



PHH Corporation Acquisition Overview

February 28, 2018

SEC Cautionary Forward Looking Statement



SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this communication may be deemed to be forward-looking statements under certain securities laws, including the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the expected effects of the acquisition of PHH Corporation (PHH) by Ocwen, required approvals, the expected timing of the acquisition and other statements other than in relation to historical facts. Forward-looking statements are typically identified by words such as “believe”, “expect”, “foresee”, “forecast”, “anticipate”, “intend”, “estimate”, “goal”, “strategy”, “plan”, “target” and “project” and similar expressions of future or conditional verbs such as “will”, “may”, “should”, “could”, or “would” or the negative of these terms or other comparable terminology, 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 which has magnified such uncertainties. Readers should bear these factors in mind when considering such statements. Forward-looking statements involve a number of assumptions, risks and uncertainties, many of which are outside the control of Ocwen and PHH, 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. 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. Any annualized, pro forma, projected and estimated numbers in this communication are used for illustrative purposes only, are not forecasts and may not reflect actual results. We caution readers not to place undue reliance on these statements as a number of important factors could cause our actual results to differ materially from the expectations expressed in such forward-looking statements. These factors include, but are not limited to, the possibility that the proposed transaction does not close when expected or at all because required regulatory, shareholder or other approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all, or that the anticipated benefits of the transaction are not realized when expected or at all, including as a result of the strength of the economy and competitive factors in the areas where Ocwen and PHH do business; the impact of changes in the laws and regulations regulating financial services and enforcement thereof; the effects of competition in the markets in which Ocwen and PHH operate; judicial or regulatory judgments and legal proceedings; Ocwen’s ability to complete the acquisition and integration of PHH successfully; the effect of the announcement of the proposed transaction on Ocwen’s relationships with its contractual counterparties, regulators and other stakeholders, operating results and business generally; and other factors that may affect future results of Ocwen and PHH, including timely development and introduction of new products and services and technological changes.

We caution that the foregoing list of important factors is not exhaustive. Additional information about these and other factors can be found in Ocwen’s 2016 Annual Report on Form 10-K/A, its quarterly and current reports since such filing and, once filed, its 2017 Annual Report on Form 10-K, each filed with the U.S. Securities and Exchange Commission (the “SEC”) and available at the SEC’s website (<http://www.sec.gov>).



Transaction Summary

- Ocwen executed a definitive agreement to purchase PHH Corporation (PHH). PHH is a large servicer of residential mortgages with portfolio recapture solutions
- Purchase price of \$360 million in cash
- Ocwen will also assume \$119 million of PHH corporate debt as part of the acquisition
- Deal estimated to close in the second half of 2018, subject to various closing conditions, including PHH shareholder approval and regulatory and other approvals
- **Key Strategic Rationale – Ocwen believes that this transaction will:**
 - Accelerate Ocwen’s transition to an industry-leading servicing platform,
 - Improve servicing and origination margins through improved economies of scale,
 - Reduce fixed costs (on a combined basis) by eliminating redundant corporate overhead and public company-related costs, and
 - Provide a superior foundation to eventually enable the combined servicing platform to resume new business and growth activities to offset portfolio runoff.
- Opportunities to improve expected financial returns by further reducing labor costs, improving servicing operations and improving recapture performance



Ocwen + PHH Overview

Ocwen will continue to focus its business on mortgage servicing, subservicing, reverse mortgage originations and portfolio retention. The PHH acquisition is intended to add scale in all areas except reverse mortgage originations

Key Stats^(a)

- PHH estimates its core business will grow to service ~750k loans and target \$1.6B in originations annually
- PHH's extensive expertise with Black Knight LoanSphere Mortgage Servicing Platform® (MSP) will greatly assist in Ocwen's systems transition process
- Combined stable and scalable servicing and loan origination platforms provides future growth opportunities
- Combined company expected to enhance management talent and expertise

