transfer and deliver to Buyer, and Buyer will acquire and accept from Seller all of Seller's right, title and interest in and to the Remaining Subsequent Transfer Assets. Upon the occurrence of the Subsequent Transfer Clean-Up Date with respect to any Remaining Subsequent Transfer Assets, Buyer and Seller shall execute a Bill of Sale and Assignment and Assumption Agreement or such other documentation as shall be reasonably required to effect the applicable transfer from Seller to Buyer of such Remaining Subsequent Transfer Assets.

(ii) Reimbursement. To the extent that, prior to September 1, 2012, (A) any Servicing Agreement set forth on Section 2.3(b)(ii)(A) for which consent has not been obtained is terminated by Seller's counterparty because of the transfer of Seller's rights under such Servicing Agreement from Seller to Buyer on the Subsequent Transfer Clean-Up Date as contemplated in Section 2.3(b)(i), or (B) Seller loses its ability to subservice any of the Subsequent Transfer Purchased Assets prior to the applicable Subsequent Transfer Purchased Assets being acquired by Buyer as provided in Section 2.3(b)(i) (e.g., as a result of Seller or any of its Affiliates failure to maintain any License or Permit) (collectively, (A) and (B), the "Eligible Assets"), then Seller will refund to Buyer the portion of the Purchase Price (determined in accordance with Exhibit D and calculated as of the time of such refund (i.e., by applying the aggregate unpaid principal balance of the applicable Mortgage Loans against the MS Base Multiple, the Saxon Base Multiple or the Third-Party Base Multiple, as applicable)) with respect to the Servicing Rights related to such Eligible Assets. To the extent that (A) any such terminated Eligible Asset (for which Seller is obligated to refund to Buyer a portion of the Purchase Price with respect to such Eligible Asset) is set forth on Section 2.3(b)(ii)(B) of the Disclosure Schedules and (B) the Servicer Advances relating to such terminated Eligible Assets are not reimbursed within three (3) months of the termination date of such Eligible Asset, Seller agrees to repurchase all Servicer Advance Receivables relating to such terminated Eligible Asset outstanding at such time.

(iii) Pass-Through Economics Until Transfer. From and after the Closing, until such time as the all of the Subsequent Transfer Purchased Assets are transferred to Buyer on the applicable Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, Seller shall, with respect to all such Subsequent Transfer Purchased Assets which have not been so transferred, undertake to perform all obligations of the named servicer (including making Servicer Advances) under each such Subsequent Transfer Servicing Agreement related to such Subsequent Transfer Purchased Assets, and Buyer shall (A) be paid by Seller all Servicing Fees and Ancillary Income payable to the named servicer under each such Subsequent Transfer Servicing Agreement related to such Subsequent Transfer Purchased Assets (which such payments shall not be subject to any rights of set off of Seller, Parent or Morgan Stanley under this Agreement or any Ancillary Document) and (B) promptly reimburse Seller for making such Servicer Advances by purchasing all right, title and interest to the corresponding Servicer Advance Receivable free and clear of all Liens (other than those arising from acts of Buyer or its Affiliates); provided, that at the time of such sale of such Servicer Advance Receivable to Buyer, Seller shall represent and warrant to Buyer that the representations set forth in Section 4.4(c) are true and correct in all material respects as of such date in respect of such Servicer Advance Receivable; provided, further, that following any such transfer of Servicer Advance Receivables, Seller shall reasonably cooperate with Buyer in connection with Buyer's efforts to realize and collect on such Servicer Advance Receivables.

Section 2.4 Deliveries at the Closing and each Subsequent Transfer Date.

(a) Deliveries by Parent, Seller and the Company. Without limiting Article 9 of this Agreement, (i) at the Closing, (A) Seller shall deliver to Buyer a counterpart of the Assignment and Assumption Agreement in the form attached hereto as Exhibit A and a Bill of Sale in the form attached hereto as Exhibit B with respect to the Closing Purchased Assets and the Closing Assumed Liabilities, (B) Parent, Seller and the Company shall deliver the certificates to be delivered by Parent, Seller and the Company pursuant to Section 9.2(c), (C) Seller shall deliver to Buyer a counterpart of each of the other Ancillary Documents to which Parent, the Company, Seller or any Affiliate of Seller is a party, executed by Seller, Parent, the Company or such Affiliates, as applicable and (D) Seller shall deliver to Buyer a certificate from Seller, in form and substance as prescribed by Treasury Regulations promulgated under Code section 1445, stating that Seller is not a "foreign person" within the meaning of Code section 1445, and (ii) at each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, Seller shall deliver to Buyer (A) a counterpart of the Assignment and Assumption Agreement in the form attached hereto as Exhibit A and a Bill of Sale in the form attached hereto as Exhibit B with respect to the Subsequent Transfer Purchased Assets and the Subsequent Transfer Assumed Liabilities and (B) a Subsequent Transfer Seller Bringdown Certificate executed by Seller.

(b) Deliveries by Buyer. Without limiting Article 9 of this Agreement, (i) at the Closing, (A) Buyer shall deliver to Seller a counterpart of the Assignment and Assumption Agreement in the form attached hereto as Exhibit A and a Bill of Sale in the form attached hereto as Exhibit B with respect to the Closing Purchased Assets and the Closing Assumed Liabilities, (B) Buyer shall deliver to Seller an amount equal to the Closing Payment less the Estimated Shortfall Amount by wire transfer of immediately available funds to the accounts specified by Seller (which such accounts will be provided by Seller to Buyer in writing no later than two (2) Business Days prior to the Closing Date), (C) Buyer shall deliver to Seller a counterpart of each of the other Ancillary Documents to which Buyer or any Affiliate of Buyer is party, executed by Buyer or such Affiliate, as applicable and (D) Buyer shall deliver the certificates to be delivered by Buyer pursuant to Section 9.3(c) and (ii) at each Subsequent Transfer Date or the Subsequent Transfer Clean-Up Date, as applicable, (A) Buyer shall deliver to Seller a counterpart of the Assignment and Assumption Agreement in the form attached hereto as Exhibit A and a Bill of Sale in the form attached hereto as Exhibit B with respect to the applicable Subsequent Transfer Purchased Assets and the Subsequent Transfer Assumed Liabilities and (B) Buyer shall deliver to Seller a Subsequent Transfer Buyer Bringdown Certificate.

(c) Other Deliveries. At the Closing, the closing certificates and other documents required to be delivered pursuant to Article 9 with respect to the Closing will be delivered by the Parties.

Section 2.5 Purchase Price.

(a) Estimated Purchase Price. No later than three (3) Business Days prior to the Closing, Seller shall deliver to Buyer a written statement (an "Estimated Closing Statement") setting forth its good faith estimates, as of the Calculation Time (provided that the applicable Shortfall Amount shall be calculated excluding any unreconciled (not yet settled with investors) items relating to the balances of any Custodial Accounts and Related Escrow Accounts), of (A) the Adjustment Amount (which calculations shall be consistent with the principles and methodologies described in Exhibit D) (each, an "Estimated Adjustment Amount"), together with a calculation of the Closing Payment based on such estimate, and (B) the Shortfall Amount (an "Estimated Shortfall Amount"). Any required adjustments in prior Estimated Closing Statements will only be made pursuant to Section 2.5(b) below. The Estimated Closing Statement and the determinations and calculations contained therein shall be prepared in accordance with this Agreement, including Exhibit D, and are subject to adjustment in accordance with Section 2.5(b) below.

(b) Determination of Final Purchase Price.

(i) As soon as reasonably practicable, but no later than forty-five (45) days after the Closing Date (the "Closing Statement Date"), Buyer shall prepare and deliver to Seller a written statement (the "Closing Statement") setting forth Buyer's good faith determination of the actual amounts, with respect to all Purchased Assets, of (1) the Adjustment Amount (which calculations shall be consistent with the principles and methodologies described in Exhibit D), together with a calculation of the Purchase Price based thereon and (2) the Shortfall Amount (provided that the Shortfall Amount shall be calculated excluding any unreconciled items relating to the balances of any Custodial Accounts and Related Escrow Accounts) (the "Closing Statement Date Shortfall Amount"). No later than the earlier of (x) the one-year anniversary of the Closing Statement Date and (y) the date on which all unreconciled items as of the Closing related to the balances of the Custodial Accounts and Related Escrow Accounts have been reconciled, Buyer shall prepare and deliver to Seller a written statement (the "Shortfall Statement") setting forth Buyer's good faith determination of the Shortfall Amount after giving effect to the reconciliation of all such items (the "Definitive Shortfall Amount"). The Closing Statement, the Shortfall Statement and the determinations and calculations contained therein shall be prepared in accordance with this Agreement, including Exhibit D. If Buyer does not deliver the Closing Statement to Seller by the Closing Statement Date, then Seller may prepare and present the Closing Statement within an additional forty-five (45) days thereafter. In the event that Seller agrees with Buyer's determination of the actual amounts of the Adjustment Amounts (together with a calculation of the Purchase Price based thereon) and the Closing Statement Date Shortfall Amount and the Definitive Shortfall Amount, Seller shall promptly notify Buyer in writing, and following such notice the Closing Statement or Shortfall Statement, as applicable, will be final, conclusive and binding on the Parties and not subject to further review.

(ii) In the event that Seller objects to all or any portion of the Buyer's determination of the actual amounts of the Adjustment Amounts (together with a calculation of the Purchase Price based thereon), the Closing Statement Date Shortfall Amount or the Definitive Shortfall Amount set forth in the Closing Statement or the Shortfall Statement, as applicable, then Seller shall, within forty-five (45) days, following receipt by Seller of the Closing Statement or the Shortfall Statement, as applicable, deliver written notice (an "Objection Notice") to Buyer of any dispute it has with respect to the preparation or content of the Closing Statement or the Shortfall Statement, as applicable, setting forth, in reasonable detail, each disputed item or amount and the basis for Seller's disagreement therewith, together with supporting calculations. Matters as to which Seller may submit disagreements (and Objection Notices) shall be limited to whether the Closing Statement or the Shortfall Statement, as applicable, delivered by Buyer was accurate and whether the Buyer's determination of the actual amounts of the Adjustment Amount (together with a calculation of the Purchase Price based thereon), the Closing Statement Date Shortfall Amount or the Definitive Shortfall Amount were properly calculated in accordance with this Agreement, including Exhibit D, and Seller shall not be entitled to submit disagreements on any other basis. Any amount, determination or calculation contained in the Closing Statement or the Shortfall Statement, as applicable, and not specifically disputed in a timely delivered Objection Notice shall be final, conclusive and binding on the Parties and not subject to further review. If Seller does not timely deliver an Objection Notice with respect to the Closing Statement or the Shortfall Statement, as applicable, within such forty-five (45) day period, the Closing Statement will be deemed final, conclusive and binding on the Parties and not subject to further review. If an Objection Notice is timely delivered within such forty-five (45) day period, Buyer and Seller shall negotiate in good faith to resolve each dispute raised therein (each, an "Objection"). If Buyer and Seller, notwithstanding such good faith efforts, fail to resolve any Objections within fifteen (15) days after Seller delivers an Objection Notice, then Buyer and Seller shall jointly engage PricewaterhouseCoopers (the "Accounting Firm") to resolve such disputes (acting as an expert and not an arbitrator) in accordance with this Agreement (including Exhibit D) as soon as practicable thereafter (but in any event within thirty (30) days after engagement of the Accounting Firm). Buyer and Seller shall cause the Accounting Firm to deliver a written report containing its calculation of the disputed Objections (which calculation shall be within the range of dispute between the Closing Statement or the Shortfall Statement, as applicable, and the applicable Objection Notice) within such thirty (30) day period. For the avoidance of doubt, the Accounting Firm shall not review any accounts or make any determination with respect to any matter other than those matters specifically set forth in the applicable Objection Notice that remain in dispute. All Objections that are resolved between the Parties or are determined by the Accounting Firm will be final, conclusive and binding on the Parties and shall not be subject to further review absent manifest error. The fees and disbursements of the Accounting Firm shall be allocated to Seller in the same proportion that the aggregate amount of such remaining disputed items so submitted to the Accounting Firm that is unsuccessfully disputed by Seller (as finally determined by the Accounting Firm) bears to the total amount of such remaining disputed items so submitted, if any, and the balance shall be paid by Buyer. Buyer and Seller shall enter into an engagement letter with the Accounting Firm promptly after its retention, which includes customary indemnification and other customary provisions. The fees and expenses of Seller and its representatives incurred in connection with the Closing Statement or the Shortfall Statement, as applicable, and any Objections shall be borne by Seller, and the fees and expenses of Buyer and its representatives incurred in connection with the Closing Statement or the Shortfall Statement, as applicable, and any Objections shall be borne by Buyer.

(c) Access. Buyer shall, and shall cause its Subsidiaries to, make its financial records, accounting personnel and advisors available to Seller, its accountants and other representatives and the Accounting Firm at reasonable times during normal business hours during the review by Seller and the Accounting Firm of, and the resolution of any Objections with respect to, the Closing Statement or the Shortfall Statement. Without limiting the generality of the foregoing, Parent, Seller and their representatives will be permitted to review Buyer's work papers and the work papers of Buyer's independent accountants relating to the preparation of the Closing Statement or the Shortfall Statement, as applicable, as well as all the books, records and other relevant information relating to the operations and finances of the Group Companies, and Buyer will make available at reasonable times during normal business hours the individuals then in its employ responsible for and knowledgeable about the information used in, and the preparation of, the Closing Statement or the Shortfall Statement, as applicable, in order to respond to the reasonable inquiries of Parent and Seller; provided, however, that the independent accountants of Buyer will not be obligated to make any work papers available to Parent or Seller unless and until such Person has signed a customary agreement relating to such access to work papers in form and substance reasonably acceptable to such independent accountants. Buyer agrees that, following the Closing through the date that the Closing Statement and the Shortfall Statement become final and binding, it will not take any actions with respect to any accounting, books, records, policies or procedures on which the Closing Statement or the Shortfall Statement is based.

(d) Adjustments.

(i) If the Purchase Price as finally determined pursuant to Section 2.5(b) (the "Final Purchase Price") exceeds the Closing Payment, Buyer shall, or shall cause a Subsidiary of Buyer to, pay to Seller an amount equal to such excess by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Purchase Price is finally determined. If the Final Purchase Price is less than the Closing Payment, Parent shall, or shall cause Seller to, pay to Buyer an amount equal to such deficiency by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Purchase Price is finally determined.

(ii) If the Closing Statement Date Shortfall Amount as finally determined pursuant to Section 2.5(b) (the "Final Closing Shortfall Amount") exceeds the Estimated Shortfall Amount, Parent shall, or shall cause Seller to, pay to Buyer an amount equal to such excess by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Closing Shortfall Amount is finally determined. If the Final Closing Shortfall Amount is less than the Estimated Shortfall Amount, Buyer shall, or shall cause a Subsidiary of Buyer to, pay to Seller an amount equal to such deficiency by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Closing Shortfall Amount is finally determined.

(iii) If the Definitive Shortfall Amount as finally determined pursuant to Section 2.5(b) (the "Final Definitive Shortfall Amount") exceeds the Final Closing Shortfall Amount, Parent shall, or shall cause Seller to, pay to Buyer an amount equal to such excess by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Definitive Shortfall Amount is finally determined. If the Final Definitive Shortfall Amount is less than the Final Closing Shortfall Amount, Buyer shall, or shall cause a Subsidiary of Buyer to, pay to Seller an amount equal to such deficiency by wire transfer of immediately available funds within three (3) Business Days after the date on which the Final Definitive Shortfall Amount is finally determined.

(e) MSSR Transfer. Seller, or an Affiliate of Seller (not including the Group Companies), is the named servicer of, and a Group Company sub-services, the Mortgage Loans that are subject to the servicing agreements relating to the MS Servicing Rights (the "MSSR Servicing Agreements"), for the named servicer. Prior to the Closing, Parent or an Affiliate of Parent shall effect the MSSR Transfer.

(f) Shortfall. Until the third anniversary of the Closing Statement Date, to the extent that any third party brings any Action against Buyer with respect to any Shortfall Amount not included in either the Final Definitive Shortfall Amount or the Final Closing Shortfall Amount (or the final Shortfall Amount determined in accordance with Section 2.5(d)), Seller shall reimburse the Buyer for the amount of such Shortfall Amount paid to such third party.

(g) Restricted Subservicing.

(i) If Seller is unable to transfer to the Buyer on the Closing Date the Servicing Rights related to one or more Closing Date Servicing Agreements (the "Restricted Servicing Rights"), then, at the Closing, Seller shall enter into a new subservicing agreement (the "Restricted Subservicing Agreement") under which Buyer (or its designated Affiliate) shall undertake to perform all obligations of the named servicer under each such Closing Date Servicing Agreement related to the Restricted Servicing Rights, and for which the Buyer, as sub-servicer, shall be paid all Servicing Fees and Ancillary Income payable to the named servicer under each such Closing Date Servicing Agreement related to the Restricted Servicing Rights. For the avoidance of doubt, the Restricted Subservicing Agreement shall provide that, with respect to the Servicer Advance Receivables related to the Restricted Servicing Rights which relate to the period following the Closing Date (x) Buyer shall own all right, title and interest in such Servicer Advance Receivables as and when accrued, free and clear of any Liens (other than those arising from acts of Buyer or its Affiliates) and (y) payments made in respect of such Servicer Advance Receivables shall not be subject to any rights of set off of Seller, Parent or Morgan Stanley under this Agreement or any Ancillary Document. Such Restricted Subservicing Agreement shall be in the form of Exhibit E hereto. The Restricted Servicing Rights shall be deemed to have been transferred on the Closing Date for purposes of the calculation of the Closing Payment and Purchase Price hereunder. Following the Closing, with respect to any Restricted Servicing Rights, Buyer, Seller, the Company and Parent shall use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable to (i) obtain all required consents in respect of any Restricted Servicing Rights in order to transfer the applicable Restricted Servicing Rights and the role of the named servicer to Buyer (or its designated Affiliate) and (ii) use reasonable efforts in light of the Wind-Down (as such term is defined in Section 7.1(c) of the Disclosure Schedules) to (1) maintain all Licenses and Permits required to be held by the Group Companies in order to allow Buyer to act as subservicer of the Restricted Servicing Rights as contemplated by the Restricted Subservicing Agreement and (2) reasonably cooperate with Buyer with respect to all aspects relating to Buyer's subservicing of the Restricted Servicing Rights as contemplated by the Restricted Servicing Agreement, including, responding to all customer inquiries. The sole and exclusive remedy for any breach of Seller's obligations set forth in the immediately preceding sentence is provided in Section 2.5(g)(iii)(A). Buyer agrees to cooperate in good faith and use reasonable best efforts to amend the Restricted Subservicing Agreement to the extent required by Seller for regulatory compliance purposes; provided, that to the extent any additional services are beyond the scope of services typically and customarily provided by a servicer, no such amendment shall require Buyer to incur any additional material expense unless Seller provides reasonable consideration to compensate Buyer for the cost of such additional services. The applicable Restricted Subservicing Agreement shall terminate with respect to any Restricted Servicing Rights upon the first to occur of (such date, the "Subservicing Termination Date"): (x) July 2, 2012 and (y) such time as (A) all required consents to transfer such Restricted Servicing Rights, the related Closing Date Servicing Agreement and the role of named servicer to the Buyer (or its designated Affiliate) have been obtained, and (B) Buyer (or its designated Affiliate) shall have accepted such conveyance. Upon the occurrence of a Subservicing Termination Date with respect to any Restricted Servicing Rights, Buyer and Seller shall execute an Assignment and Assumption Agreement or such other documentation as shall be reasonably required to effect the applicable transfer from Seller to Buyer of such Restricted Servicing Rights. The Parties agree that such Restricted Servicing Rights transferred to Buyer shall be treated as Closing Date Purchased Assets for all purposes under this Agreement.

(ii) Seller, Buyer and each of their respective Affiliates agree that entering into a Restricted Subservicing Agreement pursuant to Section 2.5(g)(i) shall be treated for all Tax purposes as a sale of the Restricted Servicing Rights relating to the Restricted Subservicing Agreement by the named servicer that is a party to the Restricted Subservicing Agreement to Buyer (or its designated Affiliate) as purchaser and Buyer shall be treated as beneficial owner of the Restricted Servicing Right for Tax purposes as a result of the Restricted Subservicing Agreement. The Parties covenant and agree to take no position for Tax purposes contrary to the foregoing Tax treatment described in this Section 2.5(g)(ii) and to prevent any Affiliate from taking a contrary position.

(iii) If, (A) prior to the Subservicing Termination Date, Buyer's ability to subservice any of the Restricted Servicing Rights set forth on Section 2.5(g)(iii)(A) of the Disclosure Schedule is terminated due to any action or inaction of Seller or its Affiliates (e.g., as a result of Seller or any of its Affiliates failure to maintain any License or Permit) or, (B) as of the Subservicing Termination Date, the required consents with respect to any of the Restricted Servicing Rights set forth on Section 2.5(g)(iii)(A) of the Disclosure Schedules have not been obtained (collectively (A) and (B), the "Eligible MSRs"), then, to the extent that any such Eligible MSR is terminated prior to September 1, 2012 because of any such action or inaction of Seller or any of its Affiliates or the transfer of such Eligible MSR from Seller to Buyer on the Subservicing Termination Date as contemplated in Section 2.5(g)(i), in each case, then Seller will refund to Buyer the portion of the Purchase Price (determined in accordance with Exhibit D and calculated as of the time of such refund (i.e., by applying the aggregate unpaid principal balance of the applicable Mortgage Loans against the MS Base Multiple, the Saxon Base Multiple or the Third-Party Base Multiple, as applicable)) with respect to such Eligible MSRs. To the extent that (i) any such terminated Eligible MSR (for which Seller is obligated to refund to Buyer a portion of the Purchase Price with respect to such Eligible MSR) is set forth on Section 2.5(g)(iii)(B) and (ii) the Servicer Advances relating to such terminated Eligible MSR are not reimbursed within three (3) months of the termination date of such Eligible MSR, Seller agrees to repurchase all Servicer Advance Receivables relating to such terminated Eligible MSR outstanding at such time. Buyer agrees to use reasonable best efforts to obtain reimbursement of Servicer Advances relating to any Eligible MSRs, including taking all action reasonably requested by Seller in connection therewith.

Section 2.6 Global Subservicing Agreement. If the Closing does not occur on April 2, 2012, the Parties will enter into the Global Subservicing Agreement on substantially the same terms contained in the form attached hereto as Exhibit I with such modifications as reasonably agreed between the Parties, which Global Subservicing Agreement shall remain in effect until the Closing provided that the Global Subservicing Agreement shall be terminable by Seller upon the Termination Date of this Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLER

Except as otherwise set forth in the Disclosure Schedules (and subject, in each case, to Section 12.6), the Company and Seller each hereby represents and warrants to Buyer as follows (for the purposes of this Article 3, "Purchased Assets" shall be deemed to include Restricted Servicing Rights):

Section 3.1 Organization.

(a) The Company is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Virginia and has all requisite corporate power and authority to conduct its business as it is being conducted as of the date of this Agreement and to own, lease and operate its property and assets. The Seller is a corporation duly incorporated and validly existing and in good standing under the law of the State of Texas and has all requisite corporate power and authority to conduct its business as it is being conducted as of the date of this Agreement and to own, lease and operate its property and assets. Each of the Company and Seller is qualified or licensed to do business as a foreign entity in each of the jurisdictions set forth on Section 3.1(a) of the Disclosure Schedules and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification or license, except where the failure to be so qualified or licensed would not be reasonably likely to have, individually or in the aggregate, a Material Adverse Effect.

(b) True and complete copies of the Governing Documents of the Company and Seller, as presently in effect, have been heretofore delivered or made available to Buyer.

Section 3.2 Authority. Each of the Company and Seller has all requisite corporate authority and power to execute and deliver this Agreement and each other Ancillary Document to which the Company or Seller, as applicable, is a party, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Documents to which each of the Company or Seller, as applicable, is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all required company action on the part of the Company or Seller, as applicable, and no other company proceedings on the part of the Company or Seller, as applicable, is necessary to authorize the execution and delivery of this Agreement and the Ancillary Documents to which the Company or Seller, as applicable, is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by the each of the Company and Seller and, assuming this Agreement has been duly authorized, executed and delivered by each of the other Parties hereto, this Agreement constitutes a valid and binding agreement of the Company and Seller, enforceable against the Company and Seller in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

Section 3.3 [Reserved]

Section 3.4 Subsidiaries. Section 3.4(a) of the Disclosure Schedules lists each of the Company's Subsidiaries, its state of incorporation or formation after giving effect to the Restructuring Transactions.

Section 3.5 Consents and Approvals; No Violations.

(a) Section 3.5(a) of the Disclosure Schedules sets forth each material consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Governmental Entity in connection with the execution, or performance by the Company or Seller of this Agreement and each other Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby, other than those that may be required solely by reason of Buyer's participation in the transactions contemplated hereby and thereby.

(b) Section 3.5(b) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Person party to a material Contract by the Company or Seller in connection with the execution, delivery, or performance of each Transaction Agreement by the Company or Seller and the consummation of the transactions contemplated hereby and thereby, except for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

(c) Section 3.5(c) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Person party to any Servicing Agreement of any Group Company, in connection with the execution, delivery, or performance by the Company or Seller of this Agreement and each other Ancillary Document to which it is a party and the consummation of the transactions contemplated hereby and thereby, except for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

(d) Except as set forth on Section 3.5(d) of the Disclosure Schedules and except as required under the HSR Act, neither the execution and delivery by the Company and Seller of this Agreement or the Ancillary Documents to which it is a party, nor the consummation of the transactions contemplated hereby or thereby, and the compliance by the Company and Seller with the terms and conditions hereof and thereof, will:

(i) violate any provision of the Governing Documents of any of the Group Companies;

(ii) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default, or give rise to any right of termination, cancellation, acceleration, obligation to repay or require any notice under, or result in the creation of any Lien (other than a Permitted Lien) on any of the Purchased Assets pursuant to the terms, conditions or provisions of any Servicing Agreement to which any Group Company is party, except, in each case, for such violations, breaches, defaults, losses, rights or other occurrence which would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole; or

(iii) violate any Law applicable to any of the Group Companies, except such violations, which would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

Section 3.6 Financial Statements.

(a) The Company and Seller have previously furnished or made available to Buyer true and correct copies of the unaudited combined balance sheet of the Company and its Subsidiaries as of June 30, 2011 that includes pro forma adjustments to reflect the Restructuring Transactions and the MSSR Transfer (the "Latest Balance Sheet"). The Latest Balance Sheet fairly presents, in all material respects, the financial position of the Company as of the date thereof after giving effect to the Restructuring Transactions and the MSSR Transfer, in conformity with GAAP, applied on a consistent basis, except that the Latest Balance Sheet does not contain footnotes.

(b) The Company and Seller have previously furnished or made available to Buyer true and correct copies of the audited consolidated statements of income, shareholder's equity and cash flows of Saxon Capital, Inc. and its Subsidiaries for the year ended December 31, 2010, and such statements fairly present, in all material respects, the results of operations and changes in financial position of Saxon Capital, Inc. and its Subsidiaries for the period presented therein, in conformity with GAAP, applied on a consistent basis during the periods involved. Buyer understands that the Saxon Capital, Inc. financials described in this Section 3.6(b) do not reflect the Restructuring Transactions or the MSSR Transfer and they may not be representative of the financial position or results of operation of the Business on a going forward basis after taking into account the Restructuring Transactions or the MSSR Transfer.

Section 3.7 Absence of Certain Changes. As of the date of the Latest Balance Sheet, except as otherwise contemplated or permitted by this Agreement or as set forth on Section 3.7 of the Disclosure Schedules, (i) the businesses of the Group Companies have been conducted in the ordinary course of business consistent with past custom and practices (the "Ordinary Course of Business") in all material respects, and (ii) there has not been any event, development or state of circumstances that has had or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth on Section 3.7 of the Disclosure Schedules, between the date of the Latest Balance Sheet and the Execution Date, no action had been taken (or had failed to be taken) that, if taken (or failed to be taken) after the date hereof, would constitute a violation of Section 7.1(c).

Section 3.8 [Reserved]

Section 3.9 Servicing Matters.

(a) Section 3.9(a) of the Disclosure Schedules sets forth, for each Servicing Agreement in effect on the date hereof, the name of the applicable securitization transaction or third party for whom the Mortgage Loans are serviced by a Group Company. The Company and Seller have made available to Buyer true and complete copies (or written summaries of all material terms, in the case of any oral Servicing Agreement) of all Servicing Agreements to which any Group Company is a party as of the date hereof.

(b) Except as set forth on Section 3.9(b) of the Disclosure Schedules or as would not reasonably be expected to materially impair the ability of the Buyer to realize the economic benefits associated with the transactions contemplated by this Agreement and the Ancillary Documents, each Servicing Agreement is a valid and binding agreement of the Seller, and is in full force and effect (assuming, in each case, the applicable Servicing Agreement has been duly authorized, executed and delivered by each of the other parties thereto).

(c) To the knowledge of the Company and Seller, each Servicer Advance made by any Group Company under a Servicing Agreement on or before the Closing and not reimbursed or paid to the Seller prior to the Closing (x) was made in compliance in all material respects with the applicable Servicing Agreements and (y) is a valid receivable of the Seller under GAAP. For the avoidance of doubt, and notwithstanding the foregoing or any other provision of this Agreement, no representation or warranty is being made as to whether such Servicer Advances are ultimately collectible.

Section 3.10 Accounting Controls. The Group Companies have devised and maintained systems of internal accounting controls which they believe are sufficient to provide reasonable assurances that, in all material respects, (a) all transactions are executed in accordance with its management's general or specific authorization; (b) all transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP or any other criteria applicable to such statements; (c) access to its property and assets is permitted only in accordance with management's general or specific authorization; and (d) the recorded accountability for items is compared with the actual levels thereof at reasonable and customary intervals and appropriate action is taken with respect to any variances.

Section 3.11 No Undisclosed Liabilities. Other than with respect to any Liabilities for Taxes, which are addressed exclusively in Section 3.14 and in Article 11, as of the Execution Date or, after giving effect to the Restructuring Transactions and the MSSR Transfer, except (i) as set forth in the Latest Balance Sheet, (ii) for Liabilities incurred since the date of the Latest Balance Sheet in the Ordinary Course of Business, (iii) as set forth in Section 3.10 of the Disclosure Schedules, or (iv) for Liabilities under Contracts that relate to obligations that have not yet been performed and are not required to be performed as of the Execution Date, the Company and Seller have no Liabilities required by GAAP to be disclosed on a balance sheet which individually or in the aggregate, would reasonably be expected to be material to the business of the Company and its Subsidiaries, taken as a whole, or the Purchased Assets or Assumed Liabilities, taken as a whole. No Group Company has been a debtor in any bankruptcy proceeding, whether voluntary or involuntary, or has made an assignment of its assets for the benefit of any creditor or otherwise.

Section 3.12 Compliance with Law.

(a) Except as set forth on Section 3.12(a) of the Disclosure Schedules, to the knowledge of the Company and Seller, as of the Execution Date, none of the Group Companies was in default or violation (and no event has occurred which, with notice or the lapse of time or both, would constitute such a default or violation) and none of the Group Companies has been threatened to be charged with, or has received written notice of, any such existing default or violation of any term, condition or provision of (i) its respective Governing Documents or (ii) any Law applicable to such Group Company, except such defaults and violations which would not be reasonably likely to, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

(b) Except as set forth on Section 3.12(b) of the Disclosure Schedules, to the knowledge of the Company and Seller each of the Group Companies has all, and is in compliance in all material respects with, all Licenses and Permits that are required in order to permit the Group Companies to conduct their business as currently conducted as of the Execution Date, except for any such License and Permit, the failure of which to obtain, would not be reasonably likely to be, either individually or in the aggregate, material to Purchased Assets or the Assumed Liabilities, taken as a whole. To the knowledge of the Company and Seller, except as set forth on Section 3.12(b) of the Disclosure Schedules, (i) the Licenses and Permits are valid and in full force and effect and (ii) none of the Group Companies is in default under the material Licenses and Permits, except as would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

Section 3.13 Litigation. As of the Execution Date, except as set forth on Section 3.13 of the Disclosure Schedules, there was no Action pending or, to the knowledge of the Company and the Seller, threatened against any of the Group Companies or any properties or rights of the Group Companies, before any Governmental Entity which (a) if decided adversely against the Group Companies, would be reasonably likely to have a Material Adverse Effect, (b) if adversely decided, would reasonably be expected to result in monetary damages in excess of $350,000, (c) challenges or seeks to prevent, enjoin or delay the transactions contemplated by the Transaction Agreements or (d) involves allegations of criminal behavior regarding the properties, assets and operations of any of the Group Companies (including the Purchased Assets and Assumed Liabilities), the Business or any of its employees. As of the Execution Date, no Group Company had received written notice that it is subject to any outstanding injunction, writ, judgment, order or decree of any Governmental Entity which (i) is material to the Business and (ii) imposes material obligations to be performed after the date hereof with respect to the Assumed Liabilities or the Purchased Assets.

Section 3.14 Taxes. Except as set forth on Section 3.14 of the Disclosure Schedules:

(a) All material Tax Returns with respect to the Group Companies required to be filed have been duly and timely filed (after giving effect to any filing extensions) with the appropriate Governmental Entity; all such Tax Returns are true, correct and complete in all material respects; and the Group Companies have timely paid all (or have no liability for any) material Taxes due with respect to the periods covered by such Tax Returns. All material Taxes of the Group Companies have been paid, or an adequate provision has been made therefor on the Latest Balance Sheet or on the books and records of the Group Companies.

(b) There are no Liens for Taxes, other than Permitted Liens, upon any of the Purchased Assets.

(c) Notwithstanding anything to the contrary in this Section 3.14, no representations or warranties are made in this Section 3.14 with respect to property Taxes or other assessments in respect of real property securing Mortgage Loans (including REO Property) serviced under any Servicing Agreement.

Section 3.15 [Reserved]

Section 3.16 [Reserved]

Section 3.17 Insurance Policies. Section 3.17 of the Disclosure Schedules sets forth (i) a true and correct list of all policies of liability, title and other forms of insurance, owned, held by or for the benefit of any Group Company, or otherwise covering the Business of the Group Companies or the Purchased Assets, for the current policy year (the "Insurance Policies"), and (ii) for each of the Insurance Policies, the name of the insured, the applicable policyholder and beneficiary, the policy number, the period of coverage and the amount of coverage, the amount of any deductible(s), the annual premium and the general type of coverage (i.e., claims made or occurrence-based) provided thereunder. The insurance provided under the Insurance Policies is in such amounts, with such deductibles and against such risks and losses as are reasonable in respect of the operations of the Group Companies, and the Business as conducted as of the Execution Date. As of the Execution Date, the Insurance Policies were in full force and effect, and all premiums due and payable thereon have been paid in full, and no written notice of cancellation or termination has been received with respect to any such Insurance Policy (which has not been replaced on substantially similar terms prior to the date of such cancellation). There are no pending claims under the Insurance Policies by any Group Company as to which the insurers have denied or disputed liability except for such claims which would not be reasonably likely to be, either individually or in the aggregate, material to the Purchased Assets or the Assumed Liabilities, taken as a whole.

Section 3.18 [Reserved]

Section 3.19 [Reserved]

Section 3.20 [Reserved]

Section 3.21 [Reserved]

Section 3.22 Title to Purchased Assets. Subject to the occurrence of the MSSR Transfer (which shall occur prior to Closing), Seller will have good and marketable title to all the Purchased Assets, free and clear of all Liens, except for Permitted Liens. Subject to occurrence of the MSSR Transfer (which shall occur prior to Closing) and the receipt of the third party consents and the Servicing Agreement Consents, the Seller has the right to sell, assign, transfer, convey and deliver the Purchased Assets to the Buyer. Following the consummation of the transactions contemplated by this Agreement, the execution of the instruments of transfer contemplated by this Agreement and the receipt of the Servicing Agreement Consents, the Buyer will own, with good, valid and marketable title in the Purchased Assets free and clear of any Liens, other than Permitted Liens.

Section 3.23 Brokers and Finders. No broker, finder, financial advisor or investment banker, other than Morgan Stanley or its Affiliates, is entitled to any broker's, finder's, financial advisor's, investment banker's fee or commission or similar payment in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of any Group Company.

Section 3.24 Portfolio Information. The information included in the data tape delivered by the Seller to Buyer, of the type set forth on Section 3.24 of the Disclosure Schedules, is true and correct in all material respects as of June 28, 2011.

Section 3.25 EXCLUSIVITY OF REPRESENTATIONS AND WARRANTIES.

(a) NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO BUYER OR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION (INCLUDING ANY FINANCIAL PROJECTIONS OR OTHER SUPPLEMENTAL DATA), EXCEPT AS OTHERWISE EXPRESSLY SET FORTH BY THE SELLER AND THE COMPANY IN THIS ARTICLE 3, PARENT IN ARTICLE 4 AND MORGAN STANLEY IN ARTICLE 5, AND ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY THE SELLER OR THE COMPANY PURSUANT TO THIS AGREEMENT THE SELLER AND THE COMPANY (A) EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE BUSINESSES OR ASSETS OF ANY OF THE GROUP COMPANIES, AND (B) SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO SUCH ASSETS, ANY PART THEREOF, THE WORKMANSHIP THEREOF, AND THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, AND BUYER SHALL RELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF AS WELL AS THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY, PARENT, MORGAN STANLEY AND THE SELLER SET FORTH IN THIS AGREEMENT (INCLUDING ALL INDEMNIFICATION PROVISIONS EXPRESSLY SET FORTH IN ARTICLE 11).

(b) Notwithstanding anything in Section 3.25(a) to the contrary, in no event shall Section 3.25(a) limit or otherwise affect Buyer's rights and remedies pursuant to this Agreement or any of the other Transaction Agreements in respect of any case involving fraud.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF PARENT

Except as otherwise set forth in the Disclosure Schedules (and subject, in each case, to Section 12.6), Parent hereby represents and warrants to Buyer as follows (for the purposes of this Article 4, "Purchased Assets" shall be deemed to include Restricted Servicing Rights):

Section 4.1 Organization; Authority. Parent is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of New York. Parent has all requisite organizational authority and power to execute and deliver this Agreement and each of the Ancillary Documents to which Parent is a party, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Documents to which Parent is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all required company action on the part of Parent and no other company proceedings on the part of Parent are necessary to authorize the execution and delivery of this Agreement and the Ancillary Documents to which Parent is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by Parent and, assuming this Agreement has been duly authorized, executed and delivered by each of the other parties hereto, this Agreement constitutes a valid and binding agreement of Parent, enforceable against Parent in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

Section 4.2 Consents and Approvals; No Violations.

(a) Section 4.2(a) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Governmental Entity in connection with the execution, or performance of each Transaction Agreement by Parent and the consummation of the transactions contemplated hereby and thereby, (i) other than those that may be required solely by reason of Buyer's participation in the transactions contemplated hereby and thereby, and (ii) except, for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to (A) prevent the consummation of the transactions contemplated hereunder, or (B) otherwise materially and adversely affect the ability of Parent to perform its obligations hereunder.

(b) Section 4.2(b) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Person party to a material Contract by Parent in connection with the execution, delivery, or performance of each Transaction Agreement by Parent and the consummation of the transactions contemplated hereby and thereby, except for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to (A) prevent the consummation of the transactions contemplated hereunder, or (B) otherwise materially and adversely affect the ability of Parent to perform its obligations hereunder.

(c) Section 4.2(c) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Person party to a Servicing Agreement by Parent in connection with the execution, delivery, or performance of each Transaction Agreement by Parent and the consummation of the transactions contemplated hereby and thereby, except, for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to (A) prevent the consummation of the transactions contemplated hereunder, or (B) otherwise materially and adversely affect the ability of Parent to perform its obligations hereunder.

(d) Except as set forth on Section 4.2(d) of the Disclosure Schedules, neither the execution and delivery by Parent of this Agreement or the Ancillary Documents to which Parent is a party, nor the consummation of the transactions contemplated hereby or thereby, and the compliance by Parent with the terms and conditions hereof and thereof, will:

(i) violate any provision of the Governing Documents of Parent;

(ii) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of termination, cancellation, acceleration, obligation to repay or require any notice under, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Parent or Seller pursuant to the terms, conditions or provisions of any material Contract to which Parent or Seller is party or to which its assets or properties are bound or subject, except such violations, breaches, defaults, losses, rights or other occurrence which would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Parent or Seller, as applicable, from complying with the terms and provisions of this Agreement; or

(iii) violate any Law applicable to Parent, except such violations, which would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Parent from complying with the terms and provisions of this Agreement.

Section 4.3 Ownership. Prior to the MSSR Transfer, Parent has good and marketable title to all MS Servicing Rights scheduled to be included in the Purchased Assets, free and clear of all Liens other than Permitted Liens.

Section 4.4 Servicing Rights.

(a) Section 4.4(a) of the Disclosure Schedules sets forth, for each MS Servicing Right in effect on the date hereof, the name of the applicable securitization transaction or third party for whom the applicable loans are serviced as of the date hereof. Parent has made available to Buyer true and complete copies (or written summaries of all material terms, in the case of any oral Servicing Agreement) of each Servicing Agreement to which Parent is a party relating to MS Servicing Rights as of the date hereof.

(b) Except as set forth on Section 4.4(b) of the Disclosure Schedules or as would not reasonably be expected to materially impair the ability of the Buyer to realize the economic benefits associated with the transactions contemplated by this Agreement and the Ancillary Documents, each Servicing Agreement to which Parent is a party relating to MS Servicing Rights is a valid and binding agreement of Parent and is in full force and effect (assuming, in each case, the applicable Servicing Agreement has been duly authorized, executed and delivered by each of the other parties thereto).

(c) To the knowledge of the Company, each Servicer Advance made by Parent under a Servicing Agreement to which Parent is a party relating to MS Servicing Rights on or before the Closing and not reimbursed or paid to the Company prior to the Closing (x) was made in compliance in all material respects with the applicable Servicing Agreement to which Parent is a party relating to MS Servicing Rights and (y) is a valid receivable under GAAP. For the avoidance of doubt, and notwithstanding the foregoing or any other provision of this Agreement, no representation or warranty is being made as to whether such Servicer Advances are ultimately collectible.

Section 4.5 Litigation. As of the Execution Date there was no Action pending or, to the knowledge of Parent, threatened against Parent before any Governmental Entity which (a) challenges or seeks to prevent, enjoin or materially delay the transactions contemplated by the Transaction Agreements or (b) involves allegations of criminal behavior regarding any Group Company which would be reasonably likely to prevent or materially delay the Closing or otherwise prevent Parent, as applicable, from complying with the terms and provisions of this Agreement. As of the Execution Date, Parent had not received written notice that it is subject to any outstanding injunction, writ, judgment, order or decree of any Governmental Entity which would be reasonably likely to prevent, enjoin or materially delay the Closing or otherwise prevent Parent from complying with the terms and provisions of this Agreement.

Section 4.6 Brokers. No broker, finder, financial advisor or investment banker, other than Morgan Stanley or its Affiliates, is entitled to any broker's, finder's, financial advisor's, investment banker's fee or commission or similar payment in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent.

Section 4.7 EXCLUSIVITY OF REPRESENTATIONS AND WARRANTIES.

(a) NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO BUYER OR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION (INCLUDING ANY FINANCIAL PROJECTIONS OR OTHER SUPPLEMENTAL DATA), EXCEPT AS OTHERWISE EXPRESSLY SET FORTH BY PARENT IN THIS ARTICLE 4, THE COMPANY OR SELLER IN ARTICLE 3 AND MORGAN STANLEY IN ARTICLE 5, AND ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY PARENT PURSUANT TO THIS AGREEMENT, PARENT (A) EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE BUSINESSES OR ASSETS OF ANY OF THE GROUP COMPANIES, AND (B) SPECIFICALLY DISCLAIMS ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO SUCH ASSETS, ANY PART THEREOF, THE WORKMANSHIP THEREOF, AND THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, IT BEING UNDERSTOOD THAT SUCH ASSETS ARE BEING ACQUIRED "AS IS, WHERE IS" ON THE CLOSING DATE, AND IN THEIR PRESENT CONDITION, AND BUYER SHALL RELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF AS WELL AS THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY, PARENT, SELLER AND MORGAN STANLEY SET FORTH IN THIS AGREEMENT AND ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY THE COMPANY, PARENT OR SELLER PURSUANT HERETO (INCLUDING ALL INDEMNIFICATION PROVISIONS EXPRESSLY SET FORTH IN ARTICLE 11).

(b) Notwithstanding anything in Section 4.7(a) to the contrary, in no event shall Section 4.7(a) limit or otherwise affect Buyer's rights and remedies pursuant to this Agreement or any of the other Transaction Agreement in respect of any case involving fraud.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF MORGAN STANLEY

Except as otherwise set for the in the Disclosure Schedules (and subject, in each case, to Section 12.6), Morgan Stanley hereby, solely for the purposes of Article 5, Section 7.4, Article 11 and Article 12, represents and warrants to Buyer as follows (for the purposes of this Article 5, "Purchased Assets" shall be deemed to include Restricted Servicing Rights):

Section 5.1 Organization and Authority.

(a) Morgan Stanley is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as it is being conducted as of the date of this Agreement and to own, lease and operate its property and assets.

(b) Morgan Stanley is qualified or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification or license, except where the failure to be so qualified or licensed would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Morgan Stanley from complying with the terms and provisions of this Agreement or to perform their respective obligations hereunder.

(c) Morgan Stanley has all requisite authority and organizational power to execute and deliver this Agreement and each of the Ancillary Documents to which Morgan Stanley is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents to which Morgan Stanley is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all required corporate action on the part of Morgan Stanley, and no other corporate proceedings on the part of Morgan Stanley are necessary to authorize the execution and delivery of this Agreement and the Ancillary Documents to which Morgan Stanley is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by Morgan Stanley and, assuming this Agreement has been duly authorized, executed and delivered by each of the Parties, this Agreement constitutes a valid and binding agreement of Morgan Stanley, enforceable against Morgan Stanley in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

Section 5.2 No Violations. Except as set forth on Section 5.2 of the Disclosure Schedules, neither the execution and delivery by Morgan Stanley of this Agreement or the Ancillary Documents to which Morgan Stanley is a party, nor the consummation of the transactions contemplated hereby or thereby by Morgan Stanley will violate any provision of the Governing Documents of Morgan Stanley.

Section 5.3 EXCLUSIVITY OF REPRESENTATIONS AND WARRANTIES.

NOTWITHSTANDING THE DELIVERY OR DISCLOSURE TO BUYER OR ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR REPRESENTATIVES OF ANY DOCUMENTATION OR OTHER INFORMATION (INCLUDING ANY FINANCIAL PROJECTIONS OR OTHER SUPPLEMENTAL DATA), EXCEPT AS OTHERWISE EXPRESSLY SET FORTH BY MORGAN STANLEY IN THIS ARTICLE 5, PARENT IN ARTICLE 4 AND THE COMPANY OR SELLER IN ARTICLE 3, AND ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY MORGAN STANLEY PURSUANT TO THIS AGREEMENT, MORGAN STANLEY EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE BUSINESSES OR ASSETS OF ANY OF THE GROUP COMPANIES, AND SPECIFICALLY DISCLAIM ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO SUCH ASSETS, ANY PART THEREOF, THE WORKMANSHIP THEREOF, AND THE ABSENCE OF ANY DEFECTS THEREIN, WHETHER LATENT OR PATENT, IT BEING UNDERSTOOD THAT SUCH ASSETS ARE BEING ACQUIRED "AS IS, WHERE IS" ON THE CLOSING DATE, AND IN THEIR PRESENT CONDITION, AND BUYER SHALL RELY ON ITS OWN EXAMINATION AND INVESTIGATION THEREOF AS WELL AS THE REPRESENTATIONS AND WARRANTIES OF THE COMPANY, SELLER, PARENT AND MORGAN STANLEY SET FORTH IN THIS AGREEMENT AND ANY CERTIFICATE OR OTHER INSTRUMENT DELIVERED BY THE COMPANY OR PARENT OR SELLER PURSUANT HERETO (INCLUDING ALL INDEMNIFICATION PROVISIONS EXPRESSLY SET FORTH IN ARTICLE 11).

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BUYER AND OFC

Except as otherwise set forth in the Disclosure Schedules (and subject, in each case, to Section 12.6), (i) Buyer hereby represents and warrants to Parent, Seller and the Company as set forth in Sections 6.1 through 6.8 (inclusive) below and (ii) OFC hereby, solely for the purposes of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12, represents and warrants to Parent, Seller and the Company as set forth in Sections 6.11 and 6.12 below (for the purposes of this Article 6, "Purchased Assets" shall be deemed to include Restricted Servicing Rights):

Section 6.1 Organization. Buyer is a Delaware limited liability company, duly formed and validly existing and in good standing under the laws of the State of Delaware and has all requisite power and authority to conduct its business as it is being conducted as of the date of this Agreement and to own, lease and operate its property and assets. Buyer is qualified or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification or license, except where the failure to be so qualified or licensed would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of the Transaction Agreements to which it is a party.

Section 6.2 Authority. Buyer has all requisite authority and power to execute and deliver this Agreement and each Ancillary Document to which Buyer is a party, to consummate the transactions contemplated hereby and thereby and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Documents to which Buyer is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all required limited liability company action on the part of Buyer and no other company proceedings on the part of Buyer are necessary to authorize the execution and delivery of this Agreement and the Ancillary Documents to which Buyer is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by Buyer and, assuming this Agreement has been duly authorized, executed and delivered by each of the other Parties hereto, this Agreement constitutes a valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

Section 6.3 Consents and Approvals; No Violations.

(a) Section 6.3(a) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Governmental Entity in connection with the execution, or performance of each Transaction Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby, (i) other than those that may be required solely by reason of participation by the Company, Parent or Seller in the transactions contemplated hereby and thereby, and (ii) except for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to (A) prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement, (B) prevent the consummation of the transactions contemplated hereunder, or (C) otherwise materially and adversely affect the ability of Buyer to perform its obligations hereunder.

(b) Section 6.3(b) of the Disclosure Schedules sets forth each consent, waiver, approval, registration, license, authorization, qualification, permit of, or other filing or notification, that is required to be obtained from or given to, any Person party to a material Contract by Buyer in connection with the execution, delivery, or performance of each Transaction Agreement by Buyer and the consummation of the transactions contemplated hereby and thereby, except for such consents, waivers, approvals, registrations, licenses, authorizations, qualifications, permits, filings or notifications which, if not obtained or made, would not be reasonably likely to (A) prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement, (B) prevent the consummation of the transactions contemplated hereunder, or (C) otherwise materially and adversely affect the ability of Buyer to perform its obligations hereunder.

(c) Except as set forth on Section 6.3(c) of the Disclosure Schedules and except as required under the HSR Act, neither the execution and delivery by Buyer of this Agreement or the Ancillary Documents to which it is a party, nor the consummation of the transactions contemplated hereby or thereby, and the compliance by Buyer with the terms and conditions hereof and thereof, will:

(i) violate any provision of the Governing Documents of Buyer;

(ii) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default or give rise to any right of termination, cancellation, acceleration, obligation to repay or require any notice under, or result in the creation of any Lien (other than a Permitted Lien) on any of the assets or properties of Buyer pursuant to the terms, conditions or provisions of any material Contract to which Buyer is party or to which its assets or properties are bound or subject, except such violations, breaches, defaults, losses, rights or other occurrence which would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement; or

(iii) violate any Law applicable to Buyer, except such violations which would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement.

Section 6.4 Litigation. As of the Execution Date, there is no Action pending, or, to Buyer's knowledge, threatened, against Buyer before any Governmental Entity which, if decided adversely against Buyer would be reasonably likely to prevent, enjoin or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement. As of the Execution Date, neither Buyer nor any of its Affiliates has received written notice that it is subject to any outstanding injunction, writ, judgment, order or decree of any Governmental Entity which would be reasonably likely to prevent or materially delay the Closing or otherwise prevent Buyer from complying with the terms and provisions of this Agreement.

Section 6.5 Brokers. No broker, finder, financial advisor or investment banker is entitled to any broker's, finder's, financial advisor's or investment banker's fee or commission or similar payment in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer or any of its Affiliates.

Section 6.6 Financing. Notwithstanding anything in this Agreement to the contrary, the representations and warranties set forth in this Section 6.6 shall be made by Buyer solely as of the Delivery Date and as of the Closing Date (in accordance with Section 9.3(a)):

(a) Section 6.6(a) of the Disclosure Schedule sets forth true, accurate and complete copies of the executed debt commitment letters dated on or about the Delivery Date among Buyer and the Committed Lenders regarding the advance receivables loan facilities (together with the exhibits and attachments thereto, the "Debt Commitment Letters"), pursuant to which, and subject to the terms and conditions thereof, the parties thereto have committed to provide the amounts set forth therein for the purpose of funding the Servicer Advances to be acquired as part of the transactions contemplated by this Agreement (the "Debt Financing").

(b) The Debt Commitment Letters are in full force and effect and have not been withdrawn or terminated or otherwise amended, supplemented or modified in any respect and no such amendment, supplement or modification is contemplated by Buyer. The Debt Commitment Letters, in the forms so delivered, are legal, valid, binding and enforceable obligations of Buyer and the other parties thereto, subject to the effect of any applicable bankruptcy, reorganization, insolvency, moratorium, rehabilitation, liquidation, fraudulent conveyance, preferential transfer or similar Laws now or hereafter in effect relating to or affecting creditors' rights and remedies generally and subject, as to enforceability, to the effect of general equitable principles (regardless of whether enforcement is sought in a proceeding in equity or at law). There are no other agreements, side letters or arrangements relating to the Debt Commitment Letters, other than fee letters with the parties to the Debt Commitment Letters that address solely the fees payable by Buyer in connection with the Debt Financing, nor are there any agreements, side letters or arrangements that could materially affect or impair the availability of the Debt Financing. Buyer has fully paid any and all commitment fees or other fees required (if any) by the Debt Commitment Letters required to be paid on or before the Delivery Date. The conditions precedent to the obligations of the parties to the Debt Commitment Letters to make the Debt Financing available to Buyer on the terms therein consist solely of the conditions expressly set forth in the Debt Commitment Letters. No event has occurred which, with or without notice, lapse of time or both, would or would reasonably be expected to constitute a default or breach on the part of Buyer or, to the knowledge of Buyer, any other party under the Debt Commitment Letters. Assuming satisfaction of the conditions set forth in Sections 9.1 and 9.2 of this Agreement, there are no facts or circumstances to the knowledge of Buyer that would cause any of the conditions to the Debt Financing contemplated by the Debt Commitments Letters not to be satisfied.

(c) The aggregate proceeds from the Debt Financing will, together with unrestricted cash or cash equivalents available to Buyer prior to or at the Closing, in the aggregate, be sufficient for the satisfaction of all of Buyer's obligations under this Agreement in an amount sufficient to consummate the transactions contemplated by this Agreement, including the payment of the Purchase Price and related fees and expenses.

Section 6.7 Solvency. Upon consummation of the transactions contemplated hereby, Buyer will not (a) be insolvent or left with unreasonably small capital, (b) have incurred debts beyond their ability to pay such debts as they mature, or (c) have liabilities in excess of the reasonable market value of their assets.

Section 6.8 Investigation; No Other Representations.

(a) Buyer (i) has conducted its own independent review and analysis and based thereon, and all of the terms of this Agreement and the Ancillary Documents, has formed an independent judgment concerning the Business, the Purchased Assets and the Assumed Liabilities, and (ii) has been furnished with or given full access to such documents and information about the Business, the Purchased Assets and the Assumed Liabilities as it and its representatives and advisors have deemed necessary to enable it to make an informed decision with respect to the execution, delivery and performance of the Transaction Agreements and the transactions contemplated hereby and thereby. To the knowledge of Buyer, Buyer has received all materials relating to the Business, the Purchased Assets and the Assumed Liabilities that it has requested and has been afforded the opportunity to obtain any additional information necessary to verify the accuracy of any such information or of any representation or warranty made by the Company, Parent or Seller herein or to otherwise evaluate the merits of the transactions contemplated hereby. Parent, Seller and the Company have answered to Buyer's satisfaction all inquiries that Buyer and its representatives and advisors have made concerning the Business, the Purchased Assets and the Assumed Liabilities or otherwise relating to the transactions contemplated by the Transaction Agreements.

