Ocwen Financial Corporation®

OCWEN FINANCIAL PROVIDES BUSINESS UPDATE AND PRELIMINARY THIRD QUARTER RESULTS

Continued profitability improvement and originations volume growth

Strong operating and financial momentum

Settlement with Florida completes resolution of all state actions from 2017

West Palm Beach, FL – (October 20, 2020) – Ocwen Financial Corporation (NYSE: OCN) ("Ocwen" or the "Company"), a leading non-bank mortgage servicer and originator, today provided preliminary information regarding its third quarter 2020 results and progress on the Company's key business priorities. A presentation with additional detail regarding today's announcement is available on the Ocwen Financial Corporation website at www.ocwen.com (through a link on the Shareholder Relations page).

The Company reported a net loss of $9.4 million and a pre-tax loss of $11.4 million for the three months ended September 30, 2020, compared to a net loss of $42.8 million and a pre-tax loss of $38.3 million for the three months ended September 30, 2019. Adjusted pre-tax income was $13.5 million for the quarter compared to a $42.0 million adjusted pre-tax loss excluding NRZ lump-sum amortization in the prior year period (see "Note Regarding Non-GAAP Financial Measures" below).

Glen A. Messina, President and CEO of Ocwen, said, "Our performance across the business is progressing consistent with our expectations. The execution of our strategy to drive balance, diversification, cost leadership and operational excellence is delivering improved profitability, originations growth across all channels, and continued strong operating performance in our servicing business. Our total liquidity position has improved from last quarter and we are making good progress on our plans to implement an MSR asset vehicle to support our continued growth and diversification efforts."

Mr. Messina continued, "I believe the Ocwen of today is stronger, more efficient, more diversified, and well positioned to capitalize on current and emerging growth opportunities. I am very proud of our global team for their continued commitment to our mission of creating positive outcomes for homeowners, communities and investors."

The Company reported the following preliminary results for the third quarter 2020 (see "Note Regarding Non-GAAP Financial Measures" and "Note Regarding Financial Performance Estimates" below):

- Pre-tax loss was $11.4 million compared to pre-tax loss of $38.3 million for the third quarter 2019. Adjusted pre-tax income was $13.5 million; fourth consecutive quarter of positive adjusted pre-tax income.
- Annualized pre-tax loss improved by $208 million compared to the combined annualized pre-tax loss of Ocwen and PHH Corporation for the second quarter 2018; annualized adjusted pre-tax earnings run rate excluding amortization of NRZ lump-sum payments improved by more than $376 million compared to the combined annualized adjusted pre-tax earnings run rate of Ocwen and PHH Corporation for the second quarter 2018.
- Notable items for the quarter include, among others, $13.8 million of re-engineering and COVID-19 related expenses, $5.8 million for legal and regulatory reserves and $4.4 million of MSR valuation adjustments.
- Resolved legacy regulatory matter with the State of Florida Office of the Attorney General and Office of Financial Regulation on October 15, 2020. The Company has now resolved all state actions from 2017.
- Approximately $6.7 billion of servicing UPB originated through forward and reverse lending channels, up 67% from prior quarter; average daily lock volume of approximately $145 million in October to date.
- Added approximately $4.7 billion of interim subservicing UPB from existing subservicing clients and $15 billion of opportunities in late-stage discussions. Strong pipeline with top 10 prospects representing approximately $125 billion in combined subservicing, flow and recapture services opportunities.
- Approximately $413 million of unrestricted cash and available credit at September 30, 2020, up from $314 million at June 30, 2020; previously identified balance sheet optimization actions on track.
- Continued progress on the implementation of MSR asset vehicle ("MAV") and the Company is in advanced discussions with potential investors. MAV is expected to provide funding for up to $55 billion in synthetic subservicing and enable portfolio retention services.
- Approximately 75,000 forbearance plans outstanding as of October 9, 2020, down from a peak of approximately 131,000 forbearance plans outstanding at the end of the second quarter. Servicer advance levels are approximately 27% below base case servicer advance levels as of September 30, 2020.