**\$328
Billion**
in UPB

**\$3.0
Billion**
in Originations

**1.9
Million**
Loans Serviced

**9,000
Employees**

**~\$400
Million**
of Cash^(b)

**1.2x
Corporate
Debt/Equity^(c)**

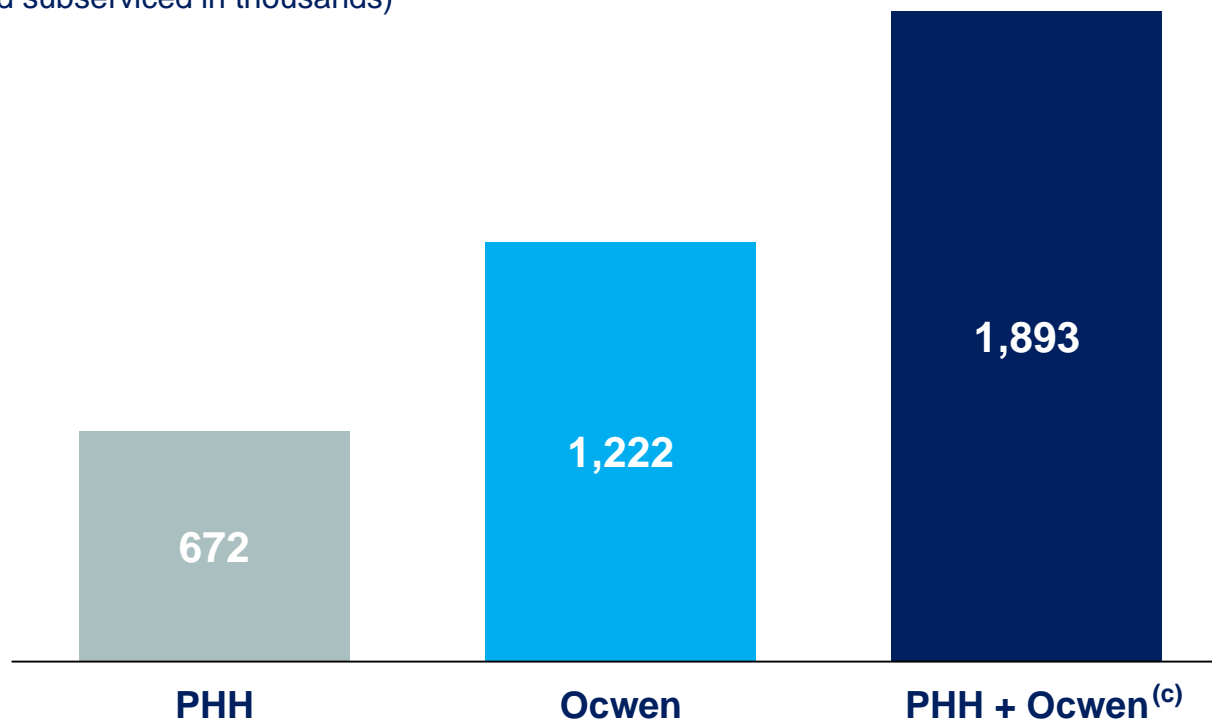
- a) Combined Ocwen + PHH key stats as of 12/31/17, for all except cash
b) Estimated as of end of Q2'18. Subject to numerous assumptions. Includes \$280mm of cash received by Ocwen in Jan'18 as part of the NRZ RMSR transaction, reduced by \$384mm transaction-related cash use and ~\$150mm of additional anticipated mortgage-related investments and/or debt repayments funded by Ocwen excess cash
c) Pro forma adjustments account for extinguishment of PHH equity and deal fees and Ocwen's 1/1/18 fair value election on its agency and government-insured MSRs

Go Forward Business Lines

	PHH	Ocwen	Together
Servicing:			
Residential	✓	✓	✓
Commercial	X	✓	✓
Origination:			
Forward Recapture	✓	✓	✓
Other Retail Lending	X	X	TBD Post Integration
Reverse Mortgage	X	✓	✓

Pro Forma Servicing Portfolio^(a)

(# loans serviced and subserviced in thousands)



	PHH	Ocwen	PHH + Ocwen ^(c)
UPB (\$ in billions)	\$148	\$179	\$328
NRZ-related loans	54%	59%	57%
NRZ-related loans ^(b)	58%	N/A	58%

a) As of 12/31/17

b) Reflects the percentage had the remainder of the PHH-NRZ transaction closed by 12/31/17

c) In February 2018, PHH received notices from 3 subservicing clients of their intent to transfer approximately 118,550 loans to other servicers