(b) In entering into this Agreement, Buyer has relied solely upon its own investigation and analysis and the representations and warranties of the Company, Parent, Morgan Stanley or Seller expressly contained in Article 3, Article 4 and Article 5 respectively, all of the other terms and agreements contained in this Agreement (including the indemnification rights contained in Article 11) and the certificates delivered by Parent, Morgan Stanley, Seller and/or the Company in connection herewith pursuant to Section 9.2(c), and Buyer acknowledges that, other than as set forth in this Agreement and in the certificates or other instruments delivered pursuant to Section 9.3(c), and except in respect of cases involving fraud, none of Parent, Morgan Stanley, Seller, the Group Companies or any of their respective directors, officers, employees, Affiliates, stockholders, agents or representatives makes or has made any representation or warranty, either express or implied, (x) as to the accuracy or completeness of any of the information provided or made available to Buyer or any of its respective agents, representatives, lenders or Affiliates prior to the execution of this Agreement or (y) with respect to any projections, forecasts, estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the Business, the Purchased Assets and the Assumed Liabilities heretofore or hereafter delivered to or made available to Buyer or any of its respective agents, representatives, lenders or Affiliates. Without limiting the generality of the foregoing, none of Parent, Morgan Stanley, Seller, the Group Companies or any of their respective directors, officers, employees, Affiliates, stockholders, agents or representatives has made, and shall not be deemed to have made, any representations or warranties in the materials (other than as set forth in this Agreement or any certificates delivered pursuant hereto) relating to the Business, the Purchased Assets or the Assumed Liabilities made available to Buyer, including due diligence materials, memorandum or similar materials, or in any presentation regarding the Business, the Purchased Assets or the Assumed Liabilities by management of the Company or others in connection with the transactions contemplated hereby, and no statement contained in any such materials or made in any such presentation shall be deemed a representation or warranty hereunder or otherwise or deemed to be relied upon by Buyer in executing, delivering and performing this Agreement or any other Transaction Agreement to which it is a party and the transactions contemplated hereby and thereby. Other than as set forth in this Agreement, the Disclosure Schedules and in the certificates or other instruments delivered pursuant hereto, and except in respect of cases involving fraud, it is understood that any cost estimates, projections or other predictions, any data, any financial information or any memoranda or offering materials or presentations, including but not limited to any offering memorandum or similar materials made available to Buyer and its representatives and advisors, are not and shall not be deemed to be or to include representations or warranties of any Group Company, Parent or Seller, and are not and shall not be deemed to be relied upon by Buyer in executing, delivering and performing this Agreement, any other Transaction Agreement to which it is a party and the transactions contemplated hereby and thereby.

Section 6.9 Successor Servicer Qualifications. Buyer (a) is approved and in good standing with FNMA and FHLMC as a servicer of mortgage loans, (b) is an established home equity loan servicer, (c) has a net worth greater than $50,000,000, (d) is properly licensed and qualified to do business and in good standing in each jurisdiction in which such licensing and qualification is necessary to act as the Servicer under any of the Servicing Agreements, (e) has a residential primary servicer rating for the servicing of subprime residential mortgage loans issued by S&P, Fitch or Moody's at or above "Above Average," "RPS2" and "SQ2," respectively, (f) has in place a valid contract of insurance under Section 2 of Title I of the National Housing Act and the rules and regulations promulgated thereunder and (g) is a company whose business includes the origination and servicing of first and second lien one-to-four family mortgage loans, except in any such case as would not materially and adversely affect the ability of Buyer to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Servicing Agreements, and no event has occurred which would make Buyer unable to comply with all such eligibility requirements or which would require notification to HUD, FNMA or FHLMC.

Section 6.10 HAMP. Buyer has entered into a Commitment to Purchase Financial Instrument and Servicer Participation Agreement with FNMA, as financial agent of the United States, which agreement is in full force and effect.

Section 6.11 Organization and Authority of OFC.

(a) OFC is a corporation duly incorporated and validly existing and in good standing under the laws of the State of Florida and has all requisite corporate power and authority to conduct its business as it is being conducted as of the date of this Agreement and to own, lease and operate its property and assets.

(b) OFC is qualified or licensed to do business as a foreign entity and is in good standing in each jurisdiction in which the ownership of its property or the conduct of its business requires such qualification or license, except where the failure to be so qualified or licensed would not be reasonably likely to prevent or materially delay the Closing or otherwise prevent OFC from complying with the terms and provisions of this Agreement or to perform its obligations hereunder.

(c) OFC has all requisite authority and organizational power to execute and deliver this Agreement and each of the Ancillary Documents to which OFC is a party and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Ancillary Documents to which OFC is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all required corporate action on the part of OFC, and no other corporate proceedings on the part of OFC are necessary to authorize the execution and delivery of this Agreement and the Ancillary Documents to which OFC is a party or to consummate the transactions contemplated hereby and thereby. This Agreement has been duly and validly executed and delivered by OFC and, assuming this Agreement has been duly authorized, executed and delivered by each of the Parties, this Agreement constitutes a valid and binding agreement of OFC, enforceable against OFC in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws now or hereafter in effect relating to or affecting creditors' rights generally, including the effect of Laws regarding fraudulent conveyances and preferential transfers and subject to the limitations imposed by general equitable principles (regardless whether such enforceability is considered in a proceeding at law or in equity).

Section 6.12 No Violations of OFC. Except as set forth on Section 6.12 of the Disclosure Schedules, neither the execution and delivery by OFC of this Agreement or the Ancillary Documents to which OFC is a party, nor the consummation of the transactions contemplated hereby or thereby by OFC will violate any provision of the Governing Documents of OFC.

ARTICLE 7
COVENANTS

Section 7.1 Conduct of Business of the Company. Except as expressly contemplated by this Agreement (including the consummation of the Restructuring Transactions in accordance with the Restructuring Transactions Step Plan and the MSSR Transfer) or any other Transaction Agreement or as required by applicable Law, from and after the date of this Agreement until the earlier of the Subservicing Termination Date or the termination of this Agreement in accordance with its terms, the Company shall (and Parent and Seller shall cause the Company to), and shall cause each other Group Company to, except as set forth on Section 7.1 of the Disclosure Schedules or as consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), (a) subject to the terms of the Restricted Subservicing Agreement, continue their Mortgage Loan servicing activities, pricing and payment policies, in all material respects in the Ordinary Course of Business (but solely with respect to the Subsequent Transfer Purchased Assets after the Closing Date), except for changes reasonably made with a view to complying or otherwise adhering with the requirements of HAMP or other similar Law applicable to mortgage services generally or to best practices as in effect from time to time (which are made in accordance with the terms of the Restricted Subservicing Agreement), (b) use reasonable best efforts to preserve substantially intact its business organization and to preserve the present commercial relationships with key Persons with whom it does business, and (c) not do any of the following whether through a single transaction or a series of transactions:

(i) declare, set aside or pay a dividend on, or make any other distribution of Purchased Assets or Restricted Servicing Rights;

(ii) commence, settle or compromise any Action or threatened Action that, individually or in the aggregate, would be reasonably expected to adversely affect in a material way the post-Closing operation of the Business (or the Purchased Assets, Restricted Servicing Rights and Assumed Liabilities, taken as a whole) or business of OFC or any of its Affiliates (provided that Seller and its Subsidiaries, including the Company, may enter into any settlement or compromise with a Governmental Entity that imposes terms or conditions not substantially more onerous to the Company or its Subsidiaries than the terms and conditions imposed by such Governmental Entity in settlements or compromises with any one or more of the Top Mortgage Servicers);

(iii) (A) issue, sell, transfer, pledge, grant, dispose of, encumber or deliver any equity securities of any class or any securities convertible into or exercisable or exchangeable for voting or equity securities of any Group Company of any class or (B) adjust, split, combine or reclassify, or subject to recapitalization, any equity securities of any Group Company;

(iv) dissolve or liquidate or permit or allow the filing of a petition for relief under any provisions of the United States Bankruptcy Code with respect to any Group Company;

(v) merge or consolidate itself or any Group Company with any other Person, or restructure, recapitalize, reorganize or adopt any other corporate or legal entity reorganization, otherwise alter its legal structure or form or completely or partially liquidate;

(vi) transfer, sell, lease, exclusively license, surrender, divest, cancel, abandon or allow to lapse or expire or otherwise dispose of or subject to any Lien (other than Permitted Liens), any Purchased Assets or Restricted Servicing Rights outside the Ordinary Course of Business, except for assets with a purchase price, in the aggregate, of less than $1,000,000;

(vii) waive or amend any Restricted Servicing Agreement in any manner that would directly or indirectly result in Buyer being unable to subservice the Restricted Servicing Rights as contemplated by Section 2.5(g); or

(viii) agree in writing or otherwise to do anything contained in this clause (c);

provided, however, that, notwithstanding anything to the contrary in Section 7.1, the Company shall be entitled to enter into any settlement agreement or similar agreement or contract in connection with the settlement of any Action to the extent such action would not be prohibited by clause (c) above.

Section 7.2 No Control of the Company's Business. Without limiting the provisions of Section 7.1, nothing contained in this Agreement shall give Buyer, directly or indirectly, the right to Control or direct the Company's or any of the Group Companies' operations.

Section 7.3 Access to Information.

(a) From and after the date hereof until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, upon reasonable advance notice, and subject to restrictions contained in the confidentiality agreements to which the Group Companies are subject, the Company shall (i) provide to Buyer and its authorized representatives reasonable access to all employees, advisors (including outside accountants), premises and properties, books, records, Contracts, and other documents, in each case, of or pertaining to the servicing activities of the Group Companies, the Purchased Assets, the Restricted Servicing Rights and the Assumed Liabilities during normal business hours (in a manner so as to not interfere with the normal business operations of any Group Company) and (ii) furnish to Buyer and its authorized representatives such financial and operating data and other information relating to the Company or any of its Subsidiaries (such as imaged servicing files) as is normally prepared by the Company and as Buyer may reasonably request. All such information shall be treated as confidential information pursuant to the terms of the Confidentiality Agreement, the provisions of which are by this reference hereby incorporated herein. Notwithstanding anything to the contrary in this Agreement, (A) the Company shall not be required to disclose (1) any information to Buyer if such disclosure would be reasonably likely to jeopardize any attorney-client or other legal privilege or (2) any Tax Return filed by Morgan Stanley or any of its Affiliates, or any related material, (B) any such access provided to Buyer pursuant to this Section 7.3(a) shall be conducted at Buyer's expense, in accordance with Law (including any applicable antitrust, bank regulatory or competition law), fiduciary duty or any binding agreement entered into prior to the date hereof, at a reasonable time, under the supervision of Seller's personnel and in such a manner as to maintain confidentiality and not to unreasonably interfere with the normal operations of the Company and its Subsidiaries and (C) Seller will not be required to provide to Buyer access to or copies of any records or files (including, but not limited to, any personnel file of any employee of any Group Company) the disclosure of which could subject Seller, the Company or any of their respective Affiliates to risk of liability or violation of Law.

(b) Without limiting the generality of Section 7.3(a), Parent and Seller, on the one hand, and Buyer on the other hand, shall each nominate a representative to act as the primary contact persons and decision-makers with respect to all matters relating to the Pre-Closing Integration (the "Integration Coordinators"). The initial Integration Coordinators shall be designated by Parent and Seller, on the one hand, and Buyer, on the other hand, as soon as practicable after the date hereof. Each of Parent and Seller, on the one hand, and Buyer on the other hand, shall be entitled to replace its Integration Coordinator. Except as specifically set forth in this Agreement, each Integration Coordinator will have the authority and responsibility to monitor the appointing Party's compliance with its obligations under this Agreement. Parent and Seller, on the one hand, and Buyer, on the other hand, shall cause the Integration Coordinators to meet on a weekly basis or with such other frequency as they may agree to discuss the status and progress of the transactions contemplated by this Agreement and concerns of the Parties regarding the same. Should a dispute arise under this Agreement between the Parent and Seller, on the one hand, and Buyer, on the other hand, , the Integration Coordinators shall negotiate in good faith on behalf of such appointing Party to resolve any such disputes. If the Integration Coordinators are unable to resolve such dispute within ten (10) Business Days after the date of such dispute, Parent and Seller, on the one hand, and Buyer, on the other hand, shall have all applicable remedies available to it under this Agreement. Nothing in this Section 7.3(b) shall require the cooperation of Parent, Seller or the Company prior to the Closing to the extent it would interfere unreasonably with the business or the other operations of Parent, Seller, the Company or any of their respective Subsidiaries. Buyer shall, promptly upon request by Seller, reimburse Seller for any Losses suffered and for all documented and reasonable out-of-pocket costs suffered by Seller, Parent, the Company or any of their Subsidiaries pursuant to this Section 7.3(b).

Section 7.4 Efforts to Consummate.

(a) Subject to the terms and conditions herein provided, each of Morgan Stanley, Parent, Seller, Buyer, OFC and the Company shall use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement (including the satisfaction, but not waiver, of the closing conditions set forth in Article 9). Each of Morgan Stanley, Parent, Seller, Buyer, OFC and the Company shall use reasonable best efforts to obtain consents of all Governmental Entities necessary to consummate the transactions contemplated by this Agreement. All filing and application fees required in connection with obtaining such consents from Governmental Entities shall be borne by Seller except the HSR Act filing fee shall be borne by Buyer. Each Party has made an appropriate filing pursuant to the HSR Act with respect to the transactions contemplated by this Agreement and shall supply as promptly as practicable to the appropriate Governmental Entities any additional information and documentary material that may be requested pursuant to the HSR Act. Without limiting the foregoing, (i) the Company, Morgan Stanley, Parent, Seller, Buyer, OFC and their respective Affiliates shall not extend any waiting period or comparable period under the HSR Act or enter into any agreement with any Governmental Entity not to consummate the transactions contemplated hereby, except with the prior written consent of the other Parties, and (ii) Buyer agrees to take all actions that are necessary or reasonably advisable or as may be required by any Governmental Entity to expeditiously consummate the transactions contemplated by this Agreement; provided, however, in no event shall Buyer be required to agree to any limitations or restrictions that would result in a Burdensome Condition, including (A) selling, licensing or otherwise disposing of, or holding separate and agreeing to sell, license or otherwise dispose of, any entities, assets or facilities of Buyer or its Affiliates, (B) terminating, amending or assigning existing relationships and contractual rights and obligations and (C) amending, assigning or terminating existing licenses or other agreements and entering into such new licenses or other agreements to the extent any of the actions set forth in clauses (A) through (C) above, individually or in the aggregate, would result in a Burdensome Condition.

(b) In the event any Action or other proceeding by any Governmental Entity or other Person is commenced which questions the validity or legality of the transactions contemplated hereby or seeks damages in connection therewith, the Parties agree to cooperate and use reasonable best efforts to defend against such Action or other proceeding and, if an injunction or other order is issued in any such Action or other proceeding, to use reasonable best efforts to have such injunction or other order lifted, and to cooperate reasonably regarding any other impediment to the consummation of the transactions contemplated hereby.

(c) If any Party or Affiliate thereof receives a request for information or documentary material from any Governmental Entity with respect to this Agreement or any of the transactions contemplated hereby, then such Party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other Party (to the extent permitted by applicable Law), an appropriate response in compliance with such request.

(d) Prior to the Subservicing Termination Date, Seller and Buyer shall use all reasonable best efforts to obtain the Servicing Agreement Consents. To the extent permitted by applicable Law, the Parties shall keep each other apprised of the status of matters relating to the completion of the transactions contemplated by this Agreement (including the transfer of the Subsequent Transfer Purchased Assets prior to the Subsequent Transfer Clean-Up Date) and shall work cooperatively in connection with obtaining the Servicing Agreement Consents and the consents, authorizations and approvals set forth on Section 9.2(d) and Section 9.3(d), including:

(i) reasonably cooperating with each other in connection with any filings with respect to the consents, authorizations and approvals set forth on Section 9.2(d) and Section 9.3(d) of the Disclosure Schedules;

(ii) furnishing to the counsel of the other party all reasonably requested information within its possession that is required in connection with any consent, authorization or approval set forth on Section 9.2(d) and Section 9.3(d) of the Disclosure Schedules;

(iii) promptly notifying each other of any material communications from or with any Governmental Entity with respect to the transactions contemplated by this Agreement;

(iv) not participating in any substantive meeting, discussion or conversation with any Governmental Entity in connection with proceedings under or relating to any consent, authorization or approval set forth on Section 9.2(d) and Section 9.3(d) of the Disclosure Schedules, unless it consults with the other party in advance, and, to the extent permitted by such Governmental Entity, gives the other party the opportunity to attend and participate therein; and

(v) reasonably consulting and cooperating with one another in connection with all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party hereto in connection.

The Buyer shall bear all costs and expenses associated with obtaining the Servicing Agreement Consents, and Buyer shall reimburse Morgan Stanley, the Company, Parent and Seller for any and all such costs and expenses incurred by any of them upon written request provided, however, the Parties may, but shall not be obligated to, make any material payment or deliver anything of material value to any third party in order to obtain any consent, approval or authorization.

(e) Morgan Stanley, the Company, Parent, Seller, Buyer and OFC shall use all reasonable best efforts to negotiate and enter into the Ancillary Documents at or prior to the Closing in the forms attached as exhibits hereto along with any modifications agreed to between the parties thereto; provided, however, that to the extent that Morgan Stanley, the Company, Parent, Seller, Buyer and OFC do not agree to any modifications to the Ancillary Documents, the Ancillary Documents shall be entered into in the forms attached as exhibits hereto.

Section 7.5 Confidentiality; Public Announcements.

(a) The terms of the letter agreement dated June 21, 2011 between Buyer and Morgan Stanley & Co. LLC (the "Confidentiality Agreement") are hereby incorporated herein by reference and shall continue in full force and effect until the Closing, at which time the confidentiality obligations under the Confidentiality Agreement shall terminate. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement shall nonetheless continue in full force and effect in all respects and its term (i.e., the term referred to in Section 15 of the Confidentiality Agreement) shall be deemed extended until the date two years from the date hereof.

(b) Notwithstanding anything to the contrary in Section 7.5(a), following the date hereof, except as required by applicable Law, OFC and its Subsidiaries shall not disclose or use for any purpose information with respect to Seller and its Subsidiaries (other than information relating to the Purchased Assets, the Restricted Servicing Rights, Assumed Liabilities, the Excluded Liabilities or any rights or obligations under any Transaction Agreement) that is obtained by Buyer in connection with this Agreement and the transactions hereunder. OFC and its Subsidiaries shall not make such information available to any Affiliate or any other Person (other than Buyer, the Company and their respective Subsidiaries); except that the foregoing requirements of this Section 7.5(b) shall not apply to the extent that (i) any such information is or becomes generally available to the public other than, as a result of disclosure by the Buyer or its Subsidiaries in violation of this Agreement or the Confidentiality Agreement, (ii) any such information is required by applicable Law or Governmental Entity to be disclosed, (iii) any such information is reasonably necessary to be disclosed in connection with any Action or in any dispute with respect to the Transaction Agreements (including in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the disclosing party in the course of any litigation, arbitration, mediation, investigation or administrative proceeding with respect to the Transaction Agreements) or (iv) any such information was or becomes available to such party on a non-confidential basis and from a source (other than a Party hereto or any Affiliate of such party) that is not bound by a confidentiality agreement with respect to such information; provided, that in the event Buyer or any of its Subsidiaries is requested or required (by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any information, Buyer shall, or shall cause its Subsidiary to, (a) promptly provide Parent and Seller with written notice of such requirement to the extent permitted by Law, (b) furnish only that portion of the information that Buyer or its Subsidiary is advised by opinion of counsel is legally required and (c) use its reasonable best efforts to obtain assurance that confidential treatment will be accorded such information.

(c) No press release or public announcement related to this Agreement or the transactions contemplated herein, or prior to the Closing, any other announcement or communication to the employees, clients or suppliers of the Company, shall be issued or made by any party hereto without the joint approval of Buyer, on the one hand, and the Company, Parent and Seller, on the other hand, unless required by Law in which case Buyer, the Company, Parent or Seller, as applicable, shall be given a reasonable opportunity to review and comment upon such press release, announcement or communication prior to its issuance, distribution or publication; provided, however, that the foregoing shall not restrict or prohibit the Company, Parent, Seller or Buyer from making any announcement to its equityholders to the extent the Company, Parent, Seller or Buyer, as applicable, reasonably determines in good faith that such announcement is necessary or advisable due to its (or its Affiliates') status as a publicly traded company.

Section 7.6 Contact with Customers, Suppliers and Other Business Relations. During the period from the date of this Agreement until the earlier of the Closing Date or the termination of this Agreement in accordance with its terms, Buyer hereby agrees that it is not authorized to, and shall not (and shall not permit any of its employees, agents, representatives or Affiliates to), contact any employee (excluding executive officers), client, customer, supplier, distributor or other material business relation of any Group Company regarding any Group Company, its business or the transactions contemplated by this Agreement without the prior consent of the Company (which such consent shall not be unreasonably withheld, delayed or conditioned).

Section 7.7 Maintenance of Books and Records.

(a) After the Closing, Buyer shall, and shall cause its Subsidiaries to retain and preserve, all pre-Closing Date records, computer tapes, systems and other documents to the extent relating to the Purchased Assets, the Restricted Servicing Rights and the Assumed Liabilities possessed or to be possessed by such Person. Upon any reasonable request from Seller or its representatives, Buyer shall (or shall cause its relevant Subsidiary to) (a) provide to Seller or its representatives reasonable access to such records during normal business hours and (b) permit Seller or its representatives to make copies of such records, in each case at no cost to Seller or its representatives (other than for reasonable out-of-pocket expenses); provided that nothing in this Section 7.7 shall require Buyer or any of its Subsidiaries to disclose any information if such disclosure would jeopardize any attorney-client or other legal privilege or contravene any applicable Law, fiduciary duty or agreement (it being understood that each Party shall cooperate in any commercially reasonable efforts and requests for waivers or other arrangements that would enable otherwise required disclosure to occur without so jeopardizing privilege or contravening such Law, duty or agreement) or require Buyer or any of its respective Affiliates to disclose its Tax records. Such records may be sought under this Section 7.7(a) for any reasonable purpose, including to the extent reasonably required in connection with accounting, litigation, regulatory, securities law disclosure or other similar purpose (other than for purposes relating to claims between Buyer and Seller or any of their respective Subsidiaries under this Agreement or any Ancillary Document).

(b) Notwithstanding the foregoing and subject to applicable Law, following the seventh (7th) anniversary of the Closing Date, any and all such records may be destroyed by Buyer (or its Subsidiary) if Buyer sends to Seller written notice of its intent to destroy such records, specifying in reasonable detail the contents of the records to be destroyed; such records may then be destroyed after the sixtieth (60th) day following such notice unless Seller notifies Buyer that such Seller desires to obtain possession of such records, in which event Buyer shall transfer the records to Seller and Seller shall pay all reasonable expenses of Buyer in connection therewith.

Section 7.8 Post-Closing Cooperation in Connection with Actions.

(a) From and after the Closing, OFC shall, and shall cause each of its Subsidiaries to, subject to applicable Law, notify Parent and Seller of the existence of any MS Claim of which OFC or any of its Subsidiaries becomes aware. Subject to the provisions of this Section 7.8, from and after the Closing Date, OFC shall cause each of its Subsidiaries to reasonably and actively cooperate in good faith, engage in communications and share, exchange and jointly create documents, information, and analyses in connection with, and in order to enable Parent, the Company and Seller to respond to, MS Claims. Such cooperation shall include, without limitation, (i) the provision to Parent, the Company and Seller of all records and information relating to the Seller, the Company or its Subsidiaries, as the case may be, concerning MS Claims as reasonably requested by Seller, (ii) making employees (and, to the extent reasonably feasible, former employees) reasonably available on a mutually convenient basis to provide information concerning MS Claims and explanation of any Materials provided hereunder, (iii) making employees (and, to the extent reasonably feasible, former employees) reasonably available on a mutually convenient basis for purposes of investigating any MS Claim, as well as the preparation of any work in connection with any MS Claims, (iv) making employees (and, to the extent reasonably feasible, former employees) available to provide testimony at a deposition, trial or other proceeding concerning any MS Claim, (v) providing Parent and Seller with access to Materials, documents, emails and data residing with or in the possession, custody or control of OFC, its Subsidiaries or employees (and to the extent reasonably feasible, former employees) relating to any MS Claim and (vi) consultation and coordination regarding Parent's or Seller's defense or prosecution of any MS Claim. To the extent that Parent, Seller, the Company and OFC and any of its Subsidiaries are parties to the same MS Claim, the appropriate Parties shall consult as to strategy and seek to coordinate their actions. The Parties agree that, unless otherwise provided in this Agreement (including pursuant to Article 11 hereof), all out-of-pocket third party costs and expenses (for the avoidance of doubt excluding allocation of overhead or employer costs) incurred in connection with this Section 7.8 (including, for the avoidance of doubt, any records or information relating to any employee benefits) shall be at the sole cost and expense of the party requesting such information.

(b) Parent, Seller, the Company and OFC and each of its Subsidiaries each agree, on behalf of itself and its respective counsel and other representatives and advisors, that any communications or Materials shared between the Parties or their counsel or other representatives regarding any MS Claim, without regard to whether such communications or Materials were shared prior to the Closing Date, are intended to be and shall be deemed strictly confidential and protected to the fullest extent permitted by Law, including pursuant to the attorney-client privileges, the work product doctrine, the joint defense privilege, the self critical analysis privilege and any other privilege or immunity available under applicable Law, whether or not so identified or marked. The protection from disclosure includes, but is not limited to, disclosure in litigation relating to MS Claims or any other Actions.

(c) The Parties agree that if any attempt is made by any third party to secure or obtain Materials, the other Party shall be promptly notified and shall be given copies of any writings or documents, including subpoenas, summonses and the like, which relate to the attempt by the third party to obtain the information. The Parties further agree that if a request is made, whether formally or informally, by any Person or entity (whether a Governmental Entity or otherwise) for OFC or its Subsidiaries to make available, for any purpose, including interviews or taking of testimony, any current or former employees, any current or former employees of Parent, Seller, the Company or any of their Subsidiaries, Materials, records and information relating to MS Claims (or any other matters in which Parent, Seller, the Company, OFC or any of their respective Affiliates has a continuing interest), neither Seller, OFC nor their respective Subsidiaries may disclose any of the foregoing or make any employees of OFC or any of its Subsidiaries or employees of Parent, Seller or any of their Subsidiaries available, unless and until (i) the Person proposing to make the disclosure notifies the Parties to this Agreement of such request (such notice to include the provision of copies of any writings or documents, including subpoenas, summonses and the like, which relate to the request by such Person or entity (whether a Governmental Entity or otherwise) to obtain such information) and (ii) the Parties receiving such notice are given reasonable time to take all reasonable steps necessary to prevent or limit (x) disclosure of any Materials or records or information or (y) the making available of any employees of OFC or any of its Subsidiaries and employees of Parent, Seller or any of their Subsidiaries. The Parties agree that nothing herein shall require any Party hereto to take any action as may be prohibited or refrain from taking any action as may be required by Law.

(d) Any Materials created or produced by OFC or its Subsidiaries shall only be used in connection with the MS Claims to which they relate. The Materials shall remain the property of OFC or its Subsidiaries, as the case may be, and, following the conclusion of MS Claims, shall be destroyed or returned to OFC or its Subsidiaries, as the case may be, upon twenty (20) days' written notice.

(e) Notwithstanding any other provision of this Agreement, from and after the Closing Date, OFC shall and shall cause each of its Subsidiaries to retain and preserve in a readily readable and accessible form any and all Materials (including any documents, emails or other data) and any records and information relating to any MS Claims, including any of the foregoing in the possession of any employees of OFC and its Subsidiaries.

(f) The Parties hereto and their respective counsel believe that (i) there is a mutuality of interest with respect to matters contemplated by this Section 7.8 ("Common Interest Matters") and (ii) communications between or among the Parties' counsel and communications involving the Parties in the presence of such counsel regarding Common Interest Matters have been and will continue to be essential to the provision of legal advice regarding Common Interest Matters and the continued effective representation of the Parties in connection with Common Interest Matters, whether or not litigation has been or may be commenced regarding any Common Interest Matters. Accordingly, each Party hereto agrees, on behalf of itself and its respective counsel and other representatives and advisors, that this Agreement and any other communications between the Parties or their counsel regarding Common Interest Matters are intended to be strictly confidential and protected to the fullest extent by the attorney-client privileges and work product doctrine, whether or not so identified or marked. The protection from disclosure includes disclosure in litigation relating to Common Interest Matters. Notwithstanding anything to the contrary herein, nothing shall (i) prevent the disclosure of the existence of this Agreement or the terms hereof to the extent that such disclosure is required by applicable Law or (ii) except as expressly provided in Section 7.8(h), affect or otherwise limit the rights of the Parties to indemnification pursuant to Article 11.

(g) Each Party acknowledges that, as a result of this Agreement, legal counsel for each of the other Parties may have access to confidential information of such Party in the form of Materials. Each Party hereby acknowledges and agrees that nothing in this Agreement and no sharing of information with such legal counsel pursuant to the terms of this Agreement shall be deemed to create an attorney-client relationship between any attorney and anyone other than the client of that attorney. Each Party hereby represents and agrees that it will not seek to disqualify counsel for any other Party from continuing to represent such other Party in any subsequent proceedings (including with respect to any proceedings relating to any indemnification obligations pursuant to Article 11), whether or not that other Party's interests become adverse to it, on the basis of access to information obtained hereunder.

(h) With respect to any Shared Litigation, regardless of whether such Shared Litigation may be the subject of a claim for indemnification under Article 11 hereof, Parent and/or Seller shall have the right to participate in the settlement or defense of such Shared Litigation with counsel chosen by Parent or Seller (the fees and expenses of such counsel shall be borne by Parent or Seller, as applicable unless otherwise expressly provided in Article 11 hereof). In addition, each Party hereto further agrees with respect to any such Shared Litigation that, notwithstanding anything to the contrary set forth in Article 11: (i) Parent or Seller shall have the right at any point in time, at its option, to assume the conduct and control of the settlement or defense of such Shared Litigation by giving written notice thereof to Buyer or OFC, in which case Parent or Seller, as applicable, shall be deemed the Controlling Party within the meaning of Section 11.3 of this Agreement with all of the rights and obligations attendant thereto as set forth in said Section 11.3 (including the provisions of Section 11.3(i) relating to the settlement and compromise of claims); provided, however, that, to the extent either Parent or Seller exercises its right to serve as Controlling Party with respect to any such Shared Litigation, it shall, as a condition of exercising such right, agree to indemnify and hold harmless the Buyer Indemnitees from any Losses suffered or paid in such Shared Litigation, except to the extent that a Seller Indemnitee would be entitled to indemnification under Article 11 hereof in respect of such Shared Litigation and (ii) until such time as either Parent or Seller elects to serve as the Controlling Party pursuant to clause (i) of this sentence, Parent or any of its Controlled Affiliates, as applicable, on the one hand, and OFC or any of its Subsidiaries, as applicable, on the other hand, shall each defend the claims against it, no Person shall be deemed to be the Controlling Party and no Person shall have the right to make any settlement, compromise or offer to settle or compromise such Shared Litigation as it relates to the other Person. "Shared Litigation" shall mean any Action (including those listed in Section 7.8(h) of the Disclosure Schedules) where (i) any of (A) OFC or its Subsidiaries or (B) Parent or any of its Controlled Affiliates is a defendant (the "Defendant Party"), and (ii) at least one of the parties in (A) and one of the parties in (B) above (each, a "Shared Defendant Party"), if such Action is resolved adversely, would reasonably be expected to suffer liability in connection with such Action, and (iii) it is not reasonably practicable to separate such Action into two parts such that neither such part would constitute Shared Litigation; provided, however, that to the extent that subsequent facts and circumstances with respect to such Action become known such that such Action no longer constitutes a Shared Litigation, such Action shall not be deemed a Shared Litigation and, thereafter, the provisions of this Section 7.8 shall cease to be applicable thereto. In the case of any Shared Litigation that is the subject of a claim for indemnification under Section 11.2(a), Parent and Seller may elect to proceed under the provisions of Article 11 or this Section 7.8 by written notice to OFC.

(i) OFC shall not, and shall cause the each of its Subsidiaries not to, sell, offer for sale, assign, pledge, dispose of, arrange for a third party to subservice or otherwise transfer in any manner any of the MS Servicing Rights or Servicing Rights without (x) providing ten (10) Business Days' prior written notice to Parent and Seller of such anticipated sale, assignment, pledge, disposition, subservicing arrangement or transfer and (y) procuring from any such transferee an agreement in writing in a form prescribed by Seller to be bound by all provisions of this Section 7.8 for the benefit of Parent, Seller and their Affiliates.

(j) Seller's Affiliates following the Closing Date are intended to be third party beneficiaries of this Section 7.8.

Section 7.9 Seller Guarantees and Other Credit Support. Buyer shall use its reasonable best efforts to procure the release by the applicable counterparty of each Contract set forth on Section 7.9 of the Disclosure Schedules, effective as of the Closing, of any continuing obligation of Seller or any Affiliate of Seller, including any guarantee of obligations of the Company, or provide credit support to the Company under any such Contract and following the Closing shall indemnify and hold harmless Seller and each such Affiliate from and against any Losses resulting from or relating to any such obligation.

Section 7.10 Parent Intellectual Property; Trade Names and Trademarks.

(a) Buyer, for itself and its Affiliates, acknowledges and agrees that Buyer is not purchasing, acquiring or otherwise obtaining any right, title or interest in the names "Morgan Stanley" or any trade names, trademarks, Internet domain names, tag-lines, identifying logos or service marks related thereto or employing the wording "Morgan Stanley", "Morgan Stanley" formative marks, or any variation of the foregoing in this sentence or any confusingly similar trade name, trademark, Internet domain name, service mark or logo (collectively, the "MS Names and Marks"), and neither Buyer nor any of its Affiliates shall have any rights in the MS Names and Marks and neither Buyer nor any of its Affiliates shall contest the ownership or validity of any rights of Parent or any of its Controlled Affiliates in or to the MS Names and Marks.

(b) Buyer agrees that, except in connection with historical references to the Business, following the Closing Date, Buyer and its Controlled Affiliates shall not have any right to use the MS Names and Marks, either alone or in combination with other words and all marks, trade dress, logos, monograms and other source identifiers similar to any of the foregoing or embodying any of the foregoing alone or in combination with other words and Buyer shall, within twenty (20) days following the Closing, re-label, destroy (or for electronic materials, delete) all Purchased Assets, if any, bearing the MS Names and Marks, including signage, advertising, promotional materials, policy forms, insurance cards, claim forms, renewal notices, communications to policy holders, software, electronic materials, collateral goods, stationery, business cards, web sites, and other materials, and make all necessary filings with any office, agency or body to effect the elimination of any use of the MS Names and Marks from the businesses of the Company and its Subsidiaries. Notwithstanding the foregoing, nothing herein shall (i) prohibit Buyer or its Affiliates from maintaining materials bearing the MS Names and Marks for non-public (e.g. archival) use, (ii) require Buyer or its Affiliates to recall or cause the destruction of any materials not in its possession or control as of the Closing Date (e.g. materials distributed to third parties prior to the Closing Date) or materials archived on the internet on a website not operated by or on behalf of Buyer or its Affiliates (e.g. cached pages of third party websites), or (iii) give rise to liability of Buyer or its Affiliates in the event materials remain in the private possession of Buyer or its Affiliates following its good faith efforts to comply with this provision.

Section 7.11 Delivery of Debt Commitment Letters. Buyer shall use reasonable best efforts to deliver to Seller, on or before March 29, 2012, executed Debt Commitment Letters (the date on which such debt commitment letters are delivered to Seller, the "Delivery Date") on terms, which in the aggregate, are not materially less favorable to OFC than the Debt Commitment Letters set forth on Section 6.6(a) of the Disclosure Schedules to the Original Purchase Agreement (the "Original Commitment Letters") and, when compared to the terms and condition of the Original Commitment Letters, (x) do not impose new or additional conditions or otherwise expand the conditions to the Debt Financing, (y) do not amend or modify any other term of the Debt Financing in a manner that would reasonably be expected to (I) make the timely funding of the Debt Financing (or satisfaction of the conditions to obtaining the Debt Financing) less likely to occur or (II) adversely impact the ability of OFC to enforce its rights against other parties to the Debt Commitment Letters or the definitive agreements with respect thereto and (z) are not reasonably expected to hinder or delay the Closing.

Section 7.12 Ancillary Documents. On the Closing Date, each of Seller and Buyer shall (and, if applicable, each shall cause its respective Affiliates to) execute and deliver each of the Ancillary Documents to which it (or any such Affiliate) is a party if such Ancillary Document has not been executed prior thereto.

Section 7.13 Notice of Certain Events. From the date hereof until the Closing Date, each Party will, subject to applicable Law, promptly notify the other Party of:

(a) any material notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(b) any written notice or other written communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;

(c) the occurrence or non-occurrence of any event that is likely to cause any representation or warranty of such Party in this Agreement to be untrue or inaccurate in any material respect at or prior to the Closing Date; provided, however, that the obligation to give notice pursuant to this Section 7.13 shall not be deemed a covenant or obligation for the purposes of Section 9.2(b) or Section 9.3(b);

(d) any change or event that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect;

(e) any written material action, suit, claim, investigation or proceeding commenced or, to such Party's knowledge, threatened against, relating to or involving or otherwise affecting such Party that, if pending on the date hereof, would have been required to have been disclosed pursuant to Section 3.13 on Section 3.13 of the Disclosure Schedules; and

(f) any change or fact of which it is aware that will or is reasonably expected to result in any of the conditions set forth in Article 9 becoming incapable of being satisfied.

Notwithstanding the foregoing, no delivery of any notice pursuant to this Section 7.13 shall (i) have any effect for the purpose of qualifying the representations and warranties of the notifying party contained herein, or be deemed to cure any misrepresentation or breach of warranty that might otherwise have existed hereunder by reason of the omission of such item from the Disclosure Schedules or (ii) limit or otherwise affect any of the remedies available to any party pursuant to this Agreement or the representations, warranties, covenants, agreements or conditions to the obligation of the parties under this Agreement.

Section 7.14 Debt Financing Activities.

(a) OFC shall, and shall cause its Subsidiaries to, use reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to (i) following the Delivery Date maintain in effect the Debt Financing and the Debt Commitment Letters, (ii) arrange and obtain the proceeds of the Debt Financing on terms and conditions described in the Debt Commitment Letters, (iii) enter into definitive financing agreements with respect to the Debt Financing on the terms and conditions specified in the Debt Commitment Letters, so that such agreements are in effect as promptly as practicable but in no event later than the Closing, (iv) enforce its rights (including through litigation) under the Debt Commitment Letters, (v) consummate the Debt Financing at the Closing on the terms and conditions specified in the Debt Commitment Letters, (vi) satisfy all conditions to such definitive agreements that are applicable to OFC and its Subsidiaries, (vii) comply with its obligations under the Debt Commitment Letters, and (vii) cause the lenders and other Persons providing Debt Financing to fund on the Closing Date the Debt Financing required to consummate the transactions contemplated by this Agreement. It is understood that it is not a condition to Closing under this Agreement for OFC to obtain the Debt Financing or any Alternative Debt Financing. Prior to the Closing Date, OFC shall provide to the Company copies of all final documents relating to the Debt Financing and shall keep the Company fully informed of material developments in respect of the Debt Financing process relating to this transaction. Without limiting the generality of the foregoing, OFC shall give the Company prompt notice following the Delivery Date (i) of any material breach or default by any party to any Debt Commitment Letters or definitive document related to the Debt Financing of which OFC becomes aware; and (ii) of the receipt of any written notice or other written communication from any Debt Financing source with respect to any: (A) material breach, default, termination or repudiation by any party to any Debt Commitment Letters or any definitive document related to the Debt Financing of any provisions of the Debt Commitment Letters or any definitive document related to the Debt Financing or (B) material dispute or disagreement between or among any parties to any Debt Commitment Letters or any definitive documents related to the Debt Financing; provided, that neither OFC nor its Affiliates shall be under any obligation to disclose any information that is subject to attorney client or similar privilege; provided, further, that OFC shall use reasonable best efforts to disclose such information in a way that would not waive such privilege. As soon as reasonably practicable, but in any event within five (5) Business Days of the date the Company delivers to OFC a written request, OFC shall provide any information reasonably requested by the Company relating to any circumstances referred to in clause (i) or (ii) of the immediately preceding sentence. Prior to the Closing, OFC shall not agree to, or permit, any amendment or modification of, or waiver under, the Debt Commitment Letters or other final documentation relating to the Debt Financing without the prior written consent of the Company, except OFC may amend, modify, supplement, restate or replace the Debt Commitment Letters, in whole or part, if such amendment, modification, supplement, restatement or replacement (w) does not reduce the aggregate amount of the Debt Financing (including by changing the amount of fees to be paid or original issue discount of the Debt Financing unless the Debt Financing is increased by a corresponding amount), (x) does not impose new or additional conditions or otherwise expand the conditions to the Debt Financing, (y) does not amend or modify any other term of the Debt Financing in a manner that would reasonably be expected to (I) make the timely funding of the Debt Financing (or satisfaction of the conditions to obtaining the Debt Financing) less likely to occur or (II) adversely impact the ability of OFC to enforce its rights against other parties to the Debt Commitment Letters or the definitive agreements with respect thereto and (z) is not reasonably expected to hinder or delay the Closing. OFC shall deliver to the Company copies of any such amendment, modification or replacement. For purposes of this Section 7.14, references to "Debt Financing" shall include the Debt Financing contemplated by the Debt Commitment Letters as permitted to be amended, modified, supplemented, restated or replaced by this Section 7.14(a) and references to "Debt Commitment Letters" shall include any amendment, modification, restatement, supplement and replacement permitted by this Section 7.14(a).

(b) In the event that, notwithstanding the use of reasonable best efforts by OFC to satisfy its obligations under Section 7.14(a), any portion of the Debt Financing becomes unavailable in the manner or from the sources contemplated in Debt Commitment Letters (or any definitive financing agreement relating thereto) for any reason, (i) OFC shall promptly notify Parent and Seller of such unavailability and the reasons therefor and (ii) OFC shall, and shall cause its Subsidiaries to, use reasonable best efforts to arrange to obtain any such portion from alternative sources (including Parent and/or its Affiliates if Parent and/or its Affiliates elect to provide such financing) (on terms, which in the aggregate, are not materially less favorable to OFC) (the "Alternative Debt Financing"), to obtain a new Debt Financing commitment letter with respect to such Alternative Debt Financing (the "New Debt Commitment Letter"), a true and correct copy of which shall be promptly provided to the Company, and to enter into definitive agreements with respect thereto, in each case as promptly as practicable following the occurrence of such event. In the event any New Debt Commitment Letters are obtained, (i) any reference in this Agreement to the "Debt Financing" shall mean the Debt Financing contemplated by the Debt Commitment Letters as modified pursuant to clause (ii) below, and (ii) any reference in this Agreement to the "Debt Commitment Letters" shall be deemed to include the Debt Commitment Letters that are not superseded by New Debt Commitment Letters at the time in question and the New Debt Commitment Letters to the extent then in effect.

(c) Prior to the Closing, Parent and Seller shall, and shall cause their respective Subsidiaries and Affiliates to, and shall use reasonable best efforts to cause their and their Affiliates' and Subsidiaries' respective directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) to, provide to OFC such cooperation with the Debt Financing as may be reasonably requested by OFC, which cooperation shall include, but not be limited to:

(i) participation in a reasonable number of meetings, presentations and due diligence sessions;

(ii) as promptly as reasonably practicable, furnishing OFC and its Debt Financing sources with reasonably requested financial and other reasonably available information regarding the Group Companies; and

(iii) using its reasonable best efforts to provide monthly financial statements (excluding footnotes) of the Group Companies within fifteen (15) days of the end of each month prior to the Closing Date;

provided, that, (x) nothing herein shall require such cooperation to the extent it would interfere unreasonably with the Business or the other operations of Parent, Seller, the Company or any of their respective Subsidiaries and (y) neither Parent, Seller nor any of its Subsidiaries (including the Company) shall be required to commit to take any action that is not contingent upon the Closing (including the entry into any agreement) or that would be effective prior to the Closing and (z) none of Parent, Seller, the Company or any of their respective Affiliates shall be required to pay any commitment or other similar fee or take any action that would subject it to any other liability in connection with the Debt Financing prior to the Closing or any other cost, expense or fee or agree to provide any indemnity in connection with the Debt Financing or any of the foregoing. OFC acknowledges and agrees that neither the Parent, Seller, the Company nor any of their respective Affiliates or any of their respective directors, officers, employees, representatives and advisors (including legal, financial and accounting advisors) shall have any responsibility for, or incur any liability to any Person under or in connection with, the arrangement of the Debt Financing or any Alternative Debt Financing that OFC may raise in connection with the transactions contemplated by this Agreement. OFC shall indemnify and hold harmless Parent, Seller, its Subsidiaries and their respective representatives from and against any and all liabilities and Losses suffered or incurred by them in connection with the arrangement of the Debt Financing (including any action taken in accordance with this Section 7.14(c) and any information utilized in connection therewith). OFC shall, promptly upon request by Seller, reimburse Seller for all documented and reasonable out-of-pocket costs incurred by Seller, Parent or any of their Subsidiaries that are the financial responsibility of OFC pursuant to this Section 7.14(c).

Section 7.15 Transfer of Servicing.

(a) All payments in respect of any Mortgage Loan for which the related Servicing Rights are included in the Purchased Assets, together with other funds or payments used to pay bills that relate to such Mortgage Loans received by Parent, Seller or any of their Affiliates after the Closing Date, shall be forwarded by Seller to Buyer within two (2) Business Days after receipt and proper identification by overnight mail. Each such payment in respect a Mortgage Loan so forwarded by Seller pursuant to the previous sentence shall be accompanied by an endorsement assigning such payment to Buyer.

(b) As promptly as practicable following the date hereof, Parent, Seller and the Company, on the one hand, and Buyer shall work together in good faith to develop a plan to effect, from and after the Closing Date, the orderly transfer and integration of the Mortgage Loans and related Loan Files, the physical transfer of servicing, and the provision of customary notices to taxing authorities, insurance providers, escrow arrangements and the like (the "Conversion Plan"). Each of the Parent, Seller and the Company, on the one hand, and Buyer shall use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things reasonably necessary, proper or advisable to consummate and make effective as Conversion Plan on or prior to Closing. Buyer shall bear all costs and expenses of implementing the Conversion Plan as described in this Section 7.15(b).

(c) As part of the Conversion Plan, the Seller and the Buyer each shall send the mortgagors under the Closing Date Mortgage Loans and Subsequent Transfer Mortgage Loans notification of the transfer of the Servicing Rights, which shall comply in all material respects with all applicable Law and related Servicing Agreements, including the federal Real Estate Settlement Procedures Act, as amended, and Regulation X, as amended. At least sixteen (16) days prior to the anticipated Closing Date or Subsequent Transfer Date, as applicable, and otherwise in accordance with applicable Law and related Servicing Agreements, the Seller shall mail the form of notification (which shall be in form and substance reasonably satisfactory to the Buyer) to the mortgagors under the applicable Mortgage Loans of the transfer of the applicable Servicing Rights and instruct the mortgagors to deliver all Mortgage Loan payments and related payments and all tax and insurance notices to, or as directed by, the Buyer on and after the Closing Date.

(d) Upon reasonable request by the Buyer and subject to the terms and conditions of this Agreement, the Seller shall prepare, execute and furnish the Buyer with such limited powers of attorney to execute documents on behalf of the Seller in respect of the related Mortgage Loan documents and such other documents prepared by the Buyer (and reasonably satisfactory in form and substance to the Seller) as may be necessary or appropriate to enable the Buyer to liquidate, collect payments against and otherwise service and manage the Mortgage Loans, related mortgaged properties and REO Properties in accordance with the related Servicing Agreements.

Section 7.16 Regulation AB. Prior to the Closing Date, Parent and Seller shall use reasonable best efforts to, at Buyer's sole cost and expense, cooperate with Buyer to deliver all information reasonably necessary and within Parent's and Seller's control for the period beginning on January 1, 2011 until Closing in order to allow Buyer to comply with its obligations for reporting under Regulation AB with respect to the Servicing Agreements, including any and all periodic audits and written evidence of compliance (or lack thereof) related to Regulation AB or the Uniform Single Attestation Program for Mortgage Bankers.

Section 7.17 Subservicing Transfer. If after the Closing an investor which owns Mortgage Loans for which Buyer provides servicing under the Servicing Agreements set forth on Section 7.17 of the Disclosure Schedules terminates such Servicing Agreement or transfers such servicing to a Person other than Buyer or any of its Affiliates, in either case other than as a result of a failure of Buyer (or any of its Subsidiaries) to comply with such Servicing Agreement or the active encouragement of Buyer or any of its Affiliates (a "Servicing Transfer") prior to the one-year anniversary of the Closing Date, Seller shall pay Buyer as follows:

(a) If such a Servicing Transfer occurs on or before the six-month anniversary of the Closing Date, Seller shall pay Buyer an amount equal to the product of the unpaid principal balance as of the date of such Servicing Transfer ("UPB") of the Mortgage Loans relating to such Servicing Transfer multiplied by 0.001685.

(b) If such a Servicing Transfer occurs after the six-month anniversary of the Closing Date but prior to the one-year anniversary of the Closing Date, Seller shall pay Buyer an amount equal to fifty percent (50%) of the product of the UPB of the Mortgage Loans relating to such Servicing Transfer multiplied by 0.001685.

In the event of any Servicing Transfer with respect to which Buyer is entitled to a payment from Seller pursuant to this Section 7.17, Seller shall pay Buyer the amount due Buyer within five (5) Business Days of Seller's receipt of evidence of such Servicing Transfer.

Section 7.18 Regulation S-X. Parent shall use reasonable best efforts to cooperate with Buyer, at Buyer's sole cost and expense, in connection with Buyer's preparation of audited financial statements as of December 31, 2011 and for the year ended December 31, 2011 (collectively, the "Required Financials") in a form that includes any applicable purchase accounting entries and that will allow Buyer to disclose such Required Financials as required pursuant to Rule 3-05 of Regulation S-X of the Securities Act; provided that nothing herein shall require such cooperation to the extent it would unreasonably interfere with the Business or the other operations of Parent, Seller and their respective Subsidiaries and the preparation or delivery of any of the Required Financials shall not be a condition to the Closing in any manner.

Section 7.19 Mortgage Loans History; Investor Reporting and Reconciliation.

(a) Immediately after the Closing (and any Subsequent Transfer Date), Parent and Seller shall be required to provide Buyer with (i) electronic copies of all of the full transaction history (including payment and comment history and any vendor invoices) with respect to each of the Mortgage Loans included within the Purchased Assets and (ii), for a period of at least four (4) months after the Closing, access to the staff at the Seller that is generally capable of responding to customary questions related to such full transaction history.

(b) After the Closing (and any Subsequent Transfer Date), Parent and Seller shall (i) within twenty-five (25) days following such Closing Date or Subsequent Transfer Date, as applicable, prepare the final month remittance report with respect to the applicable Closing Date Mortgage Loans or Subsequent Transfer Mortgage Loans (other than with respect to any Mortgage Loans for which month-end remittance information is unavailable due to mid-cycle transfer) and (ii) within sixty (60) days following a applicable Closing Date or Subsequent Transfer Date, conduct the final P&I and T&I custodial account reconciliations with respect to the applicable Closing Date Mortgage Loans or Subsequent Transfer Mortgage Loans. With respect to any Mortgage Loans for which month-end remittance information is unavailable due to mid-cycle transfer, Seller shall provide Buyer with loan-level collection activity reports from the applicable immediately preceding remittance reporting cutoff date to the transfer date, and Buyer shall be responsible for subsequent monthly remittance reporting.

ARTICLE 8
TAX MATTERS

Section 8.1 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration and other similar Taxes (collectively, "Transfer Taxes") incurred in connection with transactions contemplated by this Agreement shall be borne 50% by Buyer and 50% by Seller. Any Tax Returns that must be filed in connection with such Transfer Taxes shall be prepared by the party primarily or customarily responsible under applicable Law for filing such Tax Returns, and such party shall provide such Tax Returns to the other party at least ten (10) Business Days prior to the date such Tax Returns are due to be filed. If either Party is liable under Law for payment of such Transfer Taxes, the other Party shall pay the amount of its portion of such Transfer Tax no later than seven (7) Business Days after receipt of a request for payment from the paying Party. Buyer and Seller shall cooperate in the timely completion and filing of all such Tax Returns. Buyer and Seller shall reasonably cooperate to reduce or eliminate such Transfer Taxes to the extent permitted by applicable Law.

ARTICLE 9
CONDITIONS TO CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT

Section 9.1 Conditions to the Obligations of the Company, Parent, Buyer and Seller. The obligations of the Company, Parent, Buyer and Seller to consummate the transactions contemplated to occur on the Closing Date are subject to the satisfaction (or, if permitted by applicable Law, waiver in writing by the Party for whose benefit such condition exists) of the following conditions:

(a) any applicable waiting period under the HSR Act relating to the transactions contemplated by this Agreement shall have expired or been terminated; and

(b) no statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other Governmental Entity or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement shall be in effect and no proceeding shall have been commenced by any Governmental Entity for the purpose of obtaining any such order, decree, injunction, restraint or prohibition and be pending; provided, however, that each of Buyer, Parent, Seller, and the Company shall have used reasonable best efforts to prevent the entry of any such injunction or other order or the commencement of any such proceeding or lawsuit and to appeal as promptly as possible any injunction or other order that may be entered.

Section 9.2 Other Conditions to the Obligations of Buyer at the Closing. The obligations of Buyer to consummate the transactions contemplated to occur on the Closing Date are subject to the satisfaction or, if permitted by applicable Law, waiver in writing by Buyer of the following further conditions:

(a) (i) the representations and warranties of the Company and Seller set forth in Sections 3.1(a), 3.2, 3.7(ii) and 3.22 shall be true and correct in all but de minimis respects as of the Closing Date as though made on and as of the Closing Date, except to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date, (ii) each of the other representations and warranties of the Company and Seller set forth Article 3 hereof (other than those specified in clause (i)) shall be true and correct in all respects (without giving effect to any qualification as to "materiality" or "Material Adverse Effect" set forth therein as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (B) to the extent that the failure of such representations and warranties to be true and correct as of such dates have not had and would not, in the aggregate, reasonably be expected to have a Material Adverse Effect, (iii) the representations and warranties of Parent set forth in Sections 4.1 and 4.3 shall be true and correct in all but de minimis respects as of the Closing Date as though made on and as of the Closing Date, except to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date, (iv) each of the other representations and warranties of Parent set forth in Article 4 hereof (other than those specified in clause (iii)) shall be true and correct in all respects (without giving effect to any qualification as to "materiality" set forth therein) as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (B) to the extent that the failure of such representations and warranties to be true and correct as of such dates have not had and would not reasonably be expected to have, in the aggregate, a material adverse effect on Parent's ability to consummate the transactions contemplated by this Agreement, (v) the representations and warranties of Morgan Stanley set forth in Section 5.1 shall be true and correct in all but de minimis respects as of the Closing Date as though made on and as of the Closing Date, except to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (vi) each of the other representations and warranties of Morgan Stanley set forth in Article 5 hereof (other than those specified in clause (v)) shall be true and correct in all respects (without giving effect to any qualification as to "materiality" set forth therein) as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (B) to the extent that the failure of such representations and warranties to be true and correct as of such dates have not had and would not reasonably be expected to have, in the aggregate, a material adverse effect on Morgan Stanley's ability to consummate the transactions contemplated by this Agreement;

(b) Parent, Morgan Stanley, Seller and the Company shall have performed and complied in all material respects with all covenants and obligations required to be performed or complied with by Parent, Morgan Stanley, Seller and the Company under this Agreement on or prior to the Closing Date (other than the covenants contained in Section 2.4(a) which shall have been performed and complied with in all respects);

(c) prior to or at the Closing, the Company shall have delivered, or caused to be delivered, the following closing documents:

(i) a certificate of an authorized officer of each of the Company and Seller, dated as of the Closing Date, to the effect that the conditions specified in Section 9.2(a)(i), Section 9.2(a)(ii), Section 9.2(b) (as related to the obligations of the Company and Seller) and Section 9.2(i) have been satisfied by the Company and Seller;

(ii) a certificate of an authorized officer of Parent, dated as of the Closing Date, to the effect that the conditions specified in Section 9.2(a)(iii), Section 9.2(a)(iv) and Section 9.2(b) (as related to the obligations of Parent) have been satisfied by Parent;

(iii) a certificate of an authorized officer of Morgan Stanley, dated as of the Closing Date, to the effect that the conditions specified in Section 9.2(a)(v), Section 9.2(a)(vi) and Section 9.2(b) (as related to the obligations of Morgan Stanley) have been satisfied by Morgan Stanley; and

(iv) certified copies of resolutions of (A) Parent's board of directors, (B) Seller's board of directors and (C) the Company's board of directors authorizing the execution and delivery of the Agreement and the consummation of the transactions contemplated hereby;

(d) all consents, authorizations and approvals set forth on Section 9.2(d) of the Disclosure Schedules shall have been obtained and shall be in full force and effect on the Closing Date;

(e) prior to or at the Closing, Parent and Seller shall have delivered the items contemplated by Section 2.4(a);

(f) Seller shall have delivered to Buyer a certificate from Seller, in form and substance as prescribed by Treasury Regulations promulgated under Code section 1445, stating that Seller is not a "foreign person" within the meaning of Code section 1445;

(g) Parent, Seller and the Company shall have delivered to Buyer at or prior to the Closing all final documentation effecting the consummation of the Restructuring Transactions (as set forth in Exhibit C) prior to the Closing;

(h) Seller shall have delivered to Buyer executed counterpart signature pages from Seller and each of its Affiliates, as applicable, that are parties to the Ancillary Documents and all such Ancillary Documents shall be in effect as of the Closing (upon delivery of any such applicable signature pages by Buyer and its Affiliates, as applicable);

(i) since the Execution Date, other than any matter or condition expressly described in the Disclosure Schedules, there shall not have occurred any event, occurrence or development which has had, or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 9.3 Other Conditions to the Obligations of the Company, Parent and Seller. The obligations of the Company, Parent and Seller to consummate the transactions contemplated to occur on the Closing Date are subject to the satisfaction or, if permitted by applicable Law, waiver in writing by the Company, Parent and Seller of the following further conditions:

(a) (i) the representations and warranties of Buyer set forth in Section 6.1 and Section 6.2 hereof shall be true and correct in all but de minimis respects as of the Closing Date as though made on and as of the Closing Date, except to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date, (ii) each of the other representations and warranties of Buyer contained in Sections 6.3 through Section 6.8 hereof (inclusive) shall be true and correct in all respects (without giving effect to any qualification as to "materiality" set forth therein) as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specific date, in which case the same shall be true and correct as of such specified date and (B) to the extent that the failure of such representations and warranties to be true and correct as of such dates have not had and would not reasonably be expected to have, in the aggregate, a material adverse effect on Buyer's ability to consummate the transactions contemplated by this Agreement, (iii) the representations and warranties of OFC set forth in Section 6.11 shall be true and correct in all but de minimis respects as of the Closing Date as though made on and as of the Closing Date, except to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (iv) each of the representations and warranties of OFC set forth in Section 6.12 hereof shall be true and correct in all respects (without giving effect to any qualification as to "materiality" set forth therein) as of the Closing Date as though made on and as of the Closing Date, except (A) to the extent such representations and warranties are made on and as of a specified date, in which case the same shall be true and correct as of such specified date and (B) to the extent that the failure of such representations and warranties to be true and correct as of such dates have not had and would not reasonably be expected to have, in the aggregate, a material adverse effect on OFC's ability to consummate the transactions contemplated by this Agreement;

(b) Buyer and OFC shall have performed and complied in all material respects with all covenants and obligations required to be performed or complied with by Buyer and OFC under this Agreement on or prior to the Closing Date (other than the covenants contained in Section 2.4(b) which shall have been performed and complied with in all respects);

(c) prior to or at the Closing, Buyer shall have delivered, or caused to be delivered, the following closing documents:

(i) a certificate of an authorized officer of Buyer, dated as of the Closing Date, to the effect that the conditions specified in Section 9.3(a)(i), Section 9.3(a)(ii) and Section 9.3(b) (as related to the obligations of Buyer) have been satisfied;

(ii) a certificate of an authorized officer of OFC, dated as of the Closing Date, to the effect that the conditions specified in Section 9.3(a)(iii), Section 9.3(a)(iv) and Section 9.3(b) (as related to the obligations of OFC) have been satisfied; and

(iii) a certified copy of the resolutions of Buyer's board of directors (or other governing body) authorizing the execution and delivery of the Agreement and the consummation of the transactions contemplated hereby;

(d) all consents, approvals and authorizations set forth on Section 9.3(d) of the Disclosure Schedules shall have been obtained and be in full force and effect on the Closing Date;

(e) prior to or at the Closing, Buyer shall have taken the actions, and delivered the items, contemplated by Section 2.4(b); and

(f) Buyer shall have delivered to Parent and Seller executed counterpart signature pages from Buyer and each of its Affiliates, as applicable, that are parties to the Ancillary Documents and all such Ancillary Documents shall be in effect as of the Closing (upon delivery of any such applicable signature pages by Parent and Seller and their Affiliates, as applicable).