Webcast and Conference Call

Ocwen will hold a conference call on Tuesday, October 20, 2020 at 8:30 a.m. (ET) to review the Company's preliminary third quarter 2020 operating results. A live audio webcast and slide presentation for the call will be available at www.ocwen.com (through a link on the Shareholder

Relations page). A replay of the conference call will be available via the website approximately two hours after the conclusion of the call and will remain available for approximately 30 days. The Company expects to release final third quarter 2020 results in early November.

About Ocwen Financial Corporation

Ocwen Financial Corporation (NYSE: OCN) is a leading non-bank mortgage servicer and originator providing solutions through its primary brands, PHH Mortgage and Liberty Reverse Mortgage. PHH Mortgage is one of the largest servicers in the country, focused on delivering a variety of servicing and lending programs. Liberty is one of the nation's largest reverse mortgage lenders dedicated to education and providing loans that help customers meet their personal and financial needs. We are headquartered in West Palm Beach, Florida, with offices in the United States and the U.S. Virgin Islands and operations in India and the Philippines, and have been serving our customers since 1988. For additional information, please visit our website (www.ocwen.com).

Forward-Looking Statements

This press release 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. These forward-looking statements may be identified by a reference to a future period or by the use of forward-looking terminology. Forward-looking statements are typically identified by words such as "expect", "believe", "foresee", "anticipate", "intend", "estimate", "goal", "strategy", "plan" "target" and "project" or conditional verbs such as "will", "may", "should", "could" or "would" or the negative of these terms, although not all forward-looking statements contain these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change and we are in the midst of a period of significant capital markets volatility and experiencing significant changes within the mortgage lending and servicing ecosystem which has magnified such uncertainties. Readers should bear these factors in mind when considering such statements and should not place undue reliance on such statements.

Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. In the past, actual results have differed from those suggested by forward looking statements and this may happen again. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, uncertainty relating to the continuing impacts of the COVID-19 pandemic, including the response of the U.S. government, state governments, the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) (together, the GSEs), the Government National Mortgage Association (Ginnie Mae) and regulators, as well as the potential for ongoing disruption in the financial markets and in commercial activity generally, increased unemployment, and other financial difficulties facing our borrowers; the proportion of borrowers who enter into forbearance plans, the financial ability of borrowers to resume repayment and their timing for doing so; the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover servicing advances, forward and reverse whole loans, and HECM and forward loan buyouts and put backs, as well as repay, renew and extend borrowings, borrow additional amounts as and when required, meet our MSR or other asset investment objectives and comply with our debt agreements, including the financial and other covenants contained in them; increased servicing costs based on increased borrower delinquency levels or other factors; our ability to consummate a transaction with investors to implement our planned mortgage asset vehicle, the timeline for making such a vehicle operational, including obtaining required regulatory approvals, and the extent to which such a vehicle will accomplish our objectives; the future of our long-term relationship and remaining servicing agreements with NRZ; our ability to timely adjust our cost structure and operations following the completion of the loan transfer process in response to the previously disclosed termination by NRZ of the PMC subservicing agreement; our ability to continue to improve our financial performance through cost re-engineering efforts and other actions; our ability to continue to grow our lending business and increase our lending volumes in a competitive market and uncertain interest rate environment; our ability to execute on identified business development and sales opportunities; uncertainty related to past, present or future claims, litigation, cease and desist orders and investigations regarding our servicing, foreclosure, modification, origination and other practices brought by government agencies and private parties, including state regulators, the Consumer Financial Protection Bureau (CFPB), State Attorneys General, the Securities and Exchange Commission (SEC), the Department of Justice or the Department of Housing and Urban Development (HUD); adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements and the reactions of key counterparties, including lenders, the GSEs and Ginnie Mae; our ability to comply with the terms of our settlements with regulatory agencies and the costs of doing so; increased regulatory scrutiny and media attention; any adverse developments in existing legal proceedings or the initiation of new legal proceedings; our ability to effectively manage our regulatory and contractual compliance obligations; our ability to interpret correctly and comply with liquidity, net worth and other financial and other requirements of regulators, the GSEs and Ginnie Mae, as well as those set forth in our debt and other agreements; our ability to comply with our servicing agreements, including our ability to comply with the requirements of the GSEs and Ginnie Mae and maintain our seller/servicer and other statuses with them; our ability to fund future draws on existing loans in our reverse mortgage portfolio; our servicer and credit ratings as well as other actions from various rating agencies, including any future downgrades; as well as other risks and uncertainties detailed in Ocwen's reports and filings with the SEC, including its annual report on Form 10-K for the year ended December 31, 2019 and its current and quarterly reports since such date. Anyone wishing to understand Ocwen's business should review its SEC filings. Our forward-looking statements speak only as of the date they are made and, we disclaim any obligation to update or revise forward-looking statements whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Financial Measures

This press release contains references to non-GAAP financial measures, such as our references to adjusted pre-tax income (loss) and adjusted pre-tax income (loss) excluding amortization of NRZ lump-sum payments.