Transaction Sources and Uses

Purchase price will be paid in cash. However, most of the purchase price is being funded by excess available cash currently on the PHH balance sheet. Ocwen's cash contribution is estimated to be approximately \$74 million, including payment of certain deal expenses at closing

Sources & Uses^(a)

Notes

(\$'s in millions)

Uses:

Purchase Price	\$360
Deal Fees / Other	24
Total Uses:	\$384

Sources:

PHH Cash Available for Distribution	\$260
Additional Advance Financing	50
Ocwen Cash Contribution	74
Total Sources:	\$384

- PHH's agreement to sell remaining MSR's and advances to NRZ not assumed to close before the PHH/Ocwen deal closes
- \$260 million of excess available PHH cash used as transaction consideration – projected to leave ample liquidity to fund its future cash needs
- Ocwen plans to secure \$50 million in servicing advance financing secured by PHH advances
- Potential to significantly reduce or eliminate Ocwen's initial cash contribution if PHH's remaining transaction with NRZ is completed

Anticipated Transaction Benefits

Operations

- Adds 672,000 servicing / subservicing loans, increasing scale^(a)
- Portfolio retention expansion via recapture performance improvement
- Leverage best practices of each company's core competencies in respective loan portfolios and oversight functions

Technology

- Facilitates a faster Ocwen transition to MSP servicing platform
- Reduces risk and cost of a new servicing system implementation
- Leverages Ocwen's proven scripting capabilities, appointment-based models and loss-mitigation solutions to enhance PHH's servicing capability

Talent

- Access to PHH's experienced management team and staff
- Benefit from a previously trained workforce on MSP
- Leverage Ocwen's global labor force capabilities

Capital

- Anticipating \$50 million or more in annual corporate and servicing overhead savings^(b) for the combined company
- Transaction requires a relatively small net cash investment
- Well capitalized combined entity post transaction
- Relatively low Corporate debt-to-equity ratio



Summary of Key Approvals

State Regulators

- Pre-closing regulatory consents are required in over 30 states
- Additionally, the parties will provide required pre-closing notices to all states
- Ocwen anticipates having regular communication with state regulatory agencies during this pre-closing period

Other Regulatory Approvals

- Federal antitrust approval under the Hart-Scott-Rodino Act
- Fannie Mae, Freddie Mac and Ginnie Mae

Integration Planning



Pre-Closing Period

During the pre-close period, the Company will diligently prepare for the transaction closing

- Detailed integration planning
- Frequent and transparent communication with Regulators
- Identify best practices in operations and control functions
- Outline IT / Systems strategy

Integration Period^(a)

Following closing, the Company will focus on strategies to capture synergies quickly and effectively

- Integrate management team and staff
- Migrate IT / Systems as needed
- Efficiently and compliantly transfer Ocwen loans to MSP
- Begin operational improvement and synergy realization efforts

Summary of Select Transaction Risks and Mitigating Factors



1. **Inability to achieve overhead, servicing and originations synergies**
 - We believe current assumptions are conservative and could potentially be exceeded
2. **Potential loss of PHH sub-servicing clients, including the loss of PHH's largest client, NRZ, over time**
 - Ocwen believes it has a strong relationship with NRZ
3. **Inability to eventually replace revenue loss due to portfolio runoff**
 - Risk already exists for both Ocwen and PHH. Combined entity should produce a stronger company with better capabilities and more revenue opportunities. PHH has an existing pipeline of sub-servicing opportunities
4. **Integration Risk (Delays, culture, unwanted turnover, etc.)**
 - While an inherent risk in any transaction, this transaction will significantly reduce Ocwen's risk of successfully implementing and transferring to a new servicing system
 - Plan to develop a detailed integration plan to mitigate these risks
5. **Unknown contingent liabilities of PHH**
 - Recent PHH settlements and court rulings have reduced certain prior risks

Key Takeaways

The combined Ocwen + PHH company is expected to generate value to all stakeholders:

- **Scaled Market Position:** Expanded subservicing and portfolio retention businesses
- **Leading Technology Platform:** Industry-leading technology allowing for efficient and accurate loan servicing
- **Improved Financial Returns:** Driven by cost optimization and synergies derived by leveraging a single platform and global workforce
- **Well Capitalized Go-forward Company:** Post acquisition leverage remains relatively low and liquidity remains high

Better positioned business with increased scale and improved technology platform