Investor Presentation
Financial Supplement
May 3, 2017

FORWARD-LOOKING STATEMENTS:

Our presentation contains certain forward-looking statements as defined under the federal securities laws such as our statements relating to our expectations and strategies for growth, including through our new business lines, and statements relating to our costs and our cost improvement initiative. These forward-looking statements may be identified by a reference to a future period or by the use of forward-looking terminology, and include pro forma financial information presented solely for illustrative purposes. 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: uncertainty related to claims, litigation, cease and desist orders and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification, origination and other practices, including uncertainty related to past, present or future investigations, litigation, cease and desist orders and settlements with 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) 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 governmental entities; adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements; reactions to the announcement of such investigations, litigation, cease and desist orders or settlements by key counterparties, including lenders; 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 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 our debt agreements, including the financial and other covenants contained in them; our servicer and credit ratings as well as other actions from various rating agencies, including the impact of prior or future downgrades of our servicer and credit ratings; 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 SEC, including its annual report on Form 10-K for the year ended December 31, 2016 and any current and quarterly reports since such date. In addition, there can be no assurance that a definitive agreement will be entered into with New Residential on the terms described in this presentation or at all. 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. Information contained in this presentation that reflects assumptions as to facts or circumstances may or may not reflect current or future facts or circumstances and may simplify certain variable or otherwise complex outcomes for purposes of presenting such information. Such information is presented solely for illustrative purposes and readers should not place undue reliance on information reflecting such assumptions. Ocwen may post information that is important to investors on its website.

NON-GAAP FINANCIAL MEASURES:

Our presentation contains certain non-GAAP financial measures, such as our references to adjusted operating expense, adjusted pre-tax income, adjusted pre-tax Income before corporate debt expense, normalized adjusted cash flow from operations, illustrative servicing cash flow, adjusted liquidity, the off-balance sheet value of some of our economic assets and the economic value to Ocwen of our MSRs. We believe these non-GAAP financial measures provide a useful supplement to discussions and analysis of our financial condition. We believe these non-GAAP financial measures provide an alternative way to view certain aspects of our business that is instructive. 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. Further information may be found on Ocwen's website.

PRELIMINARY RESULTS:

The financial results and other financial data presented in this presentation are preliminary, based upon our estimates and subject to completion of our financial closing procedures and issuance of our financial statements as of and for the quarter ended March 31, 2017. Moreover, the financial results and other financial data have been prepared on the basis of currently available information. Our final financial results and other financial data could differ materially from our preliminary financial results and other financial data. Our final financial results will be set forth in the Company's Form 10-Q for the first quarter of 2017.

Q1’17 Preliminary Financial Results

($ in millions, except Earnings/(Loss) per Share)

	Q4’16	Q1’17	VPQ$[a]
Revenues	**$324**	**$322**	**$(2)**
• Servicing	296	284	(12)
• Lending	23	31	8
• Corporate	5	7	2
Operating Expenses	(238)	(276)	(38)
Other Income / (Expense)	(96)	(76)	20
Pre-Tax Income / (Loss)	**$(10)**	**$(30)**	**$(20)**
Net Income / (Loss)	**$(10)**	**$(33)**	**$(22)**
Earnings / (Loss) per Share[b]	$(0.08)	$(0.26)	$(0.18)
Operating Cash Flow	**$124**	**$86**	**$(38)**

Key Results

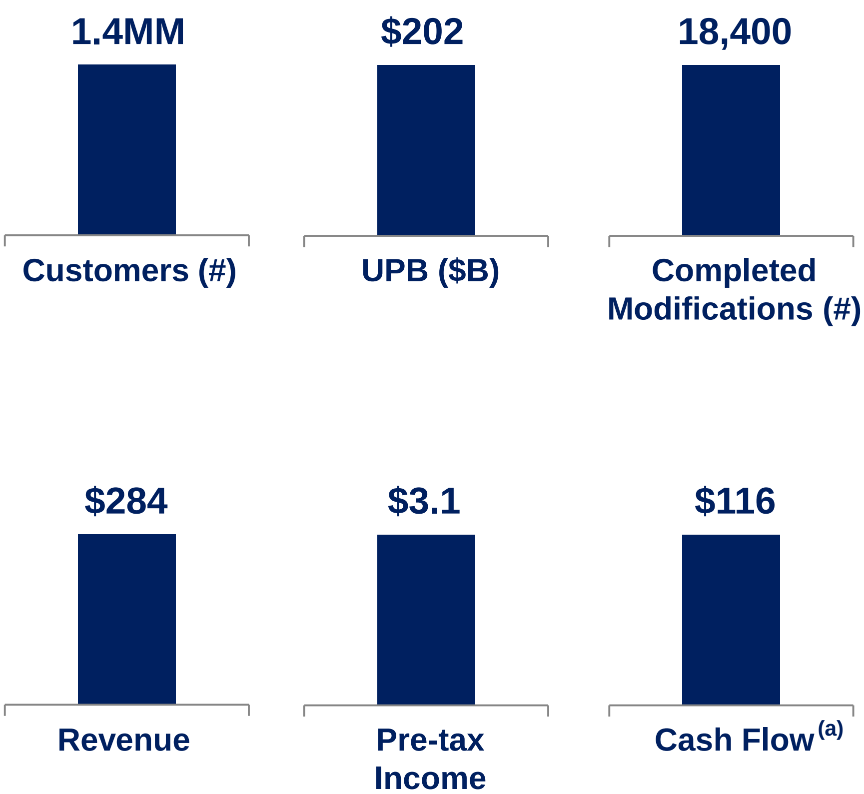
- Servicing revenue down (4)% due to UPB runoff and lower HAMP modifications as the program winds down
- Higher operating expenses primarily driven by non-repeat of $32 favorable Q4’16 MSR Fair Value changes and $3 higher GNMA Losses
- Q1’17 includes $8 of expense related to a legal reserve on an unsettled case
- Other Expense lower due to non-repeat of $16 corporate debt refinance-related expenses in Q4’16 and $4 lower NRZ interest expense due to runoff
- Generated $86 of Operating Cash Flow

(a) All variances are versus Q4’16
(b) Diluted Earnings / (Loss) per Share

Q1'17 Preliminary Servicing Results

($ in millions, except UPB)