Section 9.4 Frustration of Closing Conditions. No Party may rely on the failure of any condition set forth in this Article 9 to be satisfied if such failure was caused by such Party's failure to comply with its obligations under this Agreement.

ARTICLE 10
TERMINATION; AMENDMENT; WAIVER

Section 10.1 Termination. This Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time prior to the Closing:

(a) by mutual written consent of Buyer and Seller;

(b) by Buyer, if any of the representations or warranties of the Company and Seller set forth in Article 3, Parent set forth in Article 4 or Morgan Stanley set forth in Article 5 shall not be true and correct or if the Company, Parent, Morgan Stanley or Seller has failed to perform any covenant, obligation or agreement on the part of Seller, Parent or the Company set forth in this Agreement (including an obligation to consummate the Closing) such that the conditions to Closing set forth in Section 9.2 would not be satisfied and the breach or breaches causing such representations or warranties not to be true and correct, or the failures to perform any covenant, obligation or agreement, as applicable, are not cured (if curable) within twenty (20) days after written notice thereof is delivered to Seller; provided that Buyer is not then in breach of this Agreement so as to prevent the conditions to the Closing set forth in Section 9.3 from being satisfied;

(c) by Seller, if any of the representations or warranties of Buyer or OFC set forth in Article 6 shall not be true and correct or if Buyer or OFC has failed to perform any covenant, obligation or agreement on the part of Buyer or OFC set forth in this Agreement (including an obligation to consummate the Closing) such that the conditions to Closing set forth in Section 9.3 would not be satisfied and the breach or breaches causing such representations or warranties not to be true and correct, or the failures to perform any covenant, obligation or agreement, as applicable, are not cured (if curable) within twenty (20) days after written notice thereof is delivered to Buyer; provided that neither Seller, Parent nor any Group Company is then in breach of this Agreement so as to prevent the conditions to Closing set forth in Section 9.2 from being satisfied;

(d) by either Party, if the transactions contemplated by this Agreement to occur on the Closing Date shall not have been consummated on or prior to May 1, 2012 (the "Termination Date"); provided that the Party seeking to terminate this Agreement pursuant to this Section 10.1(d) shall not have breached its obligations under Section 7.11 or Section 7.14 (with respect to Buyer) in any respect and shall not have breached its obligations under any other provision of this Agreement in any manner that shall have proximately caused the failure of the conditions to Closing set forth in Section 9.1, Section 9.2, or Section 9.3, as applicable, to be satisfied on or before the Termination Date; provided further that notwithstanding the foregoing, Buyer shall have the right to terminate the Agreement pursuant to this Section 10.1(d) if the Buyer Trigger Conditions have been satisfied as of the Termination Date and Buyer shall not have breached its obligations under this Agreement in any manner that shall have proximately caused the failure of the conditions to Closing set forth in Section 9.1, Section 9.2, or Section 9.3 (other than Section 9.3(e)), as applicable, to be satisfied on or before the Termination Date; provided, that Buyer shall not be entitled to terminate this Agreement pursuant to this Section 10.1(d) for so long as Seller is pursuing an Action seeking to cause Buyer to comply with its obligations to consummate the transactions contemplated hereby, it being understood that if any such Action is pursued by Seller, Buyer shall not be entitled to terminate this Agreement pursuant to this Section 10.1(d) unless Seller has exhausted its remedies hereunder and any related Actions shall have become final and nonappealable; provided, further, that Buyer shall only be entitled to terminate this Agreement pursuant to this Section 10.1(d) upon ten (10) Business Days' written notice to the Seller (which notice Buyer shall only be entitled to give as from the tenth (10th) Business Day following the Termination Date);

(e) by any Party, if any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree or ruling or other action shall have become final and nonappealable; provided that the Party seeking to terminate this Agreement pursuant to this Section 10.1(e) shall have used reasonable best efforts to remove such order, decree, ruling, judgment or injunction and shall have complied with all of the other terms of this Agreement; or

(f) by Seller on or after May 1, 2012 if all of the conditions set forth in Article 9 have been and continue to be satisfied (other than those conditions that by their nature cannot be satisfied other than at the Closing) or waived and Buyer fails to consummate the transactions contemplated by this Agreement within two (2) Business Days of the date the Closing should have occurred pursuant to Section 2.3.

Section 10.2 Effect of Termination.

(a) In the event of the termination of this Agreement pursuant to Section 10.1, this entire Agreement shall forthwith become void (and there shall be no liability or obligation on the part of Buyer, OFC, Parent, Morgan Stanley, Seller or the Company or their respective officers, directors or equityholders) with the exception of: (i) the provisions of this Section 10.2, Section 7.5, Section 7.8(b), Article 12 and the second to last sentence of Section 7.3(a), each of which provisions shall survive such termination and remain valid and binding obligations of the Parties, and (ii) any liability of Buyer for any intentional breach of or failure to perform any of its obligations under this Agreement prior to such termination (including any failure by Buyer to consummate the transactions contemplated by this Agreement if it is obligated to do so hereunder). For this purpose "intentional" means an action or omission that the breaching party knows or reasonably should have known is or would result in a breach of this Agreement.

(b) In the event that this Agreement is terminated either:

(i) by Seller pursuant to Section 10.1(f); or

(ii) by Buyer pursuant to Section 10.1(d) and (A) except to the extent waived by Parent or Seller in accordance with this Agreement, the covenants and agreements contained in Section 7.11 and Section 7.14 shall have been complied with by Buyer in all respects as of the Termination Date and (B) the Closing has not occurred on or prior to the Termination Date due to the fact that Buyer has been unable to consummate the Debt Financing (with (A) and (B) collectively referred to herein as the "Buyer Trigger Conditions"),

then in either such case, OFC shall, within two (2) Business Days after the date of such termination, pay or cause to be paid to Parent an amount equal to forty million dollars ($40,000,000) (the "Termination Fee") by wire transfer of immediately available funds to an account designated by Parent (it being understood that in no event shall OFC be required to pay the Termination Fee on more than one occasion).

(c) Parent and Seller agree that notwithstanding anything to the contrary in this Agreement, in the event (x) the Termination Fee becomes payable and is actually paid by OFC to Parent in accordance with the terms of and for the reasons set forth in Section 10.2(b), (y) except to the extent waived by Parent or Seller in accordance with this Agreement, the Buyer has complied with the covenants and agreements contained in Section 7.11 and Section 7.14 and (z) the financing contemplated by the Debt Financing has not been funded, (i) the receipt of such Termination Fee by Parent shall be the sole and exclusive remedy (other than with respect to the right to enforce the funding of the Termination Fee and any costs and expenses that are payable to Parent or Seller in the event that Parent or Seller prevails in a suit commenced in accordance with Section 10.2(d)) of Parent, Morgan Stanley, Seller, the Company and their respective Affiliates and their respective officers, directors, employees, agents, successors and assigns against Buyer, OFC or any of their respective Affiliates or their respective officers, directors, employees, agents, successors and assigns for, and in no event shall Parent, Morgan Stanley, Seller, the Company or their respective Affiliates and their respective officers, directors, employees, agents, successors and assigns seek to recover any other money damages or seek any other remedy based on a claim in law or equity or otherwise with respect to, (A) any Loss suffered as a result of the failure of the transactions contemplated under this Agreement to be consummated, (B) the termination of this Agreement, (C) any Liabilities arising out of this Agreement or (D) any Action arising out of or relating to any breach, termination or failure of or under this Agreement, in each case (A), (B), (C) or (D), except with respect to the matters contemplated by Section 10.2(a)(i) which solely expressly survive the termination of this Agreement (and in such instance the matters contemplated by Section 10.2(a)(ii) shall expressly not survive the terminations of this Agreement), and (ii) other than with respect to any costs and expenses that are payable to Parent or Seller in the event that Parent or Seller prevails in a suit commenced in accordance with Section 10.2(d), the Parent, Seller and the Company hereby expressly waive, and shall cause their respective Affiliates to waive, any and all other rights or causes of action it or its respective Affiliates may have against OFC or its Affiliates now or in the future under any Law with respect to (A) any Loss suffered as a result of the failure of the transactions contemplated under this Agreement to be consummated, (B) the termination of this Agreement, (C) any Liabilities arising out of this Agreement or (D) any Action arising out of or relating to any breach, termination or failure of or under this Agreement, in each case (A), (B), (C) or (D) except with respect to the matters contemplated by Section 10.2(a)(i) which solely expressly survive the termination of this Agreement (and in such instance the matters contemplated by Section 10.2(a)(ii) shall expressly not survive the termination of this Agreement).

(d) The Parties hereby acknowledge and agree that the agreements contained in this Section 10.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, the Parties would not enter into this Agreement. Accordingly, if OFC fails to promptly pay the amount due to Parent pursuant to Section 10.2(b), and, in order to obtain such payment, Parent or Seller commences a suit that results in a judgment against Buyer or OFC for the amount of the Termination Fee or any portion thereof, then OFC shall pay to Parent or Seller, as applicable, their costs and expenses (including attorneys' fees) in connection with such suit, together with interest payable at the Federal Funds Rate (as in effect on the date that the Termination Fee was required to be paid to Parent pursuant to Section 10.2(b)) on the amount awarded to Parent or Seller in such suit accruing from the date that the Termination Fee or portion thereof was required to be paid to Parent pursuant to Section 10.2(b) through the date that such amount and all of the Parent's or Seller's, as the case may be, costs and expenses are paid in full by OFC.

Section 10.3 Amendment. This Agreement may be amended or modified only by a written agreement executed and delivered by duly authorized officers of Buyer, Parent, Seller and the Company. This Agreement may not be modified or amended except as provided in the immediately preceding sentence and any purported amendment by any Party or Parties effected in a manner which does not comply with this Section 10.3 shall be void.

Section 10.4 Extension; Waiver. Subject to Section 10.1(d), at any time prior to the Closing, Seller (on behalf of itself and the Company) may (a) extend the time for the performance of any of the obligations or other acts of Buyer contained herein, (b) waive any inaccuracies in the representations and warranties of Buyer contained herein or in any document, certificate or writing delivered by Buyer pursuant hereto or (c) waive compliance by Buyer with any of the agreements or conditions contained herein. Subject to Section 10.1(d), at any time prior to the Closing, Buyer may (i) extend the time for the performance of any of the obligations or other acts of the Company, Parent or Seller contained herein, (ii) waive any inaccuracies in the representations and warranties of the Company, Parent and Seller contained herein or in any document, certificate or writing delivered by the Company, Parent or Seller pursuant hereto or (iii) waive compliance by the Company, Parent and Seller with any of the agreements or conditions contained herein. Any agreement on the part of any Party to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such Party. Except as expressly provided in this Agreement, the failure of any Party to assert any of its rights hereunder shall not constitute a waiver of such rights.

ARTICLE 11
SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS; INDEMNIFICATION

Section 11.1 Survival of Representations, Warranties and Covenants.

(a) (i) The representations and warranties of the Company, Parent, Morgan Stanley and Seller set forth in this Agreement or in any certificate delivered pursuant to Section 9.2(c) shall survive the Closing until the eighteen (18) month anniversary of the Closing Date (the "Expiration Date"); provided, however, that the Seller Fundamental Representations and Warranties shall survive without limitation and (ii) the representations and warranties of the Company contained in Section 3.14 (Taxes) shall survive until thirty (30) calendar days after the expiration of the applicable statute of limitations.

(b) The representations and warranties of Buyer set forth in this Agreement or in any certificate delivered pursuant to Section 9.3(c) shall survive the Closing until the Expiration Date; provided, however, that the representation and warranties of Buyer contained in Sections 6.1 (Organization), 6.2 (Authority) and 6.5 (Brokers) shall survive without limitation.

(c) The covenants and other agreements contained in Article 7 shall terminate ninety (90) days following the Closing Date unless a specific covenant requires performance after the Closing Date, in which case such covenant shall survive until the date which is twelve (12) months following the date on which the performance of such covenant in Article 7 is required to be completed. The agreements and covenants set forth in Article 1, Article 2, Article 11 and Article 12 shall survive the Closing in accordance with their respective terms (and without any time limitation (including, without limitation, all Retained Liabilities and Loss Sharing Claims), unless a time limitation is otherwise expressly provided).

Section 11.2 General Indemnification.

(a) Subject to the other provisions of this Article 11, from and after the Closing, Morgan Stanley, Seller and Parent shall jointly and severally indemnify, defend and hold Buyer, OFC and their respective Affiliates and any officers, directors, employees and agents of Buyer, OFC or any of their respective Affiliates (each a "Buyer Indemnitee") harmless from any actual damages, losses, liabilities, obligations, claims of any kind, interest or reasonable out-of-pocket expenses (including reasonable attorneys' fees and expenses incurred in investigating, defending or settling any Action or enforcing any right to indemnification under this Agreement) (each, a "Loss") suffered or paid, directly or indirectly, as a result of, in connection with, or arising out of:

(i) any breach of any representation or warranty made by the Company, Morgan Stanley, Parent or Seller contained in Article 3, Article 4 or Article 5 of this Agreement or in any certificate delivered by Parent, Morgan Stanley, Seller or the Company, as applicable, prior to the Closing Date, in each case, pursuant to this Agreement;

(ii) any breach by Parent, Morgan Stanley, the Company or Seller of (A) any of the covenants contained herein which are to be performed by Parent, Morgan Stanley, the Company or Seller before the Closing and (B) Parent, Morgan Stanley, the Company or Seller of any of the covenants contained herein which are to be performed by Parent, Morgan Stanley or Seller after the Closing;

(iii) Loss Sharing Claims to the extent necessary so that Seller (and the other Seller Indemnitees) shall bear, whether directly or through the indemnification provided in this Section 11.2(a)(iii), (A) first, seventy-five percent (75%) of each claim in respect of such Losses until the aggregate amount paid by Seller or any other Seller Indemnitee pursuant to Section 11.2(a)(iii)(A) is equal to sixty percent (60%) of the Shared Loss Cap and (B) thereafter, twenty-five percent (25%) of each claim in respect of such Losses until the aggregate amount paid by Seller or any other Seller Indemnitee pursuant to Section 11.2(a)(iii)(A) is equal to the Shared Loss Cap; and

(iv) any Retained Liability.

In the event a Loss would be eligible for indemnity under either Section 11.2(a)(i) or Section 11.2(a)(iii), on the one hand, and Section 11.2(a)(iv), on the other hand, such Loss shall be recoverable only under Section 11.2(a)(iv). In the event a Loss would be eligible for indemnity under either Section 11.2(a)(i) or Section 11.2(a)(iii), such Loss shall be recoverable only under Section 11.2(a)(iii).

Notwithstanding anything to the contrary herein, to the extent that Seller or any of its Affiliates has incurred any legal fee or similar cost or expense in connection with the prosecution or defense of any Claim or a Third Party Claim, then Seller (or such Affiliate) shall retain any right of reimbursement or indemnity for such legal fees, costs and expenses enforceable against any Person in relation to such Claim or Third Party Claim.

(b) Subject to the other provisions of this Article 11, from and after the Closing, Buyer and OFC jointly and severally indemnify, defend and hold Morgan Stanley, Parent, the Company and Seller and their respective Affiliates and any officers, directors, employees and agents of Parent, the Company, Seller or any of their respective Affiliates (each a "Seller Indemnitee") harmless from any Loss suffered or paid, directly or indirectly, as a result of, in connection with, or arising out of:

(i) any breach of any representation or warranty made by Buyer or OFC contained in Article 6 or in any certificate delivered to the Company pursuant to this Agreement;

(ii) any breach by Buyer or OFC of (A) any of the covenants or agreements contained herein which are to be performed by Buyer, OFC or their respective Affiliates before the Closing and (B) any of the covenants or agreements contained herein which are to be performed by Buyer, OFC or their respective Affiliates following the Closing;

(iii) Loss Sharing Claims to the extent necessary so that Buyer (and the other Buyer Indemnitees) shall bear, whether directly or through the indemnification provided in this Section 11.2(b)(iii), (A) first, twenty-five percent (25%) of each claim in respect of such Losses until the aggregate amount paid by Seller or any other Seller Indemnitee pursuant to Section 11.2(a)(iii)(A) is equal to sixty percent (60%) of the Shared Loss Cap, (B) second, seventy-five percent (75%) of each claim in respect of such Losses until the aggregate amount paid by Seller or any other Seller Indemnitee pursuant to Section 11.2(a)(iii)(A) is equal to the Shared Loss Cap and (C) thereafter one hundred percent (100%) of any such Losses in excess of the Shared Loss Cap; and

(iv) any claim or Action brought against Seller or any Seller Indemnitee at any time on or after the Closing Date relating to actions taken by Buyer, OFC or their respective Affiliates following the Closing (other than any Action the underlying facts and circumstances of which would otherwise entitle any Buyer Indemnitee to indemnification pursuant to or this Article 11), including any claim or Action resulting from or arising out of any act or omission, an actual or alleged breach or violation of Law, License or Permit or Contract by Seller or any of its Subsidiaries, in each case, following the Closing in connection with the performance by Buyer or any of its Subsidiaries of its obligations under the Servicing Agreements or the Purchased Assets.

In the event a Loss would be eligible for indemnity under either Section 11.2(b)(i) or Section 11.2(b)(iii), such Loss shall be recoverable only under Section 11.2(b)(iii).

Notwithstanding anything to the contrary herein, to the extent that Buyer or any of its Affiliates has incurred any legal fee or similar cost or expense in connection with the prosecution or defense of any Claim or a Third Party Claim, then Buyer (or such Affiliate) shall retain any right of reimbursement or indemnity for such legal fees, costs and expenses enforceable against any Person in relation to such Claim or Third Party Claim.

(c) The obligations to indemnify and hold harmless pursuant to this Section 11.2 shall survive the consummation of the transactions contemplated hereby for the applicable period set forth in Section 11.1, except for claims for indemnification asserted prior to the end of such applicable period (which claims shall survive until final resolution thereof). No Buyer Indemnitee shall be entitled to be indemnified from or held harmless against any Loss pursuant to the terms of this Section 11.2 unless such Buyer Indemnitee delivers written notice of its claim for indemnification (a "Notice of Claim") to Seller pursuant to Section 12.2 on or prior to the expiration of the applicable survival period set forth in Section 11.1. No Seller Indemnitee shall be entitled to be indemnified from or held harmless against any Loss pursuant to the terms of this Section 11.2 unless such Seller Indemnitee delivers a Notice of Claim to Buyer pursuant to Section 12.2 on or prior to the date of expiration of the applicable survival period set forth in Section 11.1.

Section 11.3 Third Party Claims.

(a) If a claim or Action by a Person who is not a Party or an Affiliate thereof (a "Third Party Claim") is made against any Person entitled to indemnification pursuant to Section 11.2 (an "Indemnified Party"), and if such Person intends to seek indemnity with respect thereto under this Article 11, such Indemnified Party shall promptly give a Notice of Claim to the Party obligated to indemnify such Indemnified Party (such notified Party, the "Responsible Party"), which Notice of Claim shall specify the provision of this Agreement pursuant to which indemnity is sought, the facts alleged to constitute the basis for such claim (taking into account the information then available to the Indemnified Party), the representations, warranties, covenants or agreements alleged to have been breached, if applicable, and the amount (or, to the extent not then determinable, the Indemnified Party's good faith estimate thereof) that the Indemnified Party seeks hereunder from the Responsible Party; provided that the failure to give such Notice of Claim shall not relieve the Responsible Party of its obligations hereunder, except to the extent that the Responsible Party is actually prejudiced thereby (and then only to the extent of such prejudice).

(b) The Responsible Party shall, subject to Section 7.8(h) in the case of Shared Litigation, have the sole power, at its option, to assume the conduct and control, at the expense of the Responsible Party, of the settlement or defense thereof by giving written notice thereof to the Indemnified Party, and the Indemnified Party shall reasonably cooperate with the Responsible Party in connection therewith; provided that the Responsible Party shall permit the Indemnified Party to participate in such settlement or defense with counsel chosen by such Indemnified Party (the fees and expenses of such counsel shall be borne by such Indemnified Party). Such assumption of the conduct and control of the settlement or defense shall not be deemed to be an admission or assumption of liability by the Responsible Party. So long as the Responsible Party is reasonably contesting any such claim in good faith, the Indemnified Party shall not pay or settle any such claim. If the Responsible Party elects not to conduct the defense and settlement of a Third Party Claim, then, subject to Section 11.3(c), Section 11.3(d) and Section 11.3(i) below, the Indemnified Party shall have the right to pay or settle such Third Party Claim; provided that in such event it shall waive any right to indemnity by the Responsible Party for all Losses related to such claim unless the Responsible Party shall have consented to such payment or settlement (subject to Section 11.3(i) below).

(c) Seller shall have the sole power, at its option, to assume the conduct and control the settlement or defense of any Loss Sharing Claim for which it will have at least a majority of the expected financial responsibility or any claim with respect to a Retained Liability, in each case, by giving written notice thereof to Buyer, and Buyer shall cooperate with Seller in connection therewith; provided that Seller shall permit Buyer to participate in such settlement or defense thereof with counsel chosen by Buyer (the fees and expenses of such counsel shall be borne by Buyer). Such assumption of the conduct and control of the settlement or defense shall not be deemed to be an admission or assumption of liability by Seller. So long as Seller is reasonably contesting any such Loss Sharing Claim or claim with respect to a Retained Liability in good faith, Buyer shall not pay or settle any such Loss Sharing Claim or claim with respect to a Retained Liability. If Seller elects not to conduct the defense and settlement of such Loss Sharing Claim or claim with respect to a Retained Liability, then, subject to Section 11.3(i) below, Buyer shall have the right to pay or settle such Loss Sharing Claim or claim with respect to a Retained Liability; provided that in such event Buyer shall waive any right to indemnity by Seller for all Losses related to such Loss Sharing Claim or claim with respect to a Retained Liability unless Seller shall have consented to such payment or settlement (subject to Section 11.3(i) below).

(d) Buyer shall have the sole power, at its option, to assume the conduct and control the settlement or defense of any Loss Sharing Claim for which it will have at least a majority of the expected financial responsibility by giving written notice thereof to Seller, and Seller shall cooperate with Buyer in connection therewith; provided that Buyer shall permit Seller to participate in such settlement or defense thereof with counsel chosen by Seller (the fees and expenses of such counsel shall be borne by Seller). Such assumption of the conduct and control of the settlement or defense shall not be deemed to be an admission or assumption of Liability by Buyer. So long as Buyer is reasonably contesting any such Loss Sharing Claim in good faith, Seller shall not pay or settle any such Loss Sharing Claim. If Buyer elects not to conduct the defense and settlement of such Loss Sharing Claim, then, subject to Section 11.3(i) below, Seller shall have the right to pay or settle such Loss Sharing Claim; provided that in such event Seller shall waive any right to indemnity by Buyer for all Losses related to such Loss Sharing Claim unless Buyer shall have consented to such payment or settlement (subject to Section 11.3(i) below).

(e) Notwithstanding anything in this Agreement to the contrary, whether or not the Responsible Party shall have assumed the conduct or control of the defense or settlement of a Third Party Claim, no Indemnified Party shall admit any liability with respect to, or settle, compromise or discharge, any Third Party Claim without the prior written consent of the Responsible Party (which shall not be unreasonably withheld, conditioned or delayed). If the Responsible Party does not notify the Indemnified Party within thirty (30) days after the receipt of the Indemnified Party's Notice of Claim hereunder that it elects to assume the conduct or control of the defense or settlement thereof, the Indemnified Party shall have the right to contest, settle or compromise the claim but shall not thereby waive any right to indemnity therefor pursuant to this Agreement. The party who assumes the defense of any Third Party Claim pursuant to Sections 11.3(b), 11.3(c) and 11.3(d) is referred to herein as the "Controlling Party" and the other Party with respect to any such Third Party Claim is referred to herein as the "Non-Controlling Party."

(f) Subject to Section 7.8, all of the Parties shall reasonably cooperate in the defense or prosecution of any Third Party Claim in respect of which indemnity may be sought hereunder and each Party (or a duly authorized representative of such Party) shall (and shall cause its Affiliates to) furnish such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials and appeals, as may be reasonably requested in connection therewith.

(g) If a Third Party Claim is a criminal claim (a "Criminal Third Party Claim"), the subject of such Criminal Third Party Claim may elect to assume the defense of such claim. If a Seller Indemnitee and a Buyer Indemnitee are each subjects of such Criminal Third Party Claim, each Party may elect to defend the claims against it, no Party shall be deemed to be the Controlling Party and no Party shall have the right to make any settlement, compromise or offer to settle or compromise such Criminal Third Party Claim as it relates to the other Party.

(h) Other than with respect to Criminal Third Party Claims, any Non-Controlling Party may become the Controlling Party with respect to any Third Party Claim by releasing the initial Controlling Party from any and all liability under this Article 11 with respect to such Third Party Claim and indemnifying the initial Controlling Party against any and all Losses that may be incurred by the initial Controlling Party in connection with such Third Party Claim; provided, however, that if a Third Party Claim alleges wrongdoing by the Controlling Party or its Subsidiaries or involves other reputational matters relating to the Controlling Party or its Subsidiaries, the Non-Controlling Party may only become the Controlling Party with the consent of the initial Controlling Party, which consent shall not be unreasonably withheld.

(i) The Controlling Party with respect to any Third Party Claim shall have the right to make any settlement, compromise, judgment or offer to settle or compromise such Third Party Claim with the prior written consent of the Non-Controlling Party (which shall not be unreasonably withheld), binding upon such Non-Controlling Party in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided, however, that such written consent of the Non-Controlling Party shall not be required in the event (i) such settlement, compromise, judgment or offer to settle or compromise such Third Party Claim does not (A) involve any finding or admission of any violation of Law or admission of any wrongdoing by the Non-Controlling Party or (B) materially encumber any of the assets of any Non-Controlling Party or adversely affect in any material respect the post-Closing operation of the business of the Non-Controlling Party or its Affiliates in any manner (provided that any settlement or compromise with a Governmental Entity that imposes terms or conditions not substantially more onerous to the Company or its Subsidiaries than the terms and conditions imposed by such Governmental Entity in settlements or compromises with any one or more of the Top Mortgage Servicers shall not be deemed to adversely affect in any material respect the post-Closing operation of the business of Buyer or any of its Affiliates in any manner), and (ii) the Controlling Party shall (A) pay or cause to be paid all amounts required to be paid by it under this Article 11 arising out of such settlement or judgment with the effectiveness of such settlement or judgment, and (B) obtain, as a condition of any settlement, compromise, judgment or offer to settle or compromise, or other resolution, an appropriate release of each Non-Controlling Party from any and all corresponding liabilities in respect of such Third Party Claim or the applicable portion thereof.

Section 11.4 Limitations on Indemnification Obligations. The rights of the Buyer Indemnitees and the Seller Indemnitees to indemnification pursuant to the provisions of Section 11.2 are subject to the following limitations:

(a) The Buyer Indemnitees shall not be entitled to recover Losses pursuant to Section 11.2(a)(i) or Section 11.2(a)(ii)(A) until the total amount of Losses which the Buyer Indemnitees would recover under Section 11.2(a)(i) and Section 11.2(a)(ii)(A), but for this Section 11.4(a), exceeds two million dollars ($2,000,000) (the "Basket Amount"), in which case, the Buyer Indemnitees shall be entitled to recover Losses (including all Losses comprising the Basket Amount), except that claims related to any breach or inaccuracy in the Seller Fundamental Representations and Warranties shall not be subject to the Basket Amount.

(b) The Seller Indemnitees shall not be entitled to recover Losses pursuant to Section 11.2(b)(i) or Section 11.2(b)(ii)(A) until the total amount of Losses which the Seller Indemnitees would recover under Section 11.2(b)(i) and Section 11.2(b)(ii)(A) but for this Section 11.4(b), exceeds the Basket Amount, in which case, the Seller Indemnitees shall only be entitled to recover Losses (including all Losses comprising the Basket Amount), except that claims related to any breach or inaccuracy in the Buyer Fundamental Representations and Warranties shall not be subject to the Basket Amount.

(c) The Buyer Indemnitees shall not be entitled to recover for any particular Loss (including any series of related Losses) pursuant to Section 11.2(a)(i) or Section 11.2(a)(ii)(A) unless such Loss (including any series of related Losses) equals or exceeds $25,000 (the "De Minimis Threshold") nor shall any Loss that does not meet the De Minimis Threshold be considered in determining whether the Basket Amount has been met; provided, however, that claims related to any breach or inaccuracy in the Seller Fundamental Representations and Warranties shall not be subject to the De Minimis Threshold.

(d) The Seller Indemnitees shall not be entitled to recover for any particular Loss (including any series of related Losses) pursuant to Section 11.2(b)(i) or Section 11.2(b)(ii)(A) unless such Loss (including any series of related Losses) equals or exceeds the De Minimis Threshold nor shall any Loss that does not meet the De Minimis Threshold be considered in determining whether the Basket Amount has been met; provided, however, that claims related to any breach or inaccuracy in the Buyer Fundamental Representations and Warranties shall not be subject to the De Minimis Threshold.

(e) Subject to the last paragraph of Section 11.2(a), Morgan Stanley, Parent, the Group Companies and Seller shall have no liability under this Agreement to any Buyer Indemnitee for Losses in respect of Loss Sharing Claims other than pursuant to Section 11.2(a)(iii).

(f) Other than Losses arising out of fraud or any breach or inaccuracy in the Seller Fundamental Representations and Warranties, the maximum aggregate liability of Morgan Stanley, Parent, the Group Companies and Seller with respect to Losses indemnifiable pursuant to Section 11.2(a)(i) and Section 11.2(a)(ii)(A) shall be $5,928,700.

(g) Other than Losses arising out of fraud or any breach or inaccuracy in the Buyer Fundamental Representations and Warranties, the maximum aggregate liability of Buyer and OFC with respect to Losses indemnifiable pursuant to Sections 11.2(b)(i) and Section 11.2(b)(ii)(A) shall be $5,928,700.

(h) The amount of any and all Losses shall be determined net of (i) any amounts actually recovered by the Indemnified Party under insurance policies or from other collateral sources (such as contractual indemnities of any Person which are contained outside of this Agreement) with respect to such Losses and (ii) any Tax benefits actually received with respect to such Losses.

(i) The Buyer Indemnitees shall not be entitled to indemnification pursuant to Section 11.2(a) for any Loss to the extent that (i) such Loss was taken into account in the determination of the Final Purchase Price pursuant to Section 2.5 or (ii) the Buyer Indemnitees failed to mitigate or prevent such Loss as required by Law.

(j) The Buyer Indemnitees and the Seller Indemnitees, in each case, shall not be entitled to recover or make a claim for any amounts in respect of consequential, incidental, special or indirect damages, lost profits or punitive damages and, in particular, no "multiple of profits" or "multiple of cash flow" or other similar valuation methodology based upon multiples shall be used in calculating the amount of any Losses, except to the extent such damages are recovered by third parties in connection with claims made by such third parties that are indemnified under this Agreement.

(k) In any case where a Indemnified Party recovers, under insurance policies or from other collateral sources, any amount in respect of a matter for which such Indemnified Party was indemnified pursuant to Section 11.2(a) or Section 11.2(b), as applicable, such Indemnified Party shall promptly pay over to the Responsible Party the amount so recovered (after deducting therefrom the amount of the expenses incurred by such Indemnified Party in procuring such recovery), but not in excess of the sum of (i) any amount previously so paid by the Responsible Party to or on behalf of such Indemnified Party in respect of such matter and (ii) any amount expended by the Responsible Party in pursuing or defending any claim arising out of such matter.

Section 11.5 Treatment of Indemnity Payments. For Tax purposes, any payment pursuant to this Article 11 shall be treated as an adjustment to the Final Purchase Price.

Section 11.6 No Set Off. Neither Buyer nor Seller have any right to set off any indemnification claim pursuant to this Article 11 against any payment due pursuant to Article 2 or any Ancillary Document.

Section 11.7 Exclusive Remedy. Except in the case of fraud or where a Party seeks to obtain specific performance pursuant to Section 12.14, from and after the Closing the rights of the parties to indemnification pursuant to the provisions of this Article 11 shall be the sole and exclusive remedy for the parties hereto with respect to any matter in any way arising from or relating to (i) this Agreement or its subject matter or (ii) any other matter relating to Seller or any of the Group Companies prior to the Closing, the operation of their respective businesses prior to the Closing, or any other transaction or state of facts involving Seller or any of the Group Companies prior to the Closing (including any common law or statutory rights or remedies for environmental, health, or safety matters), in each case regardless of the legal theory under which such liability or obligation may be sought to be imposed, whether sounding in contract or tort, or whether at law or in equity, or otherwise, and that the Buyer Indemnitees shall have no other remedy or recourse with respect to any of the foregoing other than pursuant to, and subject to the terms and conditions of, Section 11.2(a). Except in the case of fraud, Buyer acknowledges and agrees that the Buyer Indemnitees may not avoid such limitation on liability by (x) seeking damages for breach of contract, tort or pursuant to any other theory of liability, all of which are hereby waived or (y) asserting or threatening any claim against any Person that is not a party hereto (or a successor to a party hereto) for breaches of the representations, warranties and covenants contained in this Agreement. The parties hereto agree that the provisions in this Agreement relating to indemnification, and the limits imposed on Buyer's and the Buyer Indemnitees' remedies with respect to this Agreement and the transactions contemplated hereby (including Section 11.1 and Section 11.2) were specifically bargained for between sophisticated parties and were specifically taken into account in the determination of the amounts to be paid to Seller hereunder. Subject to the foregoing provisions of this Section 11.7, to the maximum extent permitted by Law, the parties hereby waive all other rights and remedies with respect to any matter in any way relating to this Agreement or arising in connection herewith, whether under any Laws at common law, in equity or otherwise. Nothing in this Section 11.7 shall operate to interfere with or impede the operation of the provisions of Section 2.5 or any Ancillary Document or the rights of either Party to seek equitable remedies to enforce any covenant of a Party to be performed after the Closing.

ARTICLE 12
MISCELLANEOUS

Section 12.1 Entire Agreement; Assignment. This Agreement and the Ancillary Documents (a) constitute the entire agreement among the Parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof and (b) shall not be assigned by any Party (whether by operation of Law or otherwise), without the prior written consent of Buyer and Seller; provided, (i) Buyer may assign this Agreement to any Subsidiary of Buyer or to any lender to Buyer or any Subsidiary or Affiliate thereof as security for obligations to such lender in respect of the financing arrangements entered into in connection with the transactions contemplated hereby and any refinancings, extensions, refundings or renewals thereof, provided that no assignment to any such Subsidiary or lender (or any Subsidiary or Affiliate thereof) shall in any way affect Buyer's obligations or liabilities under this Agreement, and (ii) after the Closing, Seller may assign this Agreement to any of its beneficial owners or successors by operation of law; provided that no assignment to any beneficial owners or successors by operation of law shall in any way affect Seller's (or any of its Affiliates) obligations or liabilities under this Agreement. Any attempted assignment of this Agreement not in accordance with the terms of this Section 12.1 shall be void.

Section 12.2 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed received (i) upon delivery in person to the Party to be notified, (ii) when sent by facsimile (followed by overnight courier) or e-mail (followed by overnight courier), in each case, if sent during normal business hours of the recipient; if not, then on the next Business Day, (iii) three (3) days after having been sent by registered or certified mail (postage prepaid, return receipt requested), or (iv) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt, in each case, at the following respective addresses:

To Buyer or OFC:

c/o Ocwen Financial Corporation
P.O. Box 24737
West Palm Beach, FL 33416
Attention: Paul A. Koches, Executive Vice President/General Counsel
Facsimile: (561) 682-8177
E-mail: Paul.Koches@ocwen.com

with a copy (which shall not constitute notice to Buyer) to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10022
Attention: James Moriarty
Russell Pinilis
Facsimile: 212-715-8000
E-mail: jmoriarty@kramerlevin.com
rpinilis@kramerlevin.com

To Seller, Morgan Stanley, the Company or Parent:

c/o Morgan Stanley
1585 Broadway
New York, NY 10036
Attention: Frank Telesca
Facsimile: 212 507-8305
E-mail: Frank.Telesca@morganstanley.com

with a copy (which shall not constitute notice to Seller) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019-6099
Attention: Gregory B. Astrachan, Esq.
Rosalind Fahey Kruse, Esq.
Facsimile: (212) 728-8111
E-mail: gastrachan@willkie.com
rkruse@willkie.com

with a copy (which shall not constitute notice to the Company) to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019-6099
Attention: Gregory B. Astrachan, Esq.
Rosalind Fahey Kruse, Esq.
Facsimile: (212) 728-8111
E-mail: gastrachan@willkie.com
rkruse@willkie.com

or to such other address as the Party to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

Section 12.3 Governing Law. This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the Law of any jurisdiction other than the State of New York.

Section 12.4 Fees and Expenses. Except as otherwise set forth in this Agreement, all fees and expenses incurred in connection with this Agreement and the transactions contemplated by this Agreement, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Party incurring such fees or expenses; provided that, for the avoidance of doubt, Buyer shall pay all filing fees under the HSR Act; provided further that Parent and Seller shall bear all out of pocket fees and expenses of the Company and its Subsidiaries, including any amounts due to outside counsel, advisors and accountants, in connection with the negotiation and preparation of this Agreement and the Ancillary Documents and, prior to the Closing, the performance and consummation of the transactions contemplated herein and therein.

Section 12.5 Construction; Interpretation. The term “this Agreement” means this Agreement together with the Disclosure Schedules and exhibits hereto, as the same may from time to time be amended, modified, supplemented or restated in accordance with the terms hereof. The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. No Party, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions hereof, and all provisions of this Agreement shall be construed according to their fair meaning and not strictly for or against any Party. Unless otherwise indicated to the contrary herein by the context or use thereof: (i) the words, “herein,” “hereto,” “hereof” and words of similar import refer to this Agreement as a whole, including the Disclosure Schedules and exhibits, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement; (ii) masculine gender shall also include the feminine and neutral genders, and vice versa; (iii) words imparting the singular shall also include the plural, and vice versa; (iv) “$” and “dollar” shall refer to U.S. dollars; and (v) the words “include,” “includes” or “including” shall be deemed to be followed by the words “without limitation”.

Section 12.6 Exhibits and Disclosure Schedules. All exhibits and Disclosure Schedules, or documents expressly incorporated into this Agreement, are hereby incorporated into this Agreement and are hereby made a part hereof as if set out in full in this Agreement. Any item disclosed in any Disclosure Schedule referenced by a particular section in this Agreement shall be deemed to have been disclosed with respect to every other section in this Agreement if the relevance of such disclosure to such other section is reasonably apparent on its face. The specification of any dollar amount in the representations or warranties contained in this Agreement or the inclusion of any specific item in any Disclosure Schedule is not intended to imply that such amounts, or higher or lower amounts or the items so included or other items, are or are not material, and no party shall use the fact of the setting of such amounts or the inclusion of any such item in any dispute or controversy as to whether any obligation, items or matter not described herein or included in a Disclosure Schedule is or is not material for purposes of this Agreement.

Section 12.7 Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party, Morgan Stanley (in the case of Article 5, Section 7.4, Article 11 and Article 12) and OFC (in the case of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12) and each of their successors and permitted assigns and, except as provided in Section 7.8 and Article 11, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement. Buyer Indemnitees and Seller Indemnitees are intended third party beneficiaries of the applicable provisions of Article 11.

Section 12.8 Severability. If any term or other provision of this Agreement is invalid, illegal or unenforceable, then such invalidity, illegality or unenforceability will not affect the validity, legality or enforceability of any other provision or portion of any provision of this Agreement, and this Agreement will be re-formed, construed and enforced in such manner as will effect as nearly as lawfully possible the purposes and intent of such invalid, illegal or unenforceable provision or portion of any provision of this Agreement.

Section 12.9 Counterparts; Facsimile Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this Agreement.

Section 12.10 Knowledge of the Company and Buyer.

(a) For all purposes of this Agreement, the phrases “to the Company’s knowledge”, “to the knowledge of the Company” and “known by the Company”, “to the Seller’s knowledge”, “to the knowledge of the Seller”, and “known by the Seller” and any derivations thereof shall mean as of the applicable date, the actual knowledge after reasonable inquiry (and shall not otherwise encompass constructive, imputed or similar concepts of knowledge) of the persons set forth on Section 12.10(a) of the Disclosure Schedules, none of whom shall have any personal liability or obligations regarding such knowledge.

(b) For all purposes of this Agreement, the phrases "to Buyer's knowledge", "to the knowledge of Buyer", and "known by Buyer" and any derivations thereof shall mean as of the applicable date, the actual knowledge after reasonable inquiry (and shall not otherwise encompass constructive, imputed or similar concepts of knowledge) of the persons set forth on Section 12.10(b) of the Disclosure Schedules, none of whom shall have any personal liability or obligations regarding such knowledge.

Section 12.11 No Recourse. Notwithstanding anything that may be expressed or implied in this Agreement, each Party agrees and acknowledges that no recourse under this Agreement or any documents or instruments delivered in connection with this Agreement shall be had against any current or future director, officer, employee or member of any other Party or any Affiliate or assignee thereof, as such, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable Law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of any Party or any current or future member of any Party or any current or future director, officer, employee or member of any Party or of any Affiliate or assignee thereof, as such, for any obligation of any Party under this Agreement or any documents or instruments delivered in connection with this Agreement for any claim based on, in respect of or by reason of such obligations or their creation; provided, however that nothing contained in this Section 12.11 shall limit or otherwise affect a Party's rights and remedies pursuant to this Agreement or any of the other Ancillary Documents in respect of any case involving fraud.

Section 12.12 WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH PARTY HEREBY FURTHER AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 12.13 Jurisdiction and Venue. Each of the Parties (i) submits to the exclusive jurisdiction of any state or federal court sitting in New York, New York, in any Action arising out of or relating to this Agreement or the transactions contemplated hereby, (ii) agrees that all claims in respect of such Action may be heard and determined in any such court and (iii) agrees not to bring any Action arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any Action so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Each Party agrees that service of summons and complaint or any other process that might be served in any Action may be made on such Party by sending or delivering a copy of the process to the Party to be served at the address of the Party and in the manner provided for the giving of notices in Section 12.2. Nothing in this Section 12.13, however, shall affect the right of any Party to serve legal process in any other manner permitted by Law. Each Party agrees that a final, non-appealable judgment in any Action so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by Law.

Section 12.14 Remedies.

(a) Except as otherwise expressly provided herein, any and all remedies provided herein will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the parties hereto do not perform their respective obligations under the provisions of this Agreement (including failing to take such actions as are required of them hereunder to consummate the transactions contemplated by this Agreement) in accordance with their specific terms or otherwise breach such provisions. It is accordingly agreed that prior to the valid termination of this Agreement pursuant to Section 10.1, on the understanding that termination pursuant to Section 10.1(d) shall not be deemed "valid" for purposes of this Section 12.14 if the failure of the Closing to occur prior to the date set forth in Section 10.1(d) is solely the result of the failure by the Party seeking termination to perform its obligations under this Agreement, the Parties shall be entitled to seek an injunction or injunctions, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement (including Buyer's obligation to consummate the transactions contemplated by this Agreement if it is required to do so hereunder), in each case without posting a bond or undertaking, this being in addition to any other remedy to which they are entitled at law or in equity; provided, however, Morgan Stanley, Parent, Seller and the Company shall be entitled to specific performance to cause Buyer to effect the Closing in accordance with Section 2.1 and Section 2.3 on the terms and subject to the conditions in this Agreement, only if (A) all conditions in Article 9 (other than those conditions that by their nature are to be satisfied at the Closing, including the funding of the Purchase Price amount in excess of the Debt Financing), have been satisfied or waived, (B) Buyer fails to complete the Closing by the date the Closing is required to have occurred pursuant to Section 2.3, and (C) the Debt Financing has been funded or is available to be funded at the Closing if Buyer funds the remaining portion of the Purchase Price payable at Closing.

(b) Seller shall be entitled to specific performance to cause Buyer to enforce the obligation of the Debt Financing sources to consummate the Debt Financing provided by the Debt Commitment Letters, including by demanding that Buyer file one or more lawsuits (in accordance with Section 7.14(a)(iv)) against the Debt Financing sources to fully enforce such Debt Financing sources' obligations thereunder and Buyer's rights thereunder if, but only if, each of the following conditions have been satisfied: (i) all of the conditions set forth in Article 9 have been satisfied or waived (other than those conditions that by their nature are to be satisfied at Closing, including the funding of the Purchase Price amount in excess of the Debt Financing), and (ii) Buyer fails to complete the Closing by the date the Closing is required to have occurred pursuant to Section 2.3 and all of the conditions to the consummation of the financing provided by the Debt Commitment Letters have been satisfied (other than those conditions that by their nature are to be satisfied at the Closing, including the funding of the Purchase Price amount in excess of the Debt Financing).

(c) Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief when expressly available pursuant to the terms of this Agreement on the basis that the other parties have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity. Until such time as (1) Seller or Buyer, as applicable, elects to terminate this Agreement and (2) OFC pays the Termination Fee, if applicable, the remedies available to Seller and the Company pursuant to this Section 12.14 shall be in addition to any other remedy to which it is entitled at law or in equity, and the election to pursue an injunction or specific performance shall not restrict, impair or otherwise limit the Company from, in the alternative, seeking to terminate this Agreement and pursue the remedies available to it under Section 10.2, including the right to pursue any remedies under Section 10.2(a) and the right to collect the Termination Fee under Section 10.2(b).

Section 12.15 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 12.16 Original Agreement. At any point in time from the date hereof until 5:00 p.m., New York time on March 19, 2012, Seller can elect for the Agreement to be amended and restated in the form of the Original Purchase Agreement after giving effect to the terms of Amendment No. 1 to the Purchase Agreement in the form attached hereto as Exhibit H, and the Parties shall be obligated to consummate the transactions contemplated by the Original Purchase Agreement as so amended, subject to the terms and conditions set forth therein.

[Signature pages follow]

IN WITNESS WHEREOF, each of the undersigned has caused this Purchase Agreement to be duly executed on its behalf as of the day and year first above written.

COMPANY:

SCI SERVICES, INC.

By: /s/ Stephen Staid
Name: Stephen Staid
Title: President & CEO

SELLER:

SAXON MORTGAGE SERVICES, INC.

By: /s/ Stephen Staid
Name: Stephen Staid
Title: President & CEO

MORGAN STANLEY (solely for purposes of Article 5, Section 7.4, Article 11 and Article 12):

MORGAN STANLEY

By: /s/ Edgar A. Sabounghi
Name: Edgar A. Sabounghi
Title:

PARENT:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC

By: /s/ Edgar A. Sabounghi
Name: Edgar A. Sabounghi
Title:

[Signature Page to Purchase Agreement]

BUYER:

OCWEN LOAN SERVICING, LLC

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President & CEO

OFC (solely for the purposes of Section 6.11, Section 6.12, Section 7.4, Section 7.8, Section 7.14, Section 10.2(b), Article 11 and Article 12):

OCWEN FINANCIAL CORPORATION

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President & CEO

[Signature Page to Purchase Agreement]

MASTER SERVICING RIGHTS PURCHASE AGREEMENT

dated as of February 10, 2012

between

OCWEN LOAN SERVICING, LLC, as Seller,

and

HLSS HOLDINGS, LLC, as Purchaser

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MASTER SERVICING RIGHTS PURCHASE AGREEMENT

THIS MASTER SERVICING RIGHTS PURCHASE AGREEMENT, dated as of February 10, 2012 (this "Agreement") is by and between Ocwen Loan Servicing, LLC, a Delaware limited liability company ("Seller") and HLSS Holdings, LLC, a Delaware limited liability company ("Purchaser").

RECITALS:

WHEREAS, Seller wishes to sell, assign and transfer certain Servicing Rights (as defined herein) and other related assets to Purchaser from time to time, and Purchaser wishes to purchase such Servicing Rights and other related assets and assume certain specified liabilities relating to such Servicing Rights, all upon the terms and conditions set forth herein and in the related Sale Supplement (as defined herein).

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Seller and Purchaser agree as follows:

ARTICLE 1

DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Definitions. For purposes of this Agreement, the following capitalized terms shall have the respective meanings set forth or referenced below:

"Accountant" shall have the meaning set forth in Section 2.5.

"Action" shall mean any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

"Affiliate" shall mean, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling, "controlled by" and "under common control with"), as applied to any Person, means ownership of 25% or more of the outstanding voting securities of such Person.

"Agreement" shall mean this Master Servicing Rights Purchase Agreement, including the exhibits hereto, and, with respect to any Sale, the related Sale Supplement, as each of the foregoing may be amended, modified or supplemented from time to time in accordance with its terms.

"Ancillary Income" shall mean, with respect to any Servicing Agreement, any and all income, revenue, fees, expenses, charges or other monies that Seller is entitled to receive, collect or retain as servicer pursuant to such Servicing Agreement (other than Servicing Fees, Prepayment Interest Excess and earnings received on amounts on deposit in any Custodial Account or Escrow Account), fees payable to the servicer under HAMP or other governmental

programs, late fees, fees and charges for dishonored checks (insufficient funds fees), pay-off fees, assumption fees, commissions and administrative fees on insurance and similar fees and charges collected from or assessed against Mortgagors to the extent payable to Seller under the terms of the related Mortgage Loan Documents and such Servicing Agreement.

"Applicable Law" shall mean: (i) all applicable laws, statutes, regulations or ordinances in force and as amended from time to time; (ii) the common law as applicable from time to time; (iii) all applicable binding court orders, judgments or decrees; and (iv) all applicable directives, policies, rules or orders; each of (i) through (iv) of any Governmental Authority.

"Applicable Requirements" shall mean and include, as of the time of reference, with respect to any Mortgage Loans, all of the following: (a) all contractual obligations of Seller in the Mortgage Loan Documents, in the applicable Servicing Agreements and the applicable Underlying Documents to which Seller is a party or by which Seller is bound or for which it is responsible and (b) all Applicable Laws binding upon Seller in each jurisdiction which is applicable to the context or situation to which the Applicable Requirements apply.

"Assignment and Assumption Agreement" shall mean, with respect to a Sale Supplement, any assignment and assumption agreement entered into by Seller and Purchaser in connection with the related Transferred Assets.

"Business Day" shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which banking or savings and loan institutions in the State of Florida, the State of Illinois, the State of Georgia or the State of New York are closed.

"Closing" shall have the meaning set forth in Section 2.2.

"Closing Date" shall mean, with respect to a Sale, the date specified in the related Sale Supplement as the related "Closing Date".

"Closing Statement" shall, with respect to a Sale, have the meaning specified in the related Sale Supplement.

"Closing Statement Delivery Date" shall, with respect to a Sale, have the meaning specified in the related Sale Supplement.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Custodial Account" shall mean (a) each collection, custodial or similar account maintained or previously maintained by Seller pursuant to the Servicing Agreements for the benefits of the applicable trustee and/or the applicable certificateholders and (b) any amounts deposited or maintained therein.

"Custodial Agreement" shall mean the agreement or agreements, including the Servicing Agreements, if applicable, governing the retention of the Custodial Files in accordance with Applicable Requirements.

"Custodial File" shall mean, with respect to a Mortgage Loan, all of the documents that must be maintained on file with a Custodian under Applicable Requirements.

"Custodian" shall mean an entity acting as a mortgage loan document custodian under any Custodial Agreement or any successor in interest to the Custodian.

"Cut-off Date": shall mean, with respect to a Sale Supplement, the "Cut-off Date" as defined in such Sale Supplement.

"Database" shall mean all information relating to the Mortgage Loans provided by Seller to Purchaser and contained in Seller's electronic servicing software system and used by Seller in servicing the Mortgage Loans.

"Enforceability Exceptions" shall mean limitations on enforcement and other remedies imposed by or arising under or in connection with applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Applicable Laws affecting creditors' rights generally from time to time in effect or general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing with respect to those jurisdictions that recognize such concepts).

"Escrow Accounts" shall mean, with respect to any Servicing Agreement, the accounts and all funds held or previously held therein by Seller in escrow for the benefit of the related Mortgagors with respect to the Mortgage Loans serviced pursuant to such Servicing Agreement (other than the Custodial Accounts), including, without limitation, all buy-down funds, tax and insurance funds and other escrow and impound amounts (including interest accrued thereon held for the benefit of the Mortgagors).

"Estimated Purchase Price" shall mean, with respect to a Sale and the Transferred Assets relating thereto, the estimated Purchase Price payable at the related Closing calculated in accordance with the related Sale Supplement.

"Excluded Liabilities" shall, in connection with a Sale, have the meaning set forth in the related Sale Supplement.

"Foreclosure" shall mean the process culminating in the acquisition of title to a Mortgaged Property in a foreclosure sale or by a deed in lieu of foreclosure or pursuant to any other comparable procedure allowed under Applicable Requirements.

"GAAP" shall mean generally accepted accounting principles in the United States which, unless otherwise indicated or required by accounting practice, are applied on a consistent basis.

"Governmental Authority" shall mean any government or any agency, bureau, board, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government having authority in the United States, whether federal, state or local.

"HAMP" shall mean the Home Affordable Modification Program implemented by the U.S. Department of the Treasury pursuant to Sections 101 and 109 of the Emergency Economic Stabilization Act of 2008, as amended from time to time.

"Insurer" shall mean (i) a Person who insures or guarantees all or any portion of the risk of loss on any Mortgage Loan, including without limitation any provider of private mortgage insurance, with respect to any Mortgage Loan or (ii) a Person who insures or guarantees all or any portion of the risk of loss on the securities issued pursuant to a Servicing Agreement or on net interest margin securities representing interests in such securities.

"Liens" shall mean, with respect to an asset, any lien, pledge, security interest, mortgage, deed of trust, encumbrance, easement, servitude, encroachment, charge or similar right of any Person other than the owner of the asset of any kind or nature whatsoever against the asset.

"Loan File" shall mean all documents, instruments, agreements and records relating to the Mortgage Loans in Seller's possession or control reasonably necessary to service the Mortgage Loans in accordance with Applicable Requirements, and electronic images of the related Custodial File.

"Master Servicer" shall mean with respect to each Servicing Agreement, the entity identified as the "Master Servicer" therein, or any successor thereto.