We believe these non-GAAP financial measures provide a useful supplement to discussions and analysis of our financial condition. In addition, management believes that these presentations may assist investors with understanding and evaluating our cost re-engineering efforts and other initiatives to drive improved financial performance. However, these measures should not be analyzed in isolation or as a substitute to analysis of our GAAP expenses and pre-tax income (loss). There are certain limitations to the analytical usefulness of the adjustments we make to GAAP expenses and pre-tax income (loss) and, accordingly, we rely primarily on our GAAP results and use these adjustments only for purposes of supplemental analysis. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Ocwen's reported results under accounting principles generally accepted in the United States. Other companies may use non-GAAP financial measures with the same or similar titles that are calculated differently to our non-GAAP financial measures. As a result, comparability may be limited. Readers are cautioned not to place undue reliance on analysis of the adjustments we make to GAAP expenses and pre-tax income (loss).

Beginning with the three months ended June 30, 2020, we refined our definitions of Expense Notables, which we previously referred to as "Expenses Excluding MSR Valuation Adjustments, net, and Expense Notables," and Income Statement Notables in order to be more descriptive of the types of items included.

Expense Notables

In the table titled "Expense Notables", we adjust GAAP operating expenses for the following factors (1) expenses related to severance, retention and other actions associated with continuous cost and productivity improvement efforts, (2) significant legal and regulatory settlement expense items[a], (3) NRZ consent process expenses related to the transfer of legal title in MSRs to NRZ, (4) PHH acquisition and integration planning expenses, and (5) certain other significant activities including, but not limited to, insurance related expense and settlement recoveries, compensation or incentive compensation expense reversals and non-routine transactions (collectively, Other) consistent with the intent of providing management and investors with a supplemental means of evaluating our expenses.

[a] Including however not limited to CFPB, Florida Attorney General/Florida Office of Financial Regulations and Massachusetts Attorney General litigation related legal expenses, state regulatory action related legal expenses and state regulatory action settlement related escrow analysis costs (collectively, CFPB and state regulatory defense and escrow analysis expenses)

($ in millions)		Q2'18				Q3'19		Q3'20[c]	
		OCN	PHH	OCN + PHH	OCN + PHH (Annualized)	OCN	OCN (Annualized)	OCN	OCN (Annualized)
I	**Expenses (as reported)** [a]	206	71	277	**1,107**	**45**	**179**		
II	Reclassifications [b]	—	1	1	5	—	—		
III	Deduction of MSR valuation adjustments, net	(33)	—	(33)	(132)	135	538		
IV	**Operating Expenses (I+II+III)**	**173**	**72**	**245**	**979**	**179**	**717**	**150**	**598**
	Adjustments for Notables								
	Re-engineering costs	(5)	(3)	(8)	(32)	(18)		(7)	
	Significant legal and regulatory settlement expenses	(7)	(3)	(11)	(42)	(4)		(6)	
	NRZ consent process expenses	(1)	—	(1)	(2)	(0)		0	
	PHH acquisition and integration planning	(2)	—	(2)	(8)	—		—	
	Expense recoveries	6	—	6	23	2		—	
	COVID-19 Related Expenses				—	—		(6)	
	Other	1	(1)	—	(1)	3		(0)	
V	**Expense Notables**	**(9)**	**(7)**	**(16)**	**(63)**	**(17)**		**(19)**	
VI	**Adjusted Expenses (IV+V)**	**164**	**65**	**229**	**916**	**162**	**648**	**130**	**522**

(a) Q2'18 expenses as per OCN Form 10-Q of $206 filed on July 26, 2018 and PHH Form 10-Q of $71 filed August 3, 2018, annualized to equal $1,107 on a combined basis