Key Metrics



Highlights

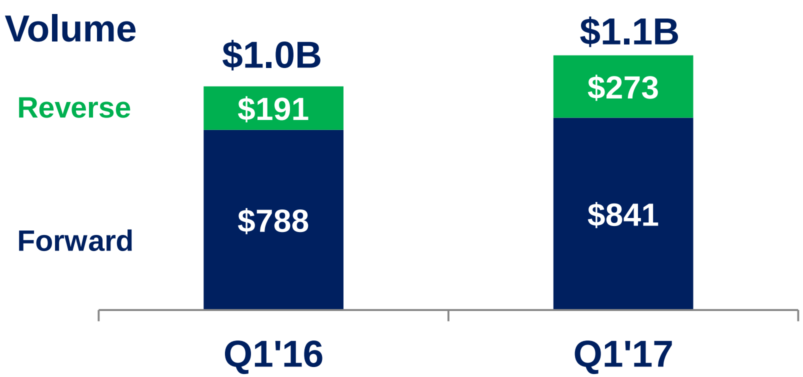
- Ocwen remains focused on providing modification solutions to qualifying borrowers in need
  - Completed over 18,000 modifications, of which over 8,900 were HAMP modifications
  - Non-HAMP modifications increased by 26% versus the prior quarter
- Continue to focus on reducing expenses in line with declining UPB
  - Headcount declined 6% from 12/31/16
- Servicing business generally generates cash flow greater than net income given non-cash nature of MSR amortization and/or fair value adjustments
  - Strong modification performance and improving delinquency trends helped lower advances and generate $116[a] of illustrative Servicing cash flow

(a) See "Reconciliation of Illustrative Servicing Cash Flow" slide in the Appendix for details

Lending

($ in millions, except volumes)

Financial Performance



	Q1'16	Q1'17
Pre-tax Income	**$(0.6)**	**$1.1**

- Growth across both Forward and Reverse channels with a 127% increase in Forward direct volumes
- Higher margins in Reverse partly offset by higher expenses due to investments in the business

Forward

- Retail volumes improved throughout the first quarter
- Added new California Wholesale team
- De-emphasizing Correspondent channel to improve margins
- Technology development on track, Wholesale go-live of new loan operating system expected in 2nd half of '17

Reverse

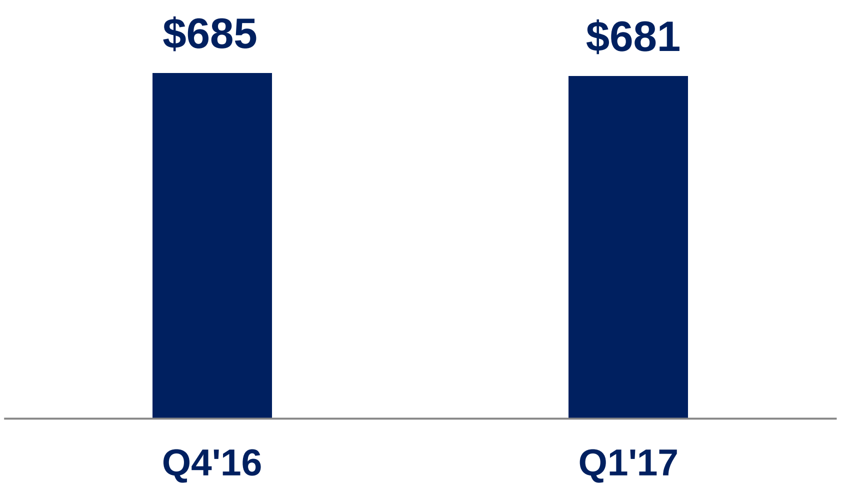
- Strong volume growth
- Revenue increase driven by higher margins in Wholesale
- Evaluating new channels to increase originations; pilot testing underway in Florida

Assessing recent regulatory impacts on operations

Leverage & Liquidity Update

($ in millions, except where otherwise noted)

Corporate Debt



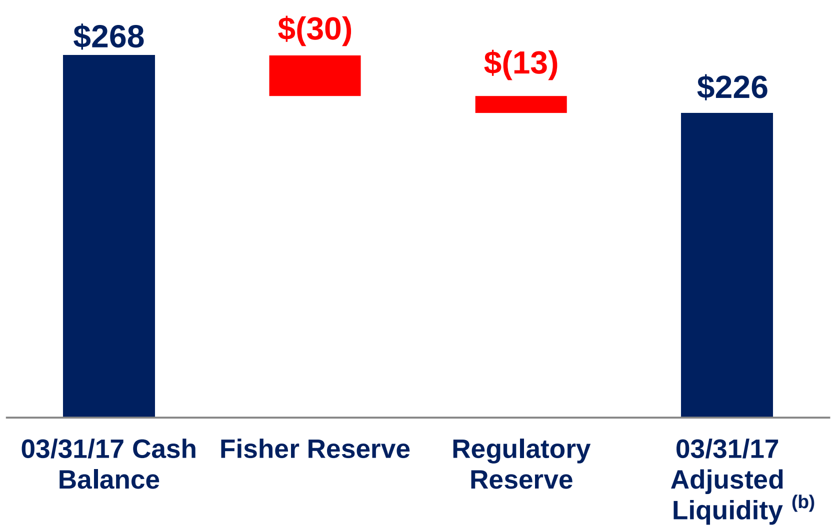
1.0x Corporate Debt/Equity[a]

1.1x Corporate Debt/Equity[a]

- As of 03/31/17, Corporate Debt secured by approximately $1.3B of collateral, calculated in accordance with the Senior Secured Term Loan

(a) Corporate Debt = Debt Balance of Senior Secured Term Loan + 2nd Lien Bonds + remaining Unsecured bonds. Excludes Debt Issuance costs and Original Issue Discount on SSTL refinanced in December 2016.

Liquidity and Financing Update



- Fisher payment made in April 2017

(b) Non-GAAP. Adjusted liquidity is for illustrative purposes only and does not include adjustments for all reserves, accounts payable, interest payable and other short term payables, among others

Considerable value not recognized on balance sheet

($ in millions)	On Balance Sheet Value	Off-Balance Sheet Value	Comments
NRZ Subservicing Contract / Call Rights / Deferred Servicing Fees	$ -	TBD	To be updated pending deal completion
Reverse Mortgage Future Tail Draws (Discount Rate 12%)	$ -	+ $ 67	Reflects future borrower draws on existing mortgages
Agency MSRs (Discount Rate 9%)	$ 180	+ $ 81	MSR Valuation (see pg. 24); Excludes OASIS financed
TOTAL		**+ $ 148**	**+ Value of pending NRZ deal (if completed)**

Note: All Off-balance Sheet Values are non-GAAP. Off-balance Sheet Values reflect management estimates and involve certain assumptions and judgments regarding value, including those outlined on page 24. Accordingly, readers are cautioned not to place undue reliance on Off-Balance Sheet Values.