"Material Adverse Effect" shall mean any effect, event, circumstance, development or change, individually or in the aggregate, which has or is reasonably likely to have, a material adverse effect on (i) the Transferred Assets or the interests of Purchaser with respect thereto, (ii) the ability of Seller to consummate the transactions contemplated by this Agreement, any Sale Supplement or the Subservicing Agreement or to perform its obligations hereunder or under any Sale Supplement or the Subservicing Agreement, (iii) the validity or enforceability of this Agreement, any Sale Supplement or the Subservicing Agreement or (iv) Purchaser's (or its Affiliates') costs, regulatory capital, taxes or accounting treatment with respect to the Transferred Assets.

"MERS" shall mean Mortgage Electronic Registration System, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

"MERS Loan" shall mean any Mortgage Loan registered on the MERS System.

"MERS System" shall mean the mortgage electronic registry system administered by MERS.

"Mortgage" shall mean with respect to a Mortgage Loan, a mortgage, deed of trust or other security instrument creating a lien upon real property and any other property described therein which secures a Mortgage Note, together with any assignment, reinstatement, extension, endorsement or modification thereof.

"Mortgage Escrow Payments" shall mean the portion, if any, of the Mortgage Loan Payment in connection with a Mortgage Loan that, pursuant to the related Mortgage Loan Documents, must be made by a Mortgagor for deposit in a related Escrow Account for the payment of real estate taxes and assessments, insurance premiums, ground rents and similar items.

"Mortgage Loan" shall mean, with respect to any Servicing Agreement, any residential mortgage loan or home equity line of credit which is serviced by Seller pursuant to such Servicing Agreement and is identified on a Mortgage Loan Schedule for the Sale Supplement related to such Servicing Agreement.

"Mortgage Loan Documents" shall mean with respect to each Mortgage Loan, the documents in the related Custodial File and Loan File.

"Mortgage Loan Payment" shall mean, with respect to a Mortgage Loan, the amount of each scheduled installment on such Mortgage Loan, whether for principal, interest, escrow or other purpose, required or permitted to be paid by the Mortgagor in accordance with the terms of the Mortgage Loan Documents.

"Mortgage Loan Schedule" shall mean the schedule of Mortgage Loans and REO Properties subject to the applicable Servicing Agreements as of the related Cut-off Date, which schedule shall be delivered in electronic format by Seller to Purchaser and shall include the data fields agreed upon by Seller and Purchaser to the extent applicable with respect to each Mortgage Loan or REO Property.

"Mortgage Note" shall mean, with respect to a Mortgage Loan, a promissory note or notes, or other evidence of indebtedness, with respect to such Mortgage Loan secured by a Mortgage or Mortgages, together with any assignment, reinstatement, extension, endorsement or modification thereof.

"Mortgage Pool" shall mean with respect to a Servicing Agreement, all Mortgage Loans subject to such Servicing Agreement.

"Mortgaged Property" shall mean the improved residential real property that secures a Mortgage Note and that is subject to a Mortgage.

"Mortgagor" shall mean the obligor(s) on a Mortgage Note.

"Non-Qualified Servicer Advance" shall mean an advance made by Seller under a Servicing Agreement to a third party that is not payable (without regard to the credit quality of the source of payment) either from (x) the applicable Trust or proceeds of the Mortgage Loans collected pursuant to the applicable Servicing Agreement, or (y) from the applicable Mortgagor on a Mortgage Loan pursuant to the terms of the Mortgage Loan Documents and Applicable Law in effect as of the date on which the related Servicer Advance is transferred to Purchaser pursuant to the related Sale Supplement (other than through the pursuit of deficiency judgments) because, in either case, (a) such advance does not qualify as a Servicer Advance or (b) reasonable documentation as to the type and amount of such advance is not available.

"Officer" shall mean the Chief Executive Officer, Chief Operating Officer, President or a Vice President or Member of the applicable party.

"Outstanding Servicing Fees" shall mean the amount of accrued and unpaid Servicing Fees and any Ancillary Income due and payable under the Servicing Agreements as of the related Closing Date.

"Person" shall mean any individual, association, corporation, limited liability company, partnership, limited liability partnership, trust or any other entity or organization, including any Governmental Authority.

"Post-Closing Statement" shall have the meaning set forth in Section 2.5.

"Prepayment Interest Excess" means with respect to each Mortgage Loan that was the subject of a principal prepayment, the amount of interest, if any, that is payable with respect to such principal prepayment to the extent such amount is payable to the Purchaser as additional servicing compensation pursuant to the related Servicing Agreement.

"PSA" shall mean: (i) each Servicing Agreement that is a pooling and servicing agreement or (ii) with respect to each Servicing Agreement that is not a pooling and servicing agreement, the related servicing agreement or trust agreement relating to each Securitization Transaction pursuant to which the Mortgage Loans subject to such Servicing Agreement were securitized and mortgage-backed securities were issued.

"Purchase Price" shall mean, with respect to any Sale, the purchase price for the related Transferred Assets calculated in accordance with the related Sale Supplement.

"Purchaser" shall mean HLSS Holdings, LLC, a Delaware limited liability company, and its successors-in-interest.

"Rating Agency" shall mean with respect to each PSA, the nationally recognized statistical rating organizations that rated the securities issued pursuant to such PSA on the date of issuance.

"Reconciliation Excess Amount" shall have the meaning set forth in Section 5.10.

"Reconciliation Shortfall Amount" shall have the meaning set forth in Section 5.10.

"Recourse" shall mean, with respect to any Mortgage Loan, any obligation or liability (actual or contingent) of Seller (a) to reimburse the applicable Trust for losses incurred in connection with the Foreclosure or other disposition of, or other realization or attempt to realize upon the collateral securing, such Mortgage Loan (including, without limitation, losses relating to loss mitigation or obtaining deeds in lieu of Foreclosure), which losses are not reimbursable from the applicable Mortgagor or pursuant to the Mortgage Loan Documents (other than through the pursuit of a deficiency judgment), the Servicing Agreements or the Underlying Documents; (b) to repurchase such Mortgage Loan in the event that the Mortgagor of such Mortgage Loan is in bankruptcy, in Foreclosure or in litigation; or (c) to repurchase such Mortgage Loan in the event of a delinquency or other payment default thereunder by the Mortgagor.

"Regulatory Approvals" shall mean all approvals from any Governmental Authority that are required to be obtained by Seller or Purchaser, as applicable, in order to consummate the transactions contemplated by this Agreement, including the expiration of all waiting periods thereunder (including any extensions thereof).

"Related Agreement" shall mean, with respect to any Sale, the related Sale Supplement, any related Assignment and Assumption Agreement and any other agreements, documents and instruments entered into in connection with such Sale.

"REO Property" shall mean any Mortgaged Property with respect to which the Trustee has taken ownership as a result of Foreclosure or acceptance of a deed in lieu of Foreclosure pursuant to the related Servicing Agreement.

"Sale" shall mean a sale of Transferred Assets pursuant to a Sale Supplement entered into pursuant to this Agreement.

"Sale Supplement" shall have the meaning set forth in Section 2.1.

"SEC" shall mean the United States Securities and Exchange Commission.

"Securitization Transaction" shall mean with respect to each Servicing Agreement, the securitization transactions identified on Schedule I to the related Sale Supplement pursuant to which the Mortgage Loans subject to such Servicing Agreement were securitized pursuant to the related PSA.

"Self-Regulatory Organization" shall mean the London Stock Exchange, the FTSE Group, the Financial Industry Regulatory Authority, the American Stock Exchange, the National Futures Association, the Chicago Board of Trade, the New York Stock Exchange, any national securities exchange (as defined in the Securities Exchange Act of 1934, as amended), any other securities exchange, futures exchange, contract market, any other exchange or corporation or similar self-regulatory body or organization.

"Seller" shall mean Ocwen Loan Servicing, LLC, a Delaware limited liability company, and its successors-in-interest.

"Seller's Objection" shall have the meaning set forth in Section 2.5.

"Servicer Advance" shall mean any (i) "Servicing Advance", "Corporate Advance" and/or "Escrow Advance", each as defined in the applicable Servicing Agreement, or, to the extent not so defined therein, customary and reasonable out-of-pocket expenses incurred by Seller in connection with a default, delinquency, property management or protection, Foreclosure or other event relating to a Mortgage Loan or advances of delinquent taxes, assessments and insurance premiums payable by a Mortgagor or otherwise made with respect to a Mortgage Loan and, in each case, made in accordance with Applicable Requirements and for which Seller owns a right of reimbursement under the applicable Servicing Agreement as of the date such right is transferred to Purchaser pursuant to this Agreement as supplemented by the related Sale Supplement and (ii) all "Advances", "P&I Advances", "Monthly Advances" (each as defined in the applicable Servicing Agreement) or other advances in respect of principal or interest for which Seller owns a right of reimbursement under the applicable Servicing Agreement as of the date such right is transferred to Purchaser pursuant to this Agreement as supplemented by the related Sale Supplement.

"Servicing Agreement" shall mean each of the Servicing Agreements described on Schedule I attached to the related Sale Supplement and each related Underlying Document governing the rights, duties and obligations of Seller as servicer under such Servicing Agreements.

"Servicing Fees" shall mean all compensation payable to Seller under the Servicing Agreements, including each "Servicing Fee" payable based on a percentage of the outstanding principal balance of the Mortgage Loans, but excluding all Ancillary Income, Prepayment Interest Excess and earnings received on amounts on deposit in any Custodial Account or Escrow Account.

"Servicing Rights" shall mean all right, title and interest of Seller and all rights and obligations of Seller under the Servicing Agreements and Underlying Documents including, without limitation, the right (i) to receive all Servicing Fees, Ancillary Income, Prepayment Interest Excess or other compensation (including any Outstanding Servicing Fees) payable to Seller pursuant to the related Servicing Agreements, (ii) to any and all accounts established for the servicing of the Mortgage Loans or pursuant to the applicable Servicing Agreements, including, to the extent provided therein, any right or power to direct the disposition, disbursement, distribution or investment of amounts deposited therein, (iii) in and to the related Escrow Accounts and Custodial Accounts, (iv) to the related Loan Files, in each case, subject to the terms, restrictions and conditions applicable thereto pursuant to the applicable Servicing Agreement and Underlying Documents, (v) to be reimbursed for any Servicer Advances under the Servicing Agreements, (vi) to exercise any optional termination or clean-up call provisions, if any, as set forth in the related Servicing Agreements or PSAs, and (vii) to indemnification or other remedy, if any, from any subservicer of the Mortgage Loans or under the terms of the related Servicing Agreements, PSAs or Underlying Agreements relating to the period as of or after the date Purchaser acquires such Servicing Rights. The term Servicing Rights shall not include any obligations in connection with any representations and warranties with respect to the Mortgage Loans or other Transferred Assets made by Seller or any of its Affiliates or any obligation to remedy breaches of any representations or warranties with respect to Seller or any of its Affiliates, the Mortgage Loans or other Transferred Assets or to indemnify any party in connection therewith or the obligations of any Master Servicer under a PSA.

"Servicing Transfer Date" shall mean, with respect to a Servicing Agreement, the date specified in the related Sale Supplement as the "Servicing Transfer Date" for such Servicing Agreement, or in any case, such other date or dates mutually agreed upon by Purchaser and Seller.

"Servicing Transfer Instructions" means with respect to each Transferred Asset, the servicing transfer instructions, if any, mutually agreed to by Purchaser and Seller and set forth in the related Sale Supplement.

"Subservicing Agreement" means that certain Master Subservicing Agreement dated as of the date hereof between HLSS Holdings, LLC, as servicer, and Ocwen Loan Servicing, LLC, as subservicer.

"Termination Date" shall have the meaning set forth in Section 7.1.

"Third Party Consents" shall mean any consent, authorization, approval, statement, waiver, order, license, certificate or permit or act of or from, or notice to any Rating Agency or any party to or referenced in any Servicing Agreement or any amendment to any Servicing Agreement that is required under such Servicing Agreement in order to duly transfer the servicing of the Mortgage Loans and the Servicing Rights and other Transferred Assets related to such Servicing Agreement to Purchaser and consummate the transactions contemplated by this Agreement and the related Sale Supplement, in each case in form and substance reasonably satisfactory to Seller and Purchaser.

"Transferred Assets" shall, with respect to each Sale, have the meaning set forth in the related Sale Supplement.

"Transferred Liabilities" shall, with respect to each Sale, have the meaning set forth in the related Sale Supplement.

"Trust" shall mean, with respect to each Securitization Transaction, the trust or other legal entity that is the owner of the Mortgage Loans included in such Securitization Transaction.

"Trustee" shall mean with respect to each Servicing Agreement, the entity identified as the "trustee" or "indenture trustee" therein, or any successor trustee or successor indenture trustee, as applicable, thereto.

"Underlying Documents" means each operative document or agreement described on Schedule II attached to the related Sale Supplement executed in connection with each Securitization Transaction which is binding upon Seller, as servicer, if any.

ARTICLE 2

SALES AND CLOSINGS

2.1 Sale Supplements. Seller and Purchaser may from time to time enter into one or more sale supplements substantially in such form and substance as the parties may mutually agree to (each a "Sale Supplement"), pursuant to which Seller and Purchaser will agree to the sale and purchase of certain Servicing Rights and other related assets on the terms set forth in this Agreement, as modified or supplemented by such Sale Supplement. The parties agree that, to the extent the terms of any Sale Supplement are inconsistent with any term of this Agreement, the terms of such Sale Supplement shall control with respect to the related Sale.

2.2 Closing Date. Assuming the conditions to the closing of a Sale have occurred, the purchase of Transferred Assets and assumption of Transferred Liabilities pursuant to a Sale Supplement shall occur at a closing (each, a "Closing") to be held on the related Closing Date, at the offices of Mayer Brown LLP, in New York, New York, at 9 a.m., local time, or at such other time, place, and manner as the parties shall mutually agree.

2.3 Closing Statement. No later than the Closing Statement Delivery Date with respect to a Sale, Seller shall prepare and deliver to Purchaser the Closing Statement for such Sale.

2.4 Closing.

(a) All actions taken and documents delivered at a Closing shall be deemed to have been taken and executed simultaneously, and no action shall be deemed taken nor any document delivered until all have been taken and delivered.

(b) At or prior to a Closing, subject to all the terms and conditions of this Agreement and the related Sale Supplement, Seller shall deliver to Purchaser the following with respect such Sale and the related Transferred Assets:

(1) executed counterparts of each Related Agreement to which Seller is a party;

(2) secretary's certificates, evidence of corporate existence and good standing, evidence of corporate approvals and other similar documents;

(3) an opinion of counsel to Seller, dated as of the related Closing Date, in form and substance reasonably acceptable to Purchaser, with respect to certain corporate matters of Seller and other related matters;

(4) any required Regulatory Approvals with respect to Seller;

(5) all Third Party Consents with respect to the Transferred Assets;

(6) a certificate of an Officer of Seller, dated as of the related Closing Date, certifying as to the satisfaction of the conditions set forth in Sections 6.1 and 6.2 in form and substance reasonably acceptable to Purchaser;

(7) a certificate of an Officer of Seller, dated as of the related Closing Date, relating to outstanding Servicer Advances in form and substance reasonably acceptable to Purchaser;

(8) customary documentation reasonably acceptable to Purchaser evidencing the release of any Lien on the related Servicing Rights and other Transferred Assets, which documentation may include but not be limited to any lien releases and UCC-3 termination statements with respect thereto;

(9) a limited power of attorney from Seller to allow Purchaser, in the name of Seller, to effect transfers of the related Transferred Assets and to service the Mortgage Loans pursuant to the related Servicing Agreements, as amended, which shall be in form and substance reasonably satisfactory to Seller and Purchaser;

(10) a receipt for payment of the Estimated Purchase Price paid at Closing; and

(11) such other certificates and documents as Purchaser determines to be reasonably necessary in connection with the consummation of the transactions contemplated by the Sale Supplement and which do not alter the parties' respective obligations, liabilities or costs with respect thereto.

(c) Purchaser shall deliver to Seller the following documents relating to such Sale:

(1) executed counterparts of each Related Agreement to which Purchaser is a party;

(2) secretary's certificates, evidence of corporate existence and good standing, evidence of corporate approvals and other similar documents;

(3) an opinion of counsel to Purchaser, dated as of the related Closing Date, reasonably acceptable to Seller, with respect to certain corporate matters of Purchaser;

(4) any required Regulatory Approvals with respect to Purchaser;

(5) a certificate of an Officer of Purchaser or its sole member, Home Loan Servicing Solutions, Ltd., dated as of the related Closing Date, certifying as to the satisfaction of the conditions set forth in Sections 6.1 and 6.3 in form and substance reasonably acceptable to Seller;

(6) the Estimated Purchase Price by wire transfer in immediately available funds to those accounts identified by Seller to Purchaser; and

(7) such certificates and other documents as Seller determines to be reasonably necessary in connection with the consummation of the transactions contemplated by the Sale Supplement and which do not alter the parties' respective obligations, liabilities or costs with respect thereto.

2.5 Post Closing Reconciliation of Purchase Price. No later than sixty (60) days following a Closing Date, Purchaser shall prepare and deliver to Seller a statement (the "Post-Closing Statement") reconfirming the calculation of the Purchase Price for the related Sale as of such Closing Date. Seller shall, within thirty (30) days after its receipt of the Post-Closing Statement, inform Purchaser in writing (the "Seller's Objection"), setting forth in reasonable detail the basis of any dispute Seller may have with respect to any information contained in the Post-Closing Statement. If no Seller's Objection is received by Purchaser on or before the last day of such 30-day period, then the Post-Closing Statement shall be final and binding on the parties hereto. Purchaser shall have 30 days from its receipt of the Seller's Objection to review and respond to the Seller's Objection. If Seller timely submits the Seller's Objection to

Purchaser, Seller and Purchaser first shall seek in good faith to resolve any disagreement over the disputed items set forth in the Seller's Objection. If any disagreement cannot be resolved by Purchaser and Seller within 30 days after Purchaser's receipt of the Sellers' Objection, then either Purchaser or Seller, by written notice to the other, may elect to have any such disagreement tendered to and resolved by a mutually agreeable internationally recognized independent certified public accounting firm (the "Accountant"), which shall determine whether the final Purchase Price set forth in the Post-Closing Statement requires adjustment. The determination by the Accountant shall be final and binding on the parties hereto for all purposes of this Agreement. Each of Seller and Purchaser shall bear all fees and costs incurred by it in connection with this determination and 50% of all fees and expenses relating to the foregoing work of the Accountant. The Accountant shall have full access to all information used by the Purchaser in preparing the Post Closing Statement and by Seller in preparing the Seller's Objection, including the work papers of their respective accountants (to the extent permitted by such accountants), and all other information reasonably requested by the Accountant from Seller and Purchaser. The Accountant shall be instructed to submit its determination to the parties hereto in writing as soon as practicable after submission of the matter to it but no later than thirty (30) days after such submission. Once the parties hereto agree upon or otherwise arrive at, or once the Accountant has made a final determination on, the final Purchase Price, to the extent the final Purchase Price is less than the Estimated Purchase Price, Seller shall refund such difference to Purchaser within ten (10) Business Days following such determination, and to the extent the final Purchase Price is greater than the Estimated Purchase Price, Purchaser shall pay such difference to Seller within ten (10) Business Days following such determination.

ARTICLE 3

GENERAL REPRESENTATIONS AND WARRANTIES OF SELLER

Seller, as a condition to the consummation of the transactions contemplated hereby, hereby makes the following representations and warranties to Purchaser as of the date hereof, as of the date of each Sale Supplement, as of each Closing Date and as of each Servicing Transfer Date:

3.1 Due Organization. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to own its property and to carry on its business as presently conducted and to enter into, deliver and perform this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Seller and to carry out its obligations hereunder and thereunder.

3.2 Due Authorization; Binding Effect. The execution, delivery and performance of this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Seller has been duly and validly authorized by all necessary limited liability company or other action. This Agreement has been, and upon their execution each Sale Supplement and all documents executed pursuant hereto and thereto by Seller shall be, duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Purchaser) this Agreement constitutes, and upon their execution, each Sale Supplement and all documents executed pursuant hereto and thereto by Seller shall constitute, the legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms, subject to the Enforceability Exceptions.

3.3 No Conflicts. The execution, delivery and performance by Seller of this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Seller do not and will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation or imposition of any Lien upon any of the assets of Seller under, any provision of (a) the organizational documents of Seller, (b) any mortgage, indenture or other agreement to which Seller is a party or by which Seller or any of its properties or assets is subject (except as would not reasonably be expected to adversely affect the ability of Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Sale Supplements) or (c) any provision of any Applicable Law applicable to Seller or its properties or assets.

3.4 Consents. No consent of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained, effected or given by or with respect to Seller in connection with the execution, delivery and performance of this Agreement or any Sale Supplement or the consummation of the transactions contemplated hereby or thereby, except for consents, registrations, declarations and filings that have been obtained or will be obtained prior to the related Closing Date.

3.5 Litigation. There are no actions, litigation, suits or proceedings pending or, to Seller's knowledge, threatened against Seller before or by any court, administrative agency, arbitrator or government body (i) with respect to this Agreement or any Sale Supplement or (ii) with respect to any other matter which if determined adversely to the Seller would reasonably be expected to materially and adversely affect Seller's ability to perform its obligations under this Agreement or any Sale Supplement; and Seller is not in default with respect to any order of any court, administrative agency, arbitrator or governmental body so as to materially and adversely affect Seller's ability to perform its obligations under this Agreement or any Sale Supplement.

3.6 Licenses. Seller has all licenses necessary to carry on its business as now being conducted and as is contemplated by this Agreement and each Sale Supplement to be conducted and is duly authorized and qualified to transact, in each applicable state, any and all business contemplated by this Agreement and each Sale Supplement (except where there is an appropriate statutory exemption applicable to Seller or the failure so to qualify would not have a Material Adverse Effect).

3.7 Bulk Sales. The sale and transfer of the Transferred Assets by Seller are not subject to the bulk transfer or similar statutory provisions of applicable state or federal law.

3.8 Broker's Fees. There are no fees or commissions or any expenses of any broker, finder or investment banker or anyone else acting in the capacity of a broker, finder or investment banker for Seller in connection with the transactions contemplated hereby.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser, as a condition to the consummation of the transactions contemplated hereby, hereby makes the following representations and warranties to Seller as of the date hereof, as of the date of each Sale Supplement, as of each Closing Date and as of each Servicing Transfer Date:

4.1 Due Organization. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to own its property and to carry on its business as presently conducted and to enter into, deliver and perform this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Purchaser and to carry out its obligations hereunder and thereunder.

4.2 Due Authorization; Binding Effect. The execution, delivery and performance of this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Purchaser has been duly and validly authorized by all necessary limited liability company or other action. This Agreement has been, and upon their execution each Sale Supplement and all documents executed pursuant hereto and thereto by Purchaser shall be, duly executed and delivered by Purchaser, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes, and upon their execution, each Sale Supplement and all documents executed pursuant hereto and thereto by Purchaser shall constitute, the legal, valid and binding obligations of Purchaser, enforceable against Purchaser in accordance with their respective terms, subject to the Enforceability Exceptions.

4.3 No Conflicts. The execution, delivery and performance by Purchaser of this Agreement, each Sale Supplement and all documents executed pursuant hereto and thereto by Purchaser do not and will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation or imposition of any Lien upon any of the assets of Purchaser under, any provision of (a) the organizational documents of Purchaser, (b) any mortgage, indenture or other agreement to which Purchaser is a party or by which Purchaser or any of its properties or assets is subject (except as would not reasonably be expected to adversely affect the ability of Purchaser to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Sale Supplements) or (c) any provision of any Applicable Law applicable to Purchaser or its properties or assets.

4.4 Consents. No consent of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained, effected or given by or with respect to Purchaser in connection with the execution, delivery and performance of this Agreement or any Sale Supplement or the consummation of the transactions contemplated hereby or thereby, except for consents, registrations, declarations and filings that have been obtained or will be obtained prior to the related Servicing Transfer Date.

4.5 Litigation. There are no actions, litigation, suits or proceedings pending or, to Seller's knowledge, threatened against Purchaser before or by any court, administrative agency, arbitrator or government body (i) with respect to this Agreement or any Sale Supplement or (ii) with respect to any other matter which if determined adversely to the Purchaser would reasonably be expected to materially and adversely affect Purchaser's ability to perform its obligations under this Agreement or any Sale Supplement; and Purchaser is not in default with respect to any order of any court, administrative agency, arbitrator or governmental body so as to materially and adversely affect Purchaser's ability to perform its obligations under this Agreement or any Sale Supplement.

4.6 Licenses. Purchaser has all licenses necessary to carry on its business as now being conducted and as is contemplated by this Agreement and each Sale Supplement (taking into account that Purchaser is engaging a subservicer to service the Mortgage Loans) to be conducted and is duly authorized and qualified to transact, in each applicable state, any and all business contemplated by this Agreement and each Sale Supplement (except where there is an appropriate statutory exemption applicable to Purchaser or the failure so to qualify would not have a Material Adverse Effect on the ability of Purchaser to perform its obligations hereunder).

4.7 Broker's Fees. There are no fees or commissions or any expenses of any broker, finder or investment banker or anyone else acting in the capacity of a broker, finder or investment banker for Purchaser in connection with the transactions contemplated hereby.

ARTICLE 5

OBLIGATIONS OF PARTIES PRIOR TO AND AFTER A CLOSING DATE

5.1 Conduct of Business. Except as otherwise set forth in the related Sale Supplement, Seller will, from the date of execution of a Sale Supplement to the related Servicing Transfer Date, continue to service the Mortgage Loans relating to Servicing Agreements subject to such Sale Supplement in accordance with Applicable Requirements and in the ordinary course of business consistent with past practices.

5.2 Regulatory Approvals. As soon as possible following the execution of a Sale Supplement, Seller shall have prepared and have filed applications and notices relating to any required Regulatory Approvals with respect to the related Sale. Seller agrees to process such notices and applications as promptly as reasonably practicable and to provide Purchaser promptly with a copy of such applications as filed and all material notices, orders, opinions, correspondence, and other documents with respect thereto, and to use commercially reasonable efforts to obtain all Regulatory Approvals. Seller shall provide Purchaser such cooperation and information reasonably requested by Purchaser in connection with Purchaser's compliance with the requirements of the applicable Governmental Authorities. The parties shall use commercially reasonable efforts to cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry relating to Regulatory Approvals, and to resolve any concerns of any Governmental Authority and obtain all Regulatory Approvals so as to permit the prompt completion of the transactions contemplated by a Sale Supplement.

5.3 Third Party Consents. Except as expressly stated to the contrary in a Sale Supplement, Seller shall use commercially reasonable efforts, at no cost to Purchaser (except as otherwise provided in the applicable Sale Supplement), to obtain the applicable Third Party Consents with respect to each Sale prior to the applicable Closing Date. Seller and Purchaser shall cooperate in good faith to obtain and provide such information reasonably requested by the other party in connection with obtaining such Third Party Consents. In accordance with Applicable Requirements, Seller, at its sole expense, shall submit to Insurers and third parties all materials, and pay such fees and costs as are required by Applicable Requirements, in order to obtain the Third Party Consents required to be obtained by Seller in a timely manner with respect to the transfer of the Transferred Assets from Seller to Purchaser. Seller shall promptly notify Purchaser if any Insurer or third party advises Seller that it does not consent to all or any portion of the Transferred Assets with respect to a Sale being transferred to Purchaser.

5.4 Fees and Expenses. Subject to Section 5.3, unless expressly stated to the contrary in a Sale Supplement, each party will assume and pay for the expenses such party incurs with respect to a Sale, including, any fee payable by such party to any agent, broker or finder acting on its behalf in the Sale and costs, charges and expenses relating to its own attorneys' and accountants'; provided that Seller shall (i) be responsible for the shipping and delivery costs related to the transfer of the Transferred Assets, including the Loan Files, any outstanding obligations to prepare and record Assignments of Mortgage, and any fees and costs to reflect the transfer of servicing of any MERS Loans to Purchaser or its designee on the MERS System and (ii) pay the costs, fees and expenses of obtaining all required Regulatory Approvals (other than any Regulatory Approvals required to be obtained by Purchaser) and Third Party Consents required to be obtained (including the fees of any Trustee or Custodians), and any termination, transfer and/or other similar fees and expenses payable to any subservicer or subcontractor in order to transfer the servicing of the Mortgage Loans to Purchaser or its designee.

5.5 Public Announcements. Neither of the parties shall make, or cause to be made, any press release or public announcement in respect of this Agreement or any Sale Supplement or the transactions contemplated hereby or thereby or otherwise communicate with any news media in respect thereof without the prior written consent of the other parties (unless otherwise required by Applicable Law or the rules and regulations of any applicable Self-Regulatory Organization), and the parties hereto shall cooperate as to the form, timing and contents of any such press release, public announcement or communication.

5.6 Records relating to Servicer Advances. Seller shall provide to Purchaser, within sixty (60) days of each Closing Date (or such shorter period as agreed by Seller and Purchaser), an itemized list for all applicable unreimbursed Servicer Advances, including at a minimum (A) loan level Servicer Advance balances, (B) information reflecting the date or period such Servicer Advances were made and (C) loan level information related to the type (i.e., delinquency, tax, insurance, attorney fees, property inspection, etc.) and disbursement history of each Servicer Advance (which may be in electronic format). Seller shall, consistent with industry standards, maintain copies of invoices or other customary evidence with respect to each Servicer Advance made by Seller and shall, to the extent readily available to Seller without due cost or expense,

provide copies of such invoices or other customary evidence to the extent requested by Purchaser, a Mortgagor or a third party to support the reimbursement of such Servicer Advance. In the event Seller cannot provide, or cause to be provided to Purchaser any such invoice or other customary evidence, and Purchaser is unable to be reimbursed for such Servicer Advance solely as a result of such failure, Seller shall reimburse Purchaser for the amount of such unreimbursed Servicer Advances within five (5) Business Days of Purchaser's written request, to the extent Purchaser paid Seller for such amounts.

5.7 Efforts to Consummate; Further Assurances. The parties hereto agree to use all reasonable efforts to satisfy or cause to be satisfied as soon as practicable their respective obligations hereunder and the conditions precedent to Closing. Seller shall, at any time and from time to time, promptly, upon the reasonable request of Purchaser, execute, acknowledge, deliver or perform (and shall cause any subservicer to execute, acknowledge deliver or perform), all such further acts, deeds, assignments, transfers, conveyances, and assurances as may be reasonably required (a) for the better vesting and conferring to Purchaser of title in and to the Servicing Rights and other Transferred Assets, (b) to effect the transactions contemplated by this Agreement or (c) to enable Purchaser or its designee to service the Mortgage Loans. Purchaser shall, any time and from time to time, promptly, upon the reasonable request of Seller, execute, acknowledge, deliver or perform, all such further acts and assurances as may be reasonably required to effect the transactions contemplated by a Sale Supplement, including, without limitation, the assumption by Purchaser of the Transferred Liabilities. At Purchaser's request, Seller shall use commercially reasonable efforts to obtain any documents or instruments missing from any Loan File or Custodial File, and to cure any defects or deficiencies in the documents or instruments contained in any Loan Files or Custodial Files; provided that such document or instrument is missing, defective or deficient as a result of an act or omission of Seller or a subservicer engaged by Seller, and Seller shall otherwise have no duty or obligation to obtain or cure any documents or instruments.

5.8 Servicing Rights Transition. Seller and Purchaser shall comply in all material respects with the terms of the applicable Servicing Transfer Instructions with respect to the transfer of servicing of the related Mortgage Loans.

5.9 MERS. Seller shall prepare and record any assignments of mortgage required to be recorded by Seller prior to the related Servicing Transfer Date under the related Servicing Agreements. With respect to MERS Loans, Seller shall take any actions required to reflect the transfer of servicing from Seller to Purchaser or its designee and Purchaser's or its designee's status as servicing rights owner as of the related Closing Date.

5.10 Custodial Account and Escrow Account Reconciliation. In accordance with normal and customary industry practices in connection with the transfer of Servicing Rights and related Custodial Accounts and Escrow Accounts, Seller and Purchaser agree to reconcile and balance in good faith the applicable Custodial Accounts and Escrow Accounts within sixty (60) Business Days of the transfer of such Servicing Rights to Purchaser under the related Sale Supplement. The aggregate amount of shortfall included in the reconciling items referred to above (the "Reconciliation Shortfall Amount"), if any, shall be funded by Seller within ten (10) Business Days of such reconciliation. The aggregate amount of the excess included in the reconciling items referred to above (the "Reconciliation Excess Amount"), if any, shall be refunded by Purchaser within ten (10) Business Days of such reconciliation.

5.11 Interest on Related Escrow Accounts. Seller shall cause to be paid any interest on amounts in the related Escrow Accounts accrued to but not including the related Servicing Transfer Date to the extent interest with respect to such accounts is required to be paid under Applicable Requirements for the benefit of Mortgagors under the Mortgage Loans or any other appropriate party. Seller shall cause the deposit of any such interest earned on amounts in the related Escrow Accounts.

5.12 Payment of Certain Servicer Advances. Purchaser shall pay all invoices related to unreimbursed Servicer Advances incurred prior to the related Servicing Transfer Date for which the related invoice is received by Purchaser subsequent to the related Servicing Transfer Date, whether such invoice was submitted by the related service provider or by Seller, provided such invoice is received within ninety (90) days following the related Servicing Transfer Date and is reasonably determined by Purchaser to be reimbursable as a Servicer Advance under the related Servicing Agreement. In the event that Purchaser fails to pay any such invoice and Seller subsequently pays such amounts due, Purchaser covenants to reimburse Seller for any such amounts within thirty (30) days of receipt of an itemized invoice for such amounts. Seller shall reimburse Purchaser for any amounts paid by Purchaser relating to invoices received by Purchaser for services rendered prior to the related Servicing Transfer Date if reimbursement to the Purchaser under the related Servicing Agreement is denied as a result of inadequate or missing documentation or the late submission of the invoice to Purchaser

5.13 IRS Reporting. With respect to events that occurred prior to the related Servicing Transfer Date during the calendar year in which such Servicing Transfer Date occurs, Seller shall prepare and send to Mortgagors and prepare and file with the Internal Revenue Service all reports, forms, notices and filings required by the Code, Treasury regulations and other federal law, regulations or administrative procedures in connection with the Servicing Rights and the Mortgage Loans (including forms 1098, 1099 or 1099A). With respect to events that occurred on or after the related Servicing Transfer Date during the calendar year in which the related Servicing Transfer Date occurs, Purchaser (or its subservicer) shall prepare and send (or cause to be prepared and sent) to Mortgagors and prepare and file with the Internal Revenue Service, all reports, forms, notices and filings required by the Code, Treasury regulations and other federal law, regulations or administrative procedures in connection with the Servicing Rights and the Mortgage Loans.

5.14 Servicer Compliance Reports and Certifications. Seller shall comply fully with all requirements of the Servicing Agreements relating to the provision of servicer compliance statements, servicer assessments and accountant attestations and backup servicer certifications relating to applicable Sarbanes-Oxley filings covering the period up to the related Servicing Transfer Date, including for the period in the calendar year in which the related Servicing Transfer Date occurs, prior to such Servicing Transfer Date. Seller shall provide Purchaser copies of all such documents required under the Servicing Agreements for these periods at the same time delivered to the other parties as required under the Servicing Agreements.

5.15 Solicitation of Customers. Except as permitted under the Subservicing Agreement, from and after the date of execution of a Sale Supplement, Seller shall not directly or indirectly solicit, and Seller shall exercise commercially reasonable efforts to prevent any of its Affiliates from directly or indirectly soliciting, by means of direct mail, telephone or personal solicitation, the Mortgagors of any of the Mortgage Loans relating to the Servicing Agreements subject to such Sale Supplement for purposes of prepayment or refinance or modification of such Mortgage Loans; it being understood and agreed that all rights and benefits relating to the direct solicitation of such Mortgagors with respect to any matter relating to the Mortgage Loans and all attendant right, title and interest in and to the list of such Mortgagors and data relating to their Mortgage Loans (including insurance renewal dates) shall be transferred to Purchaser on the related Closing Date. It is understood and agreed that the foregoing is not intended to prohibit general advertising or solicitations directed to the public generally.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions to Obligations of the Parties. The obligation of each of Purchaser and Seller to complete the transactions contemplated by a Sale Supplement is conditioned upon fulfillment or, where legally permitted, waiver, on or before the related Closing Date, of each of the following conditions:

(a) There shall not be pending before any court or Governmental Authority of competent jurisdiction any action or proceeding by any third party that seeks to prohibit the consummation of the transactions contemplated by such Sale Supplement and that has a substantial probability of so prohibiting or adversely affecting the transactions contemplated by such Sale Supplement.

(b) No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced, issued or entered into any order that is in effect and which prohibits or makes illegal the consummation of the transactions contemplated by such Sale Supplement.

(c) Each of Seller and Purchaser shall have obtained any Regulatory Approvals required to be obtained by such party to consummate the transactions contemplated by such Sale Supplement.

(d) The satisfaction of any additional condition set forth in such Sale Supplement.

6.2 Conditions to Obligations of Seller. The obligation of Seller to complete the transactions contemplated by a Sale Supplement is conditioned upon fulfillment or, where legally permitted, waiver, on or before the related Closing Date, of each of the following conditions:

(a) The representations and warranties made by Purchaser in such Sale Supplement and this Agreement shall be true and correct in all material respects (unless such representation or warranty was qualified as to materiality, in which case such representation and warranty shall be true and correct) as of the related Closing Date as though such representations and warranties were made at and as of such time (except that representations and warranties that speak as of a specified date shall be true and correct as of such date).

(b) Purchaser shall have performed and complied in all material respects with all obligations, covenants and agreements required by such Sale Supplement and this Agreement to be performed or complied with by it prior to or on the related Closing Date.

(c) Purchaser shall have delivered to Seller those items required by Section 2.4(c) with respect to the related Sale.

(d) The satisfaction of any additional condition set forth in such Sale Supplement.

6.3 Conditions to Obligations of Purchaser. The obligation of Purchaser to complete the transactions contemplated by a Sale Supplement is conditioned upon fulfillment or, where legally permitted, waiver, on or before the related Closing Date, of each of the following conditions:

(a) The representations and warranties made by Seller in such Sale Supplement and this Agreement shall be true and correct in all material respects (unless such representation or warranty was qualified as to materiality, in which case such representation and warranty shall be true and correct) as of the related Closing Date as though such representations and warranties were made at and as of such time (except that representations and warranties that speak as of a specified date shall be true and correct as of such date).

(b) Seller shall have performed and complied in all material respects with all obligations, covenants and agreements required by such Sale Supplement and this Agreement to be performed or complied with by it prior to or on the related Closing Date.

(c) Seller shall have delivered to Purchaser those items required by Section 2.4(b) with respect to the related Sale.

(d) No event has occurred that, in the reasonable determination of Purchaser, has or could reasonable be expected to give rise to a Material Adverse Effect.

(e) The satisfaction of any additional condition set forth in such Sale Supplement.

ARTICLE 7

TERMINATION

7.1 Termination. Any Sale agreed to pursuant to a Sale Supplement may be terminated at any time after the execution of such Sale Supplement and prior to the related Closing Date (the date of any such termination, the "Termination Date"):

(a) by the mutual written consent of Seller and Purchaser;

(b) by either Purchaser or Seller upon written notice to the other party hereto, if any Governmental Authority with jurisdiction over such matters shall have issued an order

permanently restraining, enjoining or otherwise prohibiting such Sale, and such governmental order shall have become final and unappealable; provided, however, that the right to terminate pursuant to this Section 7.1(b) shall not be available to any party hereto unless such party shall have used its commercially reasonable efforts to oppose any such order or to have such order vacated or made inapplicable to the transactions;

(c) by Purchaser, upon written notice to Seller, if Seller shall have breached in any material respect any of its representations or warranties or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 6.1 or 6.3 and (B) is incapable of being cured by Seller by the related scheduled Closing Date or, if capable of being cured by Seller by the related scheduled Closing Date, Seller does not commence to cure such breach or failure within ten (10) Business Days after its receipt of written notice thereof from Purchaser and diligently pursue such cure thereafter;

(d) by Seller, upon written notice to Purchaser, if Purchaser shall have breached in any material respect any of its representations or warranties or failed to perform any of its covenants or other agreements contained in this Agreement, which breach or failure to perform (A) would give rise to the failure of a condition set forth in Section 6.1 or 6.2 and (B) is incapable of being cured by Purchaser by the related scheduled Closing Date or, if capable of being cured by Purchaser by the related scheduled Closing Date, Purchaser does not commence to cure such breach or failure within ten (10) Business Days after its receipt of written notice thereof from Seller and diligently pursue such cure thereafter; or

(e) by either Purchaser or Seller if the Closing of such Sale has not occurred by a date specified in the Sale Supplement; provided, however, that the right to terminate pursuant to this Section 7.1(e) shall not be available to any party whose failure to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date.

7.2 Effect of Termination. In the event of termination of a Sale pursuant to and in accordance with Section 7.1, the related Sale Supplement shall forthwith become void and of no further force or effect whatsoever and there shall be no liability on the part of any party, or their respective officers, directors, subsidiaries or partners, as applicable, to this Agreement in connection with such Sale Supplement; provided, however, that nothing contained in this Agreement shall relieve any party to this Agreement from any liability resulting from or arising out of any breach of any agreement or covenant hereunder or under such Sale Supplement; provided, further, that notwithstanding the foregoing, the covenants and other obligations with respect to such Sale under this Agreement and such Sale Supplement shall terminate upon the termination of this Agreement, except that the agreements set forth in Sections 5.5 and 8.12 hereof and Article 8 of each Sale Supplement shall survive termination indefinitely.

ARTICLE 8

MISCELLANEOUS PROVISIONS

8.1 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given: (a) when received, if given in person, by courier or by a national overnight delivery service, return receipt requested, (b) five Business Days after deposit in the United States Mail if delivered by registered or certified mail, return receipt requested, or (c) on the date of transmission, if sent by facsimile transmission or email transmission (receipt confirmed) on a Business Day during the normal business hours of the intended recipient, and, if not so sent on such a day and at such a time, at 10:00 a.m. on the following Business Day, provided that a copy is mailed by registered or certified mail, return receipt requested, in each case to the appropriate addresses, facsimile number or email address set forth below:

(i) If to Seller, addressed as follows:

Ocwen Loan Servicing, LLC
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409
Attention: Secretary
Telecopy Number: (561) 682-8177
Confirmation Number: (561) 682-8887

(ii) If to Purchaser, addressed as follows:

HLSS Holdings, LLC
2002 Sumit Blvd., Sixth Floor
Atlanta, GA 30319
Attention: General Counsel
Telecopy Number: (770) 644-7420
Confirmation Number: (561) 682-7130

or to such other individual or address as a party hereto may designate for itself by notice given as provided in this Section.

8.2 Interpretation. The headings preceding the text of Articles and Sections included in this Agreement and the headings to Exhibits and Schedules attached to this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of this Agreement. The use of the terms “including” or “include” shall in all cases herein mean “including, without limitation” or “include, without limitation,” respectively. Reference to any Person shall include such Person’s successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement. Reference to a Person in a particular capacity shall exclude such Person in any other capacity or individually. Reference to any agreement (including this Agreement), document or instrument shall mean such agreement, document or instrument as

amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof. Underscored references to Articles, Sections, paragraphs, clauses, Exhibits or Schedules shall refer to those portions of this Agreement unless otherwise specified. The use of the terms "hereunder," "hereof," "hereto" and words of similar import shall refer to this Agreement as a whole and not to any particular Article, Section, paragraph or clause of, or Exhibit or Schedule to, this Agreement. References to "dollars" or "$" shall mean United States dollars. References to the average unpaid principal balance of Mortgage Loans during a calendar month shall mean the average aggregate unpaid principal balance of such Mortgage Loans during such calendar month. Reference to any statute or statutory provision shall include any consolidation, reenactment, amendment, modification or replacement of the same and any subordinate legislation in force under the same from time to time. Accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

8.3 Exhibits and Schedules. The exhibits and schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement.

8.4 Entire Agreement. This Agreement and the Related Agreements set forth the entire agreement and understanding of the parties hereto with respect to the transactions contemplated hereby and thereby and supersede any and all prior agreements, arrangements and understandings, both written and oral, between the parties relating to the subject matter hereof and thereof.

8.5 Amendment; Waiver. No amendment or modification of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The failure of a party hereto at any time or times to require performance of any provision hereof or claim damages with respect thereto shall in no manner affect its right at a later time to enforce the same. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.6 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW) AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS.**

8.7 Submission to Jurisdiction. **EACH OF THE PARTIES HERETO IRREVOCABLY (I) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF**

MANHATTAN IN THE CITY OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY; (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THE DEFENSE OF AN INCONVENIENT FORUM IN ANY ACTION OR PROCEEDING IN ANY SUCH COURT; (III) CONSENTS TO SERVICE OF PROCESS UPON IT BY MAILING A COPY THEREOF BY CERTIFIED MAIL ADDRESSED TO IT AS PROVIDED FOR NOTICES HEREUNDER OR BY ANY OTHER MANNER IN ACCORDANCE WITH LAW; AND (IV) AGREES THAT A FINAL JUDGMENT IN ANY ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

8.8 Waiver of Jury Trial. **EACH PARTY HERETO IRREVOCABLY AND ABSOLUTELY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW THE RIGHT TO A TRIAL BY JURY IN ANY DISPUTE IN CONNECTION WITH, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY, AND AGREES TO TAKE ANY AND ALL ACTION NECESSARY OR APPROPRIATE TO EFFECT SUCH WAIVER.**

8.9 No Strict Construction. The parties agree that the language used in this Agreement and the Related Agreements is the language chosen by the parties to express their mutual intent and that no rule of strict construction is to be applied against either party. The parties and their respective counsel have reviewed and negotiated the terms of this Agreement and the Related Agreements.

8.10 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, and there shall be deemed substituted for such term or provision at issue a valid, legal and enforceable term or provision as similar as possible to the term or provision at issue. If any term or provision of this Agreement is so broad as to be unenforceable, the term or provision shall be interpreted to be only so broad as is enforceable.

8.11 Assignment; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned or otherwise transferred by operation of law or otherwise without the express written consent of Seller and Purchaser and any such assignment or attempted assignment without such consent shall be void; provided that Purchaser may pledge its rights to any Person providing financing to Purchaser or its Affiliates. Purchaser shall give Seller prior written notice written notice of any such pledge. This Agreement is solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

8.12 Survival. The parties' respective representations and warranties contained in this Agreement shall survive in all cases, including, but not limited to, any termination of the Servicing Agreements. The covenants and agreements contained in this Agreement which by their terms contemplates performance after the related Closing Date shall survive the related Closing Date in accordance with such terms.

8.13 Specific Performance. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, a party shall be entitled, in addition to any other remedy to which such party is entitled at law or in equity, to an injunction or injunctions to prevent breaches of this Agreement with respect to such Sale and to enforce specifically the terms and provisions of this Agreement with respect to such Sale, without the necessity of providing actual damages or posting any bond. Notwithstanding the foregoing, upon a valid termination in accordance with Section 7.1, Seller shall not be entitled to any injunction or injunctions or to enforce specifically any term or provision of this Agreement.

8.14 Intention of the Parties. Except to the extent otherwise set forth in a Sale Supplement, the parties intend that the sale and transfer herein contemplated constitute a sale of the Transferred Assets for legal, accounting and tax purposes, conveying good title thereto, free and clear of any Liens to Purchaser and that such property not be part of Seller's estate or property of Seller in the event of any insolvency by Seller or otherwise. In the event that such conveyance is deemed to be, or to be made as security for, a loan the parties intend that Seller shall be deemed to have granted and does hereby grant to Purchaser a valid security interest in all of Seller's right, title and interest in and to the Transferred Assets and that this Agreement shall constitute a security agreement under applicable law. Seller agrees that from time to time it shall promptly execute and deliver all additional instruments and documents and take all additional action that Purchaser may reasonably request in order to perfect the interests of Purchaser in, to and under, or to protect, the Transferred Assets or to enable Purchaser to exercise or enforce any of its rights or remedies hereunder. To the fullest extent permitted by applicable law, Seller hereby authorizes Purchaser to file financing statements and amendments thereto in connection with the transactions contemplated by this Agreement.

8.15 Reproduction of Documents. This Agreement and all documents relating thereto may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

8.16 Counterparts. This Agreement may be executed and delivered (including by facsimile or email transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Master Servicing Rights Purchase Agreement to be executed and delivered as of the date first above written.

HLSS HOLDINGS, LLC

By: Home Loan Servicing Solutions, Ltd., its sole member

By: /s/ William C. Erbey
Name: William C. Erbey
Title: Chief Executive Officer

OCWEN LOAN SERVICING, LLC

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President, CEO and Secretary

Exhibit 10.2

SALE SUPPLEMENT

dated as of February 10, 2012

between

OCWEN LOAN SERVICING, LLC, as Seller,

and

HLSS HOLDINGS, LLC, as Purchaser

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SALE SUPPLEMENT

This Sale Supplement, dated as of February 10, 2012 (this "Sale Supplement"), is between Ocwen Loan Servicing, LLC, a Delaware limited liability company ("Seller"), and HLSS Holdings, LLC, a Delaware limited liability company ("Purchaser"):

WITNESSETH:

WHEREAS, Seller and Purchaser are parties to that certain Master Servicing Rights Purchase Agreement, dated as of the date hereof (the "Agreement"), with respect to the sale by Seller and the purchase by Purchaser of the Servicing Rights and other assets; and

WHEREAS, Seller and Purchaser desire to enter into the transactions described in the Agreement as supplemented by this Sale Supplement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE 1

DEFINITIONS; REFERENCE TO MASTER SERVICING RIGHTS PURCHASE AGREEMENT

1.1 Definitions. (a) For purposes of this Sale Supplement, the following capitalized terms shall have the respective meanings set forth or referenced below:

"Additional Servicing Advance Receivable": As defined in Section 3.3.

"Advance SPE Purchase Price": An amount equal to the consolidated net book value as of the Closing Date of all assets and liabilities of the Advance SPEs.

"Advance SPEs": Each of HomEq Servicer Advance Facility Transferor, LLC, a Delaware limited liability company, and HomEq Servicer Advance Receivables Trust 2010-ADV1, a Delaware statutory trust.

"Amortization Percentage": For each calendar month following the Closing Date, the percentage set forth on Schedule VI to this Sale Supplement for such calendar month.

"Assumed Liabilities": As defined in Section 2.4.

"Book Value" means, with respect to the Rights to MSRs related to any Deferred Servicing Agreement, as of a specified date, an amount equal to the amortized book value of such Rights to MSRs on Purchaser's financial statements as of such date.

"Closing Date": The date on which Home Loan Servicing Solutions, Ltd. completes an initial public offering of its ordinary shares; provided that, with respect to Section 5.3 of the Agreement, the Closing Date shall be the related Servicing Transfer Date.

"Closing Statement": The statement delivered by Seller to Purchaser on the Closing Statement Delivery Date setting forth the good faith calculation of the Estimated Purchase Price.

"Closing Statement Delivery Date": The date which is three (3) Business Days prior to the Closing Date, unless otherwise agreed by Seller and Purchaser.

"Consent Period": For each Deferred Servicing Agreement and each related Deferred Servicing Right, the period, if any, from and including the Closing Date to and including the related Servicing Transfer Date.

"Cut-off Date": February 29, 2012, or such other date as is agreed by Seller and Purchaser.

"Deferred Mortgage Loan": A mortgage loan subject to a Deferred Servicing Agreement.

"Deferred Servicing Agreement": As of any date of determination, each Servicing Agreement that is not a Transferred Servicing Agreement on such date. For avoidance of doubt, on the Closing Date each Servicing Agreement is a Deferred Servicing Agreement.

"Deferred Servicing Right" As of any date of determination, each Servicing Right arising under a Servicing Agreement that is a Deferred Servicing Agreement on such date.

"Excess Servicing Advances" shall mean, for any calendar month, the amount, if any, by which the outstanding Servicer Advances with respect to the Servicing Agreements as of the last day of such calendar month exceeds an amount equal to (a) the Target Ratio for such calendar month multiplied by (b) the unpaid principal balance of the Mortgage Loans subject to the Servicing Agreements as of the last day of such calendar month.

"Excluded Liabilities": As defined in Section 2.4(c).

"Fannie Mae": As defined in the Subservicing Agreement.

"Indemnified Person": A Purchaser Indemnified Party or a Seller Indemnified Party, as the case may be.

"Indemnifying Person": The Seller pursuant to Section 8.1 or the Purchaser pursuant to Section 8.2, as the case may be.

"Initial Servicing Advance Receivable": As defined in Section 3.3.

"Investor": With respect to any Securitization Transaction, any holder or other beneficial owner of any securities issued by the related Trust.

"Liability": As defined in Section 8.1.

"Monthly Reporting Date": With respect to each Servicing Agreement, the date specified as the "Monthly Reporting Date" in Schedule I to this Sale Supplement.

"Monthly Remittance Report": With respect to each Deferred Servicing Agreement, a report substantially in the form attached as Exhibit A to this Sale Supplement or in such other form as may be agreed to by Seller and Purchaser from time to time.

"Monthly Servicing Fee": For each calendar month, the Base Subservicing Fee (as defined in the Subservicing Supplement) for such calendar month together with the Seller Monthly Servicing Fee for such calendar month.

"Monthly Servicing Oversight Report": A report with respect to all of the Deferred Servicing Agreements and related Mortgage Loans in such form as may be agreed to by Seller and Purchaser from time to time.

"MSR Purchase Price": For each Servicing Agreement, an amount equal to the product of (i) the Valuation Percentage for such Servicing Agreement and (ii) the aggregate unpaid principal balance of the Mortgage Loans subject to such Servicing Agreement as of the Closing Date.

"P&I Advance": As defined in the Subservicing Agreement.

"Performance Fee": As defined in Section 7.2.

"Purchaser Indemnified Party": As defined in Section 8.2.

"Purchase Price": The sum of (a) the aggregate MSR Purchase Price for all of the Servicing Agreements, (b) the Advance SPE Purchase Price and (c) the aggregate Servicing Advance Receivables Purchase Price for any Initial Servicing Advance Receivables.

"Retained Servicing Fee": For any calendar month, an amount equal to the sum of (a) the product of the Retained Servicing Fee Percentage for such calendar month and the average unpaid principal balance of all Mortgage Loans subject to the Deferred Servicing Agreements and the Transferred Servicing Agreements during such calendar month and (b) the Retained Servicing Fee Shortfall, if any, for the immediately prior calendar month.

"Retained Servicing Fee Percentage": For any calendar month, the percentage set forth on Schedule III to this Sale Supplement.

"Retained Servicing Fee Shortfall": For any calendar month, beginning in February 2012, an amount equal to the excess, if any, of (a) the Retained Servicing Fee for such calendar month over (b) the excess, if any, of (x) the aggregate Servicing Fees actually received by Purchaser with respect to the Deferred Servicing Agreements and pursuant to the Transferred Servicing Agreements during such calendar month (whether directly pursuant to such Transferred Servicing Agreements or pursuant to this Sale Supplement) over (y) the Monthly Servicing Fee for such calendar month.

"Rights to MSRs": For each Servicing Agreement, each of the following assets:

(a) all Servicing Fees payable to Seller as of or after the Closing Date under such Servicing Agreement and the right to receive all Servicing Fees accruing and payable as of or after the Closing Date under such Servicing Agreement;

(b) the right to receive any investment income earned on amounts on deposit in any Custodial Account or Escrow Account related to such Servicing Agreements as of or after the Closing Date;

(c) the right to purchase the Servicing Rights pursuant to Section 2.2 of this Sale Supplement; and

(d) any proceeds of any of the foregoing.

"Sale Date": For each Servicing Advance Receivable, the date on which such Servicing Advance Receivable is transferred to Purchaser pursuant to Section 3.3.

"Seller Indemnified Party": As defined in Section 8.1.

"Seller Monthly Servicing Fee": As defined in Section 7.1.

"Servicing Advance Financing Agreements": Each of that certain Amended and Restated Indenture, dated as of the Closing Date, among HomEq Servicer Advance Receivables Trust 2010-ADV1, as issuer, Deutsche Bank National Trust Company, as indenture trustee, calculation agent, paying agent and securities intermediary, Purchaser, as administrator and servicer, Seller, as servicer and as a subservicer, and Barclays Bank plc, as administrative agent, and each other "Transaction Document" as such term is defined therein, in each case as the same may be amended from time to time.

"Servicing Advance Payment Date": (a) For any Initial Servicing Advance Receivable, the Closing Date and (b) for any Additional Servicing Advance Receivable, the Funding Date (as defined in the Servicing Advance Financing Agreement) for such Additional Servicing Advance Receivable.

"Servicing Advance Receivable": For each Servicer Advance, the right to receive reimbursement for such Servicer Advance under the Servicing Agreement pursuant to which such Servicer Advance was made.

"Servicing Advance Receivable Purchase Price": With respect to each Servicing Advance Payment Date, for each Servicing Advance Receivable, the outstanding amount that is reimbursable under the related Servicing Agreement with respect to such Servicing Advance Receivable as of such Servicing Advance Payment Date.

"Servicing Agreement": Each of the servicing agreements described on Schedule I and each of the Underlying Documents described on Schedule II governing the rights, duties and obligations of Seller as servicer under such agreements.

"Servicing Fee Reset Date": The date which is six (6) years after the Closing Date.

"Servicing Rights Assets": As defined in Section 2.2.

"Servicing Transfer Date": With respect to each Servicing Agreement, the date on which all of the Third Party Consents related to such Servicing Agreement necessary to transfer the related Servicing Rights to Seller are received or such later date mutually agreed to by Seller and Purchaser.