(b) Reclassifications made to PHH reported expenses to conform to Ocwen presentation

(c) OCN changed the presentation of expenses in Q4' 19 to separately report MSR valuation adjustments, net from operating expenses

Income Statement Notables

In the table titled "Income Statement Notables", we adjust GAAP pre-tax loss for the following factors (1) Expense Notables, (2) changes in fair value of our Agency and Non-Agency MSRs due to changes in interest rates, valuation inputs and other assumptions, net of hedge positions, (3) offsets to changes in fair value of our MSRs in our NRZ financing liability due to changes in interest rates, valuation inputs and other assumptions, (4) changes in fair value of our reverse originations portfolio due to changes in interest rates, valuation inputs and other assumptions, (5) certain other transactions, including but not limited to pension benefit cost adjustments and gains related to exercising servicer call rights and fair value assumption changes on other investments (collectively, Other) and (6) amortization of NRZ lump-sum cash payments consistent with the intent of providing management and investors with a supplemental means of evaluating our net income/(loss).

($ in millions)		Q2'18				Q3'19		Q3'20	
		OCN	PHH	OCN + PHH	OCN + PHH (Annualized)	OCN	OCN (Annualized)	OCN	OCN (Annualized)
I	**Reported Pre-Tax Income / (Loss)[a]**	**(28)**	**(35)**	**(63)**	**(253)**	**(38)**	**(153)**	**(11)**	**(25)**
	Adjustment for Notables								
	Expense Notables (from prior table)	9	7	16		17		19	
	Non-Agency MSR FV Change[b]	(5)	—	(5)		(252)		(14)	
	Agency MSR FV Change, net of macro hedge[b]					63		4	
	NRZ MSR Liability FV Change (Interest Expense)	9	—	9		198		10	
	Reverse FV Change	4	—	4		(3)		4	
	Debt Repurchase Gain	—	—	—		(5)		—	
	Other	(6)		(6)		2		1	
II	**Total Income Statement Notables**	**11**	**7**	**18**	**72**	**21**	**83**	**25**	
III	**Adjusted Pre-tax Income (Loss) (I+II)**	**(17)**	**(28)**	**(45)**	**(181)**	**(18)**	**(70)**	**14**	**54**
IV	Amortization of NRZ Lump-sum Cash Payments	(35)	—	(35)	(141)	(42)	(98)	—	
V	**Adjusted Pre-tax Income (Loss) excluding Amortization of NRZ Lump-sum (III+IV)[c]**	**(53)**	**(28)**	**(81)**	**(322)**	**(42)**	**(168)**	**14**	**54**

(a) Q2'18 pre-tax loss as per respective Forms 10-Q filed on July 26, 2018 and August 3, 2018, respectively, annualized to equal $(253) million on a combined basis

(b) Represents FV changes that are driven by changes in interest rates, valuation inputs or other assumptions, net of unrealized gains / (losses) on macro hedge. Non-Agency = Total MSR excluding GNMA & GSE MSRs. Agency = GNMA & GSE MSRs. The adjustment does not include $12 million valuation gains of certain MSRs that were opportunistically purchased in disorderly transactions due to the market environment in Q2 2020 (nil in Q2 2018).

(c) Represents OCN and PHH combined adjusted pre-tax income (loss) excluding amortization of NRZ lump-sum cash payments, annualized to equal $(322) million on a combined basis in Q2'18

Note Regarding Financial Performance Estimates

This press release contains statements relating to our preliminary third quarter financial performance and our current assessments of the impact of the COVID-19 pandemic. These statements are based on currently available information and reflect our current estimates and assessments, including about matters that are beyond our control. We are operating in a fluid and evolving environment and actual outcomes may differ materially from our current estimates and assessments. The Company has not finished its third quarter financial closing procedures. There can be no assurance that actual results will not differ from our current estimates and assessments, including as a result of third quarter financial closing procedures, and any such differences could be material.

FOR FURTHER INFORMATION CONTACT:

Investors:
June Campbell
T: (856) 917-3190
E: shareholderrelations@ocwen.com

Media:
Dico Akseraylian
T: (856) 917-0066
E: mediarelations@ocwen.com