Shareholder Relations Information

About Ocwen	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).	**Exchange** **Ticker** **Headquarters**	New York Stock Exchange (NYSE) OCN West Palm Beach, FL
Contact Information	All Shareholder Relations inquiries should be sent to: shareholderrelations@ocwen.com	**Employees**	Approximately 9,400

Appendix

- Segment Financials
- Cost Details
- Debt Facilities Overview
- Consolidated Statement of Cash Flows – Adjusted Cash from Operations Calculation
- Reconciliation of Illustrative Servicing Cash Flow
- MSR Valuation Assumptions
- Adjusted Operating Expense Overview
- Illustrative Adjustments to Pre-tax Income
- Total Other (Income) Expense, Net Detail
- P&L impact of Fair Value and Amortization Changes

Q1'17 Preliminary Segment Results

($ in millions, except where otherwise noted)

Servicing

	Q4'16	Q1'17	VPQ$[a]
Revenues	**$296**	**$284**	**$(12)**
• Servicing / Subservicing	225	218	(7)
• HAMP/Late/Other fees	55	54	(0)
• Gains / Other	15	11	(4)
Operating expenses	(176)	(217)	(41)
Other Income / (Expense)	(73)	(64)	9
Pre-tax Income / (Loss)	**$46**	**$3**	**$(43)**

Drivers:

- Lower revenue driven by UPB run-off and lower HAMP modifications
- Higher expenses versus prior quarter driven by $(32) unfavorable GNMA and GSE MSR FV changes, $(5) higher non-agency MSR Fair Value changes and $(3) higher GNMA losses
- Lower Other Expense driven by non-repeat of Q4'16 debt refinance costs and $(4) lower NRZ interest expense

Lending

	Q4'16	Q1'17	VPQ$[a]
Revenues	**$23**	**$31**	**$8**
• Gain on loans held for sale	16	23	6
• Other revenue	7	8	1
Operating expenses	(29)	(29)	(1)
Other Income / (Expense)	0	(0)	(0)
Pre-tax Income	**$(6)**	**$1**	**$7**

Drivers:

- Volumes of $1.1B, down 13% versus prior quarter
- Forward direct channel 34% higher than prior quarter
- $6 higher gain driven by higher Reverse volume and improvement in margins
- Expenses held flat despite adding sales headcount

(a) All variances are versus Q4'16

Cost overview

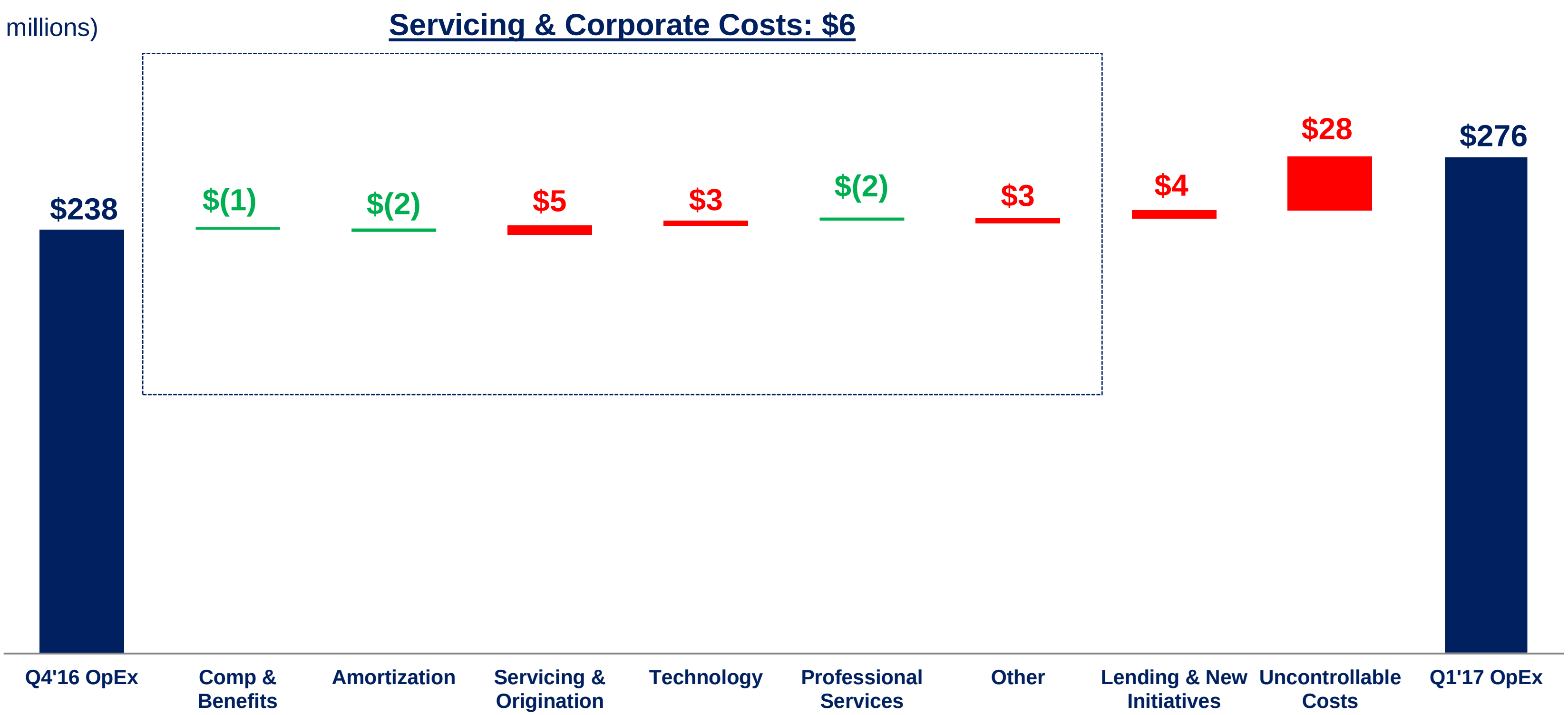
We believe Ocwen's cost structure is best understood by looking at three distinct categories of costs, each with their own dynamics and drivers.