"Special Damages": As defined in Section 8.3(d).

"Subservicing Agreement": That certain Master Subservicing Agreement, dated as of February 10, 2012, between the Seller, as subservicer, and the Purchaser, as servicer, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Subservicing Supplement": That certain Subservicing Supplement, dated as of February 10, 2012, between the Seller, as subservicer, and the Purchaser, as servicer, as the same may be amended, amended and restated, supplemented or otherwise modified from time to time.

"Summary Schedule": As defined in Section 4.5(a).

"Target Ratio" for each calendar month shall mean the amount specified in Schedule IV with respect to such month.

"Termination Event" means the occurrence of any one or more of the following events (whatever the reason for the occurrence of such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Seller fails to remit any payment required to be made under the terms of this Sale Supplement (to the extent not resulting solely from Purchaser failing to purchase a Servicing Advance Receivable required to be purchased by Purchaser under this Sale Supplement), which continues unremedied for a period of one (1) Business Day after the date on which written notice of such failure shall have been given by Purchaser to Seller;

(b) Seller fails to deliver any required information or report that is complete in all material respects as required pursuant to this Sale Supplement in the manner and time frame set forth herein, which failure continues unremedied for a period of two (2) Business Days after the date on which written notice of such failure shall have been given to Seller by Purchaser;

(c) Seller fails to observe or perform in any material respect any other covenant or agreement of Seller set forth in the Agreement or this Sale Supplement, which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure shall have been given to Seller by Purchaser; provided however, in the event that any such default is incurable by its own terms, a Termination Event shall be deemed to occur immediately hereunder without regard to the thirty (30) day cure period set forth above;

(d) a material breach by Seller of any representation and warranty made by it in the Agreement or this Sale Supplement, which breach continues unremedied for a period of thirty (30) days after the date on which written notice of such failure shall have been given to Seller by Purchaser; provided, however, in the event that any such default is incurable by its own terms, a Termination Event shall be deemed to occur immediately hereunder without regard to the thirty (30) day cure period set forth above;

(e) Seller fails to maintain residential primary servicer ratings for subprime loans of at least "Average" by Standard & Poor's Rating Services, a division of Standards & Poor's Financial Services LLC (or its successor in interest), "SQ3" by Moody's Investors Service, Inc. (or its successor in interest) and "RPS4+" and "RSS4+" by Fitch Ratings (or its successor in interest);

(f) Seller ceases to be a Fannie Mae, Freddie Mac or FHA approved servicer;

(g) the occurrence of a Material Adverse Event;

(h) any of the conditions specified in the applicable "Servicer Default", "Servicer Event of Default," "Event of Default," "Servicing Default" or "Servicer Event of Termination" or similar sections of any Deferred Servicing Agreement or any related Underlying Document shall have occurred with respect to Seller for any reason not caused by Purchaser (other than as a result of any delinquency or loss trigger which was already triggered as of the Closing Date with respect to such Deferred Servicing Agreement); provided that Seller shall be entitled to any applicable cure period set forth in such Deferred Servicing Agreement or Underlying Document;

(i) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against Seller and such decree or order shall have remained in force undischarged or unstayed for a period of thirty (30) days;

(j) Seller shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to Seller or of or relating to all or substantially all of its property; or

(k) Seller shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations.

"Third-Party Claim": As defined in Section 8.3(b).

"Transferred Assets": The Rights to MSRs, the Advance SPEs and the Transferred Servicing Rights.

"Transferred Receivables Assets": As defined in Section 3.3.

"Transferred Servicing Agreement": As of any date of determination, a Servicing Agreement with respect to which the related Servicing Rights have been transferred to Purchaser pursuant to Section 2.2 of this Sale Supplement or to its designee in accordance with the terms of this Sale Supplement on or prior to such date. For the avoidance of doubt, on the Closing Date no Servicing Agreement is a Transferred Servicing Agreement.

"Transferred Servicing Rights": As of any date of determination, any Servicing Rights that have been transferred to Purchaser pursuant to Section 2.2 of this Sale Supplement on or prior to such date.

"UCC": As defined in Section 3.3.

"Valuation Percentage": For each Servicing Agreement, the valuation percentage for such Servicing Agreement as set forth in Schedule V hereto.

(b) Any capitalized term used but not defined in this Sale Supplement shall have the meaning assigned to such term in the Agreement.

1.2 Reference to the Master Servicing Rights Purchase Agreement. Each of Seller and Purchaser agrees that (a) this Sale Supplement is a "Sale Supplement" executed pursuant to Section 2.1 of the Agreement, (b) the terms of this Sale Supplement are hereby incorporated into the Agreement with respect to the Servicing Agreements and the related Mortgage Loans to the extent set forth therein and herein, and (c) the terms of this Sale Supplement apply to the Servicing Agreements specified herein and not to any other "Servicing Agreement" as that term is used in the Agreement. In the event of any conflict between the provisions of this Sale Supplement and the Agreement, the terms of this Sale Supplement shall prevail.

ARTICLE 2

PURCHASE AND SALE OF SERVICING RIGHTS AND RIGHTS TO MSRS; ASSUMED LIABILITIES

2.1 Assignment and Conveyance of Rights to MSRs.

(a) As of the Closing Date, subject to the terms and conditions set forth in the Agreement and this Sale Supplement, Seller does hereby sell, convey, assign and transfer to Purchaser, without recourse except as provided herein, free and clear of any Liens, all of its right, title and interest in and to all of the Rights to MSRs for each of the Servicing Agreements.

(b) On and after the Closing Date, Purchaser shall be obligated to maintain a complete and accurate list of Servicing Agreements that are Deferred Servicing Agreements and Transferred Servicing Agreements, as the same shall be amended and modified from time to time in connection with Deferred Servicing Agreements becoming Transferred Servicing Agreements as contemplated by the terms and provisions of this Sale Supplement. The list of Deferred Servicing Agreements and Transferred Servicing Agreements maintained by Purchaser under this Section 2.1(b) shall be (x) available for inspection by Seller at any time during normal business hours and (y) presumed to be accurate absent manifest error on the part of Purchaser.

2.2 Automatic Assignment and Conveyance of Servicing Rights. As of the Servicing Transfer Date with respect to each Servicing Agreement, Seller does hereby sell, convey, assign and transfer to Purchaser, without recourse except as provided herein, free and clear of any Liens, without further action by any Person, all of its right, title and interest in and to the following assets (the "Servicing Rights Assets"):

(a) the Servicing Rights in respect of all of the Mortgage Loans and REO Properties related to such Servicing Agreement, in each case together with all related security, collections and payments thereon and proceeds of the conversion, voluntary or involuntary of the foregoing;

(b) all Ancillary Income and Prepayment Interest Excess received as of or after the related Servicing Transfer Date under such Servicing Agreements and any rights to exercise any optional termination or clean-up call provisions under such Servicing Agreements;

(c) all Custodial Accounts and Escrow Accounts related to such Servicing Agreement and amounts on deposit therein;

(d) all files and records in Seller's possession or control, including the related Database, relating to the Servicing Rights Assets specified in clauses (a), (b) and (c);

(e) all causes of action, lawsuits, judgments, claims, refunds, choses in action, rights of recovery, rights of set-off, rights of recoupment, demands and any other rights or claims of any nature, whether arising by way of counterclaim or otherwise, available to or being pursued by Seller to the extent related exclusively to such Servicing Rights Assets and/or the Assumed Liabilities; and

(f) any proceeds of any of the foregoing.

2.3 MSR Purchase Price. Subject to the conditions set forth in this Sale Supplement and the Agreement, as consideration for the purchase of the Rights to MSRs and the Servicing Rights Assets, Purchaser shall pay the MSR Purchase Price for each Servicing Agreement to Seller.

2.4 Assumed Liabilities and Excluded Liabilities.

(a) Upon the terms and subject to the conditions set forth herein and in the Agreement, Purchaser shall assume, (i) prior to the Servicer Transfer Date for each Servicing Agreement, and solely as between Purchaser and Seller, all of the duties, obligations and liabilities of Seller (other than the Excluded Liabilities) as servicer but subject to such Servicing Agreements, and provided that Seller will continue to act as the servicer as set forth herein and in no event shall Purchaser be a subservicer, subcontractor or servicer within the meaning of a Servicing Agreement prior to the related Servicing Transfer Date and (ii) as of or after the Servicing Transfer Date for each Servicing Agreement, all of the duties, obligations, and liabilities of Seller (other than the Excluded Liabilities) as servicer accrued and pertaining solely to the period from and after such Servicing Transfer Date relating to the Servicing Rights that are subject to such Servicing Agreement (the "Assumed Liabilities").

(b) Purchaser hereby agrees to act as servicer under each Servicing Agreement following the related Servicing Transfer Date and assumes responsibility for the due and punctual performance and observance of each covenant and condition to be performed or observed by the servicer under the applicable Servicing Agreement, including the obligation to service each Mortgage Loan in accordance with the terms of the related Servicing Agreement;

provided, however, that the parties hereto acknowledge and agree that neither Purchaser nor any successor servicer assumes any liabilities of Seller, or any obligations of Seller relating to any period of time prior to the applicable Servicing Transfer Date. Seller hereby acknowledges that neither this Sale Supplement nor the Agreement limits or otherwise releases it from its liabilities for its acts or omissions as the servicer under the Servicing Agreements prior to the related Servicing Transfer Date. Purchaser hereby acknowledges that Seller shall have no further obligation as servicer under any of the Servicing Agreements on and after the related Servicing Transfer Date, except to the extent set forth in this Sale Supplement, the Agreement, the Subservicing Agreement and the Subservicing Supplement.

(c) Notwithstanding anything to the contrary contained herein, Purchaser does not assume any duties, obligations or liabilities of any kind, whether known, unknown, contingent or otherwise, (i) not relating to the Transferred Servicing Rights or the Assumed Liabilities, (ii) attributable to any acts or omissions to act taken or omitted to be taken by Seller (or any of its Affiliates, agents, contractors or representatives, including, without limitation, any subservicer of the Mortgage Loans) prior to the applicable Servicing Transfer Date, (iii) attributable to any actions, causes of action, claims, suits or proceedings or violations of law or regulation attributable to any acts or omissions to act taken or omitted to be taken by Seller (or any of its Affiliates, agents, contractors or representatives, including, without limitation, any subservicer of the Mortgage Loans) prior to the applicable Servicing Transfer Date or (iv) relating to any representation and warranty made by Seller or any of its Affiliates with respect to the related Mortgage Loans or the Transferred Assets (the "Excluded Liabilities"). Without limiting the generality of the foregoing, it is not the intention that the assumption by Purchaser of the Assumed Liabilities shall in any way enlarge the rights of any third parties relating thereto. Nothing contained in the Agreement or this Sale Supplement shall prevent any party hereto from contesting matters relating to the Assumed Liabilities with any third party obligee.

(d) From and after the related Servicing Transfer Date, except as otherwise provided for in Section 8.3 of this Sale Supplement, (i) Purchaser shall have complete control over the payment, settlement or other disposition of the Assumed Liabilities and the right to commence, control and conduct all negotiations and proceedings with respect thereto, subject to the terms of the related Servicing Agreements and (ii) Seller shall have complete control over the payment, settlement or other disposition of the Excluded Liabilities and the right to commence, control and conduct all negotiations and proceedings with respect thereto. Except as otherwise provided in this Sale Supplement, (i) Seller shall promptly notify Purchaser of any claim made against Seller with respect to the Assumed Liabilities or the Transferred Assets and shall not voluntarily make any payment of, settle or offer to settle, or consent or compromise or admit liability with respect to, any Assumed Liabilities or Transferred Assets without the prior written consent of Purchaser and (ii) Purchaser shall promptly notify Seller of any claim made against Purchaser with respect to the Excluded Liabilities and shall not voluntarily make any payment of, settle or offer to settle, or consent or compromise or admit liability with respect to, any Excluded Liabilities without the prior written consent of Seller.

2.5 Remittance of Servicing Fees and Related Amounts.

(a) Seller shall, to the extent permitted under any Deferred Servicing Agreement cause any Servicing Fees and, to the extent Seller is permitted to retain such amounts under the related Servicing Agreement, any investment income earned on any amounts or deposit in any Custodial Accounts and Escrow Accounts that are payable to Seller on or after the Closing Date under such Deferred Servicing Agreement, to be deposited directly into Purchaser's account in accordance with Purchaser's written directions. In any case, Seller shall within one (1) Business Day of the receipt thereof, remit to Purchaser any Servicing Fees and, to the extent Seller is permitted to retain such amounts under the related Servicing Agreement, any investment income earned on any amounts or deposit in any Custodial Accounts and Escrow Accounts that are received by Seller under any Deferred Servicing Agreement after the Closing Date. Any such amounts shall be remitted in accordance with Purchaser's written directions.

(b) Seller shall exercise any rights under any Deferred Servicing Agreement to direct the investment of amounts in any Custodial Account or Escrow Account in accordance with Purchaser's directions and the terms of the related Deferred Servicing Agreement, the related Mortgage Loan Documents and Applicable Law.

2.6 Payment of Estimated Purchase Price. Subject to the conditions set forth in this Sale Supplement and the Agreement, Purchaser shall pay the Estimated Purchase Price to Seller at the Closing. The Estimated Purchase Price shall be reconciled to the final Purchase Price in accordance with Section 2.5 of the Agreement.

ARTICLE 3

PURCHASE AND SALE OF SERVICING ADVANCE RECEIVABLES AND ADVANCE SPES

3.1 Purchase and Sale of Advance SPEs. As of the Closing Date, subject to the terms and conditions set forth in the Agreement and this Sale Supplement, Seller does hereby sell, convey, assign and transfer to Purchaser, without recourse except as provided herein, free and clear of any Liens, all of its right, title and interest in and to each of the Advance SPEs.

3.2 Advance SPE Purchase Price. Subject to the conditions set forth in this Sale Supplement and the Agreement, as consideration for the purchase of the Advance SPEs, Purchaser shall pay the Advance SPE Purchase Price to Seller.

3.3 Assignment and Conveyance of Servicing Advance Receivables. Commencing on the Closing Date, and continuing until the close of business on the earlier of the related Servicing Transfer Date or date of Seller's termination as servicer pursuant to such Servicing Agreement, subject to the terms and conditions set forth in the Agreement and this Sale Supplement, Seller hereby sells, conveys, assigns and transfers to Purchaser, and Purchaser acquires from Seller, without recourse except as provided herein, free and clear of any Liens, all of Seller's right, title and interest, whether now owned or hereafter acquired, in, to and under each Servicing Advance Receivable (i) in existence on the Closing Date that arose under the Servicing Agreements and is owned by Seller as of the Closing Date, if any (the "Initial Servicing Advance Receivables"), (ii) in existence on any Business Day on or after the Closing Date that arises under any Servicing Agreement prior to the earlier of the related Servicing Transfer Date or date of Seller's termination as servicer pursuant to such Servicing Agreement ("Additional Servicing Advance Receivables"), and (iii) in the case of both Initial

Servicing Advance Receivables and Additional Servicing Advance Receivables, all monies due or to become due and all amounts received or receivable with respect thereto and all proceeds (including "proceeds" as defined in the Uniform Commercial Code in effect in all applicable jurisdictions (the "UCC")), together with all rights of Seller to enforce such Initial Servicing Advance Receivables and Additional Servicing Advance Receivables (collectively, the "Transferred Receivables Assets"). Until the related Servicing Transfer Date, Seller shall, automatically and without any further action on its part, sell, assign, transfer and convey to Purchaser, on each Business Day, each Additional Servicing Advance Receivable not previously transferred to Purchaser and Purchaser shall purchase each such Additional Servicing Advance Receivable. The parties acknowledge and agree that so long as the Servicing Advance Receivables with respect to a Servicing Agreement are being sold by Purchaser to the Advance SPEs pursuant to the Servicing Advance Financing Agreements, the sale of such Servicing Advance Receivables by Seller to Purchaser shall be made pursuant to and in accordance with the provisions of the Servicing Advance Financing Agreements, and Seller covenants and agrees to comply with the provisions of such Servicing Advance Financing Agreements with respect to such Servicing Advance Receivables.

3.4 Servicing Advance Receivables Purchase Price. In consideration of the sale, assignment, transfer and conveyance to Purchaser of the Servicing Advance Receivables and related Transferred Receivables Assets, on the terms and subject to the conditions set forth in this Sale Supplement, Purchaser shall, on each related Servicing Advance Payment Date, pay and deliver to Seller, in immediately available funds, a purchase price equal to the Servicing Advance Receivables Purchase Price for such Servicing Advance Receivables sold on such date; provided that Seller shall have complied with the terms of Section 3.3 and Section 3.5 with respect to the related Servicing Advance Receivable. Subject to the proviso of the immediately preceding sentence, to the extent any P&I Advances are required to be made under the terms of the Deferred Servicing Agreements, as determined by Seller and set forth in the applicable Monthly Remittance Report, Purchaser shall, on the date the related P&I Advance is required to be made under the related Deferred Servicing Agreement, deposit the Servicing Advance Receivable Purchase Price for such P&I Advances into either the applicable Custodial Account or other applicable account held by the related trustee, master servicer, securities administrator, or trust administrator, as the case may be, in accordance with the requirements of the related Deferred Servicing Agreement (which may be done directly by Purchaser or though an account established in connection with the Servicing Advance Facility Agreements) in consideration for such P&I Advance.

3.5 Servicing Advances. Seller covenants and agrees that each Servicer Advance made by Seller under the Servicing Agreements prior to the related Servicing Transfer Date shall (a) be required to be made pursuant to the terms of the related Deferred Servicing Agreement and comply with the terms of such Deferred Servicing Agreement and Applicable Law, (b) comply with Seller's advance policies and stop advance polices and procedures and not constitute a nonrecoverable Servicer Advance as of the date Seller made such Servicer Advance and (c) be supported by customary backup documentation. Seller agrees to provide prompt notice to Purchaser of any Servicer Advance made by Seller under the Deferred Servicing Agreements and deliver to Purchaser such customary backup documentation relating to any Servicer Advance promptly upon request by Purchaser. In the event Seller cannot provide, or cause to be provided to Purchaser any customary backup documentation, and Purchaser is unable to be reimbursed for such Servicer Advance solely as a result of such failure, Seller shall reimburse Purchaser for the amount of such unreimbursed Servicer Advances within five (5) Business Days of Purchaser's written request, to the extent Purchaser paid Seller for such amounts.

3.6 Reimbursement of Servicing Advances. Seller shall, to the extent permitted under any Deferred Servicing Agreement cause the reimbursement of any Servicer Advances under the Deferred Servicing Agreements to be made directly into Purchaser's account in accordance with Purchaser's written directions. In any case, Seller shall within one (1) Business Day of the receipt thereof, remit to Purchaser any amounts that are received by Seller under any Deferred Servicing Agreement after the Closing Date as reimbursement of any Servicer Advance. Any such amounts shall be remitted in accordance with Purchaser's written directions.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller makes the following representations and warranties to Purchaser as of (a) each of the Closing Date and each Sale Date or (b) as of such other dates specified below:

4.1 General Representations. Each of the representations and warranties set forth in Article 3 of the Agreement are true and correct.

4.2 Title to Transferred Assets. From and including the Closing Date until such Servicing Rights Assets are transferred to Purchaser under Section 2.2, Seller shall be the sole holder and owner of the Servicing Rights Assets and shall have good and marketable title to the Servicing Rights Assets, free and clear of any Liens. Upon the sale of such Servicing Rights Assets pursuant to Section 2.2, Seller will transfer to Purchaser good and marketable title to the Servicing Rights Assets free and clear of any Liens. Seller is the sole holder and owner of the Rights to MSRs and the Advance SPEs and the sale and delivery to Purchaser of the Rights to MSRs and the Advance SPEs pursuant to the provisions of this Sale Supplement will transfer to Purchaser good and marketable title to the Rights to MSRs and the Advance SPEs free and clear of any Liens.

4.3 Right to Receive Servicing Fees. Seller is entitled to receive Servicing Fees, Ancillary Income and Prepayment Interest Excess as servicer under each Servicing Agreement, and the New York Uniform Commercial Code permits the Seller to transfer the Rights to MSRs to Purchaser under the Agreement and this Sales Supplement without violation of any applicable Servicing Agreement.

4.4 Servicing Agreements and Underlying Documents. Schedule I hereto contains a list of all Servicing Agreements (other than the Underlying Documents) related to the Servicing Rights that are subject to this Sale Supplement and Schedule II hereto contains a list of all Underlying Documents related to such Servicing Agreement, in each case with all amendments and modifications thereto, or supplements thereto with respect to such Servicing Rights.

4.5 Mortgage Pool Information, Related Matters.

(a) Seller has delivered to Purchaser one or more summary schedules which set forth information with respect to each Mortgage Pool relating to the Servicing Rights (the "Summary Schedules"). Seller acknowledges that Purchaser has relied on such Summary Schedules to determine the Purchase Price it was willing to pay for the Transferred Assets.

(b) The Summary Schedules, the Mortgage Loan Schedule and the Database are true, accurate and complete in all material respects as of the related Cut-off Date or such other date specified thereon.

(c) The Mortgage Loan Schedule indicates, by code reference, which of the Mortgage Loans have been converted into REO Properties as of the Cut-off Date.

4.6 Enforceability of Servicing Agreements.

(a) Seller has delivered to Purchaser, on or prior to the related Closing Date, true and complete copies of all Servicing Agreements listed on Schedule I hereto and all amendment thereto and all Underlying Documents listed on Schedule II hereto and all amendments thereto. There are no other written or oral agreements binding upon Seller or Purchaser that modify, supplement or amend any such Servicing Agreement or Underlying Document.

(b) Seller has not received written notice of any pending or threatened cancellation or partial termination of any Servicing Agreement or Underlying Document or any written notice of any pending or threatened termination of Seller as servicer of any of the Mortgage Loans.

(c) On and prior to the related Servicing Transfer Date, each Servicing Agreement and each of the Underlying Documents is or was a valid and binding obligation of Seller, is or was in full force and effect and enforceable against Seller in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency, fraudulent conveyance, reorganization and other similar laws relating to or affecting creditors rights generally and general principles of equity (regardless of whether considered in a proceeding of law or in equity).

4.7 Compliance With Servicing Agreements.

(a) Seller has serviced the Mortgage Loans subject to the Servicing Agreements and has kept and maintained complete and accurate books and records in connection therewith, all in accordance with Applicable Requirements, has made all remittances required to be made by it under each Servicing Agreement and is otherwise in compliance in all material respects with all Servicing Agreements and the Applicable Requirements.

(b)(i) No early amortization event, servicer default, servicer termination event, event of default or other default or breach has occurred under any Servicing Agreement or any Underlying Document (except with respect to the delinquency or loss performance triggers identified in the Summary Schedules), and (ii) no event has occurred, which with the passage of time or the giving of notice or both would: (A) constitute a material default or breach by Seller under any Servicing Agreement, Underlying Document or under any Applicable Requirement; (B) permit termination, modification or amendment of any such Servicing Agreement or Underlying Document by a third party without the consent of Seller; (C) enable any third party to demand that either Seller or Purchaser either incur any repurchase obligations pursuant to a Servicing Agreement or an Underlying Document or provide indemnification for any amount of

losses relating to a breach of a loan representation or warranty; (D) impose on Seller or Purchaser sanctions or penalties in respect of any Servicing Agreement or Underlying Document; or (E) rescind any insurance policy or reduce insurance benefits in respect of any Servicing Agreement or Underlying Document which would result in a material breach or trigger a default of any obligation of Seller under any Servicing Agreement or Underlying Document.

(c) There are no agreements currently in place with any subservicers to perform any of Seller's duties under the Servicing Agreements.

(d) Each report and officer's certification prepared by Seller as servicer pursuant to a Servicing Agreement is true and correct in all material respects. Seller has previously made available to Purchaser a correct and complete description of the policies and procedures used by Seller in connection with servicing the Mortgage Loans related to the Servicing Agreements.

(e) In the preceding twelve (12) month period, no Governmental Authority, Investor, Insurer, rating agency, trustee, master servicer or any other party to a Servicing Agreement has provided written notice to Seller claiming or stating that Seller has violated, breached or not complied with any Applicable Requirements in connection with the servicing of the related Mortgage Loans which has not been resolved by Seller.

(f) All Custodial Accounts and Escrow Accounts have been established and continuously maintained in accordance with Applicable Requirements. All Custodial Account and Escrow Account balances required by the Mortgage Loans and paid for the account of the Mortgagors under the related Mortgage Loans have been credited properly to the appropriate account and have been retained in and disbursed from the appropriate account in accordance with Applicable Requirements.

4.8 No Recourse. None of the Servicing Agreements or other contracts to be assumed by Purchaser hereunder provide for Recourse to Seller.

4.9 The Mortgage Loans.

(a) Each of the Mortgage Loans and REO Properties related to each Servicing Agreement has been serviced in accordance with Applicable Requirements in all material respects.

(b) Except as disclosed on the Mortgage Loan Schedule, in the related Database and in the related Loan File and consistent with the requirements of the related Servicing Agreement, Seller has not waived any default, breach, violation or event of acceleration under any Mortgage Loan, except to the extent that any such waiver is permitted under the related Servicing Agreement and reflected in the Mortgage Loan Schedule, the related Database and the related Loan File and the disclosure relating to such waiver is reflected consistently in all material respects among the related Mortgage Loan Schedule, the related Database and the related Loan File. The Mortgage related to each Mortgage Loan related to the Servicing Agreements has not been satisfied, cancelled or subordinated, in whole or in part, and except as permitted under the related Servicing Agreement, the related Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, or subordination.

(c) There is in force with respect to each Mortgaged Property and REO Property related to a Servicing Agreement a hazard insurance policy (including any policy in effect under a forced place insurance policy) and, if applicable, a flood insurance policy that provides, at a minimum, for the coverage as required by the applicable Servicing Agreement. Seller and any prior servicer or subservicer under the Servicing Agreements has taken all necessary steps to maintain any hazard insurance policy, flood insurance policy, primary mortgage insurance policy, and title insurance policy as required under the Servicing Agreements.

(d) Seller is not aware of any repurchase requests or demands being made or threatened to be made with respect to any Mortgage Loans related to the Servicing Agreements in excess of $10 million with respect to any Servicing Agreement.

(e) Except as disclosed in the related Database, Seller has not received notice from any Mortgagor with respect to the Mortgage Loans related to the Servicing Agreements of a request for relief pursuant to or invoking any of the provisions of the Servicemembers Civil Relief Act or any similar law which would have the effect of suspending or reducing the Mortgagor's payment obligations under a Mortgage Loan or which would prevent such loan from going into foreclosure.

(f) With respect to each adjustable rate Mortgage Loan, Seller and each prior servicer has complied in all material respects with all Applicable Requirements regarding interest rate and payment adjustments.

(g) Each first lien Mortgage Loan is covered by a valid and freely assignable, life of loan, tax service contract, and flood tracking services contract, in full force and effect. All flood zone determination information provided to Purchaser is true and correct in all material respects.

(h) There are no actions, claims, litigation or governmental investigations pending or, to the knowledge of Seller, threatened, against Seller, or with respect to any Servicing Agreement or any Mortgage Loan, which relate to or affect Seller's rights with respect to the Servicing Rights or Seller's right to sell, assign and transfer the Servicing Rights or the Rights to MSRs or to receive any Servicing Fee, which could reasonably be expected to have a Material Adverse Effect individually or in the aggregate.

(i) Payments received by Seller with respect to any Mortgage Loans related to the Servicing Agreements have been remitted and properly accounted for as required by Applicable Requirements in all material respects. All funds received by Seller in connection with the satisfaction of Mortgage Loans, including foreclosure proceeds and insurance proceeds from hazard losses, have been deposited in the appropriate Custodial Account or Escrow Account and all such funds have been applied to pay accrued interest on the Mortgage Loans, to reduce the principal balance of the Mortgage Loans in question, or for reimbursement of repairs to the Mortgaged Property or as otherwise required by Applicable Requirements or are on deposit in the appropriate Custodial Account or Escrow Account.

(j) Seller is not aware of any Person that has issued any notice or written intention to exercise the optional call or optional redemption provisions under any of the related Servicing Agreements.

(k) No fraudulent action has taken place on the part of Seller in connection with its servicing of any Mortgage Loan related to the Servicing Agreement.

(l) Except with respect to partial releases, actions required by a divorce decree, assumptions, or as otherwise permitted under Applicable Requirements and documented in the Loan File and the Database, (i) the terms of each Mortgage Note and Mortgage have not been modified by Seller or any prior servicer, (ii) no party thereto has been released in whole or in part by Seller or any prior servicer and (iii) no part of the Mortgaged Property has been released by Seller or any prior servicer.

4.10 Servicing Advance Receivables.

(a) From and including the Closing Date until such Servicing Advance Receivable is transferred to Purchaser under Section 3.3, Seller is the sole holder and owner of each Servicing Advance Receivable and has good and marketable title to such Servicing Advance Receivable. Seller has not previously assigned, transferred or encumbered the Servicing Advance Receivables other than pursuant to the Agreement, this Sale Supplement and the Servicing Advance Financing Agreements. The sale and delivery to Purchaser of the Servicing Advance Receivables pursuant to the provisions of this Sale Supplement will transfer to Purchaser good and marketable title to the Servicing Advance Receivables free and clear of any Liens (other than the Liens created pursuant to the Servicing Advance Financing Agreements).

(b) Each Servicing Advance Receivable transferred to Purchaser under Section 3.3, is at the time of such transfer a valid and existing account owing to Seller and is carried on the books of Seller at or less than the amount actually advanced or accrued net of any charge-offs or other adjustments by Seller. Seller has not received any notice from a master servicer, securities administrator, trustee, Insurer, Investor or any other Person, which disputes or denies a claim by Seller for reimbursement in connection with any such Servicing Advance Receivable. Each Servicer Advance made by Seller (and each trailing invoice received by Purchaser on or after the related Servicing Transfer Date for services rendered prior to such Servicing Transfer Date) that is reimbursed or paid by Purchaser to Seller or a third party service provider is fully reimbursable to Purchaser as a Servicer Advance under the terms of the related Servicing Agreement.

(c) Each Servicer Advance made by Seller was made in accordance with Applicable Requirements and Seller's advance policies and stop advance policies and procedures in all material respects, and is not subject to any set-off or claim that could be asserted against Purchaser. No Servicer Advance made by Seller or any prior servicer under a Servicing Agreement and not reimbursed or paid to Seller prior to the related Sale Date is a Non-Qualified Servicer Advance. Seller has not received any written notice from any Person in which such Person disputes or denies a claim by Seller for reimbursement in connection with a specifically identified Servicer Advance.

4.11 Servicing Agreement Consents and Other Third Party Approvals. None of the execution, delivery and performance of the Agreement and this Sale Supplement by Seller, the transfers of Servicing Rights under Section 2.2, the transfer of Rights to MSRs under Section 2.1, the transfers of Servicing Advance Receivables under Section 3.3, the transfer of the Advance SPEs under Section 3.1 and the other transactions contemplated hereby require any consent, approval, waiver, authorization, penalties, notice or filing to be obtained by Seller or Purchaser from, or to be given by Seller or Purchaser to, or made by Seller or Purchaser with, any Person, except for, with respect to the Servicing Rights Assets, the Third Party Consents.

4.12 Servicing Advance Financing Agreements.

(a) All of the Servicing Agreements are "Facility Eligible Servicing Agreements," and each Servicer Advance owned by an Advance SPE is a "Facility Eligible Receivable," each as defined under the Servicing Advance Financing Agreements.

(b) All of the representations and warranties of Seller in the Servicing Advance Financing Agreements are true and correct, and no early amortization event, default, event of default or similar event has occurred under the Servicing Advance Financing Agreements.

(c) Each of Seller and its Affiliates have complied in all material respects with the terms of the existing Servicing Advance Financing Agreements.

4.13 Anti-Money Laundering Laws. Seller has complied with all applicable anti-money laundering laws and regulations.

4.14 Servicer Ratings. Seller has a residential primary servicer rating for the servicing of subprime residential mortgage loans issued by S&P, Fitch or Moody's at or above "Above Average," "RPS3" and "SQ2-", respectively.

4.15 Eligible Servicer. Seller meets the eligibility requirements of a servicer and a subservicer under the terms of each Servicing Agreement and Underlying Document.

4.16 HAMP. Seller has entered into a Commitment to Purchase Financial Instrument and Servicer Participation Agreement with Fannie Mae, as financial agent of the United States, which agreement is in full force and effect.

ARTICLE 5

CONDITIONS PRECEDENT

5.1 Conditions to the Purchase of the Rights to MSRs and the Advance SPEs. Purchaser's obligations to (i) purchase the Rights to MSRs pursuant to Section 2.1 and the Servicing Rights pursuant to Section 2.2 and to pay the Purchase Price (and the Estimated Purchase Price) pursuant to Section 2.3 and Section 2.6 and (ii) purchase the Advance SPEs pursuant to Section 3.1 and to pay the Advance SPE Purchase Price pursuant to Section 3.4 are subject to the satisfaction or Purchaser's waiver of each of the conditions set forth in Section 6.1 and Section 6.3 of the Agreement (except the requirement to deliver the Third Party Consents necessary to transfer the Servicing Rights pursuant to Section 2.2) with respect to each of the Servicing Agreements and each of the Servicing Rights, as applicable, on the Closing Date and the satisfaction of each of the following conditions:

(a) Seller shall have obtained all consents or approvals required to be obtained to consummate the transfers of the Rights to MSRs to Purchaser pursuant to Section 2.1 and the equity in the Advance SPEs pursuant to Section 3.1;

(b) The Servicing Advance Facility Agreements shall have been executed and delivered by each of the parties thereto and all of the conditions precedent to the effectiveness of the Servicing Advance Facility Agreements set forth therein have been satisfied;

(c) Home Loan Servicing Solutions, Ltd. shall have completed a successful initial public offering and contributed proceeds therefrom to Purchaser in an amount sufficient to pay the Purchase Price on the Closing Date;

(d) The Subservicing Agreement and the Subservicing Supplement shall have been executed and delivered by each of the parties thereto and all of the conditions precedent to the effectiveness of the Subservicing Agreement and the Subservicing Supplement set forth therein have been satisfied.

ARTICLE 6

SERVICING MATTERS

6.1 Seller as Servicer. Except as expressly set forth in this Sale Supplement, Seller shall perform all its the duties and obligations of under each Servicing Agreement until the related Servicing Transfer Date and shall at all times until the related Servicing Transfer Date meet any standards and fulfill any requirements applicable to Seller under each Servicing Agreement.

6.2 Servicing. Except as otherwise specifically provided in this Sale Supplement, Seller covenants and agrees to service and administer each Mortgage Loan related to a Servicing Agreement from and after the Closing Date until the related Servicing Transfer Date in accordance with Applicable Law, the terms of the related Mortgage Loan Documents and any applicable private mortgage insurance or pool insurance, the standards, requirements, guidelines, procedures, restrictions and provisions of the related Servicing Agreement and Underlying Documents governing the duties of Seller thereunder, this Sale Supplement and any other Applicable Requirements. Without limiting the foregoing, Seller covenants and agrees that it shall perform its obligations pursuant to this Sale Supplement in a manner that will not cause the termination of Seller as servicer under any Deferred Servicing Agreement, including any termination based on Seller's management of delinquency or loss performance with respect to Mortgage Loans related to such Deferred Servicing Agreement. The parties acknowledge and agree that any termination of Seller as servicer with respect to a Servicing Agreement pursuant to a delinquency or loss performance trigger or for any other reason, other than as a result of a failure by Purchaser to purchase Servicing Advance Receivables pursuant to Section 3.3, shall be deemed to be the result of a breach by Seller of its obligations under this Sale Supplement and the Agreement. In the event of a conflict between a Servicing Agreement and this Article 6, the Servicing Agreement shall control.

6.3 Collections from Obligors and Remittances. Seller shall direct the obligors on the Deferred Mortgage Loans to remit payment on the Deferred Mortgage Loans to the Clearing Account (as defined in the Servicing Agreement) and shall within one (1) Business Day of receipt promptly deposit any amounts Seller receives with respect to the Deferred Mortgage Loans in the Clearing Account. Seller shall promptly remit all amounts received by Seller with respect to the Mortgage Loans to the applicable Custodial Account or Escrow Account, but no later than the earlier of two (2) Business Days after receipt thereof or the date required pursuant to the applicable Deferred Servicing Agreement; provided, that Seller shall, subject to the terms of the related Servicing Agreement, remit any such amounts that constitute recovery of a Servicer Advance to the applicable account, if any, specified by Purchaser pursuant to Section 3.6 within one (1) Business Day of receipt thereof; provided, further, that Seller shall, subject to the terms of the related Servicing Agreement, remit any such amounts that constitute Servicing Fee to the applicable account, if any, specified by Purchaser pursuant to Section 2.5 within one (1) Business Day of receipt thereof. Seller shall also making any compensating interest payments or prepayment interest shortfall payments required to be made by Seller with respect to the Mortgage Loans under the Deferred Servicing Agreements, and shall remit any such payments to the applicable Custodial Account no less than one (1) Business Day prior to the applicable remittance date for such Servicing Agreement.

6.4 Servicing Practices. Seller shall not make any material change to its servicing practices with respect to the Deferred Mortgage Loans after the date hereof, including, any material changes to its cash collection and sweep processes or its advance policies or stop advance policies, without Purchaser's prior written consent, which consent shall not be unreasonably withheld or delayed. Purchaser shall have the right to direct Seller to implement reasonable changes to Seller's servicing practices applicable with respect to all or a portion of the Mortgage Loans, including any changes necessary to ensure compliance with any Applicable Laws or governmental programs or directions received pursuant to the applicable Servicing Agreements.

6.5 Servicing Reports. Seller shall simultaneously deliver a copy of any reports delivered by Seller to any Person pursuant to the Deferred Servicing Agreements to Purchaser.

6.6 Escrow Accounts. Subject to the terms of the related Deferred Servicing Agreement, Seller shall be entitled to withdraw funds from any Escrow Account related to a Deferred Servicing Agreement only for the purposes permitted in the applicable Servicing Agreement.

6.7 Notices and Financial Information. Until the last Servicing Transfer Date, Seller will furnish, or will cause to be furnished, to Purchaser:

(a) within two (2) Business Days after the occurrence of a breach by Seller of the Agreement or this Sale Supplement or any Termination Event or other event that would give Purchaser the right to direct Seller to transfer the Servicing Rights with respect to any Deferred Servicing Agreement, notice of such event;

(b) any information required to be delivered by Seller pursuant to Section 5.10 of the Subservicing Agreement, which information shall be delivered at such times as specified in Section 5.10 of the Subservicing Agreement, provided that any reference to a "Subject Servicing Agreement" in Section 5.10 of the Subservicing Agreement shall be deemed to be a reference to a "Deferred Servicing Agreement," for the purposes of this Section 6.7; and

(c) such other information regarding the condition or operations, financial or otherwise, of Seller or any of its subsidiaries as Purchaser may from time to time reasonably request.

6.8 Defaults under Deferred Servicing Agreements. Seller covenants and agrees to use its reasonable best efforts to cure any breach, default or notice of default with respect to its obligations under any Deferred Servicing Agreement within the timeframe for cure set forth in such Deferred Servicing Agreement.

6.9 Continuity of Business. (a) Seller will maintain a disaster recovery plan in support of the services it performs pursuant to this Sale Supplement and each Deferred Servicing Agreement. Seller's disaster recovery plan shall include, at a minimum, procedures for back-up/restoration of operating and loan administration computer systems; procedures and third-party agreements for replacement equipment (e.g. computer equipment), and procedures and third-party agreements for off-site production facilities. Seller will provide Purchaser information regarding its disaster recovery plan upon Purchaser's reasonable request. Seller agrees to annually test its disaster recovery plan to ensure compliance with this Section 6.9. If such test results identify a material failure, Seller shall advise Purchaser of the steps Seller will be taking to remedy such failure and shall notify Purchaser when Seller has remedied such failure and retested. Seller will notify Purchaser anytime Seller's disaster recovery plan is activated. In the event of an activation of the disaster recovery plan, Seller shall use best efforts to provide redundancy capabilities for a majority of the critical systems within 48 hours in at least one of Seller's other servicing facilities unaffected by the disaster to ensure servicing of the Mortgage Loans will be re-established within such 48 hours.

6.10 Optional Termination or Clean Up Calls. Seller may exercise its rights under any optional termination or clean up call provision pursuant to a Deferred Servicing Agreement prior to the related Servicing Transfer Date; provided that simultaneously or prior to such exercise, (i) Seller or its designee agrees to purchase, and purchases, the Mortgage Loans that are subject to such Deferred Servicing Agreement at a purchase price that is at least equal to the applicable purchase price pursuant to such Deferred Servicing Agreement, (ii) all unreimbursed Servicer Advances and other amounts owed to Purchaser with respect to such Deferred Servicing Agreement under the Sale Supplement or otherwise are paid to Purchaser, (iii) Seller shall have paid to Purchaser a redemption fee with respect to such Deferred Servicing Agreement equal to the Book Value of the Rights to MSRs related to such Deferred Servicing Agreement on Purchaser's financial statements as of the date of such optional termination or clean up call and (iv) Seller shall provide at least ten (10) Business Days prior written notice to Purchaser of such exercise.

6.11 Amendments to Deferred Servicing Agreements; Transfer of Servicing Rights. Seller hereby covenants and agrees not to amend the Servicing Agreements without Purchaser's prior written consent. Seller shall not sell or otherwise voluntarily transfer servicing under any of the Deferred Servicing Agreement during the Consent Period except as expressly provided in this Sale Supplement or take any other actions inconsistent with Purchaser's right to acquire ownership of Servicing Rights with respect to a Servicing Agreement upon receipt of the required Third Party Consents.

6.12 Assumption of Servicing Duties; Transfer of Rights to MSRs and Servicing Rights. Purchaser may from time to time designate any of Seller's servicing obligations under a Deferred Servicing Agreement and assume the performance of such obligations so long as such assumption is permitted pursuant to such Deferred Servicing Agreement and does not limit Seller's right to receive the Servicing Fees pursuant to such Deferred Servicing Agreement. Notwithstanding anything in the Agreement or this Sale Supplement to the contrary, Purchaser may transfer the Rights to MSRs to any third party and/or may direct Seller to transfer the Servicing Rights to a third party that can obtain the required Third Party Consents, subject to the right of the Seller to receive the Seller Monthly Servicing Fee, the Performance Fee, the Ancillary Income and, if applicable, the Prepayment Interest Excess owed to Seller with respect to such Deferred Servicing Agreement pursuant to Article 7. For the avoidance of doubt, Purchaser shall be entitled to receive all proceeds of such transfer.

6.13 Termination Event. In the case that any Termination Event occurs with respect to any Servicing Agreement during the Consent Period, Seller shall, upon Purchaser's written direction to such effect, use commercially reasonable efforts to transfer the Servicing Rights relating to any affected Servicing Agreement to a third party servicer identified by Purchaser with respect to which all required Third Party Consents with respect to such Servicing Agreement can be obtained. Purchaser shall be entitled to receive all proceeds of such transfer.

6.14 Servicing Transfer. Seller and Purchaser shall, prior to the Servicing Transfer Date with respect to each Servicing Agreement, work in good faith to determine and agree upon applicable servicing transfer procedures with respect to such Servicing Agreement.

6.15 Incorporation of Provisions from Subservicing Agreement. The provisions of each of Sections 5.3, 5.4, 5.5, 5.6, 5.7, 5.8 (excluding the first sentence thereof), 5.17 and 5.18, and Exhibit A of the Subservicing Agreement are hereby incorporated into this Sale Supplement by reference, *mutatis mutandis*, as if its provisions were fully set forth herein; provided that any reference therein to the defined terms "Ocwen," "Servicer," "Mortgage Loan," "Subject Servicing Agreement" and "Agreement," shall be deemed for purposes of this Sale Supplement to be references to the terms "Seller," "Purchaser," "Deferred Mortgage Loan," "Deferred Servicing Agreement" and "Sale Supplement," respectively and any reference therein to the phrase "during the term of this Agreement" shall be deemed for purposes of this Sale Supplement to be references to the phrase "until the last Servicing Transfer Date."

ARTICLE 7

SELLER SERVICING FEES; COSTS AND EXPENSES

7.1 Seller Monthly Servicing Fee. As consideration for Seller servicing the Mortgage Loans pursuant to the Deferred Servicing Agreements during the applicable Consent Period but prior to the earlier of the date on which the Servicing Rights are transferred from Seller with respect to a Deferred Servicing Agreement or Servicing Fee Reset Date, Purchaser shall pay to Seller a monthly base servicing fee for each calendar month during such period during which Seller is servicing Mortgage Loans with respect to Deferred Servicing Agreements pursuant to this Sale Supplement equal to 12% of the aggregate Servicing Fees actually received by Purchaser under this Sale Supplement during such calendar month with respect the Deferred Servicing Agreements (the "Seller Monthly Servicing Fee").

7.2 Performance Fee. In addition to the Seller Monthly Servicing Fee, Purchaser shall pay to Seller for each calendar month during which Purchaser is servicing Mortgage Loans with respect to Deferred Servicing Agreements pursuant to this Sale Supplement a performance fee ("Performance Fee") equal to the greater of (a) zero and (b) (x) the excess, if any, of the aggregate of all Servicing Fees actually received by Purchaser with respect to the Deferred Servicing Agreements and pursuant to the Transferred Servicing Agreements (whether directly pursuant to such Transferred Servicing Agreements or pursuant to this Sale Supplement) during such calendar month over the sum of (i) the Monthly Servicing Fee for such calendar month and (ii) the Retained Servicing Fee for such calendar month multiplied by (y) a fraction, (i) the numerator of which is the average unpaid principal balance of all Mortgage Loans subject to the Deferred Servicing Agreements during such calendar month and (ii) the denominator of which is equal to the sum of the average unpaid principal balance of all Mortgage Loans subject to the Deferred Servicing Agreements during such calendar month and the average unpaid principal balance of all Mortgage Loans subject to the Transferred Servicing Agreements during such calendar month, or such other allocation percentage which is agreed by Seller and Purchaser (the "Allocation Percentage"). The Performance Fee, if any, for any calendar month will be reduced by an amount equal to (y) 6.50% per annum (i.e., 0.5417% per month) of the Excess Servicing Advances, if any, for such month multiplied by the Allocation Percentage. If the Closing Date does not occur on the first day of a calendar month, the Performance Fee for the period from the Closing Date to the last of the calendar month in which the Closing Date occurs shall be calculated in a pro rata manner based on the number of days in such period. Notwithstanding any provision in this Sale Supplement to the contrary, in the event Purchaser has failed to pay Seller any Seller Monthly Servicing Fee or Performance Fees that are past due after ten (10) Business Days of Purchaser receiving notice of such failure, Seller shall not be required to continue to act as subservicer until such time as Purchaser has fully paid such past due Seller Monthly Servicing Fee or Performance Fee; provided that Purchaser shall not have notified Seller that it disputes the occurrence or amount of such past due Seller Monthly Servicing Fee or Performance Fee.

7.3 Costs and Expenses. Except as otherwise expressly provided in the Agreement or this Sale Supplement, each party hereto shall be responsible for its own costs and expenses incurred in connection with the negotiation and execution of the Agreement, this Sale Supplement and all documents relating thereto. Seller shall be required to pay all expenses incurred by it in connection with its obligations hereunder to the extent such expenses do not constitute Servicer Advances and shall not be entitled to reimbursement therefor except as specifically provided for herein or in the applicable Deferred Servicing Agreement. Seller shall reimburse Purchaser for any reasonable out-of-pocket costs, including legal fees, incurred by Purchaser in connection with obtaining any required Third Party Consents; provided, however, that Purchaser shall not incur such costs without the prior written approval of Seller. Purchaser shall pay the conversion fee payable in connection with the amendment and restatement of the Servicer Advance Financing Agreements.

7.4 Ancillary Income. Seller shall be entitled to retain as additional compensation any Ancillary Income and any Prepayment Interest Excess received by Seller with respect to the Deferred Mortgage Loans, to the extent such Ancillary Income or Prepayment Interest Excess is permitted to be retained by Seller pursuant to the related Deferred Servicing Agreement.

7.5 Calculation and Payment. No later than the second Business Day following the receipt by Purchaser of the Monthly Servicing Oversight Report for a calendar month, Purchaser will remit to Seller in immediately available funds the Seller Monthly Servicing Fee and Performance Fees payable by Purchaser to Seller for the related calendar month, along with a report showing in reasonable detail the calculation of such Seller Monthly Servicing Fees and Performance Fees.

7.6 No Offset. Neither party shall have any right to offset against any amount payable hereunder or other agreement to the other party, or otherwise reduce any amount payable hereunder as a result of, any amount owing by the other party or any of its Affiliates to such party or any of its Affiliates.

7.7 Servicing Fee Reset Date. The servicing fees payable to Seller after the Servicing Fee Reset Date shall be subject to negotiation between Seller and Purchaser. If Seller and Purchaser are unable to agree to such servicing fee prior to the Servicing Fee Reset Date, Seller shall, upon Purchaser's written direction to such effect, transfer the Servicing Rights relating to all of the Deferred Servicing Agreements to a third party servicer identified by Purchaser with respect to which all required Third Party Consents with respect to the Deferred Servicing Agreements can be obtained. Purchaser shall be entitled to receive all proceeds related to such transfer.

ARTICLE 8

INDEMNIFICATION

8.1 Seller Indemnification of Purchaser. Seller agrees to indemnify and hold harmless Purchaser and each officer, director, agent, employee or Affiliate of Purchaser (each, a "Seller Indemnified Party") from and against any and all claims, losses, damages, liabilities, judgments, penalties, fines, forfeitures, legal fees and expenses, and any and all related costs and/or expenses of litigation, administrative and/or regulatory agency proceedings, and any other costs, fees and expenses (each, a "Liability") suffered or incurred by Purchaser or any such other Person (whether or not resulting from a third party claim) arising directly or indirectly out of or resulting from (a) any event relating to Transferred Assets occurring prior to the related Servicing Transfer Date, (b) a breach of any of Seller's representations and warranties contained in the Agreement, this Sale Supplement or any other Related Agreement or Seller's failure to observe and perform any of Seller's duties, obligations, covenants or agreements contained in the Agreement, this Sale Supplement or any other Related Agreement, (c) acts or omissions of Seller, any other servicer of any Mortgage Loans, or any subservicer, contractor or agent engaged by Seller or any other servicer, in each case prior to the related Servicing Transfer Date, relating to the Transferred Assets, including any failure by Seller, any other servicer or any subservicer, contractor or agent engaged by Seller or any other servicer prior to the related Servicing Transfer Date to comply with the Applicable Requirements, (d) the Excluded Liabilities or (e) any acts or omissions by Seller or its employees or agents in performance of its duties or obligations pursuant to this Sale Supplement.

8.2 Purchaser Indemnification of Seller. Purchaser agrees to indemnify and hold harmless Seller and each officer, director, agent, employee or Affiliate of Seller (each, a "Purchaser Indemnified Party") from and against any and all Liability suffered or incurred by Seller or any such other Person arising out of or resulting from (a) a breach of any of Purchaser's representations and warranties or covenants contained in the Agreement, the Sale Supplement or any other Related Agreement or (b) acts or omissions of Purchaser or any subservicer, contractor or agent (other than Seller or any of Seller's Affiliates) engaged by Purchaser, in each case after the related Servicing Transfer Date, relating to the Transferred Assets.

8.3 Indemnification Procedures.

(a) As promptly as is reasonably practicable after becoming aware of a claim for indemnification under the Agreement or this Sale Supplement not involving a Third-Party Claim, but in any event no later than fifteen (15) Business Days after first becoming aware of such claim, the Indemnified Person shall give notice to the Indemnifying Person of such claim, which notice shall specify the facts alleged to constitute the basis for such claim and the amount that the Indemnified Person seeks hereunder from the Indemnifying Person; provided, however, that the failure of the Indemnified Person to give such notice shall not relieve the Indemnifying Person of its obligations under this Section 8.3 except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby.

(b) The Indemnified Person shall give notice as promptly as is reasonably practicable, but in any event no later than ten (10) Business Days after receiving notice thereof, to the Indemnifying Person of the assertion of any claim, or the commencement of any action, suit, claim or proceeding, by any unaffiliated third Person (a "Third-Party Claim") in respect of which indemnity may be sought under the Agreement or this Sale Supplement (which notice shall specify in reasonable detail the nature and amount of such claim); provided, however, that the failure of the Indemnified Person to give such notice shall not relieve the Indemnifying Person of its obligations under this Section 8.3 except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby. The Indemnifying Person may, at its own expense, (i) participate in the defense of any such Third-Party Claim, and (ii) upon notice to the Indemnified Person, at any time during the course of any such Third-Party Claim, assume the defense thereof with counsel of its own choice and, in the event of such assumption, shall have the exclusive right, subject to clause (i) in the proviso in Section 8.3(c), to settle or compromise such Third-Party Claim. If the Indemnifying Person assumes such defense, the Indemnified Person shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Person. Whether or not the Indemnifying Person chooses to defend or prosecute any such Third-Party Claim, all of the parties hereto shall cooperate in the defense or prosecution thereof.

(c) Any settlement or compromise made or caused to be made by the Indemnified Person (unless the Indemnifying Person has the exclusive right to settle or compromise under clause (ii) of Section 8.3(b) or the Indemnifying Person, as the case may be), of any such Third-Party Claim shall also be binding upon the Indemnifying Person or the Indemnified Person, as the case may be, in the same manner as if a final judgment had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided, however, that (i) no obligation, restriction, loss or admission of guilt or wrongdoing shall be imposed on the Indemnified Person as a result of such settlement or compromise without its prior written consent and (ii) the Indemnified Person will not compromise or settle any Third Party Claim without the prior written consent of the Indemnifying Person.

(d) Except as specifically provided for in the Agreement or this Sale Supplement, no claim may be made by an Indemnified Person for any special, indirect, punitive or consequential damages ("Special Damages") in respect of any breach or wrongful conduct (whether the claim therefor is based on contract, tort or duty imposed by law) in connection with, arising out of, or in any way related to the transactions contemplated, or relationship established, by this Agreement or any Sale Supplement, or any act, omission or event occurring in connection herewith or therewith, and to the fullest extent permitted by law, each of Seller and Purchaser hereby waives, releases and agrees not to sue upon any such claim for Special Damages, whether or not accrued or whether or not known or suspected to exist in its favor.

8.4 Tax Treatment. (a) Seller and Purchaser agree that all payments made by any of them to or for the benefit of the other under this Article 8, under other indemnity provisions of the Agreement or this Sale Supplement and for any misrepresentations or breaches of warranties or covenants, shall be treated as adjustments to the Purchaser Price for tax purposes and that such treatment shall govern for purposes hereof except to the extent that the Applicable Laws of a particular jurisdiction provide otherwise.

(b) Seller, Purchaser and each of their respective Affiliates agree that entering into this Sale Supplement shall be treated for all tax purposes as a sale of the Servicing Rights Assets and the Purchaser shall be treated as the beneficial owner of the Servicing Rights Assets for tax purposes as a result of entering into this Sale Supplement. The parties covenant and agree to take no position for Tax purposes contrary to the foregoing tax treatment, and to prevent any Affiliate from taking such a contrary position.

(c) All payments made pursuant to this Agreement shall be made free and clear and without deductions of any kind for taxes.

8.5 Survival. The parties' obligations under this Article 8 shall survive any termination of the Agreement and/or this Sale Supplement.

8.6 Additional Indemnification. (a) Without limiting Seller's obligations under Article 8 of this Sale Supplement, it is agreed by the parties that if Seller is terminated as servicer under any Deferred Servicing Agreement as a result of any action described in clauses (a) through (e) of Section 8.1 above, Seller shall also pay to Purchaser, as reasonable and just compensation for such termination, an amount equal to the product of (i) the Purchase Price for such Deferred Servicing Agreement and (ii) the Amortization Percentage for the calendar month in which Seller received notice of such termination, and Purchaser shall accept such sum as liquidated damages, and not as penalty, in the event of such a termination.

8.7 Specific Performance. Notwithstanding any other provision of the Agreement or this Sale Supplement, (i) it is understood and agreed that the remedy of indemnity payments pursuant to this Article 8 and other remedies at law would be inadequate in the case of any actual or threatened breach of the Agreement or this Sale Supplement by Seller and (ii) Purchaser shall

be entitled, without limiting its other remedies and without the necessity of proving actual damages or posting any bond, to equitable relief, including the remedy of specific performance or injunction, with respect to any breach or threatened breach of such covenants. Such relief shall be in addition to, and not in lieu of, all other remedies available at law or in equity to such party under the Agreement and this Sale Supplement.

