



Mortgage Servicer Ocwen Supports Administration's Drive to Make More Loan Modifications Permanent

Ocwen Has Converted an Industry-Leading 74% of Its Trial Modifications to Permanent Status; Attributes Success to Scalable Technology, Usage of Behavioral Science and Collaboration With Consumer Advocacy Groups

WASHINGTON, Dec. 10, 2009 -- Ocwen Financial Corporation (NYSE:OCN) supports the Treasury Department's just announced "Mortgage Modification Conversion Drive" -- a push to increase the number of trial loan modifications converting to permanent modifications under its Home Affordable Modification Program (HAMP). Ocwen has converted an industry-leading 74% of its trial mortgage modifications to permanent status. According to a HAMP progress report issued today by Treasury, Ocwen accounts for a disproportionately high 13.5% of all permanent modifications completed to date even though it services only 2% of the estimated HAMP-eligible 60+ day delinquencies.

"We've been working hard both before and after the HAMP program was implemented to prevent foreclosures through sustainable loan modifications," said William Erbey, Chairman and CEO of Ocwen, one of the largest independent servicers of subprime mortgages and an early supporter of HAMP. "That's the best solution for everyone long term - keeping homeowners in their homes with re-performing loans that yield greater cash flow for mortgage-backed security investors."

Ocwen's Competitive Edge -- Proprietary, Scaleable Technology Incorporating Behavioral Science

Ocwen has spent over 20 years and \$150 million in R&D to build a proprietary loan servicing technology platform. "Our technology is specifically designed for high-touch customer service which is necessary to optimize resolutions of delinquent mortgages. Our platform is also scaleable and therefore capable of meeting the unprecedented levels of defaults in the current environment," said Mr. Erbey.

Behavioral science research is a key component. "We have incorporated into our scripting engines proven psychological principles for effective borrower communication and buy-in," said Ronald Faris, Ocwen's President. "This makes for better homeowner outreach and lasting loan work outs."

"We also use behavioral learning in the recruiting and training of our Home Retention Consultant personnel, allowing for rapid expansion of staffing," added Mr. Faris. "After years of Six Sigma testing, we know the personality profiles that are optimal for the job and can get new HRCs hired, trained and doing successful loan modifications within 90 days." Since the outset of the mortgage crisis, Ocwen has more than doubled its loss mitigation staff.

Ocwen's technology advantage permits it to systematically execute the detailed, document intensive re-underwriting work up front, on a large scale, in advance of a trial modification. "Our approach increases the likelihood that the trial modification will become permanent and not redefault," explained Mr. Faris. According to OTS/OCC reports, Ocwen's redefault rate is about half the industry's average.

Consumer Advocacy Partners are Indispensable

Ocwen collaborates with a range of independent housing advocacy and grassroots groups to reach out to homeowners and to help them gather the required documents for a modification. As part of that collaboration, Ocwen's web site (www.ocwencustomers.com) now has a tool that helps homeowners in financial distress get in touch with organizations and government agencies that may be able to help them with budgeting, food assistance, job training and other personal and financial issues. In addition, Ocwen has posted on its website and on YouTube (<http://www.youtube.com/user/OcwenVideos>) videos to help homeowners follow the correct steps to potentially secure a mortgage modification.

Other Mortgage Players Turn to Ocwen

Ocwen's ability to perform sustainable loan modifications on a large scale has prompted other financial institutions to turn to the company for subservicing and special servicing. "So far this year, we have been engaged to service and rehabilitate over \$15 billion of delinquent mortgages from Freddie Mac and a number of banks, and we are in discussions with others for the similar

engagements," said Mr. Erbey. "With our scaleable platform, we can take on multiples of that volume."

About Ocwen

Ocwen Financial Corporation is a leading provider of residential and commercial loan servicing, special servicing and asset management services. Ocwen is headquartered in West Palm Beach, Florida with offices in California, the District of Columbia, Florida, Georgia and New York and global operations in India and Uruguay. Utilizing proprietary technology and world-class training and processes, we provide solutions that make our clients' loans worth more. Additional information is available at www.Ocwen.com.

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