Cost Category	Spend Dynamics
1 Servicing and Corporate costs, excluding New Initiative spending and 'uncontrollable' costs described below	• Reduce servicing costs to adjust for reduced portfolio size and drive productivity and other reductions in overhead structure
2 Lending and New Initiative spending	• Prudent spend increases to build out future growth platforms
3 Uncontrollable costs (MSR valuation changes and monitoring costs)	• Interest rate changes have driven impairment adjustments to our GNMA MSRs; For ease of reference, we use the term "uncontrollable" because we have no or limited ability to influence, limit or reduce MSR valuation changes or monitoring costs

Cost performance vs prior quarter

$6 higher Servicing and Corporate controllable expenses primarily driven by $3 higher GNMA losses and $3 higher technology expenses

($ in millions)



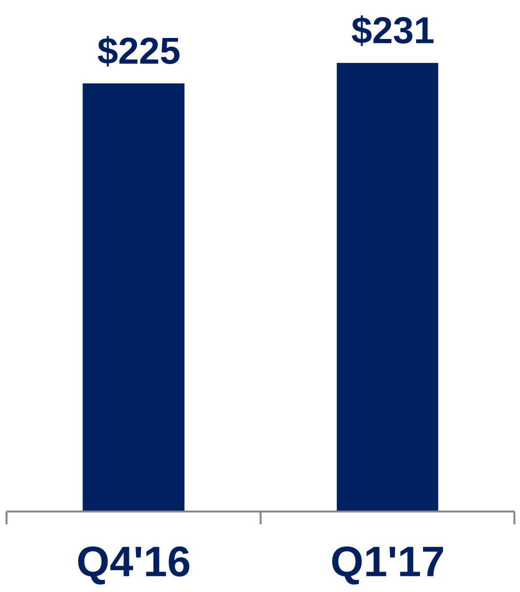
Servicing & Corporate	$225
Lending & New Initiatives	36
Uncontrollable Costs	(23)
Total	**$238**

Servicing & Corporate	$231
Lending & New Initiatives	40
Uncontrollable Costs	5
Total	**$276**

Servicing and Corporate costs[a]

Servicing and Corporate costs[a] reflect the controllable costs of Ocwen's Servicing segment plus our Corporate overhead. The Company is actively working to reduce both areas of expenses given the significant reduction in the size of our servicing portfolio in 2015 and in 2016 and continuing run-off in 2017.

($ in millions)



	Q4'16	Q1'17	VPQ$
Comp & Benefits	72	71	(1)
Amortization	14	13	(2)
Servicing & Origination	57	61	5
Technology	24	26	3
Professional Services	38	36	(2)
Other	20	23	3
Total	**$225**	**$231**	**$6**

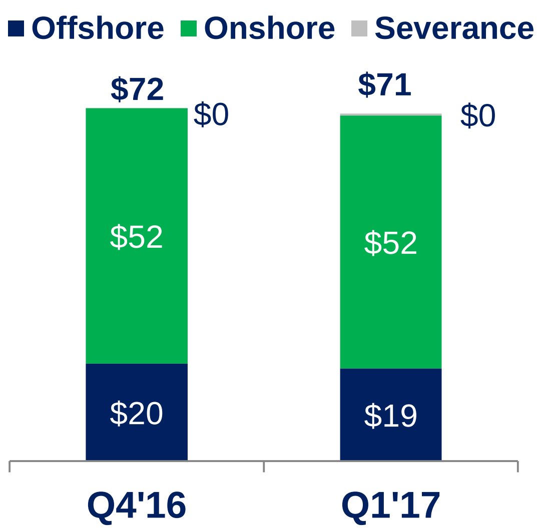
(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment

Servicing and Corporate costs[(a)]

Compensation & Benefits (C&B)

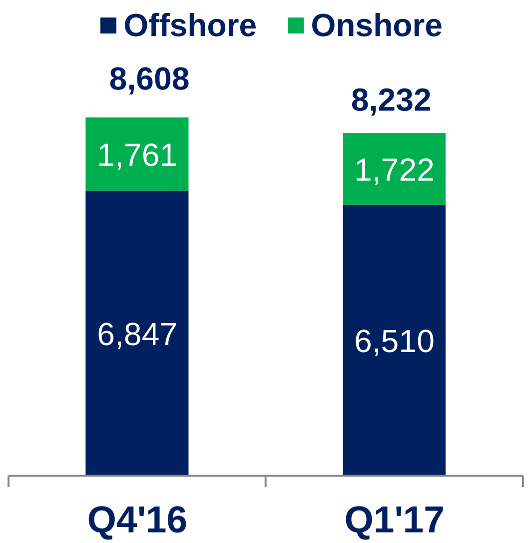
($ in millions)

C&B Expense



- 1% decline vs prior quarter

Headcount



- Servicing onshore down 30, Corporate onshore down 9
- Servicing offshore down 369, Corporate offshore increased by 32 due to expansion of Risk and IT functions

Drivers & 2017 trends

- Q1’17 management actions resulted in reduction of ~80 employees
- Identifying further onshore reduction opportunities within various Corporate functions
- Offshore levels expected to continue to adjust down through attrition

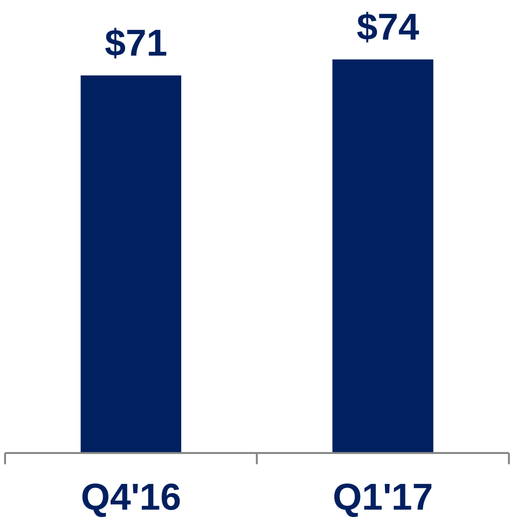
(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment

Servicing and Corporate costs[a]

Amortization and Servicing & Origination (S&O)

($ in millions)

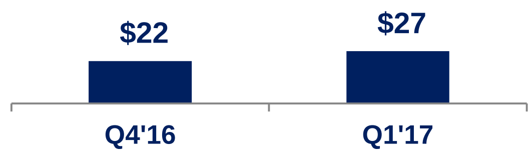
Amortization and S&O Expense



Key Components

Amortization

MSR FV Change[b]



Servicer Expenses

GNMA Losses

Other

Drivers & 2017 trends

- Portfolio run-off (at LOCOM)

- Portfolio run-off (at fair value)
- $5 increase driven by valuation updates, partially offset in NRZ interest expense (see slide 30)

- Continued reduction driven by management actions and servicing operational improvements