ARTICLE 9

GRANT OF SECURITY INTEREST

9.1 Granting Clause. To secure its performance of its obligations under the Agreement and this Sale Supplement, Seller hereby grants to Purchaser a security interest in all of its right, title and interest in an to the following, whether now owned or hereafter acquired, and all monies "securities," "instruments," "accounts," "general intangibles," "payment intangibles," "payment intangibles," "goods," "letter of credit rights," "chattel paper," "financial assets," "investment property," (each as defined in the applicable UCC) and other property consisting of, arising from or relating to any of the following:

(a) the Servicing Rights in respect of all of the Mortgage Loans and REO Properties related to the Deferred Servicing Agreements, in each case together with all related security, collections and payments thereon and proceeds of the conversion, voluntary or involuntary of the foregoing;

(b) the Rights to MSRs with respect to each Servicing Agreement;

(c) all Servicing Fees, Ancillary Income and Prepayment Interest Excess received under the Deferred Servicing Agreements and subject to Section 6.10 of this Sale Supplement any rights to exercise any optional termination or clean-up call provisions under the Deferred Servicing Agreements;

(d) all income from amounts on deposit in Custodial Accounts and Related Escrow Accounts related to the Deferred Servicing Agreements;

(e) all files and records in Seller's possession or control, including the related Database, relating to the assets specified in clauses (a) through (d);

(f) all causes of action, lawsuits, judgments, claims, refunds, choses in action, rights of recovery, rights of set-off, rights of recoupment, demands and any other rights or claims of any nature, whether arising by way of counterclaim or otherwise, available to or being pursued by Seller to the extent related exclusively to any of the foregoing and/or the Assumed Liabilities; and

(g) any proceeds of any of the foregoing (collectively, the "Collateral").

This Sale Supplement shall constitute a security agreement under applicable law. Seller agrees that from time to time it shall promptly execute and deliver all additional instruments and documents and take all additional action that Purchaser may reasonably request in order to perfect the interests of Purchaser in, to and under, or to protect, the Collateral or to enable

Purchaser to exercise or enforce any of its rights or remedies hereunder. To the fullest extent permitted by applicable law, Seller hereby authorizes Purchaser to file financing statements and amendments thereto in connection with the grant of a security interest pursuant to this Section 9.1. Seller covenants and agrees to take all necessary action to prevent the creation or imposition of any Lien upon any of the Collateral, and to maintain the Collateral free and clear of all Liens, other than the Lien securing the obligations of Seller arising under this Sale Supplement.

ARTICLE 10

MISCELLANEOUS PROVISIONS

10.1 Further Assurances. Without limiting Section 5.7 of the Agreement, each party hereto shall execute and deliver in a reasonable timeframe such reasonable and appropriate additional documents, instruments or agreements and take such reasonable actions as may be necessary or appropriate to effectuate the purposes of this Sale Supplement at the request of the other party. Without limiting the foregoing, the Seller agrees that it will promptly at Purchaser's request execute and deliver an one or more assignment and assumption agreements, in form mutually agreed to by the parties, one or more equity interest assignments, in form mutually agreed to by the parties, or such other documents, instruments or agreements as Purchaser may reasonably request to evidence the transfers of Rights to MSRs pursuant to Section 2.1, Servicing Rights pursuant to Section 2.2, Advance SPEs pursuant to Section 3.1 and Transferred Receivables Assets pursuant to Section 3.3.

10.2 Compliance with Applicable Laws; Licenses. Seller will comply with all Applicable Laws in connection with the performance of its obligations under the Agreement and this Sale Supplement. Seller shall maintain all necessary licenses and approvals in each jurisdiction where the failure to do so would materially and adversely affect the ability of Seller to perform its obligations under the Agreement and this Sale Supplement.

10.3 Merger, Consolidation, Etc. Seller will keep in full effect its existence, rights and franchises as a limited liability company, and will obtain and preserve its qualification to do business as a foreign organization in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of the Agreement, this Sale Supplement, each Deferred Servicing Agreement or any of the Deferred Mortgage Loans, or to perform its duties under the Agreement or this Sale Supplement. Seller may be merged or consolidated with or into any Person, or transfer all or substantially all of its assets to any Person, in which case any Person resulting from any merger or consolidation to which Seller shall be a party or acquiring all or substantially all of the assets of Seller, or any Person succeeding to the business of Seller shall be the successor of Seller hereunder and under the Agreement, without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that the successor or surviving Person shall be an institution whose deposits are insured by FDIC or a company whose business includes the servicing of mortgage loans and shall have a tangible net worth not less than $25,000,000.

10.4 Annual Officer's Certificate. Not later than March 15th of each calendar year commencing in 2013, Seller shall deliver to Purchaser an Officer's Certificate stating, as to each signatory thereof, that (i) a review of the activities of Seller during the preceding year and of

performance under the Agreement and this Sale Supplement has been made under such officers' supervision and (ii) to the best of such officer's knowledge, based on such review, Seller has fulfilled all of its obligations under the Agreement and this Sale Supplement in all material respects throughout such year, or, if there has been a default in the fulfillment of any such obligation in any material respect, specifying each such default known to such officer and the nature and status thereof.

10.5 Accounting Treatment. Notwithstanding Section 8.14 of the Agreement, the parties acknowledge that until such time as the Third Party Consents with respect to a Servicing Agreement are obtained, the parties shall treat the transaction hereunder with respect to such Servicing Agreement as a financing for accounting purposes.

10.6 Incorporation. The provisions of Article 8 of the Agreement are hereby incorporated into this Sale Supplement by reference, *mutatis mutandis*, as if its provisions were fully set forth herein.

10.7 Third Party Beneficiaries. Seller and Purchaser each acknowledges and agrees that the indenture trustee, on behalf of the holders of related notes, with respect to any Servicing Advance Financing Agreements pursuant to which Purchaser has transferred Servicer Advances made pursuant to a Deferred Servicing Agreement is an express third party beneficiary of this Sale Supplement and the Agreement solely with respect to the Deferred Servicing Agreements related to such Servicing Advance Financing Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Sale Supplement to be executed and delivered by its respective officer thereunto duly authorized as of the date above written.

OCWEN LOAN SERVICING, LLC

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President and CEO

HLSS HOLDINGS, LLC

By: Home Loan Servicing Solutions, Ltd., its sole member

By: /s/ William C. Erbey
Name: William C. Erbey
Title: Chief Executive Officer

EXHIBIT A

Form of Monthly Remittance Report

Ocwen Loan Servicing, LLC **xxx**

Deal Name

Remittance Summary **March-12**

Particulars	Amount ($)
Scheduled Principal Payments	0.00
Curtailments	0.00
Interest on curtailment	0.00
Pool to Security	0.00
Payoff Principal	0.00
Neg Amt Prin	0.00
Deferred Principal Paid	0.00
Total Principal remitted	**0.00**
Gross Scheduled Interest	0.00
Less: Service fee amount	0.00
Less: LPMI Premium	0.00
Add: INT on STA Reinstatement	0.00
Add: INT on STA Paid-in-full	0.00
Less: STA PI Recoveries	0.00
Total Interest remitted	**0.00**
Less: Realized Loss	0.00
Less: Trailing expenses	0.00
Add: Trailing income	0.00
+/- Collection on released loans	0.00
Interest on curtailment	0.00
Add: Prepayment penalty	0.00
+/- Prior period PPP	0.00
Add: Collection on STA loans	0.00
Add: Non recoverable Credits	0.00
Less: Non recoverable advances	0.00
Less: Non Loan level expense	0.00
Less: Jr Lien Blanket Policy Fee	0.00
Less: Pre-approved legal expense	0.00
+/ - Reconciliation adjustments	0.00
+ / - Arrearage remittance	
Add: Principal Arrearage	0.00
Add: Interest Arrearage	0.00
+ / - : Modification Forgiveness of Debt	
Principal Forgiveness	0.00
Interest Forgiveness	0.00
Expense Forgiveness	0.00
Scheduling Difference	0.00
Deffered Principal Loss	0.00
SAM waived balance loss	0.00
Investor Incentives	0.00
Less: Compensating Interest adjustment	0.00
Total Remittance	**0.00**

Beg Sch Balance	0.00
Ending Principal Balance	0.00
Beg Actual Balance	0.00
Ending Actual Principal Balance	0.00
Beg Deferred Principal Balance	0.00
Ending Deferred Principal Balance	0.00
Beg Loan count	0.00
Payoffs	0.00
End Loan count	0.00
Principal Roll Test	0.00
Loan Count Test	0.00
Non Supporting Compensating Interest	0.00
Wire of sub—Investor	0.00
Grand Total for PI Wire	**0.00**

SCHEDULE I

SERVICING AGREEMENTS

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
1.	EQLS 2007-1	Pooling and Servicing Agreement, dated as of June 1, 2007, among BCAP LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Custodian.	1/17/12
2.	SABR 2007-NC2	Pooling and Servicing Agreement, dated as of February 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
3.	SABR 2007-NC1	Pooling and Servicing Agreement, dated as of January 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
4.	SABR 2006-FR3	Pooling and Servicing Agreement, dated as of July 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, OFFICETIGER GLOBAL REAL ESTATE SERVICES INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
5.	SABR 2006-HE1	Pooling and Servicing Agreement, dated as of August 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FREMONT INVESTMENT & LOAN, as a Responsible Party, AEGIS MORTGAGE CORPORATION, as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
6.	SABR 2006-HE2	Pooling and Servicing Agreement, dated as of September 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FREMONT INVESTMENT & LOAN, as a Responsible Party, NC CAPITAL CORPORATION, as a Responsible Party, AEGIS MORTGAGE CORPORATION, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
7.	SABR 2006-NC3	Pooling and Servicing Agreement, dated as of October 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Custodian.	1/18/12
8.	SABR 2006-WM2	Pooling and Servicing Agreement, dated as of October 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
9.	SABR 2006-WM3	Pooling and Servicing Agreement, dated as of November 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
10.	SABR 2006-FR4	Pooling and Servicing Agreement, dated as of November 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, FREMONT INVESTMENT & LOAN, as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
11.	SABR 2006-WM4	Pooling and Servicing Agreement, dated as of December 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
12.	SABR 2007-HE1	Pooling and Servicing Agreement, dated as of January 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as a Responsible Party, NC CAPITAL CORPORATION, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
13.	SABR 2007-BR5	Pooling and Servicing Agreement, dated as of June 1, 2007, among BCAP LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
14.	SABR 2007-BR4	Pooling and Servicing Agreement, dated as of May 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
15.	SABR 2007-BR3	Pooling and Servicing Agreement, dated as of May 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
16.	SABR 2007-BR2	Pooling and Servicing Agreement, dated as of April 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
17.	SABR 2007-BR1	Pooling and Servicing Agreement, dated as of March 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
18.	PPSI 2004-WHQ1	Pooling and Servicing Agreement, dated as of September 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
19.	PPSI 2004-MHQ1	Pooling and Servicing Agreement, dated as of October 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
20.	PPSI 2004-WHQ2	Pooling and Servicing Agreement, dated as of November 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
21.	PPSI 2005-WHQ1	Pooling and Servicing Agreement, dated as of February 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
22.	PPSI 2005-WHQ2	Pooling and Servicing Agreement, dated as of April 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
23.	PPSI 2005-WHQ3	Pooling and Servicing Agreement, dated as of May 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
24.	PPSI 2005-WHQ4	Pooling and Servicing Agreement, dated as of August 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
25.	SABR 2005-HE1	Pooling and Servicing Agreement, dated as of November 1, 2005, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORPORATION, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
26.	SABR 2006-FR1	Pooling and Servicing Agreement, dated as of February 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
27.	SABR 2006-FR2	Pooling and Servicing Agreement, dated as of June 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, OFFICETIGER GLOBAL REAL ESTATE SERVICES INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
28.	ABFC 2003-WMC1	Pooling and Servicing Agreement, dated as of November 1, 2003, by and between ASSET BACKED FUNDING CORPORATION, HOMEQ SERVICING CORPORATION, and JPMORGAN CHASE BANK	1/17/12
29.	FFML 2005-FF5	Pooling and Servicing Agreement, dated as of April 1, 2005, among ASSET BACKED FUNDING CORPORATION, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer and JPMORGAN CHASE BANK, N.A., as Trustee.	1/17/12
30.	ABFC 2005-WMC1	Pooling and Servicing Agreement, dated as of September 1, 2005, among ASSET BACKED FUNDING CORPORATION, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
31.	ABSHE 2004-HE1	Pooling and Servicing Agreement, dated as of January 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
32.	ABSHE 2004-HE2	Pooling and Servicing Agreement, dated as of April 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/19/12
33.	ABSHE 2006-HE2	Pooling and Servicing Agreement, dated as of March 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, and U.S. BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
34.	ACE 2004-RM1	Pooling and Servicing Agreement, dated as of July 1, 2004, among ACE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Securities Administrator, and HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
35.	GSAMP 2004-FM1	Pooling and Servicing Agreement, dated as of January 1, 2004, among GS MORTGAGE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
36.	GSAMP 2004-FM2	Pooling and Servicing Agreement, dated as of March 1, 2004, among GS MORTGAGE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
37.	EMLT 2004-1	Pooling and Servicing Agreement, dated as of February 15, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12
38.	FFML 2004-FFH1	Pooling and Servicing Agreement, dated as of March 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/17/12
39.	SVHE 2004-1	Pooling and Servicing Agreement, dated as of August 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, SAXON MORTGAGE SERVICES, INC., as a Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12
40.	FINA 2004-2	Pooling and Servicing Agreement, dated as of August 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12
41.	SVHE 2005-CTX1	Pooling and Servicing Agreement, dated as of November 1, 2005, among FINANCIAL ASSET SECURITIES CORP., as Depositor, CENTEX HOME EQUITY COMPANY, LLC, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, and JPMORGAN CHASE BANK, N.A., as Trustee.	1/17/12
42.	SAIL 2004-4	Securitization Servicing Agreement, dated as of May 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES INC., as Master Servicer, and LASALLE BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
43.	SAIL 2004-7	Securitization Servicing Agreement, dated as of July 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and LASALLE BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12
44.	FHLT 2004-3	Securitization Servicing Agreement, dated as of October 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12
45.	SAIL 2005-7	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
46.	SAIL 2006-3	Securitization Servicing Agreement, dated as of June 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
47.	SAIL 2006-4	Securitization Servicing Agreement, dated as of June 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
48.	SASC 2006-BC2	Securitization Servicing Agreement, dated as of August 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
49.	SASC 2006-W1A	Securitization Servicing Agreement, dated as of August 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
50.	SASC 2006-BC5	Securitization Servicing Agreement, dated as of November 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
51.	SASC 2007-BC2	Securitization Servicing Agreement, dated as of February 1, 2007, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
52.	SASC 2007-EQ1	Securitization Servicing Agreement, dated as of April 1, 2007, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
53.	SAIL 2005-HE1	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
54.	SAIL 2005-HE2	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
55.	SAIL 2005-HE3	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
56.	SAIL 2005-8	Securitization Servicing Agreement, dated as of September 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
57.	SASC 2005-AR1	Securitization Servicing Agreement, dated as of November 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
58.	SAIL 2005-11	Securitization Servicing Agreement, dated as of December 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
59.	SAIL 2006-2	Securitization Servicing Agreement, dated as March 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
60.	MLMI 2004-WMC1	Pooling and Servicing Agreement, dated as of January 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
61.	FFML 2004-FF1	Pooling and Servicing Agreement, dated as of February 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
62.	MLMI 2004-WMC2	Pooling and Servicing Agreement, dated as of March 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
63.	MLMI 2004-WMC3	Pooling and Servicing Agreement, dated as of April 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
64.	MLMI 2004-WMC4	Pooling and Servicing Agreement, dated as of June 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
65.	MLMI 2004-WMC5	Pooling and Servicing Agreement, dated as of October 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
66.	MSAC 2003-NC5	Pooling and Servicing Agreement, dated as of May 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/17/12
67.	MSAC 2003-NC6	Pooling and Servicing Agreement, dated as of June 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/18/12
68.	MSAC 2003-NC7	Pooling and Servicing Agreement, dated as of July 1, 2003, as amended, as of as of April 14, 2005, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/18/12
69.	MSAC 2003-NC9	Pooling and Servicing Agreement, dated as of August 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY, ACE GUARANTY CORP.	1/18/12
70.	MSAC 2004-NC1	Pooling and Servicing Agreement, dated as of January 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
71.	MSAC 2004-HE2	Pooling and Servicing Agreement, dated as of April 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
72.	MSAC 2004-NC4	Pooling and Servicing Agreement, dated as of May 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
73.	MSAC 2004-HE3	Pooling and Servicing Agreement, dated as of May 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
74.	MSAC 2004-HE4	Pooling and Servicing Agreement, dated as of June 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
75.	MSAC 2004-HE5	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
76.	MSAC 2004-NC6	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
77.	MSAC 2004-WMC1	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
78.	MSAC 2004-HE6	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
79.	MSAC 2004-NC7	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
80.	MSAC 2004-HE7	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, MILA, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
81.	MSAC 2004-WMC2	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
82.	MSHEL 2005-1	Pooling and Servicing Agreement, dated as of January 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE HOME FINANCE LLC, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, MILA, INC., and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
83.	MSAC 2005-HE1	Pooling and Servicing Agreement, dated as of January 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, OPTION ONE MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
84.	MSAC 2005-NC1	Pooling and Servicing Agreement, dated as of February 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, CHASE HOME FINANCE LLC, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
85.	MSAC 2005-HE2	Pooling and Servicing Agreement, dated as of March 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, OPTION ONE MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, AAMES CAPITAL CORPORATION, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
86.	MSHEL 2005-2	Pooling and Servicing Agreement, dated as of May 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., as a Responsible Party, FIRST NLC FINANCIAL SERVICES, LLC, as a Responsible Party, MILA, INC., as a Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
87.	MSAC 2005-HE3	Pooling and Servicing Agreement, dated as of July 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer and Securities Administrator, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, LASALLE BANK NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
88.	MSAC 2005-HE4	Pooling and Servicing Agreement, dated as of August 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as a Custodian.	1/18/12
89.	MSHEL 2005-3	Pooling and Servicing Agreement, dated as of August 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, MILA, INC., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
90.	MSAC 2005-HE5	Pooling and Servicing Agreement, dated as of October 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian and DEUTSCHE BANK NATIONAL TRUST COMPANY, as a Custodian.	1/18/12
91.	MSHEL 2005-4	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as Custodian.	1/18/12
92.	MSAC 2005-HE6	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
93.	MSAC 2005-HE7	Pooling and Servicing Agreement, dated as of December 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
94.	MSHEL 2006-1	Pooling and Servicing Agreement, dated as of January 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, DECISION ONE MORTGAGE COMPANY, LLC, FIRST NLC FINANCIAL SERVICES, LLC, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as Custodian.	1/18/12
95.	MSAC 2006-NC1	Pooling and Servicing Agreement, dated as of January 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
96.	MSHEL 2006-2	Pooling and Servicing Agreement, dated as of March 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FIRST NLC FINANCIAL SERVICES, LLC, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
97.	MSAC 2006-NC3	Pooling and Servicing Agreement, dated as of April 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, N.A., as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
98.	MSAC 2006-HE2	Pooling and Servicing Agreement, dated as of April 1, 2006, among MORGAN STANLEY CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Securities Administrator, as a Servicer and as a Custodian, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12
99.	MSAC 2006-HE3	Pooling and Servicing Agreement, dated as of May 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer and as a Custodian, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12
100.	MSHEL 2006-3	Pooling and Servicing Agreement, dated as of May 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
101.	MSAC 2006-HE5	Pooling and Servicing Agreement, dated as of June 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer and as a Custodian, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12
102.	MSIX 2006-1	Pooling and Servicing Agreement, dated as of June 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer, as Securities Administrator and as a Servicer, SAXON MORTGAGE SERVICES, INC., as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, IXIS REAL ESTATE CAPITAL INC., and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
103.	PCHLT 2004-1	Pooling and Servicing Agreement, dated as of April 1, 2004, among PEOPLE'S CHOICE HOME LOAN SECURITIES CORP., HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Securities Administrator, and HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee.	1/18/12
104.	MABS 2004-WMC2	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
105.	MABS 2004-FRE1	Pooling and Servicing Agreement dated as of July 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., HOMEQ SERVICING CORPORATION AND U.S. BANK NATIONAL ASSOCIATION	1/18/12
106.	MABS 2004-WMC3	Pooling and Servicing Agreement, dated as of December 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/18/12
107.	MABS 2005-FRE1	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/18/12
108.	MABS 2006-WMC1	Pooling and Servicing Agreement, dated as of March 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
109.	MABS 2006-HE3	Pooling and Servicing Agreement, dated as of August 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
110.	MABS 2006-NC2	Pooling and Servicing Agreement, dated as of September 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Trust Administrator, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
111.	MABS 2006-HE4	Pooling and Servicing Agreement, dated as of November 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Servicer, Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
112.	MABS 2006-NC3	Pooling and Servicing Agreement, dated as of December 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Trust Administrator, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
113.	MABS 2006-HE5	Pooling and Servicing Agreement, dated as of December 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
114.	MABS 2007-HE1	Pooling and Servicing Agreement, dated as of May 1, 2007, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Servicer, Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
115.	MABS 2007-HE2	Pooling and Servicing Agreement, dated as of August 1, 2007, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, OPTION ONE MORTGAGE CORPORATION, as a Servicer, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as a Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12

	Short Form Deal Name	Servicing Agreement	Monthly Reporting Date
116.	WMLT 2005-WMC1	Pooling and Servicing Agreement, dated as of September 1, 2005, among WACHOVIA MORTGAGE LOAN TRUST, LLC, as Depositor, WACHOVIA BANK, NATIONAL ASSOCIATION, as Certificate Administrator and Custodian, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12

SCHEDULE II

Underlying Documents

None

SCHEDULE III

RETAINED SERVICING FEE PERCENTAGE

From Month[1]	To Month	Retained Fee
1	3	32.5 bps
4	6	31.0 bps
7	12	29.5 bps
13	18	27.5 bps
19	24	27.5 bps
25	30	27.5 bps
31	36	27.5 bps
37	42	27.5 bps
43	48	27.5 bps
49	54	27.5 bps
55	60	27.5 bps
61	66	27.5 bps
67	72	27.5 bps

[1] Starting with March, 2012 (provided that the percentage for the first month will also apply to any partial period in February, 2012).

SCHEDULE IV

TARGET RATIO SCHEDULE

Month[2]	Target Advance Ratio
1	2.74%
2	2.67%
3	2.61%
4	2.54%
5	2.48%
6	2.42%
7	2.36%
8	2.30%
9	2.24%
10	2.18%
11	2.13%
12	2.08%
13	2.02%
14	2.00%
15	2.00%
16	2.00%
17	2.00%
18	2.00%
19	2.00%
20	2.00%
21	2.00%
22	2.00%
23	2.00%
24	2.00%
25	2.00%
26	2.00%
27	2.00%
28	2.00%
29	2.00%
30	2.00%
31	2.00%
32	2.00%
33	2.00%
34	2.00%
35	2.00%
36	2.00%
37	2.00%

[2] Starting with March, 2012 (provided that the percentage for the first month will also apply to any partial period in February, 2012).

Month[2]	Target Advance Ratio
38	2.00%
39	2.00%
40	2.00%
41	2.00%
42	2.00%
43	2.00%
44	2.00%
45	2.00%
46	2.00%
47	2.00%
48	2.00%
49	2.00%
50	2.00%
51	2.00%
52	2.00%
53	2.00%
54	2.00%
55	2.00%
56	2.00%
57	2.00%
58	2.00%
59	2.00%
60	2.00%
61	2.00%
62	2.00%
63	2.00%
64	2.00%
65	2.00%
66	2.00%
67	2.00%
68	2.00%
69	2.00%
70	2.00%
71	2.00%
72	2.00%

SCHEDULE V

VALUATION PERCENTAGE

Investor Number	Purchase Price (bps)
2883	30.46
2886	55.67
2872	37.30
2894	12.32
2901	61.14
2803	31.91
2829	60.49
2794	65.79
2770	73.88
2814	22.92
2819	48.75
2840	57.27
2845	38.64
2846	35.25
2851	28.44
2870	29.15
2903	24.40
2865	38.14
2786	56.73
2828	61.11
2833	36.85
2773	45.42
2775	45.62
2822	51.00
2778	59.80
2859	50.57
2911	50.68
2847	28.30
2867	38.44
2876	34.61
2855	49.46
2857	42.85
2879	31.23
2880	31.30
2873	30.45

Investor Number	Purchase Price (bps)
2897	39.48
2802	25.80
2785	56.62
2792	32.06
2825	52.89
2827	34.42
2831	40.60
2810	65.80
2813	68.12
2835	33.86
2817	37.77
2818	39.21
2842	35.25
2908	22.24
2868	27.31
2850	44.52
2877	32.60
2888	46.97
2890	43.55
2895	27.28
2899	26.39
2864	50.83
2790	68.95
2824	65.35
2826	48.08
2816	13.23
2777	61.16
2869	29.20
2884	37.67
2858	47.93
2891	49.80
2902	43.00
2907	82.08
2801	30.43
2805	49.23
2800	30.49
2820	38.63
2823	30.45
2841	49.08
2843	47.83

Investor Number	Purchase Price (bps)
2875	31.19
2866	32.25
2848	43.17
2860	47.92
2861	55.39
2893	61.14
2863	52.40
2783	49.15
2797	53.92
2798	52.60
2832	63.40
2799	28.99
2772	50.29
2837	49.65
2885	74.11
2871	34.93
2782	29.89
2788	62.31
2789	72.58
2830	25.26
2796	47.16
2809	68.35
2812	53.79
2834	35.86
2836	34.82
2815	16.83
2839	14.43
2849	39.67
2887	46.63
2862	49.03
2892	48.48
2881	31.13
2905	5.28
2787	17.95
2804	48.45
2811	55.76
2774	37.24
2776	42.48
2821	48.12

SCHEDULE VI

AMORTIZATION PERCENTAGE

Month[3]	Amortization Percentage
1	100.0%
2	98.5%
3	97.0%
4	95.6%
5	94.2%
6	92.8%
7	91.4%
8	90.0%
9	88.7%
10	87.4%
11	86.0%
12	84.8%
13	83.5%
14	82.3%
15	81.0%
16	79.8%
17	78.6%
18	77.5%
19	76.3%
20	75.2%
21	74.0%
22	72.9%
23	71.8%
24	70.7%
25	69.5%
26	68.4%
27	67.3%
28	66.1%
29	65.1%
30	64.0%
31	62.9%
32	61.9%
33	60.9%
34	59.9%
35	58.9%
36	58.0%
37	57.0%
38	56.1%

[3] Starting with March, 2012 (provided that the percentage for the first month will also apply to any partial period in February, 2012).

Month[3]	Amortization Percentage
39	55.1%
40	54.2%
41	53.4%
42	52.5%
43	51.6%
44	50.8%
45	49.9%
46	49.1%
47	48.3%
48	47.5%
49	46.7%
50	46.0%
51	45.2%
52	44.5%
53	43.7%
54	43.0%
55	42.3%
56	41.6%
57	40.9%
58	40.3%
59	39.6%
60	39.0%
61	38.3%
62	37.7%
63	37.1%
64	36.5%
65	35.9%
66	35.3%
67	34.7%
68	34.1%
69	33.6%
70	33.0%
71	32.5%
72	32.0%

Exhibit 10.3

MASTER SUBSERVICING AGREEMENT,

dated as of February 10, 2012

between

HLSS HOLDINGS, LLC, as Servicer

and

OCWEN LOAN SERVICING, LLC, as Subservicer

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EXHIBITS

Exhibit A Compliance with Gramm-Leach-Bliley and Privacy Laws

MASTER SUBSERVICING AGREEMENT

This MASTER SUBSERVICING AGREEMENT, dated as of February 10, 2012, is by and between HLSS HOLDINGS, LLC, a Delaware limited liability company ("Servicer"), and OCWEN LOAN SERVICING, LLC, a Delaware limited liability company ("Ocwen").

RECITALS:

WHEREAS, Servicer may from time to time be obligated to service certain residential mortgage loans subject to the terms of one or more pooling and servicing agreements or other servicing agreements; and

WHEREAS, Servicer desires Ocwen from time to time to act as subservicer with respect to some or all of such pooling and servicing agreements or other servicing agreements and Ocwen desires to act as subservicer with respect to some or all of such pooling and servicing agreements or other servicing agreements, upon the terms and conditions set forth in this Agreement and in the related Subservicing Supplement.

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Servicer and Ocwen agree as follows:

ARTICLE 1

DEFINITIONS

1.1 Definitions. For purposes of this Agreement, the following capitalized terms shall have the respective meanings set forth or referenced below:

"Affiliate" means, with respect to any specified Person, any other Person controlling or controlled by or under common control with such specified Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling, "controlled by" and "under common control with"), as applied to any Person, means ownership of 25% or more of the outstanding voting securities of such Person.

"Agreement" means this Master Subservicing Agreement, including all exhibits, schedules and other attachments hereto, as the same may be amended, modified or supplemented from time to time in accordance with its terms.

"Ancillary Income" means, with respect to any Subject Servicing Agreement, any and all income, revenue, fees, expenses, charges or other monies that Servicer is entitled to receive, collect or retain as servicer pursuant to such Subject Servicing Agreement (other than Servicing Fees, Prepayment Interest Excess and earnings received on amounts on deposit in any Custodial Account or Escrow Account), including fees payable to servicer under HAMP or other governmental programs, late fees, fees and charges for dishonored checks (insufficient funds fees), pay-off fees, assumption fees, commissions and administrative fees on insurance and similar fees and charges collected from or assessed against the related Mortgagors, to the extent payable to Servicer under the terms of the related Mortgage Loan Documents and such Subject Servicing Agreement.

"Applicable Law" means (i) all applicable laws, statutes, regulations or ordinances in force and as amended from time to time; (ii) the common law as applicable from time to time; (iii) all applicable binding court orders, judgments or decrees; and (iv) all applicable directives, policies, rules or orders; each of (i) through (iv) of any Governmental Authority.

"Base Subservicing Fee" has the meaning, with respect to each Subject Servicing Agreement, set forth in the related Subservicing Supplement.

"Book Value" means, with respect to Servicer's mortgage servicing rights related to any Subject Servicing Agreement, as of a specified date, an amount equal to the amortized book value of such mortgage servicing rights on Servicer's financial statements as of such date.

"Business Day" means any day other than (i) a Saturday or Sunday, or (ii) a day on which banking and savings and loan institutions in the State of Florida, the State of Illinois, the State of Georgia or the State of New York are closed.

"Clearing Account" means one or more of those certain accounts established by Ocwen for the receipt of collections from mortgagors which are held in trust and off balance sheet.

"Confidential Information" has the meaning specified in Section 7.1(a).

"Corporate Advance" means any "Corporate Advance" or "Servicing Advance" (as defined in the applicable Subject Servicing Agreement, as applicable, or any other similar term therein) or, to the extent not so defined therein, customary and reasonable out-of-pocket expenses incurred in connection with a default, delinquency or other event relating to a Mortgage Loan and, in each case, made in accordance with the applicable Subject Servicing Agreement and for which Servicer has a right of reimbursement under the applicable Subject Servicing Agreement.

"Custodial Account" means, with respect to any Subject Servicing Agreement, any custodial account required to be maintained by Servicer pursuant to such Subject Servicing Agreement.

"Disclosing Party" has the meaning specified in Section 7.1(a).

"Enforceability Exceptions" means limitations on enforcement and other remedies imposed by or arising under or in connection with applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar Applicable Laws affecting creditors' rights generally from time to time in effect or general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing with respect to those jurisdictions that recognize such concepts).

"Escrow Account" means, with respect to any Subject Servicing Agreement, any escrow account required to be maintained by Servicer pursuant to such Subject Servicing Agreement.

"Escrow Advance" means any "Escrow Advances" (as defined in the applicable Subject Servicing Agreement or any other similar term therein) or, to the extent not so defined therein, advances in respect of real estate taxes and assessments or of hazard, flood or primary mortgage insurance premiums, required to be paid (but not otherwise paid) by or on behalf of the related Mortgagor under the terms of the related Mortgage Loan for which Servicer has a right of reimbursement under the applicable Subject Servicing Agreement.

"Fannie Mae" means the Federal National Mortgage Association, or any successor thereto.

"FHA" means the Federal Housing Administration, or any successor thereto.

"Freddie Mac" means the Federal Home Loan Mortgage Corporation, or any successor thereto.

"GLB Act" has the meaning specified in Section 7.1(b).

"Governmental Authority" means any national, federal, state, provincial, local or foreign government or subdivision thereof or any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any national, federal, state, provincial, local or foreign government.

"HAMP" means the Home Affordable Modification Program implemented by the U.S. Department of the Treasury, as the same may be modified from time to time.

"Indemnified Person" shall mean a Servicer Indemnified Party or an Ocwen Indemnified Party, as the case may be.

"Indemnifying Person" shall mean Ocwen pursuant to Section 8.3(a) or Servicer pursuant to Section 8.3(b), as the case may be.

"Judgments" means any judgments, injunctions, orders, decrees, writs, rulings or awards of any Governmental Authority of competent jurisdiction.

"Legal Requirement" has the meaning specified in Section 7.1(d).

"Lien" means, for any property or asset of a Person, any lien, security interest, mortgage, pledge or encumbrance in, of or on such property or asset in favor of any other Person.

"Loss" or "Losses," in respect of any matter, event or circumstance, means any and all liabilities, claims, obligations, damages, awards, Judgments, losses, settlement payments, reasonable costs and reasonable expenses (including reasonable attorney's and paralegal fees), fines or penalties.

"Material Adverse Effect" means any effect, event, circumstance, development or change, individually or in the aggregate, which has or is reasonably likely to have, a material adverse effect on (i) the ability of Ocwen to perform its obligations under this Agreement, any Subservicing Supplement or any Subject Servicing Agreement or (ii) the validity or enforceability of this Agreement or any Subservicing Supplement.

"Monthly Servicing Oversight Report" means a report with respect to all of the Subject Servicing Agreements and related Mortgage Loans in such form as may be agreed to by Servicer and Ocwen from time to time.

"Monthly Remittance Report" means, with respect to each Subject Servicing Agreement, a report in such form as may be agreed to by Servicer and Ocwen from time to time.

"Monthly Reporting Date" has the meaning, with respect to each Subject Servicing Agreement, specified in the related Subservicing Supplement.

"Mortgage" means, with respect to any Mortgage Loan, any mortgage, deed of trust or other instrument securing any relate Mortgage Note, which created a lien on the related Mortgaged Property.

"Mortgage Loan" means any mortgage loan or home equity line of credit which is serviced by Servicer pursuant to the terms of a Subject Servicing Agreement, and for which Ocwen has been engaged as a subservicer pursuant to the terms of this Agreement and a Subservicing Supplement, each as identified on the related Mortgage Loan Schedule.

"Mortgage Loan Documents" means, with respect to any Mortgage Loan, the related Mortgage Note, Mortgage and other agreements entered into in connection with such Mortgage Loan.

"Mortgage Loan Schedule" means the schedule of Mortgage Loans which Ocwen shall subservice pursuant to a Subservicing Supplement and this Agreement, which shall be delivered in electronic format by Servicer to Ocwen pursuant to the terms of this Agreement.

"Mortgage Note" means, with respect to any Mortgage Loan, any note or other evidence of the indebtedness of the related Mortgagor secured by a Mortgage.

"Mortgaged Property" means, with respect to each Mortgage Loan, any real property (or leasehold estate, if applicable) securing repayment of the related Mortgage Note.

"Mortgagor" means, with respect to any Mortgage Loan, any obligor on such Mortgage Loan.

"Ocwen" has the meaning set forth in the Preamble.

"Ocwen Indemnified Party" has the meaning specified in Section 8.3(b).

"Ocwen Project Manager" has the meaning set forth in Section 5.17.

"Performance Fee" has the meaning, with respect to each Subject Servicing Agreement, set forth in the related Subservicing Supplement.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"P&I Advance" means any "P&I Advances," "Monthly Advances" (each as defined in the applicable Subject Servicing Agreement or any other similar term therein) or, if not defined therein, advances in respect of principal or interest for which Servicer has a right of reimbursement under the applicable Subject Servicing Agreement.

"Prepayment Interest Excess" means with respect to each Mortgage Loan that was the subject of a principal prepayment, the amount of interest, if any, that is payable with respect to such principal prepayment to the extent such amount is payable to the Servicer as additional servicing compensation pursuant to the related Subject Servicing Agreement.

"Privacy Laws" has the meaning specified in Section 7.1(b).

"Proceeding" means an action, suit or legal, administrative, arbitral or alternative dispute resolution proceeding.

"Receiving Party" has the meaning specified in Section 7.1(a).

"Regulation AB" means Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the U.S. Securities and Exchange Commission in the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506—1,631 (Jan. 7, 2005)) or by the staff of the U.S. Securities and Exchange Commission, or as may be provided by the U.S. Securities and Exchange Commission or its staff from time to time.

"Representatives" means, with respect to any Person, such Person's directors, officers, managers, employees and agents.

"Scheduled Termination Date" has the meaning, with respect to each Subject Servicing Agreement, set forth in the related Subservicing Supplement.

"Securitization Transaction" means, with respect to each Subject Servicing Agreement, the securitization transaction identified in the related Subservicing Supplement pursuant to which the Mortgage Loans subject to such Subject Servicing Agreement were securitized.

"Security Event" has the meaning specified in Section 7.1(e).

"Servicer" has the meaning set forth in the Preamble.

"Servicer Indemnified Party" has the meaning specified in Section 8.3(a).

"Servicer Retained Obligation" means, with respect to any Subject Servicing Agreement, any obligation of the Servicer under such Subject Servicing Agreement that is designated in the related Subservicing Supplement as a "Servicer Retained Obligation" together with any servicing obligation that Servicer has notified Ocwen in writing (which notice has not been withdrawn by Servicer in writing) is a "Servicer Retained Obligation".

"Servicing Advance" means any Corporate Advance, Escrow Advance or P&I Advance.

"Servicing Advance Account" means, with respect to any Servicing Advance Facility, an account into which reimbursements of Servicing Advances funded pursuant to such Servicing Advance Facility are required to be deposited.

"Servicing Advance Facility" means, with respect to each Subject Servicing Agreement, any financing arrangement entered into by Servicer to finance Servicing Advances made pursuant to such Subject Servicing Agreement.

"Servicing Fees" means all compensation payable to Servicer under the Subject Servicing Agreements, including each "Servicing Fee" payable based on a percentage of the outstanding principal balance of the Mortgage Loans, but excluding all Ancillary Income, Prepayment Interest Excess and earnings received on amounts on deposit in any Custodial Account or Escrow Account.

"Subservicing Supplement" has the meaning set forth in Section 2.1.

"Servicing Transfer Date" means, with respect to each Subject Servicing Agreement, the "Servicing Transfer Date" set forth in the related Subservicing Supplement.

"Servicing Transfer Procedures" means, with respect to any Subject Servicing Agreement, the servicing transfer procedures set forth in the related Subservicing Supplement.

"Subcontractor" means, except for any Vendor, any vendor, subcontractor or other Person that is not responsible for the overall servicing (as "servicing" is commonly understood by participants in the mortgage-backed securities market) of mortgage loans but performs one or more discrete functions identified in Item 1122(d) of Regulation AB with respect to Mortgage Loans under the direction or authority of Ocwen.

"Subject Servicing Agreement" means each pooling and servicing agreement or other servicing agreement identified as a "Subject Servicing Agreement" in a Subservicing Supplement and with respect to which this Agreement has not been terminated pursuant to Article 9.

"Subservicing Termination Date" has the meaning set forth in Section 9.4.

"Termination Event" means the occurrence of any one or more of the following events (whatever the reason for the occurrence of such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) Ocwen fails to remit any payment required to be made under the terms of this Agreement or any Subservicing Supplement (to the extent not resulting solely from Servicer failing to make a payment or Servicing Advance required by Servicer under this Agreement or such Subservicing Supplement), which continues unremedied for a period of one (1) Business Day after the date on which written notice of such failure shall have been given to Ocwen by Servicer;

(b) Ocwen fails to deliver any required information or report that is complete in all material respects pursuant to this Agreement or any Subservicing Supplement in the manner and time frame set forth therein, which failure continues unremedied for a period of two (2) Business Days after the date on which written notice of such failure shall have been given to Ocwen by Servicer;

(c) Ocwen fails to observe or perform in any material respect any other covenant or agreement of Ocwen set forth in this Agreement or any Subservicing Supplement, which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, shall have been given to Ocwen by Servicer; provided however, in the event that any such default is incurable by its own terms, a Termination Event shall be deemed to occur immediately hereunder without regard to the thirty-day cure period set forth above;

(d) A material breach by Ocwen of any representation and warranty made by it in this Agreement or any Subservicing Supplement, which breach continues unremedied for a period of thirty (30) days after the date on which written notice of such breach shall have been given to Ocwen by the Servicer; provided, however, in the event that any such breach is incurable by its own terms, a Termination Event shall be deemed to occur immediately hereunder without regard to the thirty (30) day cure period set forth above;

(e) Ocwen fails to maintain residential primary servicer ratings for subprime loans of at least "Average" by Standard & Poor's Rating Services, a division of Standards & Poor's Financial Services LLC (or its successor in interest), "SQ3-" by Moody's Investors Service, Inc. (or its successor in interest) and "RPS3-" and "RSS3-" by Fitch Ratings (or its successor in interest);

(f) Ocwen ceases to be a Fannie Mae, Freddie Mac or FHA approved servicer;

(g) the occurrence of a Material Adverse Effect;

(h) any of the conditions specified in the applicable "Servicer Default", "Servicer Event of Default," "Event of Default," "Servicing Default" or "Servicer Event of Termination" or similar sections of any Subject Servicing Agreement or Underlying Document shall have occurred with respect to Servicer for any reason not caused by Servicer (other than as a result of any delinquency or loss trigger which was already triggered as of the Servicing Transfer Date with respect to such Subject Servicing Agreement); provided that Ocwen shall be entitled to any cure period applicable to the Servicer as may be set forth in such Subject Servicing Agreement;

(i) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against Ocwen and such decree or order shall have remained in force undischarged or unstayed for a period of thirty (30) days;

(j) Ocwen shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings of or relating to Ocwen or of or relating to all or substantially all of its property; or

(k) Ocwen shall admit in writing its inability to pay its debts generally as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors or voluntarily suspend payment of its obligations.

"Underlying Documents" means each operative document or agreement executed in connection with each Securitization Transaction which is binding upon Servicer, as servicer.

"Vendor" means any vendor, subcontractor or other Person that is not a Subcontractor of any Mortgage Loans and who only performs servicing obligations hereunder for Ocwen under the direction or authority of Ocwen and that either (i) does not perform one or more discrete functions identified in Item 1122(d) of Regulation AB or (ii) would not be required to be separately identified as a subservicer or vendor in a servicing assessment or attestation under Item 1122 of Regulation AB with respect to Ocwen.

ARTICLE 2

SUBSERVICING

2.1 Subservicing Supplements. Servicer and Ocwen may from time to time enter into one or more subservicing supplements in form and substance as the parties may mutually agree to (each a "Subservicing Supplement"), pursuant to which Servicer will engage Ocwen to act as subservicer with respect to the Mortgage Loans relating to the Subject Servicing Agreements specified in such Subservicing Supplement on the terms set forth in this Agreement, as modified or supplemented by such Subservicing Supplement. The parties agree that, to the extent the terms of any Subservicing Supplement are inconsistent with any term of this Agreement, the terms of such Subservicing Supplement shall control with respect to the related Subject Servicing Agreements and Mortgage Loans.

2.2 Servicing Transfer Procedures. Servicer and Ocwen each covenant and agree to follow the Servicing Transfer Procedures set forth in each related Subservicing Supplement in all material respects and take all steps necessary or appropriate to effectuate and evidence the transfer of the subservicing of the related Mortgage Loans to Ocwen in accordance therewith. Servicer shall deliver to Ocwen the Mortgage Loan Schedule relating to a Subservicing Supplement on the related Servicing Transfer Date(s).

2.3 Subservicing. Except as otherwise specifically provided in this Agreement or the related Subservicing Supplement, Ocwen covenants and agrees to service and administer each Mortgage Loan related to a Subject Servicing Agreement from and after the related Servicing Transfer Date until the related Subservicing Termination Date in accordance with Applicable Law, the terms of the related Mortgage Loan Documents and any applicable private mortgage insurance or pool insurance, the standards, requirements, guidelines, procedures, restrictions and

provisions of the related Subject Servicing Agreement and Underlying Documents governing the duties of Servicer thereunder and/or any subservicer thereunder, and this Agreement and the related Subservicing Supplement. Except as otherwise specifically provided in this Agreement or the related Subservicing Supplement, Ocwen shall be responsible for performing all of the duties and obligations of Servicer and its subservicers under each Subject Servicing Agreement and related Underlying Documents, and Ocwen shall at all times meet any standards and fulfill any requirements applicable to Servicer or its subservicer under each Subject Servicing Agreement. Without limiting the foregoing, Ocwen covenants and agrees that it shall perform its obligations pursuant to this Agreement and each Subservicing Supplement in a manner that will not cause the termination of Servicer as servicer under any Subject Servicing Agreement, including a termination based on Ocwen's management of delinquency or loss performance with respect to Mortgage Loans related to such Subject Servicing Agreement, other than as a result of a breach by Servicer of a Servicer Retained Obligation with respect to such Subject Servicing Agreement (unless such breach of a Servicer Retained Obligation resulted directly or indirectly from an act or omission of Ocwen). The parties acknowledge and agree that any termination of Servicer as servicer with respect to a Subject Servicing Agreement pursuant to a delinquency or loss performance trigger or for any other reason other than as a result of a breach by Servicer of a Servicer Retained Obligation with respect to such Subject Servicing Agreement shall be deemed to be the result of a breach by Ocwen of its obligations under this Agreement and the related Subservicing Supplement. In the event of a conflict between a Subject Servicing Agreement and this Agreement and the related Subservicing Supplement, the Subject Servicing Agreement shall control.

2.4 Servicer Retained Obligations. The parties acknowledge and agree that Servicer shall retain the obligation to perform certain Servicer Retained Obligations with respect to each Subject Servicing Agreement as further described in this Agreement and in the related Subservicing Supplement, and Ocwen shall not have any rights or obligations with respect to the Servicer Retained Obligations. Unless otherwise agreed in a Subservicing Supplement with respect to a Subject Servicing Agreement, Servicer shall be responsible for:

(a) establishing and maintaining the Custodial Accounts and Escrow Accounts for each Subject Servicing Agreement in accordance with the provisions of such Subject Servicing Agreement. Servicer shall retain the right to direct the investment of amounts in any Custodial Account or Escrow Account and the right to receive and retain any investment income earned on any amounts or deposit in such Custodial Accounts and Escrow Accounts and shall retain any obligation to reimburse such accounts for investment losses in each case subject to the terms of the related Subject Servicing Agreement, the related Mortgage Loan Documents and Applicable Law.

(b) funding any P&I Advances required under the terms of the Subject Servicing Agreements, as determined by Ocwen and set forth in the applicable Monthly Remittance Report, and depositing any such P&I Advances into either the applicable Custodial Account or other applicable account held by the related trustee, master servicer, securities administrator, or trust administrator, as the case may be, in accordance with the requirements of the related Subject Servicing Agreement (which may be done directly by Servicer or though an account established in connection with the related Servicing Advance Facility).

(c) funding any Corporate Advances or Escrow Advances required under the terms of the Subject Servicing Agreements, as determined by Ocwen and notified in writing to Servicer pursuant to Section 5.8, and depositing any such Corporate Advances or Escrow Advances into the applicable Escrow Account.

(d) remitting any amounts required to be remitted from the Custodial Accounts or Escrow Accounts, as determined by Ocwen and set forth in the applicable Monthly Remittance Report or notified in writing to Servicer pursuant to Section 5.8.

In addition, Servicer may from time to time designate any obligations under a Subject Servicing Agreement that are not then currently a Servicer Retained Obligation as a Servicer Retained Obligation and assume the performance of such obligations upon ten (10) Business Days prior written notice to Ocwen; provided that such designation and performance does not limit in any way Ocwen's ability to earn and receive the Base Subservicing Fee, any Performance Fee or any Ancillary Income with respect to such Subject Servicing Agreement.

2.5 Collections from Obligors and Remittances. Ocwen shall direct the obligors on the Mortgage Loans to remit payment on the Mortgage Loans to the Clearing Account and shall within one (1) Business Day of receipt promptly deposit any amounts Ocwen receives with respect to the Mortgage Loans in the Clearing Account. Ocwen shall promptly remit all amounts received by Ocwen with respect to the Mortgage Loans to the applicable Custodial Account or Escrow Account (net of any Ancillary Income or Prepayment Interest Excess permitted to be retained by Ocwen hereunder and under the related Subservicing Supplement), but no later than the earlier of two (2) Business Days after receipt thereof or the date required pursuant to the applicable Subject Servicing Agreement; provided, that Ocwen shall, subject to the terms of the related Subject Servicing Agreement, remit any such amounts that constitute recovery of a Servicing Advance to the applicable Servicing Advance Account, if any, specified by Servicer within two (2) Business Days of receipt thereof. Ocwen shall also be responsible for making any compensating interest payments or prepayment interest shortfall payments required to be made by the Servicer with respect to the Mortgage Loans under the Subject Servicing Agreements, and shall remit any such payments to the applicable Custodial Account no less than one (1) Business Day prior to the applicable remittance date for such Subject Servicing Agreement.

2.6 Power of Attorney. Servicer shall execute and furnish Ocwen with such limited powers of attorney to execute documents on behalf of Servicer with respect to the Mortgage Loans and related Mortgaged Properties as Ocwen may reasonably request in connection with servicing the Mortgage Loans.

2.7 Servicing Practices. Ocwen shall not make any material change to its servicing practices with respect to the Mortgage Loans after the date hereof, including, any material changes to its cash collection and sweep processes and its advance policies or stop advance policies, without Servicer's prior written consent, which consent shall not be unreasonably withheld or delayed. Servicer shall have the right to direct Ocwen to implement reasonable changes to Ocwen's servicing practices applicable with respect to all or a portion of the Mortgage Loans, including any changes necessary to ensure compliance with Applicable Laws or governmental programs or directions received pursuant to the applicable Subject Servicing Agreements.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF OCWEN

Ocwen represents and warrants to Servicer as of the date hereof, the date of each Subservicing Supplement and each Servicing Transfer Date as follows:

3.1 Due Organization. Ocwen is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to own its property and to carry on its business as presently conducted and to enter into, deliver and perform this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Ocwen and to carry out its obligations hereunder and thereunder.

3.2 Due Authorization; Binding Effect. The execution, delivery and performance of this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Ocwen has been duly and validly authorized by all necessary corporate, shareholder or other action. This Agreement has been, and upon their execution each Subservicing Supplement and all documents executed pursuant hereto and thereto by Ocwen shall be, duly executed and delivered by Ocwen, and (assuming due authorization, execution and delivery by Servicer) this Agreement constitutes, and upon their execution, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Ocwen shall constitute, the legal, valid and binding obligations of Ocwen, enforceable against Ocwen in accordance with their respective terms, subject to the Enforceability Exceptions.

3.3 No Conflicts. The execution, delivery and performance by Ocwen of this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Ocwen do not and will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation or imposition of any Lien upon any of the assets of Ocwen under, any provision of (a) the organizational documents of Ocwen, (b) any mortgage, indenture or other agreement to which Ocwen is a party or by which Ocwen or any of its properties or assets is subject (except as would not reasonably be expected to adversely affect the ability of Ocwen to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Subservicing Supplements) or (c) any provision of any Applicable Law applicable to Ocwen or its properties or assets.

3.4 Consents. No consent of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained, effected or given by or with respect to Ocwen in connection with the execution, delivery and performance of this Agreement or any Subservicing Supplement or the consummation of the transactions contemplated hereby or thereby, except for consents, registrations, declarations and filings that have been obtained or will be obtained prior to the related Servicing Transfer Date.

3.5 Litigation. There are no actions, litigation, suits or Proceedings pending or, to Ocwen's knowledge, threatened against Ocwen before or by any court, administrative agency, arbitrator or government body (i) with respect to this Agreement or any Subservicing

Supplement or (ii) with respect to any other matter which if determined adversely to Ocwen would reasonably be expected to materially and adversely affect Ocwen's ability to perform its obligations under this Agreement or any Subservicing Supplement; and Ocwen is not in default with respect to any order of any court, administrative agency, arbitrator or governmental body so as to materially and adversely affect Ocwen's ability to perform its obligations under this Agreement or any Subservicing Supplement.

3.6 Licenses. Ocwen has all licenses necessary to carry on its business as now being conducted and as is contemplated by this Agreement and each Subservicing Supplement to be conducted and is duly authorized and qualified to transact, in each applicable state, any and all business contemplated by this Agreement and each Subservicing Supplement or is otherwise exempt under Applicable Law from such qualification or is otherwise not required under Applicable Law to effect such qualification.

3.7 Capacity. Ocwen has the facilities, procedures and experienced personnel necessary for the sound servicing of mortgage loans of the same type as the Mortgage Loans. Ocwen does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement or in any Subservicing Supplement.

3.8 Approved Servicer. Ocwen is approved and in good standing with Fannie Mae and Freddie Mac as a servicer of mortgage loans.

3.9 Servicer Ratings. Ocwen has a residential primary servicer rating for the servicing of subprime residential mortgage loans issued by S&P, Fitch or Moody's at or above "Above Average," "RPS3" and "SQ2-", respectively.

3.10 Eligible Subservicer. Ocwen meets the eligibility requirements of a servicer and a subservicer under the terms of each Subject Servicing Agreement and Underlying Document.

3.11 HAMP. Ocwen has entered into a Commitment to Purchase Financial Instrument and Servicer Participation Agreement with FNMA, as financial agent of the United States, which agreement is in full force and effect.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES OF SERVICER

Servicer represents and warrants to Ocwen as of the date hereof, the date of each Subservicing Supplement and each Servicing Transfer Date as follows:

4.1 Due Organization. Servicer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to own its property and to carry on its business as presently conducted and to enter into, deliver and perform this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Servicer and to carry out its obligations hereunder and thereunder.

4.2 Due Authorization; Binding Effect. The execution, delivery and performance of this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and

thereto by Servicer has been duly and validly authorized by all necessary corporate, shareholder or other action. This Agreement has been, and upon their execution each Subservicing Supplement and all documents executed pursuant hereto and thereto by Servicer shall be, duly executed and delivered by Servicer, and (assuming due authorization, execution and delivery by Ocwen) this Agreement constitutes, and upon their execution, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Servicer shall constitute, the legal, valid and binding obligations of Servicer, enforceable against Servicer in accordance with their respective terms, subject to the Enforceability Exceptions.

4.3 No Conflicts. The execution, delivery and performance by Servicer of this Agreement, each Subservicing Supplement and all documents executed pursuant hereto and thereto by Servicer do not and will not conflict with, or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a benefit under, or result in the creation or imposition of any Lien upon any of the assets of Servicer under, any provision of (a) the organizational documents of Servicer, (b) any mortgage, indenture or other agreement to which Servicer is a party or by which Servicer or any of its properties or assets is subject (except as would not reasonably be expected to adversely affect the ability of Servicer to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and the Subservicing Supplements) or (c) any provision of any Applicable Law applicable to Servicer or its properties or assets.

4.4 Consents. No consent of, or registration, declaration or filing with, any Governmental Authority or any other Person is required to be obtained, effected or given by or with respect to Servicer in connection with the execution, delivery and performance of this Agreement or any Subservicing Supplement or the consummation of the transactions contemplated hereby or thereby, except for consents, registrations, declarations and filings that have been obtained or will be obtained prior to the related Servicing Transfer Date.

4.5 Litigation. There are no actions, litigation, suits or Proceedings pending or, to Ocwen's knowledge, threatened against Servicer before or by any court, administrative agency, arbitrator or government body (i) with respect to this Agreement or any Subservicing Supplement or (ii) with respect to any other matter which if determined adversely to the Servicer would reasonably be expected to materially and adversely affect Servicer's ability to perform its obligations under this Agreement or any Subservicing Supplement; and Servicer is not in default with respect to any order of any court, administrative agency, arbitrator or governmental body so as to materially and adversely affect Servicer's ability to perform its obligations under this Agreement or any Subservicing Supplement.

4.6 Licenses. Servicer has all licenses necessary to carry on its business as now being conducted and as is contemplated by this Agreement and each Subservicing Supplement to be conducted and is duly authorized and qualified to transact, in each applicable state, any and all business contemplated by this Agreement and each Subservicing Supplement or is otherwise exempt under Applicable Law from such qualification or is otherwise not required under Applicable Law to effect such qualification.

4.7 Ability to Perform. Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every one of its covenants contained in this Agreement as supplemented by the related Subservicing Supplement.

ARTICLE 5

COVENANTS

5.1 Compliance with Applicable Laws; Licenses. Ocwen will comply with all Applicable Laws in connection with the performance of its obligations under this Agreement and each Subservicing Supplement. Ocwen shall maintain all necessary licenses and approvals in each jurisdiction where the failure to do so would materially and adversely affect the ability of Ocwen to perform its obligations under this Agreement and each Subservicing Supplement.

5.2 Merger, Consolidation, Etc. Ocwen will keep in full effect its existence, rights and franchises as a limited liability company, and will obtain and preserve its qualification to do business as a foreign organization in each jurisdiction in which such qualification is or shall be necessary to protect the validity and enforceability of this Agreement, each Subservicing Supplement, each Subject Servicing Agreement or any of the Mortgage Loans, or to perform its duties under this Agreement or the Subservicing Supplements. Ocwen may be merged or consolidated with or into any Person, or transfer all or substantially all of its assets to any Person, in which case any Person resulting from any merger or consolidation to which Ocwen shall be a party, or any Person succeeding to the business of Ocwen, shall be the successor to Ocwen under this Agreement and under each Subservicing Supplement, without the execution or filing of any paper or any further act on the part of any of the parties hereto; provided, however, that the successor or surviving Person shall be an institution whose deposits are insured by FDIC or a company whose business includes the servicing of mortgage loans and shall have a tangible net worth not less than $25,000,000.

