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Ocwen Disputes Allegations Raised By State Regulators: Will Continue To Work Cooperatively To Achieve An Acceptable Resolution

WEST PALM BEACH, Fla., April 21, 2017 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation (NYSE:OCN) (Ocwen or the Company) today issued the following statement in response to receiving cease and desist orders from state mortgage regulators (State Regulators):

"As with the recent CFPB enforcement action, Ocwen strongly disputes the key allegations made in the State Regulators' cease and desist orders that Ocwen's mortgage loan servicing practices have caused substantial consumer harm. Ocwen will not sign unfair and unjust consent orders that make impractical demands that no other market participant could rationally accept, and which would harm consumers. Under these circumstances, Ocwen has a responsibility to its customers, shareholders, and employees to vigorously defend the Company against unfounded claims while continuing to work with State Regulators to resolve any valid concerns."

Below are the Company's views on the main topics of the State Regulators' filings of April 20, 2017:

Escrow — Ocwen's escrow administration practices are subject to frequent review or examination by independent third parties acting on behalf of mortgage loan investors and rating agencies. These independent reviews have consistently confirmed Ocwen's escrow practices are in line with common industry standards for timeliness and accuracy. No mortgage servicer is perfect — to the extent mistakes are made, we have a process to identify and remediate consistent with other mortgage servicers.

Ocwen has provided State Regulators with an estimate of the expected expense of an individual loan escrow account review for approximately 2.5 million loans over a four-year period, which a third party estimated to be \$1.5 billion, or approximately \$600 per file. This review cost did not relate in any way to amounts in escrow accounts or to customer funds. The Company has also provided an alternative of a statistically sound sampling methodology recommended by an independent third party. This alternative is consistent with methods used in other regulatory settlements and with the Multi-State Mortgage Committee's (MMC) examination manual practices. The Company has engaged the independent review firm to conduct this review.

Financial Condition — Ocwen disagrees with any allegation it is not financially sound. Despite significant operating losses from 2014 to 2016 driven by a shrinking portfolio and \$171 million of state and national regulatory monitoring expenses, Ocwen generated over \$1.4 billion of positive operating cash flow. The Company ended 2016 with \$257 million of cash on the balance sheet. Additionally, in December 2016, Ocwen refinanced its corporate debt, significantly extending the maturity dates and demonstrating significant lender confidence in Ocwen. Over this time period, Ocwen reduced its corporate debt by over \$942 million, or 58%, dropping its corporate debt-to-equity ratio from an already conservative 1.6x in 2014 to 1.0x in 2016. Ocwen remains one of the least levered non-bank servicers today.

Ocwen provides a variety of financial information to select individual states as well as the MMC, such as recurring liquidity reports, monthly results, and future financial and cash projections. Additionally, it completed a comprehensive business plan in December 2016, and provided a robust going concern analysis prepared in conjunction with the issuance of Ocwen's annual report. Despite this remarkable transparency, the MMC continues to ask Ocwen how it would handle "contingent liabilities" such as a hypothetical settlement with CFPB and the escrow analysis described above.

Licensing — Ocwen has worked diligently to correct perceived licensing concerns and has entered into recent settlements with three states, without admitting or denying wrongdoing. Ocwen believes it is properly licensed in all states where it conducts business and welcomes the opportunity to demonstrate its compliance to any State Regulators who may still have questions or concerns.

Cooperation — Over the course of almost two years, Ocwen and the Company's Board of Directors have been in regular communication with State Regulators. In fact, the State Regulators informed the Company that its cooperation and the amount of information provided by the Company over the past 18 months had been constructive in building stronger supervisory relationships and solidifying Ocwen's place as a necessary market participant in servicing mortgage loans and

keeping borrowers in their homes. Ocwen intends to vigorously defend itself against yesterday's actions by State Regulators while at the same time working with State Regulators to find common ground to resolve differences.

Ocwen is recognized as the industry leader in responsible home retention through foreclosure prevention. A homeowner whose loan is serviced by Ocwen has a much better chance of avoiding foreclosure than if their loan is serviced by any other large mortgage servicer. This has been confirmed by independent third-party studies, which find that Ocwen has a superior record helping borrowers bring their payments current, stay current, and repay their mortgage.

Since January 1, 2008, Ocwen has granted over 735,000 loan modifications, including approximately 75,000 in 2016, and Ocwen is responsible for 20% of all modifications under the U.S. Department of the Treasury Home Affordable Modification Program, the federal government's leading modification program. Ocwen also has provided billions of dollars in principal forgiveness to homeowners at risk of foreclosure.

About Ocwen Financial Corporation

Ocwen Financial Corporation is a financial services holding company which, through its subsidiaries, originates and services loans. We are headquartered in West Palm Beach, Florida, with offices throughout the United States and in the U.S. Virgin Islands and operations in India and the Philippines. We have been serving our customers since 1988. We may post information that is important to investors on 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 by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change 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, the following: our servicer and credit ratings as well as other actions from various rating agencies, including the impact of downgrades of our servicer and credit ratings; adverse effects on our business as a result of regulatory investigations or settlements; reactions to the announcement of such investigations or settlements by key counterparties; increased regulatory scrutiny and media attention; claims, litigation and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification and other practices, including uncertainty related to past, present or future investigations and settlements with state regulators, the CFPB, State Attorneys General, the SEC, Department of Justice or HUD and actions brought under the False Claims Act by private parties on behalf of the United States of America regarding incentive and other payments made by government entities; 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 contain and reduce our operating costs, including our ability to successfully execute on our cost improvement initiative; the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover advances, repay borrowings and comply with debt covenants, including the financial and other covenants contained in them; volatility in our stock price; the characteristics of our servicing portfolio, including prepayment speeds along with delinquency and advance rates; our ability to successfully modify delinquent loans, manage foreclosures and sell foreclosed properties; uncertainty related to legislation, regulations, regulatory agency actions, government programs and policies, industry initiatives and evolving best servicing practices; as well as other risks detailed in Ocwen's reports and filings with the Securities and Exchange Commission (SEC), including its annual report on Form 10-K for the year ended December 31, 2016 and its current and quarterly reports since such date. Anyone wishing to understand Ocwen's business should review its SEC filings. Ocwen's 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.

FOR FURTHER INFORMATION CONTACT:

Investors:

Stephen Swett

T: (203) 614-0141

E: shareholderrelations@ocwen.com

Media:

John Lovallo

T: (917) 612-8419

E: jlovallo@levick.com

Dan Rene

T: (202) 973 -1325

E: drene@levick.com