- Higher claim losses driven by unfavorable underlying loan characteristics

- Portfolio run-off

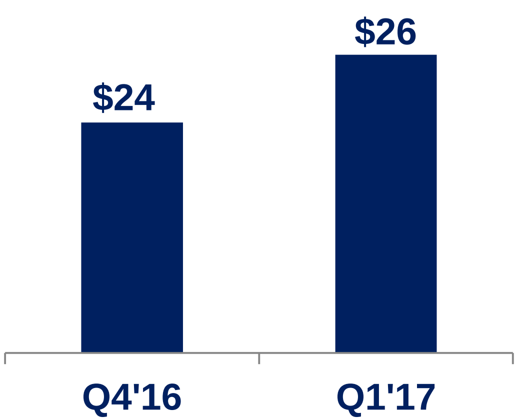
(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment
(b) Reduction of the MSR portfolio at Fair Value from run-off; comparable to amortization

Servicing and Corporate costs[a]

Technology

($ in millions)

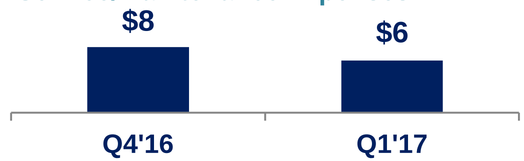
Technology Expense



Key Components

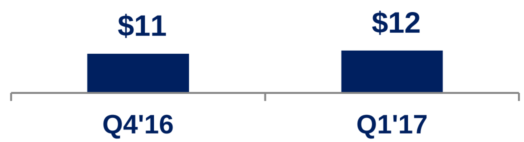
Servicing Platform Expenses

Service/Maintenance Expenses



Imaging Expenses

Other



Drivers & 2017 trends

- Continued focus on reducing spending on software and infrastructure services
- Continued efficiencies through technology insourcing
- Q4’16 Imaging Expenses reflect $(3) vendor credit received in the quarter
- Category includes infrastructure, depreciation, telecommunications expenses and other general technology expenses

(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment

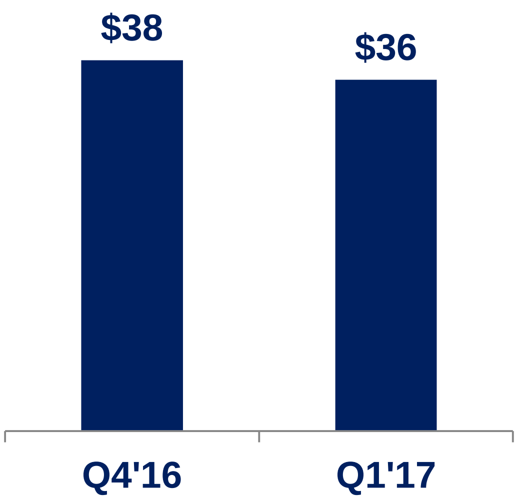
Servicing and Corporate costs(a)

OCWEN

Professional Services

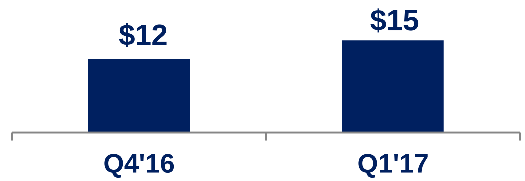
($ in millions)

Professional Services

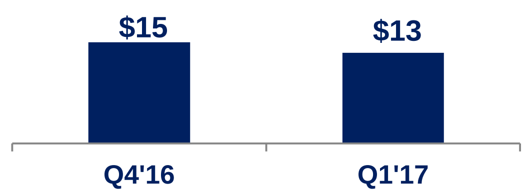


Key Components

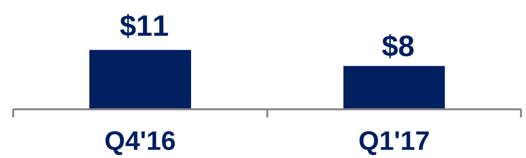
General Legal Fees



Legal and Regulatory Settlements



Audit, Insurance and Other



Drivers & 2016 trends

- Higher legal defense spend from ongoing challenging regulatory environment

- Q4’16: $13 reserve for potential future regulatory settlement (CFPB)
- Q1’17: $8 reserve for legacy securities class action litigation claim

- Lower purchased services compared to prior quarter

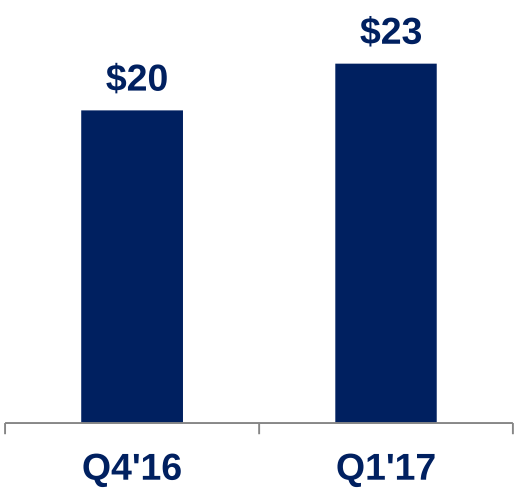
(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment

Servicing and Corporate costs[a]

Other Expenses

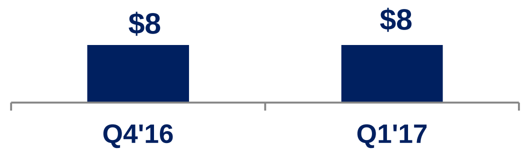
($ in millions)

Other Expenses

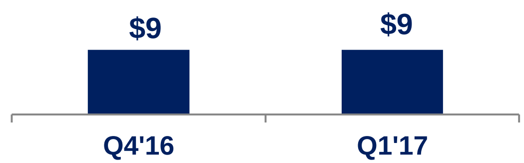


Key Components

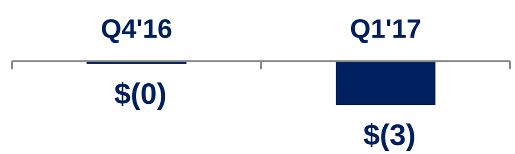
Mailing Expenses



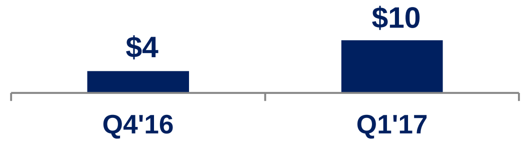
Facility Expenses



Reserves



Other



Drivers & 2016 trends

- Management focused on additional opportunities
- Release of Representation & Warranty reserves based on servicing operational improvements
- Category includes community relations, outsourcing expenses, bank charges, travel expenses, etc.