5.3 Fannie Mae/Freddie Mac. Ocwen shall not have its right to service suspended by Fannie Mae, Freddie Mac or FHA. Ocwen shall at all times meet the qualifications of a Fannie Mae, Freddie Mac or FHA seller/servicer. Ocwen shall provide Servicer with prompt written notice of any negative action by Fannie Mae. Freddie Mac or FHA regarding its right to service or its standing as an approved seller/servicer.

5.4 MERS. Ocwen shall at all times maintain its membership in the Mortgage Electronic Registration System, Inc ("MERS").

5.5 Insurance. (a) Ocwen shall maintain, at its own expense:

(i) mortgage impairment insurance of at least what is required by Fannie Mae and Freddie Mac or by any Subject Servicing Agreement or Applicable Law, which coverage shall extend to Servicer (who shall be named as loss payee on a certificate of insurance with respect to such coverage);

(ii) professional liability/errors and omissions insurance of at least what is required by Fannie Mae and Freddie Mac or by any Subject Servicing Agreement or Applicable Law, which insurance shall protect and insure Ocwen against losses, including errors and omissions and negligent acts of such persons;

(iii) financial institution bond (crime) insurance of at least what is required by Fannie Mae and Freddie Mac or by any Subject Servicing Agreement or Applicable Law, which coverage shall extend to Servicer (who shall be named as loss payee on a certificate of insurance with respect to such coverage); and

(iv) commercial general liability, umbrella and excess insurance in the amount of $1,000,000 per occurrence and $2,000,000 general aggregate and umbrella and excess insurance of at least $10,000,000 per occurrence, in the aggregate, which coverage shall extend to Servicer (who shall be named as additional insured on a certificate of insurance with respect to such coverage).

(b) The insurance coverages under this Section 5.5 shall be primary, and all coverage shall be non-contributing with respect to any other insurance or self-insurance that may be maintained by Servicer or its Affiliates. To the fullest extent allowed by the policies of insurance described in Section 5.5(a)(iv), Ocwen shall waive all rights of subrogation against Servicer and its Affiliates. At least annually, Ocwen shall provide certificates of insurance evidencing that the coverages and policy endorsements required under this Agreement are maintained in force. The insurers selected by Ocwen shall be authorized to conduct business in the jurisdictions in which services are to be performed. When the policy is issued each such insurer shall have at least an A.M. Best rating of A- VII or shall otherwise be acceptable to Fannie Mae and Freddie Mac. In the case of loss or damage or other event that requires notice or other action under the terms of any insurance coverage specified in this Section 5.5, Ocwen shall be solely responsible to take such action. Ocwen shall provide Servicer with contemporaneous notice and with such other information as Servicer may request regarding the event.

5.6 Delegation. Ocwen may delegate any of its obligations under this Agreement or a Subservicing Supplement to a Subcontractor or Vendor that is in the business of performing such services; provided that Ocwen may not delegate any obligations identified in Item 1122(d) of Regulation AB with respect to the Mortgage Loans to any Person who is not performing such functions for Ocwen as of the date of this Agreement without the prior written consent of Servicer, which consent shall not be unreasonable withheld or delayed. Any such delegation to Subcontractor or Vendor shall be subject to the terms and conditions of this Agreement, the applicable Subservicing Supplement and the applicable Subject Servicing Agreements. Ocwen shall cause any Subcontractor or Vendor to comply with the obligations and restrictions applicable to Ocwen under this Agreement and the applicable Subservicing Supplements and shall be responsible for all obligations, services and functions performed (or not performed) by such Persons. Servicer may require Ocwen to terminate a Subcontractor or Vendor if such Person's performance is materially deficient or Servicer has good faith doubts concerning the Person's ability to render future performance because of the ownership, management, financial condition, business or operations. Ocwen shall ensure that any engagement of a Subcontractor or Vendor may be terminated at no cost to Servicer. Any purported assignment or transfer by Ocwen of its rights or obligations under this Agreement or any Subservicing Supplement in violation of this Section 5.6, shall be null and void and of no effect.

5.7 Access to Mortgage Servicing System. Ocwen shall provide Servicer with electronic access to Ocwen's mortgage servicing system to view any available information with respect to the Subject Servicing Agreements and the Mortgage Loans. Ocwen shall also provide Servicer with reasonable access to Ocwen's financial operations system to monitor Ocwen's performance under this Agreement and the Subservicing Supplements Ocwen shall provide Servicer with the tools to create and administer log in identifications and passwords for each of its authorized users.

5.8 Servicing Reports. Ocwen shall be responsible for delivering all reports required to be delivered by Servicer pursuant to the Subject Servicing Agreements. Ocwen shall simultaneously deliver a copy of any reports delivered by Ocwen to any Person pursuant to the Subject Servicing Agreements to Servicer. Ocwen shall provide the following reports to Servicer:

(a) On or prior to each Monthly Reporting Date with respect to each Subject Servicing Agreement, the Monthly Remittance Report relating to such Subject Servicing Agreement, in electronic medium mutually acceptable to the parties, which Monthly Remittance Report shall also include with it (i) information sufficient for Servicer to determine whether a P&I Advance will have to be made with respect to any Mortgage Loan subject to such Subject Servicing Agreement and (ii) appropriate supporting information regarding the amount and nature of such P&I Advances.

(b) No later than the first Business Day of each month, the Monthly Servicing Oversight Report as to the end of the prior calendar month, in electronic medium mutually acceptable to the parties.

(c) Any other reports or information Servicer may request, to the extent that the requested information or data is reasonably available to Ocwen without undue expense or hardship.

5.9 Escrow Account. Servicer shall furnish, or shall cause to be furnished to Ocwen, access to the Escrow Accounts relating to each Subject Servicing Agreement during the term of this Agreement. Ocwen shall be entitled to withdraw funds from an Escrow Account only for the following purposes:

(a) to effect timely payments of ground rents, taxes, assessments, water rates, mortgage insurance premiums, condominium charges, fire and hazard insurance premiums or other items constituting escrow payments for the related Mortgage Loan to the extent permitted by the related Subject Servicing Agreement;

(b) to refund to any Mortgagor any funds found to be in excess of the amounts required under the terms of the related Mortgage Loan, Applicable Law or judicial or administrative ruling;

(c) for application to restoration or repair of the Mortgaged Property in accordance with the related Subject Servicing Agreement; and

(d) to pay any interest paid on the funds deposited in the Escrow Account to any Mortgagor, to the extent required by Applicable Law.

5.10 Notices and Financial Information. During the term of this Agreement, Ocwen will furnish, or will cause to be furnished, to Servicer:

(a) within two (2) Business Days after the occurrence of a breach by Ocwen of this Agreement or any Subservicing Supplement or any Termination Event or other event that would give Servicer the right to terminate this Agreement with respect to any Subject Servicing Agreement, notice of such event;

(b) within two (2) Business Days after Ocwen receives notice or has knowledge of any alleged breach, default or notice of default with respect to Servicer or its obligations under any Subject Servicing Agreement, notice of such event;

(c) within two (2) Business Days after Ocwen receives notice of any action by S&P, Moody's or Fitch regarding its servicer rating;

(d) within ten (10) Business Days after Ocwen has knowledge of the institution of an Proceeding or the threatening of a Proceeding (if such Proceeding being threatened has a reasonable probability of success) by any Governmental Authority or other Person, or the enactment, issuance, promulgation or proposal by any Governmental Authority of any Applicable Law, in either case that could reasonably be expected to have a Material Adverse Effect;

(e) within thirty (30) days after Ocwen has knowledge of any litigation, administrative claim, regulatory inquiry or investigation, or media inquiry related to any of the Mortgage Loans, which Ocwen reasonably believes will result in possible negative public relations or significant liability for Servicer or Ocwen, notice of existence of same and of its recommended action;

(f) at least one (1) Business Day prior written notice of any press release, filing with the SEC or other public disclosure by Ocwen or Ocwen Financial Corporation, which disclosure could reasonably be expected to have an impact on Servicer;

(g) as soon as available, and in any event within thirty (30) days after the end of each calendar month, the unaudited consolidated balance sheet of Ocwen Financial Corporation and its subsidiaries as at the end of such month and the related unaudited consolidated statements of income of Ocwen Financial Corporation and its subsidiaries for such month and for the period from the beginning of the then current fiscal year to the end of such month;

(h) if at any time Ocwen Financial Corporation is not required, under Applicable Law, to file its Quarterly Report on Form 10-Q with the SEC, as soon as available, and in any event within sixty (60) days after the end of each calendar quarter, the unaudited consolidated balance sheets of Ocwen Financial Corporation and its subsidiaries as at the end of such fiscal quarter and the related unaudited consolidated statements of income, stockholders' equity and cash flows of Ocwen Financial Corporation and its subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter;

(i) if at any time Ocwen Financial Corporation is not required, under Applicable Law, to file its Annual Report on Form 10-K with the SEC, as soon as available, and in any event within ninety (90) days after the end of each fiscal year of Ocwen Financial Corporation, the audited consolidated balance sheets of Ocwen Financial Corporation and its subsidiaries as at the end of such fiscal year and the related audited consolidated statements of income, stockholders' equity and cash flows of Ocwen Financial Corporation and its subsidiaries for such fiscal year, setting forth in each case in comparative form the corresponding figures for the previous fiscal year;

(j) such other information as Servicer may be required to provide under any Servicing Advance Facility or as Servicer may from time to time otherwise request, to the extent that the requested information is reasonably available to Ocwen without undue expense or hardship.

5.11 Servicing Advances. Ocwen covenants and agrees that each Servicing Advance that Ocwen notifies Servicer to make pursuant this Agreement and the Subservicing Supplements (a) complies with the terms of the related Subject Servicing Agreement and Applicable Law, (b) complied with Ocwen's advance policies and stop advance polices and procedures and did not constitute a nonrecoverable Servicing Advance (meaning not recoverable out of collections on or proceeds of the related Mortgage Loan) as of the date Ocwen notified Servicer to make such Servicing Advance and (c) is supported by customary backup documentation. Ocwen agrees to provide customary backup documentation relating to any Servicing Advance promptly upon request by Servicer.

5.12 Defaults under Subject Servicing Agreements. Ocwen covenants and agrees to use its reasonable best efforts to cure any breach or default (unless incurable by its own terms, e.g., loss and delinquency termination triggers) with respect to Servicer or its obligations under any Subject Servicing Agreement (other than a default by Servicer with respect to any of its Servicer Retained Obligations) within the timeframe for cure set forth in such Subject Servicing Agreement.

5.13 Annual Officer's Certificate. Not later than March 15th of each calendar year commencing in 2013, Ocwen shall deliver to Servicer an Officer's Certificate stating, as to each signatory thereof, that (i) a review of the activities of Ocwen during the preceding year and of performance under this Agreement and each Subservicing Supplement has been made under such officers' supervision and (ii) to the best of such officer's knowledge, based on such review, Ocwen has fulfilled all of its obligations under this Agreement and each Subservicing Supplement in all material respects throughout such year, or, if there has been a default in the fulfillment of any such obligation in any material respect, specifying each such default known to such officer and the nature and status thereof.

5.14 Regulation AB Reporting. In accordance with the requirements set forth in each Subject Servicing Agreement, Ocwen at its own expense shall deliver to all required Persons in accordance with the deadlines and requirements set forth in each Subject Servicing Agreement, any annual statements as to compliance, independent certified public accountants reports, servicing reports, Regulation AB Sections 1122 and 1123 certifications, accountants certifications, Sarbanes Oxley Certifications and any other reports, statements or certifications as

are required to be delivered by Servicer's subservicer pursuant to such Subject Servicing Agreement or Applicable Law. Servicer shall remain responsible for all reporting and other obligations of a "servicer" under Regulation AB and the Subject Servicing Agreements with respect to the Mortgage Loans. Ocwen shall provide Servicer with all information necessary and within Ocwen's control for the period following the related Servicing Transfer Date in order for Servicer to comply with its Regulation AB obligations. With respect to each Subject Servicing Agreement, Ocwen shall provide to Servicer, any and all certifications reasonably requested by Servicer, including without limitation, any certifications related to Regulation AB or the Uniform Single Attestation Program for Mortgage Bankers required to comply with the terms of such Subject Servicing Agreement.

5.15 Reporting. With respect to the period that the Mortgage Loans are being serviced by Ocwen pursuant to this Agreement and the applicable Subservicing Supplement, Ocwen shall prepare promptly each report required by Applicable Law, including reports to be delivered to all governmental agencies having jurisdiction over the servicing of the Mortgage Loans and the Escrow Accounts or to the Mortgagors, shall execute such reports or, if Servicer must execute such reports, shall deliver such reports to Servicer for execution prior to the date on which such reports are due and shall file such reports with the appropriate Persons. Ocwen shall timely prepare and deliver to the appropriate Persons Internal Revenue Service forms 1098, 1099 and 1099A (or any similar replacement, amended or updated Internal Revenue Service forms) relating to any Mortgage Loan for the time period such Mortgage Loan has been serviced by Ocwen. The reports to be provided under this subsection shall cover the period through the end of the month following the termination of Ocwen as subservicer with respect to the applicable Mortgage Loan including reports to be sent to the Internal Revenue Service for the calendar year in which such termination occurs. To the extent it is an customary servicing practice, Ocwen shall promptly prepare all reports or other information required to respond to any inquiry from, or give any necessary instructions to, any mortgage insurer, provider of hazard insurance or other insurer or guarantor, taxing authority, tax service, or the Mortgagor. In addition to the foregoing, with respect to each Mortgage Loan, Ocwen shall fully furnish, in accordance with the Fair Credit Reporting Act and its implementing regulations, accurate and complete information (e.g., favorable and unfavorable) on its borrower credit files to Equifax, Experian and Trans Union Credit Information Company or their successors on a monthly basis.

5.16 Maintenance of Servicing Files. Ocwen shall maintain the servicing file with respect to each Mortgage Loan pursuant to Applicable Law and customary industry practice and shall retain any information about the Mortgage Loans which is prepared by or comes into the possession of Ocwen during the term of this Agreement (the "Servicing Information"). All rights to and interest in the Servicing Information shall immediately vest in Servicer and the servicing files and Servicing Information shall be held and maintained in trust by Ocwen. The documents comprising the servicing files and Servicing Information shall be appropriately identified from the other books and records of Ocwen and shall be appropriately marked to clearly reflect the ownership interest of Servicer.

5.17 Relationship Management and Staffing.

(a) Project Managers. Ocwen shall designate one (1) individual ("Ocwen Project Manager") to: (A) serve as the single point of contact and accountability for Ocwen for this

Agreement and each Subservicing Supplement; (B) have day-to-day authority for undertaking to ensure that Ocwen's performance of this Agreement and each Subservicing Supplement meets Servicer's reasonable satisfaction; and (C) have authority to direct Ocwen in support of the foregoing. Servicer shall designate one (1) individual ("Servicer Project Manager") to: (A) serve as the single point of contact and accountability for Servicer for this Agreement and each Subservicing Supplement; and (B) have authority to direct Servicer in support of the foregoing. Ocwen and Servicer have the right to replace the Ocwen Project Manager or Servicer Project Manager, respectively, upon prior written notice to the other party.

(b) Management Committee. Ocwen and Servicer shall establish a committee comprising two (2) individuals who are officers of Ocwen and two (2) individuals who are officers of Servicer (collectively, the "Management Committee"). During the term of this Agreement, the Management Committee shall be responsible for monitoring the performance of the services provided pursuant to this Agreement and the Subservicing Supplements, providing recommendations for improving the performance of such services and discussing potential solutions to any disputes with respect to the services. Ocwen and Servicer shall have the right to replace those of its officers who are serving on the Management Committee upon written notice to the other party.

(c) Periodic Meetings. During the term of this Agreement, unless otherwise mutually agreed upon by Ocwen and Servicer, the Management Committee shall have a telephonic meeting each quarter and a meeting in person at least once a year. Such regular meetings shall be at such times and locations as may be mutually agreed by the members of the Management Committee. The Management Committee shall discuss at any such regular meeting any topic that either Ocwen or Servicer desires to discuss at such regular meeting. In addition, during the term of this Agreement, either Ocwen or Servicer may call a special telephonic meeting of the Management Committee upon five (5) Business Days prior written notice to the other party, which notice shall set forth in reasonable detail the topics to be discussed at such special meeting.

(d) Ocwen shall assign an adequate number of personnel to the performance of Ocwen's obligations under this Agreement and the Subservicing Supplements. Ocwen shall properly educate and train all such personnel and ensure that all such personnel are fully qualified to perform the services that they are providing and shall have passed Ocwen's customary background check for personnel in similar positions.

5.18 Audits and Inspections. Ocwen shall provide Servicer with a copy of its independent audit reports, including SAS 70 reviews, of its data processing environment and internal controls within a reasonable time after such reports are completed, and shall make all work papers regarding such audits available as requested to the appropriate regulatory agencies, if any, having jurisdiction over Ocwen's servicing hereunder. In addition, Ocwen will make available to Servicer for on-site review copies of any internal audit reports relating to its servicing operations. Within thirty (30) days following Servicer's request, the parties shall meet to discuss the frequency, scope and level of detail of Ocwen's independent audits. Ocwen shall use commercially reasonable efforts to incorporate Servicer's comments into the requirements for its next and subsequent audits to the extent it is determined that Ocwen's audit practices are not consistent with servicing industry practice. Servicer, its authorized representatives and

Servicer's regulators and auditors may on five (5) Business Days notice conduct audits and reviews on Ocwen's premises including auditing and reviewing Ocwen's facilities, equipment, books and records (electronic or otherwise), operational systems and such other audits as may be reasonably necessary to ensure Ocwen's compliance with the terms and conditions of this Agreement, each Subservicing Supplement, the Subject Servicing Agreements and Applicable Laws and to ensure Ocwen's financial and operational viability with respect to the servicing under this Agreement. In addition, Ocwen will provide Servicer with the results of a security audit to be performed no less than annually. This security audit will be at no expense to Servicer and will test the compliance with the agreed-upon security standards and procedures set forth in this Agreement. Servicer will have the ability to bring in a third party (who may not be a competitor of Ocwen) or use its own staff for an independent security audit. If Servicer chooses to conduct its own security audit, it will be at Servicer's expense.

5.19 Continuity of Business. Ocwen will maintain a disaster recovery plan in support of the services it performs for Servicer pursuant to this Agreement and each Subservicing Supplement. Ocwen's disaster recovery plan shall include, at a minimum, procedures for back-up/restoration of operating and loan administration computer systems; procedures and third-party agreements for replacement equipment (e.g. computer equipment), and procedures and third-party agreements for off-site production facilities. Ocwen will provide Servicer information regarding its disaster recovery plan upon Servicer's reasonable request. Ocwen agrees to annually test its disaster recovery plan to ensure compliance with this Section 5.19. If such test results identifies a material failure, Ocwen shall advise Servicer of the steps Ocwen will be taking to remedy such failure and shall notify Servicer when Ocwen has remedied such failure and retested. Ocwen will notify Servicer anytime Ocwen's disaster recovery plan is activated. In the event of an activation of the disaster recovery plan, Ocwen shall use best efforts to provide redundancy capabilities for a majority of the critical systems within 48 hours in at least one of Ocwen's other servicing facilities unaffected by the disaster to ensure servicing of the Mortgage Loans will be re-established within such 48 hours.

5.20 No Solicitation. From and after the related Servicing Transfer Date, Ocwen agrees that it will not take any action or permit or cause any action to be taken by any of its agents or affiliates, or by any independent contractors on Ocwen's behalf, to personally, by telephone or mail, solicit the borrower or obligor under any Mortgage Loan to prepay or refinance such Mortgage Loan, in whole or in part; provided, however, that Ocwen may pursue refinancing and short sales of defaulted Mortgage Loans or Mortgage Loans with respect to which default is reasonably foreseeable to the extent consistent with the related Subject Servicing Agreement. It is understood that promotions undertaken by Ocwen or any Affiliate which are directed to the general public at large, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio and television advertisements shall not constitute solicitation under this Section 5.20.

5.21 Optional Termination or Clean Up Calls. Servicer shall exercise its rights under any optional termination or clean up call provision pursuant to a Subject Servicing Agreement upon Ocwen's written request delivered during the period in which such Subject Servicing Agreement is subject to a Subservicing Supplement; provided that (i) Ocwen or its designee agrees to purchase, and purchases, the Mortgage Loans that are subject to such Subject Servicing Agreement at a purchase price that is at least equal to the applicable purchase price pursuant to

such Subject Servicing Agreement, (ii) the proceeds of such purchase are sufficient to reimburse all unreimbursed Servicing Advances and other amounts owed to Servicer with respect to such Subject Servicing Agreement pursuant to such Subject Servicing Agreement and (iii) Ocwen shall have paid to Servicer a redemption fee with respect to such Subject Servicing Agreement equal to the Book Value of the mortgage servicing rights related to such Subject Servicing Agreement as of the date of such optional termination or clean up call.

5.22 Access to Account Management Systems. Ocwen shall provide Servicer with access to Ocwen's account management systems to establish and maintain any Custodial Account or Escrow Account that the Servicer desires to establish and maintain on Ocwen's account management systems.

ARTICLE 6

EXPENSES AND COMPENSATION

6.1 Costs and Expenses. Each party hereto shall be responsible for its own costs and expenses incurred in connection with the negotiation and execution of this Agreement, any Subservicing Supplements and all documents relating thereto. Ocwen shall be required to pay all expenses incurred by it in connection with its obligations hereunder to the extent such expenses do not constitute Corporate Advances and shall not be entitled to reimbursement therefor except as specifically provided for herein or in the applicable Subject Servicing Agreement.

6.2 Subservicing Fees. With respect to each Subject Servicing Agreement, Servicer shall pay Ocwen the Base Subservicing Fee and any Performance Fee set forth in the related Subservicing Supplement. Notwithstanding any provision in this Agreement to the contrary, in the event Servicer has failed to pay Ocwen any Base Subservicing Fee or Performance Fees that are past due after ten (10) Business Days of Servicer receiving notice of such failure, Ocwen shall not be required to continue act as subservicer until such time as Servicer has fully paid such past due Base Subservicing Fee or Performance Fee; provided that Servicer shall not have notified Ocwen that it disputes the occurrence or amount of such past due Base Subservicing Fee or Performance Fee.

6.3 Ancillary Income and Prepayment Interest Excess. Ocwen shall also be entitled to retain as additional compensation any Ancillary Income and any Prepayment Interest Excess received by Ocwen with respect to the Mortgage Loans following the applicable Servicing Transfer Date (and regardless of when such amounts accrued), to the extent such Ancillary Income or Prepayment Interest Excess is permitted to be retained by Servicer pursuant to the related Subject Servicing Agreement. Ocwen shall net any such Ancillary Income and Prepayment Interest Excess received from the amounts it is required to remit to Servicer pursuant to Section 2.5.

6.4 Calculation and Payment. No later than the second Business Day following the receipt by Servicer of the Monthly Servicing Oversight Report for a calendar month, Servicer will remit to Ocwen in immediately available funds all Base Subservicing Fees and Performance Fees payable by Servicer to Ocwen for the related calendar month, along with a report showing in reasonable detail the calculation of such Base Subservicing Fees and Performance Fees

6.5 No Offset. Except as provided in Section 9.3, neither party shall have any right to offset against any amount payable hereunder or under any Subservicing Supplement or other agreement to the other party, or otherwise reduce any amount payable hereunder or under any Subservicing Supplement as a result of, any amount owing by the other party or any of its Affiliates to such party or any of its Affiliates.

ARTICLE 7

CONFIDENTIALITY

7.1 Confidentiality and Nonpublic Personal Information.

(a) Subject to any exceptions set forth herein, each party hereby agrees not to disclose any Confidential Information to any other Person. "Confidential Information" shall include all information of either party and/or any of its Affiliates (the "Disclosing Party") to which the other party (the "Receiving Party") has had or will have access, whether in oral, written, graphic or machine-readable form, including without limitation, specifications, operations or systems manuals, decision processes, profiles, system and management architectures, diagrams, graphs, models, sketches, technical data, research, business or financial information, plans, strategies, forecasts, forecast assumptions, business practices, marketing information and material, customer names, proprietary ideas, concepts, know-how, methodologies and all other information related to the Disclosing Party's business and/or the business of any of its affiliates. Confidential Information shall also include all information of any third party to which the Disclosing Party has access and to which the Receiving Party has had or will have access, and all notes, analyses and studies prepared by the Receiving Party or any of its Representatives incorporating any of the information described in this subsection. Notwithstanding the foregoing, Servicer and Ocwen may, subject to Applicable Law, disclose Confidential Information to its directors, officers, employees, agents, attorneys, other representatives and lenders who have a reasonable need for access to such Confidential Information (each a "Permitted Recipient"), provided that prior to sharing any Confidential Information with a Permitted Recipient who is not a director, officer or employee of such party, such party shall (i) have informed such Permitted Recipient of the confidential nature of such information, and (ii) have entered into an agreement with such Permitted Recipient pursuant to which such Permitted Recipient is obligated to maintain the confidentiality of such Confidential Information in accordance with this Agreement. The party disclosing Confidential Information to a Permitted Recipient shall be liable to the other party for any action by such Permitted Recipient with respect to such Confidential Information which violates the terms of this Agreement.

(b) The Servicer Confidential Information also includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 (the "GLB Act") or any successor federal statute, and the rules and regulations thereunder, and personally identifiable information protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). For purposes of compliance with the GLB Act and Privacy Laws, Ocwen and Servicer will comply with the terms and conditions set forth in Exhibit A attached hereto.

(c) Confidential Information shall not include information that: (1) is in the public domain at the time of its use or disclosure through no fault of the Receiving Party or its Representatives; (2) was lawfully in the possession of or demonstrably known by the Receiving Party prior to its receipt from the Disclosing Party; (3) is independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information; or (4) becomes known by the Receiving Party from a third party and, to the Receiving Party's knowledge, is not subject to an obligation of confidentiality to the Disclosing Party.

(d) If the Receiving Party is requested or required to disclose any of the Disclosing Party's Confidential Information under a subpoena, court order, statute, law, rule, regulation, or other similar requirement (a "Legal Requirement"), the Receiving Party will, to the extent not precluded by law, provide prompt notice of such Legal Requirement to the Disclosing Party so the Disclosing Party may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Agreement. If the Disclosing Party is not successful in obtaining a protective order or other appropriate remedy and the Receiving Party is, in the reasonable opinion of its counsel, legally compelled to disclose such Confidential Information, or if the Disclosing Party waives compliance with the provisions of this Agreement in writing, the Receiving Party may disclose, without liability hereunder, such Confidential Information in accordance with, but solely to the extent necessary, in the reasonable opinion of its counsel, to comply with the Legal Requirement. Notwithstanding anything to the contrary, a Receiving Party may disclose the Disclosing Party's Confidential Information as required to satisfy any request by any governmental or regulatory body.

(e) In the event that the Receiving Party learns or has reason to believe that the Disclosing Party's Confidential Information has been disclosed or accessed by an unauthorized party, or the Receiving Party's facilities associated with such Confidential Information has been accessed by an unauthorized party, the Receiving Party will promptly give notice of such event to the Disclosing Party and cooperate fully with the Disclosing Party or its investigator in investigating and responding to each successful or attempted security breach including allowing prompt, reasonable access to the Receiving Party's facility by the Disclosing Party or its investigator to investigate, and make copies of such Confidential Information as provided for in this Agreement. Furthermore, in the event that the Receiving Party has access to or acquires individually identifiable information in relation to this Agreement, the following shall apply: the Receiving Party acknowledges that upon unauthorized acquisition of such individually identifiable information within the Receiving Party's custody or control (a "Security Event"), the law may require notification to the individuals whose information was disclosed that a Security Event has occurred. The Receiving Party must notify the Disclosing Party immediately if the Receiving Party learns or has reason to believe a Security Event has occurred. The Receiving Party agrees that it will not notify the individuals until the Receiving Party first consults with the Disclosing Party and the Disclosing Party has had an opportunity to review any such notice.

(f) Upon termination or expiration of this Agreement or upon the Disclosing Party's written request and where practicable, the Receiving Party will return to the Disclosing Party all copies of Confidential Information already in the Receiving Party's possession or within its control. Alternatively, with the Disclosing Party's prior written consent, the Receiving Party may destroy such Confidential Information using means to protect against unauthorized access to or use of the information, including, where appropriate, burning, shredding, or pulverizing such

information, or by taking such other means as to assure that such information may not be recoverable following its disposal. An officer of the Receiving Party will certify in writing to the Disclosing Party that all such Confidential Information has been returned, or if applicable so destroyed in accordance with this Section 7.1(f). Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information as required by applicable law, or, to the extent such copies are electronically stored in accordance with the Receiving Party's email record retention policies, so long as such Confidential Information is kept confidential a required under this Agreement.

ARTICLE 8

LIABILITY AND INDEMNIFICATION

8.1 Limitation of Liability. Ocwen and any officers, employees or agents of Ocwen shall be relieved from liability for any action taken or from refraining from the taking of any action in the performance of its duties hereunder and under each Subservicing Supplement with respect to a Subject Servicing Agreement to same extent that Servicer and its officers, employees and agents would be relieved of such liability under such Subject Servicing Agreement, provided, however, that this provision shall not protect Ocwen or any such Person against any breach of its representations or warranties made herein or in the related Subservicing Supplement or failure to perform its obligations in compliance with any standard of care applicable to Servicer set forth in such Subject Servicing Agreement, or any liability which would otherwise be imposed by reason of any breach of the terms and conditions of this Agreement or the related Subservicing Supplement. Ocwen and any director, officer, employee or agent of Ocwen may rely in good faith on any document of any kind prima facie properly executed and submitted by any Person respecting any matters arising hereunder. Ocwen shall not be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its duties to service the Mortgage Loans and which in its opinion may involve it in any expense or liability. In such event, Ocwen shall be entitled to reimbursement of the reasonable legal expenses and costs of such action to the same extent and at the same time as Servicer under the applicable Subject Servicing Agreement, unless any such costs result from a breach of Ocwen's representations and warranties made herein or its failure to perform its obligations in accordance with this Agreement and the applicable Subservicing Supplement.

8.2 Servicer Liability. Servicer hereby acknowledges that despite any delegation of the servicing duties hereunder to Ocwen, Servicer shall remain obligated and primarily liable under the terms of the Subject Servicing Agreements for the servicing and administration of the Mortgage Loans.

8.3 Indemnification.

(a) Ocwen shall indemnify and hold harmless Servicer and each officer, director, agent, employee or Affiliate of Servicer (each, a "Servicer Indemnified Party") from any Loss incurred by Servicer or any such other Person (whether or not resulting from a Third Party Claim) directly or indirectly resulting from (i) a breach of any representation or warranty of Ocwen set forth in this Agreement or any Subservicing Supplement, (ii) Ocwen's failure to observe and perform any of Ocwen's duties, obligations, covenants or agreements contained in

this Agreement or any Subservicing Supplement; (iii) any acts or omissions by Ocwen or its employees or agents in performance of its duties or obligations pursuant to this Agreement or any Subservicing Supplement, or (iv) any willful malfeasance, bad faith, fraud or negligence of Ocwen in the performance of its duties hereunder or under any Subservicing Supplement, or the reckless disregard by Ocwen of its obligations or duties hereunder or under any Subservicing Supplement. In particular, it is agreed by the parties that if Servicer is terminated as servicer under any Subject Servicing Agreement as a result of any action described in clauses (i)—(iv) above, Ocwen shall also pay to Servicer, as reasonable and just compensation for such termination, an amount equal to Book Value of the mortgage servicing rights related to such Subject Servicing Agreement as of the date Servicer is terminated, and Servicer shall accept such sum as liquidated damages, and not as penalty, in the event of such a termination.

(b) Servicer shall indemnify and hold harmless Ocwen and each officer, director, agent, employee or Affiliate of Ocwen (each, an "Ocwen Indemnified Party") from any Loss incurred by Ocwen or any such other Person (whether or not resulting from a Third Party Claim) directly or indirectly resulting from (i) a breach of any representation or warranty of Servicer set forth in this Agreement or any Subservicing Supplement, (ii) Servicer's failure to observe and perform any of Servicer's duties, obligations, covenants or agreements contained in this Agreement or any Subservicing Supplement; (iii) any acts or omissions by Servicer or its employees or agents (other than Ocwen and its agents) in performance of its duties or obligations pursuant to this Agreement or any Subservicing Supplement, or (iv) any willful malfeasance, bad faith, fraud or negligence of Servicer in the performance of its duties hereunder or under any Subservicing Supplement, or the reckless disregard by Servicer of its obligations or duties hereunder or under any Subservicing Supplement. In addition to the foregoing, Servicer agrees to cooperate in good faith and use reasonable best efforts to obtain for Ocwen's benefit any indemnification rights under the related Subject Servicing Agreements in the event Ocwen incurs any Losses covered by such indemnification rights, including coverage for loan origination issues and servicing issues related to any prior servicer or subservicer; provided, however, that Servicer shall indemnify Ocwen for any Losses to the extent such indemnification is not available to Ocwen but is available to Servicer under such Subject Servicing Agreements, and such indemnification is not applicable to Losses suffered by Servicer.

(c) As promptly as is reasonably practicable after becoming aware of a claim for indemnification under this Agreement not involving a Third-Party Claim, but in any event no later than fifteen (15) Business Days after first becoming aware of such claim, the Indemnified Person shall give notice to the Indemnifying Person of such claim, which notice shall specify the facts alleged to constitute the basis for such claim and the amount that the Indemnified Person seeks hereunder from the Indemnifying Person; provided, however, that the failure of the Indemnified Person to give such notice shall not relieve the Indemnifying Person of its obligations under this Section 8.3 except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby.

(d) The Indemnified Person shall give notice as promptly as is reasonably practicable, but in any event no later than ten (10) Business Days after receiving notice thereof, to the Indemnifying Person of the assertion of any claim, or the commencement of any Proceeding by any unaffiliated third Person (a "Third-Party Claim") in respect of which indemnity may be sought under this Agreement (which notice shall specify in reasonable detail the nature and

amount of such claim); provided, however, that the failure of the Indemnified Person to give such notice shall not relieve the Indemnifying Person of its obligations under this Section 8.3 except to the extent (if any) that the Indemnifying Person shall have been prejudiced thereby. The Indemnifying Person may, at its own expense, (i) participate in the defense of any such Third-Party Claim, and (ii) upon notice to the Indemnified Person, at any time during the course of any such Third-Party Claim, assume the defense thereof with counsel of its own choice and, in the event of such assumption, shall have the exclusive right, subject to clause (i) in the proviso in Section 8.3(e), to settle or compromise such Third-Party Claim. If the Indemnifying Person assumes such defense, the Indemnified Person shall have the right (but not the duty) to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the Indemnifying Person. Whether or not the Indemnifying Person chooses to defend or prosecute any such Third-Party Claim, all of the parties hereto shall cooperate in the defense or prosecution thereof.

(e) Any settlement or compromise made or caused to be made by the Indemnified Person (unless the Indemnifying Person has the exclusive right to settle or compromise under clause (ii) of Section 8.3(d)) or the Indemnifying Person, as the case may be, of any such Third-Party Claim shall also be binding upon the Indemnifying Person or the Indemnified Person, as the case may be, in the same manner as if a final Judgment had been entered by a court of competent jurisdiction in the amount of such settlement or compromise; provided, however, that (i) no obligation, restriction, Loss or admission of guilt or wrongdoing shall be imposed on the Indemnified Person as a result of such settlement or compromise without its prior written consent and (ii) the Indemnified Person will not compromise or settle any Third Party Claim without the prior written consent of the Indemnifying Person.

(f) Except as specifically provided for in this Agreement or a Subservicing Supplement, no claim may be made by an Indemnified Party for any special, indirect, punitive or consequential damages ("Special Damages") in respect of any breach or wrongful conduct (whether the claim therefor is based on contract, tort or duty imposed by law) in connection with, arising out of, or in any way related to the transactions contemplated, or relationship established, by this Agreement or any Subservicing Supplement, or any act, omission or event occurring in connection herewith or therewith, and to the fullest extent permitted by law, each of Ocwen and Servicer hereby waives, releases and agrees not to sue upon any such claim for Special Damages, whether or not accrued or whether or not known or suspected to exist in its favor.

8.4 Specific Performance. Notwithstanding any other provision of this Agreement or any Subservicing Supplement, (i) it is understood and agreed that the remedy of indemnity payments pursuant to Section 8.3 and other remedies at law would be inadequate in the case of any actual or threatened breach of this Agreement or a Subservicing Supplement by Ocwen and (ii) Servicer shall be entitled, without limiting its other remedies and without the necessity of proving actual damages or posting any bond, to equitable relief, including the remedy of specific performance or injunction, with respect to any breach or threatened breach of such covenants. Such relief shall be in addition to, and not in lieu of, all other remedies available at law or in equity to such party under this Agreement and the Subservicing Supplements.

ARTICLE 9

TERMINATION AND RESIGNATION

9.1 Automatic Termination. Ocwen shall be automatically terminated as subservicer with respect to each Subject Servicing Agreement on the Schedule Termination Date for such Subject Servicing Agreement unless earlier terminated pursuant to the terms of this Agreement or the related Subservicing Supplement or renewed by mutual written agreement of the parties hereto,

9.2 Termination by Servicer. Ocwen may be terminated as subservicer with respect to a Subject Servicing Agreement:

(a) Upon Servicer's written notice to Ocwen following a Termination Event; or

(b) At such time, following the related Servicing Transfer Date, that Servicer is no longer the servicer with respect to such Subject Servicing Agreement.

9.3 Limitation on Resignation of Ocwen. Ocwen shall not resign from the obligations and duties imposed on it pursuant to this Agreement or any Subservicing Supplement; provided that Ocwen may resign as subservicer with respect to any Subject Servicing Agreement upon sixty (60) days prior written notice to Servicer if Servicer fails to pay to Ocwen any Base Subservicing Fee or Performance Fee with respect to such Subject Servicing Agreement that is required to be paid pursuant to the terms of this Agreement or the applicable Subservicing Supplement, which failure continues unremedied for a period of ten (10) Business Days after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given by Ocwen to Servicer. No such resignation shall become effective until a successor servicer or subservicer shall have agreed to act as servicer or subservicer with respect to such Subject Servicing Agreement. Notwithstanding any provision in this Agreement to the contrary, in the event Servicer has failed to pay Ocwen any Base Subservicing Fee or Performance Fees that are past due after ten (10) Business Days of Servicer receiving notice of such failure, Ocwen may retain such fees from amounts otherwise payable to Servicer as part of its servicing compensation under the related Subject Servicing Agreements; provided that Servicer shall not have notified Ocwen that it disputes the occurrence or amount of such past due Base Subservicing Fee or Performance Fee.

9.4 Transfer upon Termination. In the event that Ocwen is terminated or resigns as subservicer with respect to any Subject Servicing Agreement pursuant to this Agreement or the related Subservicing Supplement, Ocwen shall cooperate fully with Servicer and with any party designated as the successor servicer or subservicer in transferring the servicing to such successor servicer or subservicer at Ocwen's own expense or, in the event of resignation pursuant to Section 9.3, at Servicer's expense. On or before the date upon which servicing is transferred from Ocwen to any successor servicer or subservicer with respect to a Subject Servicing Agreement (the "Subservicing Termination Date"), Ocwen shall undertake all steps necessary or appropriate to transfer, and shall transfer, the servicing of the related Mortgage Loan(s) to any successor servicer or subservicer, including, without limitation, (i) preparing, executing and delivering any and all necessary or appropriate documents and other instruments (including any

assignments of mortgage), (ii) preparing and delivering appropriate notification and transfer letters (including any notifications with MERS and transferring any applicable tax or flood certification contracts), (iii) delivering the related servicing files and other Servicing Information, and (iv) creating and delivering to Servicer or its designee any reasonably requested electronic data with respect to the related Mortgage Loans. Ocwen shall reimburse Servicer for any legal expenses incurred by Servicer to enforce the foregoing obligations of Ocwen. Until the transfer of servicing is complete, Ocwen shall continue to perform under the terms and conditions of this Agreement and the applicable Subservicing Supplement with respect to such Subject Servicing Agreement.

9.5 Survival. All covenants, agreements, representations and warranties made herein or in a Subservicing Supplement shall survive the execution and delivery of this Agreement and each Subservicing Supplement without limitation as to time. Notwithstanding anything to the contrary in this Agreement or any Subservicing Supplement, the provisions of Section 5.14, Section 5.15, Article 8, Section 9.4 and Article 10 shall survive the termination of this Agreement or any Subservicing Supplement.

ARTICLE 10

MISCELLANEOUS

10.1 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given: (a) when received, if given in person, by courier or by a national overnight delivery service, return receipt requested, (b) five Business Days after deposit in the United States mail if delivered by registered or certified mail, return receipt requested, or (c) on the date of transmission, if sent by facsimile transmission or email transmission (receipt confirmed) on a Business Day during the normal business hours of the intended recipient, and, if not so sent on such a day and at such a time, at 10:00 a.m. on the following Business Day, provided that a copy is mailed by registered or certified mail, return receipt requested, in each case to the appropriate addresses, facsimile number or email address set forth below:

(i) If to Ocwen, addressed as follows:

Ocwen Loan Servicing, LLC
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409
Attention: Secretary
Telecopy Number: (561) 682-8177
Confirmation Number: (561) 682-8887

(ii) If to Servicer, addressed as follows:

HLSS Holdings, LLC
2002 Sumit Boulevard, Sixth Floor
Atlanta, GA 30319

Attention: General Counsel
Telecopy Number: (770) 644-7420
Confirmation Number: (561) 682-7130

or to such other individual or address as a party hereto may designate for itself by notice given as provided in this Section.

10.2 Interpretation. The headings preceding the text of Articles and Sections included in this Agreement and the headings to Exhibits and Schedules attached to this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of this Agreement. The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation," respectively. Reference to any Person shall include such Person's successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement. Reference to a Person in a particular capacity shall exclude such Person in any other capacity or individually. Reference to any agreement (including this Agreement), document or instrument shall mean such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof. Underscored references to Articles, Sections, paragraphs, clauses, Exhibits shall refer to those portions of this Agreement unless otherwise specified. The use of the terms "hereunder," "hereof," "hereto" and words of similar import shall refer to this Agreement as a whole and not to any particular Article, Section, paragraph or clause of, or Exhibit or Schedule to, this Agreement. References to "dollars" or "$" shall mean United States dollars. References to the average unpaid principal balance of Mortgage Loans during a calendar month shall mean the average aggregate unpaid principal balance of such Mortgage Loans during such calendar month. Reference to any statute or statutory provision shall include any consolidation, reenactment, amendment, modification or replacement of the same and any subordinate legislation in force under the same from time to time. Accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

10.3 Exhibits and Schedules. The exhibits and schedules to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement.

10.4 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties hereto with respect to the transactions contemplated hereby and thereby and supersede any and all prior agreements, arrangements and understandings, both written and oral, between the parties relating to the subject matter hereof.

10.5 Amendment; Waiver. No amendment or modification of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a

similar nature, or as a waiver of any of such provisions, rights or privileges hereunder. The failure of a party hereto at any time or times to require performance of any provision hereof or claim damages with respect thereto shall in no manner affect its right at a later time to enforce the same. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

10.6 Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO ITS CONFLICT OF LAW PROVISIONS (OTHER THAN SECTION 5-1401 AND SECTION 5-1402 OF THE GENERAL OBLIGATIONS LAW) AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS**.

10.7 Submission to Jurisdiction. **EACH OF THE PARTIES HERETO IRREVOCABLY (I) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN IN THE CITY OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY; (II) WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THE DEFENSE OF AN INCONVENIENT FORUM IN ANY ACTION OR PROCEEDING IN ANY SUCH COURT; (III) CONSENTS TO SERVICE OF PROCESS UPON IT BY MAILING A COPY THEREOF BY CERTIFIED MAIL ADDRESSED TO IT AS PROVIDED FOR NOTICES HEREUNDER OR BY ANY OTHER MANNER IN ACCORDANCE WITH LAW; AND (IV) AGREES THAT A FINAL JUDGMENT IN ANY ACTION OR PROCEEDING IN ANY SUCH COURT SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.**

10.8 Waiver of Jury Trial. **EACH PARTY HERETO IRREVOCABLY AND ABSOLUTELY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW THE RIGHT TO A TRIAL BY JURY IN ANY DISPUTE IN CONNECTION WITH, ARISING UNDER OR RELATING TO THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY, AND AGREES TO TAKE ANY AND ALL ACTION NECESSARY OR APPROPRIATE TO EFFECT SUCH WAIVER**.

10.9 No Strict Construction. The parties agree that the language used in this Agreement is the language chosen by the parties to express their mutual intent and that no rule of strict construction is to be applied against either party. The parties and their respective counsel have reviewed and negotiated the terms of this Agreement.

10.10 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such

invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction, and there shall be deemed substituted for such term or provision at issue a valid, legal and enforceable term or provision as similar as possible to the term or provision at issue. If any term or provision of this Agreement is so broad as to be unenforceable, the term or provision shall be interpreted to be only so broad as is enforceable.

10.11 Assignment; No Third-Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Agreement is solely for the benefit of the parties hereto and their respective successors and permitted assigns, and no provision of this Agreement shall be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

10.12 Relationship of Parties. Nothing herein contained shall be deemed or construed to create a partnership or joint venture between the parties. The duties and responsibilities of Ocwen shall be rendered by it as an independent contractor and not as an agent of Servicer. Ocwen is not the agent of Servicer, and shall not hold itself out as Servicer's agent. Ocwen shall not have the right to contract on behalf of Servicer or present itself to the public as acting on behalf of Servicer, other than as expressly set forth in this Agreement or a Subservicing Supplement.

10.13 Reproduction of Documents. This Agreement and all documents relating thereto may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties agree that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

10.14 Further Agreements. Each party hereto shall execute and deliver in a reasonable timeframe such reasonable and appropriate additional documents, instruments or agreements and take such reasonable actions as may be necessary or appropriate to effectuate the purposes of this Agreement.

10.15 Counterparts. This Agreement may be executed and delivered (including by facsimile or email transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Master Subservicing Agreement to be executed and delivered as of the date first above written.

HLSS HOLDINGS, LLC

By: Home Loan Servicing Solutions, Ltd., its sole member

By: /s/ William C. Erbey
Name: William C. Erbey
Title: Chief Executive Officer

OCWEN LOAN SERVICING, LLC

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President, CEO and Secretary

EXHIBIT A

COMPLIANCE WITH GRAMM-LEACH-BLILEY AND PRIVACY LAWS

For purposes of compliance with (i) Title V of the Gramm-Leach-Bliley Act of 1999 (the "GLB Act") or any successor federal statute to the GLB Act, and the rules and regulations thereunder, all as may be amended or supplemented from time to time and (ii) any other applicable laws concerning Personal Information ("Privacy Laws"), each of Servicer and Ocwen represents, warrants and covenants that:

Ÿ it will process, use, maintain and disclose Personal Information only as necessary for the specific purpose for which this information was disclosed to it and only in accordance with the Agreement, the relevant Subject Servicing Agreements, such party's then applicable privacy policies, the GLB Act, and the Privacy Laws;

Ÿ it will not disclose any Personal Information to any third party (including to the subject of such information) or any Representative who does not have a need to know such Personal Information;

Ÿ it will use the same care and discretion as Servicer uses and in no event less than a reasonable standard of care to hold and maintain Personal Information confidential;

Ÿ has implemented and will maintain an appropriate written information security program, the terms of which shall meet or exceed the requirements for financial institutions under the Interagency Guidelines Establishing Standards for Safeguarding Customer Information (12 CFR Parts 30, 170, 208 225 and 364), to (a) ensure the security and confidentiality of all information provided to it by Servicer, including Personal Information (collectively, the "information"), (b) protect against any threats or hazards to the security or integrity of information, including unlawful destruction or accidental loss, alteration and any other form of unlawful processing, (c) prevent unauthorized access to, use or disclosure of the information and (d) ensure proper disposal of the information;

Ÿ it will ensure Personal Information is stored and transmitted in an encrypted format, and use commercially reasonable encryption key management, including storing and transmitting encryption keys separately from the Personal Information and other data being transmitted;

Ÿ it will immediately notify the other party in writing if it becomes aware of (a) any disclosure or use of any information by it or any of its Representatives in breach of this Exhibit, (b) any disclosure of any information to it or its Representatives where the purpose of such disclosure is not known, (c) any request for disclosure or inquiry regarding the information from a third party, (d) any Security Event involving Personal Information and (e) any change in applicable law that is likely to have a substantial adverse effect on its ability to comply with this Exhibit;

Ÿ it will not, and will ensure that its Representatives do not, break, bypass, or circumvent, or attempt to break, bypass or circumvent, any security system of either party or its respective Affiliates, to obtain, or attempt to obtain, access to any Personal Information or other Confidential Information;

Ÿ it will cooperate with the other party and the relevant supervisory authority in the event of litigation or a regulatory inquiry concerning the information and shall abide by the advice of the relevant supervisory authority with regard to the processing of such information;

Ÿ it will enter into further agreements as reasonably requested by the other party to comply with law from time to time;

Ÿ it has no reason to believe that any applicable law will prevent it from fulfilling its obligations under this Exhibit;

Ÿ at Servicer's direction at any time, and in any event upon any termination or expiration of the Agreement, Ocwen will immediately return to Servicer any or all information and will destroy all records of such information, and under no circumstances shall Ocwen withhold from Servicer any Personal Information; and

Ÿ it will cause its Representatives to act in accordance with this Exhibit.

Upon Servicer's request and at the expense and direction of Servicer, Ocwen shall promptly, within 3 Business Days of Servicer's request, allow Servicer to access and copy (by forensic imaging or other process at Servicer's election) all Personal Information (or such portions as may be specified by Servicer), in Ocwen's possession or under its control, in an industry standard format, including logs or other electronically stored information concerning Personal Information or access thereto, and using such media as Servicer directs.

Upon request, Ocwen shall provide Servicer with a complete daily backup of all Personal Information, in electronic form, and transmit such backup to the data storage facility specified by Servicer.

Servicer reserves the right to review Ocwen's policies and procedures used to maintain the security and confidentiality of information, including auditing Ocwen and its Representatives concerning such policies and procedures. The provisions of this Exhibit supplement, are in addition to, and will not be construed to limit any other confidentiality obligations under the Agreement or the Subject Servicing Agreements. Any exclusion from the definition of Confidential Information contained in the Agreement or Subject Servicing Agreements will not apply to Personal Information.

"PERSONAL INFORMATION" MEANS: (I) PERSONALLY IDENTIFIABLE INFORMATION ABOUT OR RELATING TO ANY MORTGAGOR OR OTHER OBLIGOR ON A MORTGAGE LOAN, FORMER, CURRENT OR PROSPECTIVE CLIENTS (OR REPRESENTATIVES OF CLIENTS), EMPLOYEE OF SERVICER, OCWEN OR ANY OTHER PARTY WITH RESPECT TO WHOM SERVICER OR OCWEN MAINTAINS INFORMATION, IN EACH CASE, WHICH SERVICER OR OCWEN RECEIVES OR OTHERWISE HAS ACCESS TO (THE "COVERED PARTIES"); AND (II) ANY LIST, DESCRIPTION, OR OTHER GROUPING OF INFORMATION OF COVERED PARTIES (AND PUBLICLY AVAILABLE INFORMATION PERTAINING TO THEM) THAT IS DERIVED USING ANY PERSONALLY IDENTIFIABLE INFORMATION.

“REPRESENTATIVES” MEANS EACH PARTY’S OFFICERS, DIRECTORS, EMPLOYEES, CONSULTANTS, ATTORNEYS, ACCOUNTANTS, AGENTS AND INDEPENDENT SUBCONTRACTORS (AND THEIR EMPLOYEES) AND OTHER REPRESENTATIVES. AS BETWEEN SERVICER AND OCWEN, ALL PERSONAL INFORMATION IS AND SHALL REMAIN THE EXCLUSIVE PROPERTY OF THE SERVICER.

Exhibit 10.4

SUBSERVICING SUPPLEMENT

dated as of February 10, 2012

between

OCWEN LOAN SERVICING, LLC

and

HLSS HOLDINGS, LLC

CONTENTS

SUBSERVICING SUPPLEMENT

This SUBSERVICING SUPPLEMENT, dated as of February 10, 2012 (this "Subservicing Supplement"), is by and between HLSS HOLDINGS, LLC, a Delaware limited liability company ("Servicer"), and OCWEN LOAN SERVICING, LLC, a Delaware limited liability company ("Ocwen").

RECITALS:

WHEREAS, as of the applicable Servicing Transfer Date (as defined herein), Servicer will become the servicer of certain Mortgage Loans (as defined in the Master Subservicing Agreement) pursuant to the terms of those certain pooling and servicing agreements or other servicing agreements listed in Schedule I hereto; and

WHEREAS, Servicer and Ocwen are parties to that certain Master Subservicing Agreement dated as of the date hereof (the "Master Subservicing Agreement"); and

WHEREAS, Servicer desires to engage Ocwen to act as subservicer with respect to the Mortgage Loans relating to those pooling and servicing agreements or other servicing agreements listed in Schedule I hereto, as of the applicable Servicing Transfer Date (as defined herein), and Ocwen desires to act as subservicer with respect to the Mortgage Loans relating to those pooling and servicing agreements or other servicing agreements, on the terms set forth in the Master Subservicing Agreement, as supplemented by this Subservicing Supplement.

NOW, THEREFORE, in consideration of the premises and mutual agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Servicer and Ocwen agree as follows:

ARTICLE I.

DEFINITIONS.

1.1 Definitions. (a) For purposes of this Subservicing Supplement, the following capitalized terms shall have the respective meanings set forth or referenced below.

"Base Subservicing Fee" has the meaning set forth in Section 3.1.

"Deferred Servicing Agreement" has the meaning set forth in the Sale Supplement.

"Excess Servicing Advances" shall mean, for any calendar month, the amount, if any, by which the outstanding Servicing Advances with respect to the Servicing Agreements as of the last day of such calendar month exceeds an amount equal to (a) the Target Ratio for such calendar month multiplied by (b) the unpaid principal balance of the Mortgage Loans subject to the Servicing Agreements as of the last day of such calendar month.

"Monthly Reporting Date" means, with respect to each Subject Servicing Agreement, the date specified as the "Monthly Reporting Date" in Schedule I to this Subservicing Supplement.

"Monthly Servicing Fee" shall mean, for each calendar month, the sum of the Base Subservicing Fee such calendar month and the Seller Monthly Servicing Fee (as defined in the Sale Supplement) for such calendar month.

"Performance Fee" has the meaning set forth in Section 3.2.

"Retained Servicing Fee" shall mean, for any calendar month, an amount equal to the sum of (a) the product of the Retained Servicing Fee Percentage for such calendar month and the average unpaid principal balance of all Mortgage Loans subject to the Subject Servicing Agreements and the Deferred Servicing Agreements during such calendar month, and (b) the Retained Servicing Fee Shortfall, if any, for the immediately prior calendar month.

"Retained Servicing Fee Percentage" shall mean, for any calendar month, the percentage set forth on Schedule II to this Subservicing Supplement.

"Retained Servicing Fee Shortfall" shall mean, for any calendar month, beginning in February, 2012, an amount equal to the excess, if any, of (a) the Retained Servicing Fee for such calendar month over (b) the excess, if any, of (x) the aggregate Servicing Fees actually received by Servicer pursuant to the Subject Servicing Agreements and with respect to the Deferred Servicing Agreements during such calendar month (whether directly pursuant to such Subject Servicing Agreement or pursuant to Sale Supplement, as applicable) over (y) the Monthly Servicing Fee for such calendar month.

"Sale Supplement" shall mean that certain Sale Supplement, dated as of the date hereof, between Servicer, as Purchaser, and Ocwen, as Seller, as the same may be amended, supplemented or otherwise modified from time to time.

"Scheduled Termination Date" means, with respect to each Subject Servicing Agreement serviced pursuant to this Subservicing Supplement, the date which is six (6) years after the closing date of the initial acquisition of assets pursuant to the Sale Supplement.

"Servicing Agreement" shall mean each of the pooling and servicing agreements or other servicing agreements listed in Schedule I hereto.

"Servicing Fees" shall mean, with respect to any Servicing Agreement, the servicing fees payable to Servicer under the Subject Servicing Agreements, including each **"s**ervicing fee" payable based on a percentage of the outstanding principal balance of the Mortgage Loans serviced pursuant to such Servicing Agreement, but excluding any Ancillary Income, Prepayment Interest Excess or any amounts earned in connection with the investment of funds in the related Custodial Accounts and Escrow Accounts.

"Servicing Transfer Date" shall have the meaning specified in the Sale Supplement.

"Subject Servicing Agreement", shall mean, as of any date of determination, each Servicing Agreement with respect to which the Servicing Transfer Date has occurred on or prior to such date and with respect to which the Subservicing Termination Date has not occurred on or prior to such date.

"Target Ratio" for each calendar month shall mean the amount specified in Schedule III with respect to such month.

(b) Any capitalized term used but not defined in this Subservicing Supplement shall have the meaning assigned to such term in the Master Subservicing Agreement.

ARTICLE II.

