



Ocwen Endorses Administration's Stepped-Up Effort to Promote Mortgage Modifications

Servicer Reaffirms That Prudent Modifications are Good Business and Key to Solving Mortgage Crisis

WEST PALM BEACH, Fla., July 30, 2009 -- Ocwen Financial Corporation (NYSE:OCN), a leading servicer of subprime mortgages, supports the Obama administration's stepped-up effort to address the mortgage crisis through effective loan modifications. Ocwen was one of the first servicers to begin executing loan modifications under the Treasury Department's Home Affordable Modification Program (HAMP) and one of 25 servicers that met this week with Treasury and Department of Housing and Urban Development officials to address the need to speed up and improve the modification effort.

"Modifications are the key to a lasting solution to the daunting foreclosure crisis, which lies at the heart of our nation's economic problems and threatens millions of families," said Ocwen chairman and CEO William C. Erbey. "We applaud any effort to advance the effectiveness of the administration's modification plan to assist homeowners with unaffordable mortgages and prevent avoidable foreclosures."

Modifications are Good Business, and Good for Homeowners

Said Paul A. Koches, Ocwen executive vice president and general counsel, "While there have been suggestions that many servicers shun modifications because they're profiting by collecting late fees, we believe modifications are in everyone's interest. In fact, late fees, which rarely if ever are collected in foreclosures, don't come close to covering the cost of advances that must be made -- out of the servicer's pocket -- to the owners of delinquent loans. We're convinced that prudent modifications are best for our homeowner customers, the owners of the mortgage, our business and our economy overall."

Loan modifications have been a key part of Ocwen's business approach since the outset of the subprime crisis. To date, Ocwen has saved over 90,000 homes from foreclosure, altering loans so distressed homeowners can afford them and so they perform for investors. And Ocwen has already solicited about 60,000 modifications under Treasury's HAMP program. According to a July 2009 Bank of America Mortgage Credit Research Report, Ocwen has the highest industry average of modifying fixed rate and adjustable rate subprime mortgages that are over 90 days delinquent and turning them into current, performing loans.

"We've put a lot of effort into ensuring that our loan modifications stick, meaning that the reduced monthly payment is both affordable by homeowner on a sustained basis while at the same time returns cash flow for the investor that exceeds foreclosure value. We do this via a complicated, proprietary process involving technology and financial models. This effort is paying off," Mr. Koches said. Ocwen's loan modifications have a re-default rate of 24%, compared to an industry average of 42.9%, according to federal regulators.

Ocwen's approach to loan servicing combines highly customized financial modeling, artificial intelligent-driven scripting engines and a Psychology Department that utilizes consumer behavioral science in reaching out to at-risk customers and modifying loans so that they stay performing.

About Ocwen

Ocwen Financial Corporation is a leading asset manager and business process solutions provider specializing in loan servicing, special servicing, mortgage loan due diligence and receivables management services. Ocwen is headquartered in West Palm Beach, Florida with offices in Arizona, California, the District of Columbia, Florida, Georgia and New York and global operations in Canada, India and Uruguay. Utilizing our global infrastructure, state of the art technology, world-class training and six sigma processes, we provide solutions that make our clients' loans worth more. Additional information is available at www.ocwen.com.

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