(a) Excludes interest rate-driven MSR fair value-related changes and monitoring expenses and new initiative spending (e.g., our Automotive Capital Services and other new businesses) that currently are reported in the Corporate Segment

Lending & New Initiative costs

Lending and New Initiative costs reflect Ocwen's Lending segment plus the costs of our new business initiatives like Automotive Capital Services. The Company is continuing to invest in each of these areas.

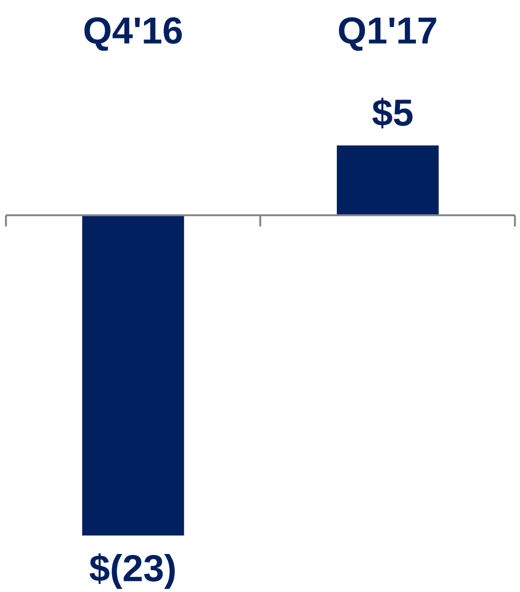
($ in millions)

	Q4'16	Q1'17	VPQ$
Comp & Benefits	22	21	(1)
Amortization	0	0	(0)
Servicing & Origination	6	6	0
Technology	1	1	(0)
Professional Services	2	1	(0)
Other	6	12	6
Total	**$36**	**$40**	**$4**

Uncontrollable costs[a]

Uncontrollable costs[a] reflect gains and losses Ocwen records for interest-rate driven changes in our MSR values and costs of the firms monitoring us. For ease of reference, we use the term "uncontrollable" because we have no or limited ability to influence, limit or reduce these costs.

($ in millions)



- Q4'16 favorable due to impairment reversal and agency FV changes

	Q4'16	Q1'17	VPQ$
Agency MSR FV	(5)	(1)	5
Non Agency MSR FV	0	0	0
GNMA Impairment	(26)	1	28
Monitors	8	4	(4)
Total	**$(23)**	**$5**	**$28**

(a) Reflects interest rate-driven MSR fair value-related changes and monitoring expenses

Debt Facilities Overview(a)

($ in millions)

	Debt Balance	Facility Cap	Weighted Average Advance Rate	Interest Rate	Maturity
Advance Facilities					
OMART	$ 996	$ 1,320	88.9%	3.14% for term Notes; 1 L + 2.36% for VFN	8/11/2017(VFN); 11/15/2017 8/15/2018; 8/15/2019
OFAF	99	160	88.5%	1 L + 2.84%	6/9/2017
OSART III	63	75	75.6%	CoF + 2.95%	12/15/2017
EBO (Counterparty 1)	13	13	79.0%	1L + 4.5%	N/A
EBO (Counterparty 2)	5	5	87.0%	1L + 5.5%	N/A
ACART	19	100	77.0%	1mL/CoF + 5%	2/15/2019
Subtotal - Advance Facilities	**1,195**	**1,674**			
Warehouse Lines					
OLS - Lender 1	132	175	100.0%	WAC	4/30/2018
OLS - Lender 2	8	100	94.6%	1L + 2.00% to 3.45%	9/28/2017
OLS - Lender 3	36	100	98.0%	1L + 2.75%	1/2/2018
OLS - Lender 4	1	60	99.0%	1L + 2.75%	8/17/2017
OLS - Lender 5	45	125	94.5%	1L + 2.00%	2/23/2018
HRI - Lender 1	36	75	94.5%	1L + 2.00%	2/23/2018
HRI - Lender 2	25	75	100.0%	WAC	4/30/2018
Liberty - Lender 1	27	50	99.0%	1L + 2.75%	8/17/2017
Subtotal - Warehouse Lines	**311**	**760**			
Structured Transactions					
OASIS	79	79	N/A	N/A	2/28/2028
Subtotal - Structured Transactions	**79**	**79**			
Corporate Debt					
SSTL	331	331	N/A	1L (with a floor at 1.00%) + 5.00%	12/5/2020
6.625% Sr Notes	3	3	N/A	6.625%	5/15/2019
8.375% 2nd Lien Notes	347	347	N/A	8.375%	11/15/2022
Subtotal - Corporate Debt	**681**	**681**			
Total	**$ 2,265**	**$ 3,193**			

(a) Balances as of 04/21/17

Note: Excludes Debt Issuance costs and Discount, “CoF” represents Cost of Funds, “1L” represents 1 month LIBOR and “WAC” represents Weighted Average Coupon on underlying mortgage loans

Consolidated Statement of Cash Flows: Adjusted Cash Flow from Operations Calculation

($ in millions)

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Cash Provided by Operating Activities (A)	**$141**	**$31**	**$178**	**$124**	**$86**
Decrease in Advances and Match Funded Advances (B)	$109	$106	$128	$109	$106
Funding Efficiency (C)	75%	75%	74%	75%	75%
Reduction of match funded liabilities (D=B*C)	81	79	95	82	80
Adjusted Cash Flow from Operations (A-D)	**60**	**(48)**	**$83**	**$42**	**$6**
Loans Held for Sale change(E)	(5)	(7)	(62)	(26)	25
ACS re-class (move from Operating usage to Investing usage) (F)[1]	4	9	10	(23)	-
Normalized Adjusted Cash Flow from Operations (A-D) + (E) + (F)	**$59**	**$(46)**	**$31**	**$(7)**	**$31**

(1) Reclassified ACS-related cash flows from Operating to Investing activity in Q4'16. Investments in the business will be shown as investing cash flows going forward

Reconciliation of Illustrative Servicing Cash Flow

($ in millions)

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Cash Provided by Operating Activities (A)	**$141**	**$31**	**$178**	**$124**	**$86**
Loans Held for Sale change (B)	(5)	(7)	(62)	(26)	25
Automotive Capital Services Receivables Change (C)[1]	4	9	10	12	-
Monitor Expenses (D)	(30)	(28)	(15)	(8)	(4)
ACS re-class (move from Operating usage to Investing usage) (E)[1]	-	-	-	(35)	-
Servicing Cash (A) + (B) + (C) – (D) + (E)	**$169**	**$61**	**$141**	**$84**	**$116**