SUBSERVICING

2.1 Engagement as Subservicer. Servicer hereby engages Ocwen to act as subservicer, and Ocwen agrees to act as subservicer, with respect to the Mortgage Loans relating to those certain pooling and servicing agreements or other servicing agreements listed in Schedule I hereto (the "Subject Servicing Agreements") pursuant to the terms of the Master Subservicing Agreement, as supplement by this Subservicing Supplement, on and after the related Servicing Transfer Date for such Subject Servicing Agreement. Except as set forth in this Subservicing Supplement or the Master Subservicing Agreement, Ocwen further agrees to be responsible for performing all of the duties and obligations of Servicer and its subservicers under each Subject Servicing Agreement, and to meet any standards and fulfill any requirements applicable to Servicer or its subservicer under each Subject Servicing Agreement on and after the related Servicing Transfer Date.

2.2 Servicing Transfer Procedures. Servicer and Ocwen each covenant and agree to following the Servicing Transfer Procedures agreed pursuant to the Sale Supplement with respect to each Subject Servicing Agreement.

2.3 Reference to Master Subservicing Agreement. Each of Servicer and Subservicer agrees that (a) this Subservicing Supplement is a "Subservicing Supplement" executed pursuant to Section 2.1 of the Master Subservicing Agreement, (b) the terms of this Subservicing Supplement are hereby incorporated into the Master Subservicing Agreement with respect to the Subject Servicing Agreements and the related Mortgage Loans to the extent set forth therein, (c) each of the Subject Servicing Agreements listed in Schedule I is a "Subject Servicing Agreement" as such term is used in the Master Subservicing Agreement on and after the related Servicing Transfer Date, and (d) the terms of this Subservicing Supplement apply to the Subject Servicing Agreements specified herein and not to any other "Subject Servicing Agreement" as that term is used in the Master Subservicing Agreement. In the event of any conflict between the provisions of this Subservicing Supplement and the Master Subservicing Agreement, the terms of this Subservicing Supplement shall prevail.

ARTICLE III.

SERVICING FEES

3.1 Base Subservicing Fee. As compensation for its services with respect to the Subject Servicing Agreements, Servicer shall pay Ocwen a monthly base subservicing fee for

each calendar month during which Ocwen is servicing Mortgage Loans with respect to Subject Servicing Agreements pursuant to this Subservicing Supplement equal to 12.00% of the aggregate Servicing Fees actually received by Servicer pursuant to the Subject Servicing Agreements during such calendar month (the "Base Subservicing Fee").

3.2 Performance Fee. Servicer shall pay to Ocwen for each calendar month during which Ocwen is servicing Mortgage Loans with respect to Subject Servicing Agreements pursuant to this Subservicing Supplement a performance fee (the "Performance Fee") equal to the greater of (a) zero and (b) the excess, if any, of the aggregate of all Servicing Fees actually received by Servicer pursuant to the Subject Servicing Agreements and with respect to the Deferred Servicing Agreements during such calendar month (whether directly pursuant to such Subject Servicing Agreement or pursuant to the Sale Supplement, as applicable) over the sum of (i) the Monthly Servicing Fee for such calendar month and (ii) the Retained Servicing Fee for such calendar month, multiplied by (y) a fraction, (i) the numerator of which is the average unpaid principal balance of all Mortgage Loans subject to the Subject Servicing Agreements during such calendar month and (ii) the denominator of which is equal to the sum of the average unpaid principal balance of all Mortgage Loans subject to the Deferred Servicing Agreements during such calendar month and the average unpaid principal balance of all Mortgage Loans subject to the Subject Servicing Agreements during such calendar month, or such other allocation percentage which is agreed by Servicer and Ocwen (the "Allocation Percentage"). The Performance Fee, if any, for any calendar month will be reduced by 6.50% per annum (i.e., 0.5417% per month) of the Excess Servicing Advances, if any, for such calendar month multiplied by the Allocation Percentage. If the Closing Date does not occur on the first day of a calendar month, the Performance Fee for the period from the Closing Date to the last of the calendar month in which the Closing Date occurs shall be calculated in a pro rata manner based on the number of days in such period.

ARTICLE IV.

MISCELLANEOUS

4.1 Incorporation. The provisions of Article 10 of the Master Subservicing Agreement are hereby incorporated into this Subservicing Supplement by reference, mutatis mutandis, as if its provisions were fully set forth herein.

4.2 Third Party Beneficiaries. Ocwen and Servicer each acknowledges and agrees that the indenture trustee, on behalf of the holders of related notes, with respect to any Servicing Advance Facility pursuant to which Servicer has transferred Servicer Advances made pursuant to a Servicing Agreement is an express third party beneficiary of this Subservicing Supplement and the Subservicing Agreement solely with respect to the Servicing Agreements related to such Servicing Advance Facility.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Subservicing Supplement to be executed and delivered as of the date first above written.

HLSS HOLDINGS, LLC

By: Home Loan Servicing Solutions, Ltd., its sole member

By: /s/ William C. Erbey
Name: William C. Erbey
Title: Chief Executive Officer

OCWEN LOAN SERVICING, LLC

By: /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President, CEO and Secretary

SCHEDULE I

SERVICING AGREEMENTS

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
1.	EQLS 2007-1	Pooling and Servicing Agreement, dated as of June 1, 2007, among BCAP LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and THE BANK OF NEW YORK TRUST COMPANY, N.A., as Custodian.	1/17/12
2.	SABR 2007-NC2	Pooling and Servicing Agreement, dated as of February 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
3.	SABR 2007-NC1	Pooling and Servicing Agreement, dated as of January 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
4.	SABR 2006-FR3	Pooling and Servicing Agreement, dated as of July 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, OFFICETIGER GLOBAL REAL ESTATE SERVICES INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
5.	SABR 2006-HE1	Pooling and Servicing Agreement, dated as of August 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FREMONT INVESTMENT & LOAN, as a Responsible Party, AEGIS MORTGAGE CORPORATION, as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
6.	SABR 2006-HE2	Pooling and Servicing Agreement, dated as of September 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FREMONT INVESTMENT & LOAN, as a Responsible Party, NC CAPITAL CORPORATION, as a Responsible Party, AEGIS MORTGAGE CORPORATION, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
7.	SABR 2006-NC3	Pooling and Servicing Agreement, dated as of October 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Custodian.	1/18/12
8.	SABR 2006-WM2	Pooling and Servicing Agreement, dated as of October 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
9.	SABR 2006-WM3	Pooling and Servicing Agreement, dated as of November 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
10.	SABR 2006-FR4	Pooling and Servicing Agreement, dated as of November 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, FREMONT INVESTMENT & LOAN, as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
11.	SABR 2006-WM4	Pooling and Servicing Agreement, dated as of December 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
12.	SABR 2007-HE1	Pooling and Servicing Agreement, dated as of January 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as a Responsible Party, NC CAPITAL CORPORATION, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
13.	SABR 2007-BR5	Pooling and Servicing Agreement, dated as of June 1, 2007, among BCAP LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
14.	SABR 2007-BR4	Pooling and Servicing Agreement, dated as of May 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
15.	SABR 2007-BR3	Pooling and Servicing Agreement, dated as of May 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12
16.	SABR 2007-BR2	Pooling and Servicing Agreement, dated as of April 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, WMC MORTGAGE CORP., as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
17.	SABR 2007-BR1	Pooling and Servicing Agreement, dated as of March 1, 2007, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, BARCLAYS CAPITAL REAL ESTATE INC., D/B/A HOMEQ SERVICING, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
18.	PPSI 2004-WHQ1	Pooling and Servicing Agreement, dated as of September 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
19.	PPSI 2004-MHQ1	Pooling and Servicing Agreement, dated as of October 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
20.	PPSI 2004-WHQ2	Pooling and Servicing Agreement, dated as of November 1, 2004, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
21.	PPSI 2005-WHQ1	Pooling and Servicing Agreement, dated as of February 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
22.	PPSI 2005-WHQ2	Pooling and Servicing Agreement, dated as of April 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
23.	PPSI 2005-WHQ3	Pooling and Servicing Agreement, dated as of May 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
24.	PPSI 2005-WHQ4	Pooling and Servicing Agreement, dated as of August 1, 2005, among PARK PLACE SECURITIES, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Master Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
25.	SABR 2005-HE1	Pooling and Servicing Agreement, dated as of November 1, 2005, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORPORATION, as a Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
26.	SABR 2006-FR1	Pooling and Servicing Agreement, dated as of February 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
27.	SABR 2006-FR2	Pooling and Servicing Agreement, dated as of June 1, 2006, among SECURITIZED ASSET BACKED RECEIVABLES LLC, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, OFFICETIGER GLOBAL REAL ESTATE SERVICES INC., as Loan Performance Advisor, FREMONT INVESTMENT & LOAN, as Responsible Party, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
28.	ABFC 2003-WMC1	Pooling and Servicing Agreement, dated as of November 1, 2003, by and between ASSET BACKED FUNDING CORPORATION, HOMEQ SERVICING CORPORATION, and JPMORGAN CHASE BANK	1/17/12
29.	FFML 2005-FF5	Pooling and Servicing Agreement, dated as of April 1, 2005, among ASSET BACKED FUNDING CORPORATION, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer and JPMORGAN CHASE BANK, N.A., as Trustee.	1/17/12
30.	ABFC 2005-WMC1	Pooling and Servicing Agreement, dated as of September 1, 2005, among ASSET BACKED FUNDING CORPORATION, as Depositor, HOMEQ SERVICING CORPORATION, as Servicer and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
31.	ABSHE 2004-HE1	Pooling and Servicing Agreement, dated as of January 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
32.	ABSHE 2004-HE2	Pooling and Servicing Agreement, dated as of April 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/19/12
33.	ABSHE 2006-HE2	Pooling and Servicing Agreement, dated as of March 1, 2004, among ASSET BACKED SECURITIES CORPORATION, as Depositor, DLJ MORTGAGE CAPITAL, INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, MORTGAGERAMP, INC., as Loan Performance Advisor, and U.S. BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
34.	ACE 2004-RM1	Pooling and Servicing Agreement, dated as of July 1, 2004, among ACE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Securities Administrator, and HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee.	1/18/12
35.	GSAMP 2004-FM1	Pooling and Servicing Agreement, dated as of January 1, 2004, among GS MORTGAGE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
36.	GSAMP 2004-FM2	Pooling and Servicing Agreement, dated as of March 1, 2004, among GS MORTGAGE SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/18/12
37.	EMLT 2004-1	Pooling and Servicing Agreement, dated as of February 15, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12
38.	FFML 2004-FFH1	Pooling and Servicing Agreement, dated as of March 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee.	1/17/12
39.	SVHE 2004-1	Pooling and Servicing Agreement, dated as of August 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, SAXON MORTGAGE SERVICES, INC., as a Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
40.	FINA 2004-2	Pooling and Servicing Agreement, dated as of August 1, 2004, among FINANCIAL ASSET SECURITIES CORP., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/17/12
41.	SVHE 2005-CTX1	Pooling and Servicing Agreement, dated as of November 1, 2005, among FINANCIAL ASSET SECURITIES CORP., as Depositor, CENTEX HOME EQUITY COMPANY, LLC, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, and JPMORGAN CHASE BANK, N.A., as Trustee.	1/17/12
42.	SAIL 2004-4	Securitization Servicing Agreement, dated as of May 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES INC., as Master Servicer, and LASALLE BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
43.	SAIL 2004-7	Securitization Servicing Agreement, dated as of July 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and LASALLE BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12
44.	FHLT 2004-3	Securitization Servicing Agreement, dated as of October 1, 2004, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12
45.	SAIL 2005-7	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
46.	SAIL 2006-3	Securitization Servicing Agreement, dated as of June 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
47.	SAIL 2006-4	Securitization Servicing Agreement, dated as of June 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
48.	SASC 2006-BC2	Securitization Servicing Agreement, dated as of August 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
49.	SASC 2006-W1A	Securitization Servicing Agreement, dated as of August 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
50.	SASC 2006-BC5	Securitization Servicing Agreement, dated as of November 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
51.	SASC 2007-BC2	Securitization Servicing Agreement, dated as of February 1, 2007, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
52.	SASC 2007-EQ1	Securitization Servicing Agreement, dated as of April 1, 2007, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
53.	SAIL 2005-HE1	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
54.	SAIL 2005-HE2	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
55.	SAIL 2005-HE3	Securitization Servicing Agreement, dated as of July 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
56.	SAIL 2005-8	Securitization Servicing Agreement, dated as of September 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
57.	SASC 2005-AR1	Securitization Servicing Agreement, dated as of November 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
58.	SAIL 2005-11	Securitization Servicing Agreement, dated as of December 1, 2005, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
59.	SAIL 2006-2	Securitization Servicing Agreement, dated as March 1, 2006, among LEHMAN BROTHERS HOLDINGS INC., as Seller, HOMEQ SERVICING CORPORATION, as Servicer, AURORA LOAN SERVICES LLC, as Master Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/10/12
60.	MLMI 2004-WMC1	Pooling and Servicing Agreement, dated as of January 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
61.	FFML 2004-FF1	Pooling and Servicing Agreement, dated as of February 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
62.	MLMI 2004-WMC2	Pooling and Servicing Agreement, dated as of March 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
63.	MLMI 2004-WMC3	Pooling and Servicing Agreement, dated as of April 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
64.	MLMI 2004-WMC4	Pooling and Servicing Agreement, dated as of June 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
65.	MLMI 2004-WMC5	Pooling and Servicing Agreement, dated as of October 1, 2004, among MERRILL LYNCH MORTGAGE INVESTORS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and WELLS FARGO BANK, N.A., as Trustee.	1/18/12
66.	MSAC 2003-NC5	Pooling and Servicing Agreement, dated as of May 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/17/12
67.	MSAC 2003-NC6	Pooling and Servicing Agreement, dated as of June 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/18/12
68.	MSAC 2003-NC7	Pooling and Servicing Agreement, dated as of July 1, 2003, as amended, as of as of April 14, 2005, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY	1/18/12
69.	MSAC 2003-NC9	Pooling and Servicing Agreement, dated as of August 1, 2003, by and between MORGAN STANLEY ABS CAPITAL I INC., HOMEQ SERVICING CORPORATION, NC CAPITAL CORPORATION, DEUTSCHE BANK NATIONAL TRUST COMPANY, ACE GUARANTY CORP.	1/18/12
70.	MSAC 2004-NC1	Pooling and Servicing Agreement, dated as of January 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
71.	MSAC 2004-HE2	Pooling and Servicing Agreement, dated as of April 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
72.	MSAC 2004-NC4	Pooling and Servicing Agreement, dated as of May 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, NC CAPITAL CORPORATION, as Responsible Party and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
73.	MSAC 2004-HE3	Pooling and Servicing Agreement, dated as of May 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
74.	MSAC 2004-HE4	Pooling and Servicing Agreement, dated as of June 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
75.	MSAC 2004-HE5	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
76.	MSAC 2004-NC6	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
77.	MSAC 2004-WMC1	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
78.	MSAC 2004-HE6	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
79.	MSAC 2004-NC7	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
80.	MSAC 2004-HE7	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE MANHATTAN MORTGAGE CORPORATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, AAMES CAPITAL CORPORATION, MILA, INC., NC CAPITAL CORPORATION, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
81.	MSAC 2004-WMC2	Pooling and Servicing Agreement, dated as of August 1, 2004, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WMC MORTGAGE CORP., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
82.	MSHEL 2005-1	Pooling and Servicing Agreement, dated as of January 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, CHASE HOME FINANCE LLC, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, MILA, INC., and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
83.	MSAC 2005-HE1	Pooling and Servicing Agreement, dated as of January 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, OPTION ONE MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
84.	MSAC 2005-NC1	Pooling and Servicing Agreement, dated as of February 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, CHASE HOME FINANCE LLC, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
85.	MSAC 2005- HE2	Pooling and Servicing Agreement, dated as of March 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, OPTION ONE MORTGAGE CORPORATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, AAMES CAPITAL CORPORATION, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
86.	MSHEL 2005-2	Pooling and Servicing Agreement, dated as of May 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, ACCREDITED HOME LENDERS, INC., as a Responsible Party, FIRST NLC FINANCIAL SERVICES, LLC, as a Responsible Party, MILA, INC., as a Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
87.	MSAC 2005-HE3	Pooling and Servicing Agreement, dated as of July 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer and Securities Administrator, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, LASALLE BANK NATIONAL ASSOCIATION, as Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
88.	MSAC 2005-HE4	Pooling and Servicing Agreement, dated as of August 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., ACCREDITED HOME LENDERS, INC., DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as a Custodian.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
89.	MSHEL 2005-3	Pooling and Servicing Agreement, dated as of August 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, MILA, INC., as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
90.	MSAC 2005-HE5	Pooling and Servicing Agreement, dated as of October 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee and as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian and DEUTSCHE BANK NATIONAL TRUST COMPANY, as a Custodian.	1/18/12
91.	MSHEL 2005-4	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, as Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as Custodian.	1/18/12
92.	MSAC 2005-HE6	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
93.	MSAC 2005-HE7	Pooling and Servicing Agreement, dated as of December 1, 2005, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., NC CAPITAL CORPORATION, DECISION ONE MORTGAGE COMPANY LLC, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Custodian, LASALLE BANK NATIONAL ASSOCIATION, as a Custodian and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
94.	MSHEL 2006-1	Pooling and Servicing Agreement, dated as of January 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, DECISION ONE MORTGAGE COMPANY, LLC, FIRST NLC FINANCIAL SERVICES, LLC, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as Custodian.	1/18/12
95.	MSAC 2006-NC1	Pooling and Servicing Agreement, dated as of January 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
96.	MSHEL 2006-2	Pooling and Servicing Agreement, dated as of March 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, FIRST NLC FINANCIAL SERVICES, LLC, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
97.	MSAC 2006-NC3	Pooling and Servicing Agreement, dated as of April 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, N.A., as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as Responsible Party, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
98.	MSAC 2006-HE2	Pooling and Servicing Agreement, dated as of April 1, 2006, among MORGAN STANLEY CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Securities Administrator, as a Servicer and as a Custodian, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12
99.	MSAC 2006-HE3	Pooling and Servicing Agreement, dated as of May 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer and as a Custodian, HOMEQ SERVICING CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12
100.	MSHEL 2006-3	Pooling and Servicing Agreement, dated as of May 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, HOMEQ SERVICING CORPORATION, as a Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
101.	MSAC 2006-HE5	Pooling and Servicing Agreement, dated as of June 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, COUNTRYWIDE HOME LOANS SERVICING LP, as a Servicer, WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Servicer and as a Custodian, HOMEQ SERVICING CORPORATION, as a Servicer, NEW CENTURY MORTGAGE CORPORATION, as a Servicer, NC CAPITAL CORPORATION, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee, and LASALLE BANK NATIONAL ASSOCIATION, as a Custodian.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
102.	MSIX 2006-1	Pooling and Servicing Agreement, dated as of June 1, 2006, among MORGAN STANLEY ABS CAPITAL I INC., as Depositor, WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer, as Securities Administrator and as a Servicer, SAXON MORTGAGE SERVICES, INC., as a Servicer, JPMORGAN CHASE BANK, NATIONAL ASSOCIATION, as a Servicer, HOMEQ SERVICING CORPORATION, as a Servicer, FIRST NLC FINANCIAL SERVICES, LLC, as a Responsible Party, DECISION ONE MORTGAGE COMPANY, LLC, as a Responsible Party, WMC MORTGAGE CORP., as a Responsible Party, IXIS REAL ESTATE CAPITAL INC., and DEUTSCHE BANK NATIONAL TRUST COMPANY, as Trustee.	1/18/12
103.	PCHLT 2004-1	Pooling and Servicing Agreement, dated as of April 1, 2004, among PEOPLE'S CHOICE HOME LOAN SECURITIES CORP., HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Securities Administrator, and HSBC BANK USA, NATIONAL ASSOCIATION, as Trustee.	1/18/12
104.	MABS 2004-WMC2	Pooling and Servicing Agreement, dated as of July 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12
105.	MABS 2004-FRE1	Pooling and Servicing Agreement dated as of July 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., HOMEQ SERVICING CORPORATION AND U.S. BANK NATIONAL ASSOCIATION	1/18/12
106.	MABS 2004-WMC3	Pooling and Servicing Agreement, dated as of December 1, 2004, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/18/12
107.	MABS 2005-FRE1	Pooling and Servicing Agreement, dated as of November 1, 2005, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/18/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
108.	MABS 2006-WMC1	Pooling and Servicing Agreement, dated as of March 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
109.	MABS 2006-HE3	Pooling and Servicing Agreement, dated as of August 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
110.	MABS 2006-NC2	Pooling and Servicing Agreement, dated as of September 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, HOMEQ SERVICING CORPORATION, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Trust Administrator, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
111.	MABS 2006-HE4	Pooling and Servicing Agreement, dated as of November 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Servicer, Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
112.	MABS 2006-NC3	Pooling and Servicing Agreement, dated as of December 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer and Trust Administrator, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12

	Short Form Deal Name	Subject Servicing Agreement	Monthly Reporting Date
113.	MABS 2006-HE5	Pooling and Servicing Agreement, dated as of December 1, 2006, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
114.	MABS 2007-HE1	Pooling and Servicing Agreement, dated as of May 1, 2007, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as Servicer, WELLS FARGO BANK, N.A., as Servicer, Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
115.	MABS 2007-HE2	Pooling and Servicing Agreement, dated as of August 1, 2007, among MORTGAGE ASSET SECURITIZATION TRANSACTIONS, INC., as Depositor, OPTION ONE MORTGAGE CORPORATION, as a Servicer, BARCLAYS CAPITAL REAL ESTATE INC. D/B/A HOMEQ SERVICING, as a Servicer, WELLS FARGO BANK, N.A., as Master Servicer, Trust Administrator and Custodian, and U.S. BANK NATIONAL ASSOCIATION as Trustee.	1/17/12
116.	WMLT 2005-WMC1	Pooling and Servicing Agreement, dated as of September 1, 2005, among WACHOVIA MORTGAGE LOAN TRUST, LLC, as Depositor, WACHOVIA BANK, NATIONAL ASSOCIATION, as Certificate Administrator and Custodian, HOMEQ SERVICING CORPORATION, as Servicer, and U.S. BANK NATIONAL ASSOCIATION, as Trustee.	1/18/12

SCHEDULE II

RETAINED SERVICING FEE PERCENTAGE

From Month[1]	To Month	Retained Fee
1	3	32.5 bps
4	6	31.0 bps
7	12	29.5 bps
13	18	27.5 bps
19	24	27.5 bps
25	30	27.5 bps
31	36	27.5 bps
37	42	27.5 bps
43	48	27.5 bps
49	54	27.5 bps
55	60	27.5 bps
61	66	27.5 bps
67	72	27.5 bps

[1] Starting with March, 2012 (provided that the percentage for the first month will also apply to any partial period in February, 2012).

SCHEDULE III

TARGET RATIO SCHEDULE

Month[2]	Target Advance Ratio
1	2.74%
2	2.67%
3	2.61%
4	2.54%
5	2.48%
6	2.42%
7	2.36%
8	2.30%
9	2.24%
10	2.18%
11	2.13%
12	2.08%
13	2.02%
14	2.00%
15	2.00%
16	2.00%
17	2.00%
18	2.00%
19	2.00%
20	2.00%
21	2.00%
22	2.00%
23	2.00%
24	2.00%
25	2.00%
26	2.00%
27	2.00%
28	2.00%
29	2.00%
30	2.00%
31	2.00%
32	2.00%

[2] Starting with March, 2012 (provided that the percentage for the first month will also apply to any partial period in February, 2012).

Month[2]	Target Advance Ratio
33	2.00%
34	2.00%
35	2.00%
36	2.00%
37	2.00%
38	2.00%
39	2.00%
40	2.00%
41	2.00%
42	2.00%
43	2.00%
44	2.00%
45	2.00%
46	2.00%
47	2.00%
48	2.00%
49	2.00%
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58	2.00%
59	2.00%
60	2.00%
61	2.00%
62	2.00%
63	2.00%
64	2.00%
65	2.00%
66	2.00%
67	2.00%
68	2.00%
69	2.00%
70	2.00%
71	2.00%
72	2.00%

Exhibit 10.5

PROFESSIONAL SERVICES AGREEMENT, dated as of February 10, 2012, but effective as of the Effective Date defined below, between HLSS Management, LLC ("HLSS") and Ocwen Financial Corporation, a Florida corporation together with its subsidiaries and affiliates ("OCWEN").

RECITALS

WHEREAS, Home Loan Servicing Solutions, Ltd. ("Limited") is proposing to conduct an initial public offering (the "IPO") of its ordinary shares in connection with the acquisition by Limited of certain mortgage servicing assets, and the assumption of certain match funded liabilities, from Ocwen Loan Servicing, LLC.

WHEREAS, each of HLSS and OCWEN desire to engage each other to provide various Services and/or Additional Services pursuant to the terms and conditions set forth herein, and the parties hereto desire to provide such Services and/or Additional Services to each other concurrently with, and subject to, completion of the IPO (the "Effective Date").

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the parties agree as follows:

1. Definitions.

For the purposes of this Agreement, the following terms shall have the following meanings:

"Action" means any demand, action, suit, countersuit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority or any federal, state, local, foreign or international arbitration or mediation tribunal.

"Affiliate" means with respect to any Person (a "Principal") (a) any directly or indirectly wholly-owned subsidiary of such Principal, (b) any Person that directly or indirectly owns 100% of the voting stock of such Principal or (c) a Person that controls, is controlled by or is under common control with such Principal. As used herein, "control" of any entity means the possession, directly or indirectly, through one or more intermediaries, of the power to direct or cause the direction of the management or policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise. Furthermore, with respect to any Person that is partially owned by such Principal and does not otherwise constitute an Affiliate (a "Partially-Owned Person"), such Partially-Owned Person shall be considered an Affiliate of such Principal for purposes of this Agreement if such Principal can, after making a good faith effort to do so, legally bind such Partially-Owned Person to this Agreement.

"Agreement" means this Services Agreement, including the Schedules hereto and any SOWs entered into pursuant to Section 2(b).

"Fully Allocated Cost" means, with respect to provision of a Service and/or an Additional Service, the all-in actual cost of the party providing such Service and/or Additional Service, including all amounts for compensation and benefits (including any incentive amounts awarded pertaining to the Services and/or Additional services provided hereunder), technology

expenses, occupancy, office and equipment expense, and third-party payments incurred in connection with the provision of such Service and/or Additional Service, plus an applicable mark up which shall initially be 15% and which may be adjusted from time to time as agreed to by the parties, including any Taxes payable as a result of performance of such Service and/or Additional Service.

"Governmental Authority" shall mean any federal, state, local, foreign or international court, government, department, commission, board, bureau, agency, official or other legislative, judicial, regulatory, administrative or governmental authority.

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, algorithms, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Intellectual Property" means all domestic and foreign patents, copyrights, trade names, domain names, trademarks, service marks, registrations and applications for any of the foregoing, databases, mask works, Information, inventions (whether or not patentable or patented), processes, know-how, procedures, computer applications, programs and other software, including operating software, network software, firmware, middleware, design software, design tools, systems documentation, manuals, and instructions, other proprietary information, and licenses from third parties granting the right to use any of the foregoing.

"Person" means an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

"Services" means any services that may be provided by one party hereto to the other and set forth on Schedules I and II and any SOWs related thereto.

"SOW" means a statement of work entered into between the parties on an as-needed basis to describe an Additional Service to be performed hereunder. Any SOW shall be agreed to by each party, shall be in writing and (i) shall contain: (a) a description of the Services to be performed thereunder; (b) the applicable performance standard for the provision of such service, if different from the Performance Standard; and (c) the amount, schedule and method of compensation for provision of such service, which shall estimate the Fully Allocated Cost of such service; and (ii) may contain the (x) receiving party's standard operating procedures for receipt of services similar to such Service, including operations, compliance requirements and related training schedules; (y) information technology support requirements of the receiving party with respect to such Service; and (z) training and support commitments with respect to the party providing such Service. For the avoidance of doubt, the terms and conditions of this Agreement shall apply to any SOW except to the extent of a conflict between a provision of this Agreement and the SOW, in which case, the terms of the SOW shall control.

2. Provision of Services.

(a) *Generally*. Subject to the terms and conditions of this Agreement, (i) each party hereto shall provide, or cause to be provided, to the other party, solely for the benefit of such other party's business in the ordinary course of business, the Services, in each case for periods commencing on the Effective Date through the respective period specified in Schedules I and II (the "Service Period"), unless such period is earlier terminated in accordance with Section 5.

(b) *Additional Services*. In addition to the services provided as set forth on Schedule I and II, from time to time during the term of this Agreement the parties shall have the right to enter into SOWs to set forth the terms of any related or additional services to be performed hereunder ("Additional Services").

(c) The Services and the Additional Services shall be performed on business days during hours that constitute regular business hours for each of HLSS and OCWEN, unless otherwise agreed. Neither party shall resell, subcontract, license, sublicense or otherwise transfer any of the Services and/or Additional Services to any Person whatsoever or permit use of any of the Services and/or Additional Services by any Person other than by such party receiving the Services hereunder directly in connection with the conduct of its business in the ordinary course.

(d) Unless agreed separately by the parties, each party shall have the exclusive right to select, employ, pay, supervise, administer, direct and discharge any of its employees who will perform Services and/or Additional Services. Each party shall be responsible for paying its own, and not the other party's, employees' compensation and providing to such employees any benefits. With respect to each Service and/or Additional Service, the party providing such service shall use commercially reasonable efforts to have qualified individuals participate in the provision of such Service and/or Additional Service; provided, however, that (i) neither party shall be obligated to have any individual participate in the provision of any Service and/or Additional Service if that party determines that such participation would adversely affect that party or its Affiliates; and (ii) neither party nor its Affiliates shall be required to continue to employ any particular individual during the applicable Service Period.

(e) Each party may engage third-party contractors, at a reasonable cost, to perform any of the Services and/or Additional Services, to provide professional services related to any of the Services and/or Additional Services, or to provide any secretarial, administrative, telephone, e-mail or other services necessary or ancillary to the Services (all of which may be contracted for separately by such party on the other party's behalf). Each party shall use reasonable commercial efforts to give notice to the other party, reasonably in advance of the commencement of such Services and/or Additional Services to be so provided by such contractors, of the identity of such contractors, each Service and/or Additional Service to be provided by such contractors and a good faith estimate of the cost (or formula for determining the cost) of the Services and/or Additional Services to be so provided by such contractors.

3. Standard of Performance.

(a) Each party shall use commercially reasonable efforts to provide, or cause to be provided, each Service and/or Additional Service in a manner generally consistent with the manner and level of care with which such Service and/or Additional Service is performed by such party for its own behalf (the "Performance Standard"), unless otherwise specified in this Agreement. Notwithstanding the foregoing, neither party shall have any obligation hereunder to provide the other party with any improvements, upgrades, updates, substitutions, modifications or enhancements to any of the Services and/or Additional Services unless otherwise specified in Schedules I and II. Each party acknowledges and agrees that the other party may be providing services similar to the Services and/or Additional Services provided hereunder and/or services that involve the same resources as those used to provide the Services and/or Additional Services to itself and its own Affiliates' business units as well as other third parties, and, accordingly, each party reserves the right to modify any of the Services and/or Additional Services or the manner in which any of the Services and/or Additional Services are provided in the ordinary course of business; provided, however, that no such modification shall materially diminish the Services and/or Additional Services or have a materially adverse effect on the business of the party receiving such Services and/or Additional Services.

(b) Each party will use commercially reasonable efforts to provide the Services and/or Additional Services within a time frame so as not to materially disrupt the business of the other party.

(c) Each party shall provide disaster recovery and data backup services related to the Services and/or Additional Services, provided that such disaster recovery and data backup services are generally performed by such party for its own behalf. To the extent that such disaster recovery and data backup services are not performed by the party providing such Services and/or Additional Services for its own behalf, such party shall not be obliged to perform such services and shall provide the other party with advance written notice of the date upon which such services will be provided.

4. Fees, Invoicing and Payment.

(a) As compensation for a particular Service or Additional Service, the party receiving such Service or Additional Service agrees to pay the other party the Fully Allocated Cost of providing the Services and/or Additional Services in accordance with this Agreement or such other compensation amount or methodology as specified in such SOW.

(b) Each party shall submit statements of account to the other party on a monthly basis with respect to all amounts payable by the other party hereunder (the "Invoiced Amount"), setting out the Services and/or Additional Services provided, and the amount billed to the other party as a result of providing such Services and/or Additional Services (together with, in arrears, any Commingled Invoice Statement (as defined below) and any other invoices for Services and/or Additional Services provided by third parties, in each case setting out the Services and/or Additional Services provided by the applicable third parties). The party receiving such Services and/or Additional Services shall pay the Invoiced Amount to the other party by wire transfer of immediately available funds to an account or accounts specified by such other party, or in such other manner as specified by such other party in writing, or otherwise reasonably agreed to by the parties, within 30 days of the date of delivery to the party receiving such Services and/or

Additional Services of the applicable statement of account; provided, that, in the event of any dispute as to an Invoiced Amount, the party receiving such Services and/or Additional Services shall pay the undisputed portion, if any, of such Invoiced Amount in accordance with the foregoing, and shall pay the remaining amount, if any, promptly upon resolution of such dispute.

(c) Each party may cause any third party to which amounts are payable by or for the account of the other party in connection with Services and/or Additional Services to issue a separate invoice to the other party for such amounts. Such other party shall pay or cause to be paid any such separate third party invoice in accordance with the payment terms thereof. Any third party invoices that aggregate Services and/or Additional Services for the benefit of both parties and/or any other Person(s) (each, a "Commingled Invoice") shall be separated so as to be properly allocated to the applicable party and/or other Person(s). Any party receiving a Commingled Invoice shall (i) prepare a statement indicating that portion of the invoiced amount of such Commingled Invoice that is attributable to Services and/or the Additional Services rendered for the benefit of the other party (the "Commingled Invoice Statement") and (ii) deliver such Commingled Invoice Statement and a copy of the Commingled Invoice to the other party. The other party shall, within 30 days after the date of delivery of such Commingled Invoice Statement, pay or cause to be paid the amount set forth on such Commingled Invoice Statement to the third party, and shall deliver evidence of such payment to the party providing the Commingled Invoice Statement. Neither party shall be required to use its own funds for payments to any third party providing any of the Services and/or Additional Services or to satisfy any payment obligation of the other party or any of its Affiliates to any third party provider; provided, however, that in the event a party does use its own funds for any such payments to any third party, the other party shall reimburse such party for such payments as invoiced by such party within 30 days following the date of delivery of such invoice from such party.

(d) Either party may, in its discretion and without any liability, suspend any performance under this Agreement upon failure of the other party to make timely any payments required under this Agreement beyond the applicable cure date specified in Section 5(b)(6) of this Agreement.

(e) In the event that a party does not make any payment required under the provisions of this Agreement to the other party when due in accordance with the terms hereof, the other party may, at its option, charge the non-paying party interest on the unpaid amount at the rate of 2% per annum above the prime rate charged by JPMorgan Chase Bank, N.A. (or its successor). In addition, the non-paying party shall reimburse the other party for all costs of collection of overdue amounts, including any reimbursement required under Section 4(c) and any reasonable attorneys' fees.

(f) Each party acknowledges and agrees that it shall be responsible for any interest or other amounts with respect to any portion of any Commingled Invoice that such party is required to pay or the other party pays on such party's behalf pursuant to any Commingled Invoice Statement.

5. Term; Termination.

(a) *Term*. The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect for six (6) years ("Initial Term") or the earlier date upon which this Agreement has been otherwise terminated in accordance with the terms hereof. At the end of the Initial Term, this Agreement shall automatically renew for additional successive terms of six (6) years. Upon the expiration of the Initial Term, either party may terminate this Agreement by providing a 90 day's prior written notice of termination to the other party.

(b) *Termination*. During the term of this Agreement, this Agreement (or, with respect to items (1), (3), (4), (5), (6) and (7) below, the particular SOW only) may be terminated:

(1) by either party, if such party is prohibited by law from either receiving or providing such Services and/or Additional Services;

(2) by the non-breaching party, in the event of a material breach of any covenant or representation and warranty contained herein or otherwise directly relating to or affecting the Services and/or Additional Services to be provided hereunder that cannot be or has not been cured by the 60th day from the non-breaching party giving written notice of such breach to the breaching party and to the extent that the breaching party is not working diligently to cure such breach;

(3) by a party receiving Services and/or Additional Services, if the party providing such Services and/or Additional Services fails to comply with all applicable regulations to which it is subject directly relating to or affecting the Services and/or Additional Services to be performed hereunder, which failure cannot be or has not been cured by the 60th day from the party receiving Services and/or Additional Services giving written notice of such failure to the other party and to the extent that the party is not working diligently to cure such breach;

(4) by a party receiving Services and/or Additional Services, if the party providing such Services and/or Additional Services is cited by a Governmental Authority for materially violating any law governing the performance of a Service and/or Additional Service, which violation cannot be or has not been cured by the 60th day from the receiving party's giving written notice of such citation to the other party and to the extent that the other party is not working diligently to cure such breach;

(5) by a party receiving Services and/or Additional Services, if the other party fails to meet any Performance Standard for a period of three consecutive months, which failure cannot be or has not been cured by the 30th day from the party receiving Services and/or Additional Services' giving written notice of such failure to the other party and to the extent that the other party is not working diligently to cure such breach;

(6) by a party providing Services and/or Additional Services, if the other party fails to make any payment for any portion of Services and/or Additional Services the payment of which is not being disputed in good faith by the other party, which payment remains unmade by the 30th day from the party receiving Services and/or Additional Services' giving of written notice of such failure to the other party;

(7) by either party, if the other party (A) becomes insolvent, (B) files a petition in bankruptcy or insolvency, is adjudicated bankrupt or insolvent or files any petition or answer seeking reorganization, readjustment or arrangement of its business under any law relating to bankruptcy or insolvency, or if a receiver, trustee or liquidator is appointed for any of the property of the other party and within 60 days thereof such party fails to secure a dismissal thereof or (C) makes any assignment for the benefit of creditors; and

(8) by mutual agreement of both parties.

(c) No termination, cancellation or expiration of this Agreement shall prejudice the right of any party to receive payment due at the time of termination, cancellation or expiration (or any payment accruing as a result thereof), nor shall it prejudice any cause of action or claim of either party hereto accrued or to accrue by reason of any breach or default by the other party hereto.

(d) Notwithstanding any provision herein to the contrary, Sections 4, 6 and 9 through 16 of this Agreement shall survive the termination of this Agreement.

6. Miscellaneous.

(a) *Counterparts; Entire Agreement; Corporate Power.*

(1) This Agreement may be executed in one or more counterparts, including by facsimile or by e-mail delivery of a ".pdf" format data file, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each party hereto or thereto and delivered to the other parties hereto or thereto.

(2) This Agreement, any SOWs and the exhibits, schedules and appendices hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof, supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter and there are no agreements or understandings between the parties with respect to the subject matter hereof other than those set forth or referred to herein or therein.

(3) Each party hereto represents, as follows:

(i) It has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement; and

(ii) This Agreement has been duly executed and delivered by it and constitutes, a valid and binding agreement enforceable in accordance with the terms hereof.

(b) *Governing Law.* This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of law principles.

(c) *Third Party Beneficiaries.* Except for the indemnification rights under this Agreement of any HLSS Indemnitee or OCWEN Indemnitee (as such terms are defined in Section 11) in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the parties hereto or thereto and are not intended to confer upon any Person except the parties hereto or thereto any rights or remedies hereunder and (b) there are no third party beneficiaries of this Agreement and this Agreement shall not provide any third person with any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement.

(d) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed given: (a) upon receipt if delivered personally or if mailed by registered or certified mail, return receipt requested and postage prepaid or (b) at noon on the business day after dispatch if sent by a nationally recognized overnight courier; and (c) when (a) or (b) has occurred and a copy is sent and received by the telecopy number set forth below. All notices shall be delivered to the following address and telecopy number (or at such other address or telecopy number a party may specify by like notice):

If to HLSS, to:

HLSS Management, LLC
2002 Summit Blvd., Sixth Floor
Atlanta, GA 30319
Attention: General Counsel
Telecopy: (770) 644-7420
Confirmation Number: (561) 682-7130

If to OCWEN to:

Ocwen Financial Corporation
1661 Worthington Road, Suite 100
West Palm Beach, Florida 33409
Attention: Corporate Secretary
Telecopy: 561-682-8177
Confirmation number: 561-682-8887

(e) *Severability.* If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby or thereby, as the case may be, is not affected in any manner materially adverse to either party. Upon any such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable provision to effect the original intent of the parties.

(f) *Headings.* The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

(g) *Waivers of Default.* Waiver by any party hereto of any default of any provision of this Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default.

(h) *Specific Performance.* Notwithstanding the procedures set forth in Section 10, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the party or parties who are to be hereby or thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The other party or parties shall not oppose the granting of such relief. The parties to this Agreement agree that the remedies at law for any breach or threatened breach hereof or thereof, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived.

(i) *Amendments.* No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any party hereto or thereto, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

(j) *Interpretation.* Words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires. The terms “hereof,” “herein, “and “herewith” and words of similar import, unless otherwise stated, shall be construed to refer to this Agreement (including all of the schedules, exhibits and appendices hereto) and not to any particular provision of this Agreement. Article, Section, Exhibit, Schedule and Appendix references are to the articles, sections, exhibits, schedules and appendices of or to this Agreement unless otherwise specified. Any reference herein to this Agreement, unless otherwise stated, shall be construed to refer to this Agreement as amended, supplemented or otherwise modified from time to time. The word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless the context otherwise requires or unless otherwise specified. The word “or” shall not be exclusive. There shall be no presumption of interpreting this Agreement or any provision hereof against the draftsperson of this Agreement or any such provision.

(k) *Jurisdiction; Service of Process.* Any action or proceeding arising out of or relating to this Agreement shall be brought in the courts of the State of New York (if any party to such action or proceeding has or can acquire jurisdiction), and each of the parties hereto or thereto irrevocably submits to the exclusive jurisdiction of each such court in any such action or

proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the action or proceeding shall be heard and determined only in any such court and agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. The parties to this Agreement agree that any of them may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement between the parties hereto and thereto irrevocably to waive any objections to venue or to convenience of forum. Process in any action or proceeding referred to in the first sentence of this Section may be served on any party to this Agreement anywhere in the world.

(l) *Waiver of Jury Trial*. EACH PARTY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS AGREEMENT AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

7. Intellectual Property. Each party grants to the other and their Affiliates a limited, non-exclusive, fully paid-up, nontransferable, revocable license, without the right to sublicense, for the term of this Agreement to use all intellectual property owned by or, to the extent permitted by the applicable license, licensed to such party solely to the extent necessary for the other party to perform its obligations hereunder.

8. Cooperation; Access.

(a) Each party shall permit the other and its employees and representatives access, on business days during hours that constitute regular business hours and upon reasonable prior request, to its premises and such data, books, records and personnel designated by such party as involved in receiving or overseeing the Services and/or Additional Services as the other party may reasonably request for the purposes of providing the Services and/or Additional Services. Each party shall provide the other party, upon reasonable prior written notice, such documentation relating to the provision of the Services and/or Additional Services as may be reasonably requested for the purposes of confirming any Invoiced Amount or other amount payable pursuant to any Commingled Invoice Statement or otherwise pursuant to this Agreement. Any documentation so provided pursuant to this Section will be subject to the confidentiality obligations set forth in Section 9 of this Agreement.

(b) Each party hereto shall designate a relationship manager (each, a "Relationship Executive") to report and discuss issues with respect to the provision of the Services and/or Additional Services and successor relationship executives in the event that a designated Relationship Executive is not available to perform such role hereunder. The initial Relationship Executive designated by HLSS shall be John Van Vlack, and the initial Relationship Executive designated by OCWEN shall be Ronald M. Faris. Either party may replace its Relationship Executive at any time by providing written notice thereof to the other party hereto.

9. Confidentiality.

(a) Subject to Section 9(c) below, each party, agrees to hold, and to cause its directors, officers, employees, agents, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that applies to its own confidential and proprietary Information pursuant to policies in effect as of the Effective Date, all Information concerning the other party that is either in its possession (including Information in its possession prior to the Effective Date) or furnished by the other party or its directors, officers, employees, agents, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement, or otherwise, and shall not use any such Information other than for such purposes as shall be expressly permitted hereunder, except, in each case, to the extent that such Information has been (i) in the public domain through no fault of such party or any of their respective directors, officers, employees, agents, accountants, counsel and other advisors and representatives, (ii) later lawfully acquired from other sources by such party, which sources are not known by such party to be themselves bound by a confidentiality obligation, or (iii) independently generated without reference to any proprietary or confidential Information of the other party.

(b) Each party agrees not to release or disclose, or permit to be released or disclosed, any such Information (excluding Information described in clauses (i), (ii) and (iii) of Section 9(a) above, to any other Person, except its directors, officers, employees, agents, accountants, counsel and other advisors and representatives who need to know such information (who shall be advised of their obligations hereunder with respect to such information), except in compliance with Section 9(c). Without limiting the foregoing, when any Information is no longer needed for the purposes contemplated by this Agreement, each party will promptly, after request of the other party, either return the Information to the other party in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other party that any Information not returned in a tangible form (including any such Information that exists in an electronic form) has been destroyed (and such copies thereof and such notes, extracts or summaries based thereon).

(c) *Protective Arrangements.* In the event that either party determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of the other party that is subject to the confidentiality provisions hereof, such party shall, to the extent permitted by law, notify the other party as soon as practicable prior to disclosing or providing such Information and shall cooperate, at the expense of the requesting party, in seeking any reasonable protective arrangements requested by such other party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Information to the extent required by such law (as so advised by counsel) or by lawful process or such Governmental Authority.

10. Dispute Resolution.

(a) *Disputes.* Subject to Section 6(h), the procedures for discussion, negotiation and mediation set forth in this Section 10 shall apply to all disputes, controversies or claims (whether arising in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with, this Agreement.

(b) *Escalation; Mediation.*

(i) It is the intent of the parties to use reasonable efforts to resolve expeditiously any dispute, controversy or claim between or among them with respect to the matters covered hereby that may arise from time to time on a mutually acceptable negotiated basis. In furtherance of the foregoing, a party involved in a dispute, controversy or claim may deliver a notice (an "Escalation Notice") demanding an in-person meeting involving representatives of the parties at a senior level of management (or if the parties agree, of the appropriate strategic business unit or division within such entity). A copy of any such Escalation Notice shall be given to the General Counsel, or like officer or official, of the party involved in the dispute, controversy or claim (which copy shall state that it is an Escalation Notice pursuant to this Agreement). Any agenda, location or procedures for such discussions or negotiations between the parties may be established by the parties from time to time; provided, however, that the parties shall use reasonable efforts to meet within 30 days of the Escalation Notice.

(ii) If the parties are not able to resolve the dispute, controversy or claim through the escalation process referred to above, then the matter shall be referred to mediation. The parties shall retain a mediator to aid the parties in their discussions and negotiations by informally providing advice to the parties. Any opinion expressed by the mediator shall be strictly advisory and shall not be binding on the parties or be admissible in any other proceeding. The mediator may be chosen from a list of mediators previously selected by the parties or by other agreement of the parties. Costs of the mediation shall be borne equally by the parties involved in the matter, except that each party shall be responsible for its own expenses. Mediation shall be a prerequisite to the commencement of any Action by either party against the other party.

(iii) In the event that any resolution of any dispute, controversy or claim pursuant to the procedures set forth in Section 10(b)(i) or (ii) in any way affects an agreement or arrangement between either of the parties and a third party insurance carrier, the consent of such third party insurance carrier to such resolution, to the extent such consent is required, shall be obtained before such resolution can take effect.

(c) *Court Actions.*

(i) In the event that either party, after complying with the provisions set forth in Section 10(b), desires to commence an Action, such party may submit the dispute, controversy or claim (or such series of related disputes, controversies or claims) to any court of competent jurisdiction.

(ii) Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of this Section 10 with respect to all matters not subject to such dispute, controversy or claim.

11. Warranties; Limitation of Liability; Indemnity.

(a) Other than the statements expressly made by the parties in this Agreement, neither party makes any representation or warranty, express or implied, with respect to the Services and/or Additional Services and, except as provided in Subsection (b) of this Section 11, each party hereby waives, releases and renounces all other representations, warranties, obligations and liabilities of the other party, and any other rights, claims and remedies against the other party, express or implied, arising by law or otherwise, with respect to any nonconformance, error, omission or defect in any of the Services and/or Additional Services, including (i) any implied warranty of merchantability or fitness for a particular purpose, (ii) any implied warranty of non-infringement or arising from course of performance, course of dealing or usage of trade and (iii) any obligation, liability, right, claim or remedy in tort, whether or not arising from the negligence of such party.

(b) Neither party nor any of their Affiliates or any of their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives shall be liable for any action taken or omitted to be taken by the other party or such person under or in connection with this Agreement, except that a party shall be liable for direct damages or losses incurred by the other party arising out of its gross negligence or willful misconduct or any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives in the performance or nonperformance of the Services and/or Additional Services.

(c) In no event shall the aggregate amount of all such damages or losses for which a party may be liable under this Agreement exceed the aggregate total sum received by such party for the Services and/or Additional Services; provided, that, no such cap shall apply to liability for damages or losses arising from or relating to breaches of Section 9 (relating to confidentiality), infringement of Intellectual Property or fraud or criminal acts. Except as provided in Subsection (b) of this Section 11, none of the parties nor any of their Affiliates nor any of their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives shall be liable for any action taken or omitted to be taken by, or the negligence, gross negligence or willful misconduct of, any third party.

(d) Notwithstanding anything to the contrary herein, neither of the parties nor any of their Affiliates nor any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives shall be liable for damages or losses incurred by the other party or any of the other party's Affiliates for any action taken or omitted to be taken by such other party or such other person under or in connection with this Agreement to the extent such action or omission arises from actions taken or omitted to be taken by, or the negligence, gross negligence or willful misconduct of, the other party or any of the other party's Affiliates.

(e) No party hereto or any of its Affiliates or any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives shall in any event have any obligation or liability to the other party hereto or any such other person whether arising in contract (including warranty), tort (including active, passive or imputed negligence) or otherwise for consequential, incidental, indirect, special or punitive damages, whether foreseeable or not, arising out of the performance of the Services and/or Additional Services or this Agreement, including any loss of revenue or profits, even if a party hereto has been notified about the possibility of such damages; provided, however, that the provisions of this Subsection (e) shall not limit the indemnification obligations hereunder of either party hereto with respect to any liability that the other party hereto may have to any third party not affiliated with OCWEN or HLSS for any incidental, consequential, indirect, special or punitive damages.

(f) HLSS shall indemnify and hold OCWEN and its Affiliates and any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives (collectively, "OCWEN Indemnitees") harmless from and against any and all damages, claims or losses that OCWEN or any such other person may at any time suffer or incur, or become subject to, as a result of or in connection with this Agreement or the Services and/or Additional Services provided hereunder, except those damages, claims or losses incurred by OCWEN or such other person arising out of the gross negligence or willful misconduct by OCWEN or such other person.

(g) OCWEN shall indemnify and hold HLSS and its Affiliates and any of its or their respective officers, directors, employees, agents, attorneys-in-fact, contractors or other representatives (collectively, "HLSS Indemnitees") harmless from and against any and all damages, claims or losses that HLSS or any such other person may at any time suffer or incur, or become subject to, as a result of or in connection with this Agreement or the Services and/or Additional Services provided hereunder, except those damages, claims or losses incurred by HLSS or such other person arising out of the gross negligence or willful misconduct by HLSS or such other person.

(h) Neither party hereto may bring an action against the other under this Agreement (whether for breach of contract, negligence or otherwise) more than six months after that party becomes aware of the cause of action, claim or event giving rise to the cause of action or claim or one year after the termination of this Agreement, whichever is shorter.

12. Taxes. Each party hereto shall be responsible for the cost of any sales, use, privilege and other transfer or similar taxes imposed upon that party as a result of the Services and/or Additional Services contemplated hereby. Any amounts payable under this Agreement are exclusive of any goods and services taxes, value added taxes, sales taxes or similar taxes ("Sales Taxes") now or hereinafter imposed on the performance or delivery of Services and/or Additional Services, and an amount equal to such taxes so chargeable shall, subject to receipt of a valid receipt or invoice as required below in this Section 12, be paid by the party receiving the Services and/or Additional Services to the other party in addition to the amounts otherwise payable under this Agreement. In each case where Sales Tax is payable by a party in respect of a Service and/or Additional Service, the other party shall furnish in a timely manner a valid Sales Taxes receipt or invoice to such party in the form and manner required by applicable law to allow such party to recover such tax to the extent allowable under such law. Additionally, if a party is required to pay "gross-up" on withholding taxes with respect to provision of the Services and/or Additional Services, such taxes shall be billed separately as provided above and shall be owing and payable by the other party. Any applicable property taxes resulting from provision of the Services and/or Additional Services shall be payable by the party owing or leasing the asset subject to such tax.

13. Public Announcements. No party to this Agreement shall make, or cause to be made, any press release or public announcement or otherwise communicate with any news media in respect of this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other party hereto unless otherwise required by law, in which case the party making the press release, public announcement or communication shall give the other party reasonable opportunity to review and comment on such and the parties shall cooperate as to the timing and contents of any such press release, public announcement or communication. For avoidance of doubt, the parties consent to disclosure of this Agreement in connection with the IPO.

14. Assignment. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. No party hereto may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other party hereto; provided, however, that either party may assign this Agreement without the consent of the other party to any third party that acquires, by any means, including by merger or consolidation, all or substantially all the stock or consolidated assets of such party. Any purported assignment in violation of this Section 14 shall be void and shall constitute a material breach of this Agreement.

15. Relationship of the Parties. The parties hereto are independent contractors and none of the parties hereto is an employee, partner or joint venturer of the other. Under no circumstances shall any of the employees of a party hereto be deemed to be employees of the other party hereto for any purpose. Except as expressly provided in Section 4(c), none of the parties hereto shall have the right to bind the others to any agreement with a third party or to represent itself as a partner or joint venturer of the other by reason of this Agreement.

16. Force Majeure. Neither party hereto shall be in default of this Agreement by reason of its delay in the performance of, or failure to perform, any of its obligations hereunder if such delay or failure is caused by strikes, acts of God, acts of the public enemy, acts of terrorism, riots or other events that arise from circumstances beyond the reasonable control of that party. During the pendency of such intervening event, each of the parties hereto shall take all reasonable steps to fulfill its obligations hereunder by other means and, in any event, shall upon termination of such intervening event, promptly resume its obligations under this Agreement.

(Signature Page to Follow)

* * * * *

IN WITNESS WHEREOF, the parties have caused this Professional Services Agreement to be executed as of the date first written above by their duly authorized representatives.

HLSS MANAGEMENT, LLC

By: HLSS Holdings, LLC, its sole member

By: Home Loan Servicing Solutions, Ltd, its sole member

By: /s/ William C. Erbey
Name: William C. Erbey
Title: Chief Executive Officer

OCWEN FINANCIAL CORPORATION

By /s/ Ronald M. Faris
Name: Ronald M. Faris
Title: President and CEO

SCHEDULE I

OCWEN SERVICES

Services Provided	Service Period (years)
Licensing and Regulatory Compliance Services	6
Risk Management and Six Sigma	6

Services Provided:

- Information Security
- Internal Audit
- Loan Quality
- Quality Assurance
- Risk Management
- SOX Compliance and SAS 70
- Six Sigma
- Business Continuity and Disaster Recovery Planning

SCHEDULE II

HLSS SERVICES

Services Provided	Service Period (years)
Treasury Services	6
Services Provided:	
• Quantitative Analysis	
• Capital Markets	
• Covenant Compliance Monitoring and Reporting	
• Treasury Operations	
Advance Financing	6
Services Provided:	
• Advance Facility Management	
• Advance Facility Accounting and Reporting	
Portfolio Valuation	6
Services Provided:	
• MSR Valuation	
• MSR Accounting and Reporting	
Financial Analysis	6
Services Provided:	
• Financial Planning and Analysis	
• Financial Modeling	
• General Business Consulting	
• Pricing	
Law	6
Services Provided:	
• Contract Review	
• Capital Markets	
• Securities Offerings	
• Litigation Management	

EXHIBIT 31.1

CERTIFICATION PURSUANT TO 15 U.S.C. SECTION 7241,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald M. Faris, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ocwen Financial Corporation;

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(s) 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth 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(s) 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 4, 2012

/s/Ronald M. Faris
Ronald M. Faris
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO 15 U.S.C. SECTION 7241,
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, John V. Britti, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ocwen Financial Corporation;

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(s) 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 changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth 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(s) 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 4, 2012

/s/ John V. Britti
John V. Britti,
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

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

I, Ronald M. Faris, state and attest that:

1. I am the Chief Executive Officer of Ocwen Financial Corporation (the "Registrant").

2. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

   - the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2012 (the "periodic report") containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

   - the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/Ronald M. Faris
Title: President and Chief Executive Officer
Date: May 4, 2012

EXHIBIT 32.2

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

I, John V. Britti, state and attest that:

1. I am the Chief Financial Officer of Ocwen Financial Corporation (the "Registrant").

2. I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

   - the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2012 (the "periodic report") containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

   - the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/John V. Britti
Title: Executive Vice President and Chief Financial Officer
Date: May 4, 2012