(1) Reclassified ACS-related cash flows from Operating to Investing activity in Q4'16. Investments in the business will be shown as investing cash flows going forward

MSR Valuation Assumptions

(in $ millions)	FNMA / FHLMC				GNMA			PLS		
	OASIS Financed[a]	OASIS Retained[a]	MSRs Retained	Total	NRZ Financed	Ocwen Retained	Total[b]	NRZ Financed	Ocwen Retained	Total
UPB	6,845		20,160	27,005	304	17,993	18,296	108,994	34,268	143,262
Book Value	49	27	153	229	(23)	194	171	482	157	639
Fair Value	72	39	222	333	(23)	164	142	482	157	639
Internal Assumptions	72	39	222	333	(23)	164	142	862	206	1,068
Updated Assumptions	72	39	222	333	(23)	164	142	1,591	347	1,938
Collateral Metrics:										
Weighted Average Note Rate	4.40		4.27	4.31	5.71	4.47	4.49	4.58	4.27	4.51
Weighted Average Svc Fee	0.31		0.28	0.29	(0.56)	0.32	0.31	0.47	0.34	0.44
Weighted Average Loan-to-Value	74		69	70	81	83	83	87	79	85
% D30 (MBA)	1%		3%	3%	14%	6%	6%	8%	4%	7%
% D60 (MBA)	0%		2%	1%	7%	3%	3%	5%	2%	4%
% D90+ (MBA)	1%		4%	3%	17%	8%	8%	13%	9%	12%
Fair Value Assumptions[c]:										
Lifetime CPR[d]	7.68		9.25	8.85	24.89	11.12	11.34	16.88	14.17	16.44
Cost to Service[e]	$69		$100	$92	$287	$139	$141	$326	$270	$317
Ancillary Income[e]	$42		$46	$45	$64	$65	$65	$98	$105	$99
Discount Rate	8.60		9.35	9.16	13.48	10.06	10.11	12.55	14.25	12.82

(a) "OASIS Financed" represents the value attributed to the securitized 21 bp service fee strip, and “OASIS Retained" the left over service fee and other cash flows that remain with Ocwen
(b) The $(29mm) difference between GNMA FV and BV is carried as asset impairment at 3/31, slightly unfavorable to the 12/31 level of $(28mm)
(c) 3rd party broker assumptions
(d) Total voluntary payoffs and involuntary defaults; does not include scheduled payments
(e) Annual $ per loan

Note: This is not a full valuation of the Company, just an illustration of the implied value of our MSRs adjusting for certain factors. A full valuation would need to include fixed / overhead costs not captured in the value of the MSR and the value of our lending business, among other factors

Note Regarding Adjustments to GAAP Operating Expense and Pre-Tax Income

In the following three slides, we present supplemental information (including reconciliations) relating to certain illustrative adjustments to GAAP operating expense and pre-tax income. We believe this information instructive as an alternative way to view certain aspects of our business. However, the adjustments we make to GAAP operating expense and pre-tax income should not be analyzed in isolation or as a substitute to analysis of our GAAP operating expense and pre-tax income. There are certain limitations on the analytical usefulness of the adjustments we make to GAAP operating expense and pre-tax income and, accordingly, we rely primarily on our GAAP results and use these adjustments only for purposes of supplemental analysis. Readers are cautioned not to place undue reliance on analysis of the adjustments we make to GAAP operating expense and pre-tax income.

Adjusted Operating Expense on the slides 26 and 27 adjusts GAAP operating expense for (1) changes in fair value of our MSRs due to changes in market rates, valuation inputs and other assumptions, (2) expense related to business restructuring items such as severance expenses and lease termination costs, (3) legal, regulatory or counterparty settlement expenses as well as monitoring costs and (4) other expense items, including certain non-recurring costs, that management believes do not reflect the underlying operating expense performance of the Company, consistent with the intent of providing management and investors with a supplemental means of evaluating our operating performance. Certain components excluded from Adjusted Operating Expense are expected to occur in each period. For example, fair value changes in our MSR portfolio are regularly expected to occur and we may incur settlement expenses in each period.

Additionally, on slide 28, we show certain illustrative adjustments to GAAP pre-tax income for the following factors (1) Adjusted Operating Expense, (2) offsets to revenue relating to Adjusted Operating Expense, (3) the payments we have made to NRZ related to 2015's S&P servicer ranking downgrade, (4) Fisher litigation defense expenses, (5) gains/losses on MSR sales and (6) corporate debt interest expense.

Adjusted Operating Expense

($ in millions)

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Reported Operating Expense (GAAP)	**$328.7**	**$385.0**	**$271.7**	**$237.9**	**$276.4**
Restructuring cost	(0.2)	(1.5)	(1.3)	(0.2)	(0.4)
GNMA & GSE MSR FV Change[a]	(32.7)	(11.4)	2.3	31.6	(0.9)
MSR FV Change (Non-Agency)[a]	(4.9)	-	-	-	-
Legal and Regulatory Settlement Accruals	4.0	(45.0)	(15.9)	(12.5)	(8.0)
Mortgage Insurance Legacy Settlement	4.5	-	-	-	-
True-up for historical bank fees, offset in revenue	2.9	-	-	-	-
Monitor Costs	(30.0)	(28.1)	(15.1)	(8.5)	(4.4)
Adjusted Operating Expense (Non-GAAP)	**$272.4**	**$299.0**	**$241.6**	**$248.3**	**$262.8**
Operating Expense Adjustments	**$(56.3)**	**$(86.0)**	**$(30.1)**	**$10.4**	**$(13.6)**

(a) FV changes that are driven by changes in market rates, valuation inputs or assumptions are recorded here

Operating Expense Roll-forward

($ in millions)	C&B	Amortization	S&O	Technology	Professional	Occupancy	Other	Total
Q4'16 Actual Operating Expenses (GAAP)	**93.7**	**14.4**	**30.6**	**24.8**	**47.8**	**18.0**	**8.6**	**237.9**
Restructuring (Severance)	(0.2)							(0.2)
MSR Impairment			26.4					26.4
MSR FV Change (Agency only) [(a)]			5.2					5.2
Legal and Regulatory Settlement Accruals					(12.5)			(12.5)
Monitor Costs					(8.5)			(8.5)
Q3'16 Adjusted Operating Expense	**93.5**	**14.4**	**62.1**	**24.8**	**26.8**	**18.0**	**8.6**	**248.3**
Servicing expenses			0.2					0.2
Employee costs	(2.1)							(2.1)
Consulting Fees					(3.0)		4.0	1.0
Legal Fees and Settlements					5.7			5.7
Infrastructure & Projects				0.4		(0.2)		0.2
Amortization & MSR FV Change [(b)]		(1.7)	5.0					3.3
Loan-count driven expenses			(0.3)	2.1		(0.0)		1.8
Other	-	-	-	-	-	-	4.4	4.4
Q1'17 Adjusted Operating Expense	**91.4**	**12.7**	**67.0**	**27.3**	**29.5**	**17.7**	**17.0**	**262.8**
Restructuring (Severance)	(0.4)							(0.4)
MSR Impairment			(1.4)					(1.4)
MSR FV Change (Agency only) [(a)]			0.5					0.5
Legal and Regulatory Settlement Accruals					(8.0)			(8.0)
Monitor Costs					(4.4)			(4.4)
Q1'17 Actual Operating Expenses (GAAP)	**91.8**	**12.7**	**67.9**	**27.3**	**41.8**	**17.7**	**17.0**	**276.4**

(a) FV changes that are driven by changes in market rates or assumptions are recorded here
(b) Portfolio run-off, excluding any FV changes driven by market rates or assumptions

Illustrative Adjustments to Pre-tax Income

($ in millions)	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
Pre-tax Income (GAAP)	**$(102)**	**$(96)**	**$2**	**$(10)**	**$(30)**
Operating Expense Adjustments[a]	56	86	30	(10)	14
Offset to Operating Expense Adjustments above[b]	3	-	-	-	-
NRZ Payments (S&P Related)	6	4	-	-	-
Fisher Litigation Defense Expenses	13	10	2	-	-
Corporate Debt Refinance Expenses	-	-	-	16	-
(Gains)/Losses on MSR Sales	(1)	(1)	(6)	(1)	(0)
Adjusted Pre-tax Income (Non-GAAP)	**$(25)**	**$3**	**$28**	**$(5)**	**$(17)**
Less: Corporate Debt Interest Expense	(15)	(15)	(15)	(13)	(13)
Adjusted Pre-tax Income before Corporate debt expense (Non-GAAP)	**$(10)**	**$18**	**$43**	**$8**	**$(5)**

(a) See slide 26 for details
(b) Certain Operating Expense adjustments disclosed in Q1'16 had offsetting true-ups to revenue

Total Other (Income) Expense, Net

($ in millions)	Q4'16	Q1'17	VPQ$	Comments
NRZ Interest Expense	$ 54.9	$51.2	$(3.7)	
- Retained Fees	53.5	51.5	(2.0)	Reflects 'interest expense' to NRZ
- Liability Fair Value change	(15.8)	(17.0)	(1.2)	CPR & other 3rd party valuation updates
- Performance Fee	17.2	16.6	(0.6)	Advances / UPB ratio greater than target
OMART	10.9	10.7	(0.2)	
SSTL (incl. fee amortization)	18.0	5.8	(12.2)	Variance driven by $11.2 of refinance related expense in Q4'16
Other Secured/Structured Financing	3.8	5.3	1.5	EBO, OASIS, Warehouse Lines
High Yield Bond / Second Lien Notes	11.4	7.5	(3.9)	Variance driven by $5.1 of refinance related expense in Q4'16
Other Advance Financing	2.3	2.1	(0.2)	OFAF, OSART III and ACART
RMBS Call Rights	(3.4)	(2.7)	0.7	
Other	2.9	(0.1)	(3.0)	
Interest Income	(4.6)	(3.8)	0.8	
Total Other Expense, net	**$96.2**	**$76.0**	**$(20.2)**	

Note: "VPQ$" = Dollar variance versus prior quarter
Please refer to the Company's Quarterly Report on Form 10-Q for the quarter ending March 31, 2017 (when released) and Annual Report for the year ending December 30, 2016 for additional information on Other Income (Expense), Net

P&L Impact of Fair Value & Amortization Changes

	($ in millions)	Q4'16	Q1'17	VPQ$	Slide Reference
	Non-Agency MSR Fair Value Change				
0	- Portfolio Run-off	$ (21.2)	$(26.4)	$ (5.2)	Slide 27 via line 11 below
	- Interest Rate and Other Assumption Changes	-	-	-	
1	**Total Non-Agency MSR Fair Value Change**	**(21.2)**	**(26.4)**	**(5.2)**	
	Agency MSR Fair Value Change				
2	- Portfolio Run-off	$ (0.6)	$ (0.4)	$ 0.2	Slide 27 via line 11 below
3	- Interest Rate and Other Assumption Changes	5.2	0.5	(4.7)	Slide 26 via line 7 below
4	**Total Agency MSR Fair Value Change**	**4.6**	**0.0**	**(4.5)**	
	Total MSR Fair Value Changes				
	- Portfolio Run-off	$ (21.8)	$(26.8)	$ (5.0)	
	- Interest Rate and Other Assumption Changes	5.2	0.5	(4.7)	
5	**Total MSR Fair Value Changes (1 + 4)**	**(16.6)**	**(26.3)**	**(9.7)**	
6	**Fair Value Impact on Carrying Value of GNMA MSRs (LOCOM)**	**26.4**	**(1.4)**	**(27.8)**	Slide 26 via line 7 below
7	**Interest Rate-driven Fair Value Changes (3+6)**	**$ 31.6**	**$ (0.9)**	**$(32.5)**	Slide 26
8	**Total MSR Liability Fair Value Changes (impacts interest expense)**	**15.8**	**17.0**	**1.2**	Offset to line 0 above
	Income Statement Impact of Fair Value Related Changes (5 + 6 + 8)	**$ 25.5**	**$(10.7)**	**$(36.2)**	
	Amortization Expense (Agency)				
9	- Portfolio Run-off	(14.4)	$(12.7)	$ 1.7	Slide 27 via line 11 below
10	**Total Agency MSR Amortization Expense**	**(14.4)**	**(12.7)**	**1.7**	
	Additional Reconciliation:				
	Amortization Expense (Agency) (Portfolio Run-off) (9)	$ (14.4)	$(12.7)	$ 1.7	
	MSR Fair Value Change (Portfolio Run-off) (0 + 2)	(21.8)	(26.8)	(5.0)	
11	**Total Amortization and Fair Value Change (Portfolio Run-off)**	**(36.2)**	**(39.5)**	**(3.3)**	Slide 27