UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

|X| QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-21341

OCWEN FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Florida	65-0039856
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida 33401
(Address of principal executive offices) (Zip Code)

(561) 682-8000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

Number of shares of Common Stock, $.01 par value, outstanding as of May 12, 2000: 61,183,275 shares

OCWEN FINANCIAL CORPORATION
FORM 10-Q

I N D E X

PART I - FINANCIAL INFORMATION
ITEM 1. INTERIM FINANCIAL STATEMENTS (UNAUDITED)

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

	March 31, 2000	December 31, 1999
ASSETS:		
Cash and amounts due from depository institutions	$ 68,016	$ 153,459
Interest earning deposits	23,024	116,399
Federal funds sold	96,000	112,000
Securities available for sale, at fair value	838,446	587,518
Loans available for sale, at lower of cost or market	36,843	45,213
Investment securities	13,256	10,965
Loan portfolio, net	156,119	157,408
Match funded loans and securities, net	145,964	157,794
Discount loan portfolio, net	842,178	913,229
Investments in low-income housing tax credit interests	138,778	150,989
Investments in unconsolidated entities	33,998	37,118
Real estate owned, net	185,498	167,506
Investment in real estate	238,247	268,241
Real estate held for sale	188,808	--
Premises and equipment, net	47,344	49,038
Income taxes receivable	13,198	--
Deferred tax asset, net	140,550	136,920
Excess of purchase price over net assets acquired	12,433	13,207
Principal, interest and dividends receivable	10,978	10,024
Escrow advances on loans and loans serviced for others	172,986	162,548
Other assets	76,827	59,737
	$ 3,479,491	$ 3,309,313
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits	$ 1,767,602	$ 1,842,286
Securities sold under agreements to repurchase	376,454	47,365
Bonds-match funded agreements	130,429	141,515
Obligations outstanding under lines of credit	174,059	187,866
Notes, debentures and other interest bearing obligations	298,023	317,573
Accrued interest payable	39,681	32,569
Excess of net assets acquired over purchase price	54,041	56,841
Income taxes payable	--	6,369
Accrued expenses, payables and other liabilities	36,766	57,487
Total liabilities	2,877,055	2,689,871
Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	110,000	110,000
COMMITMENTS AND CONTINGENCIES (NOTE 7)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value; 20,000,000 shares authorized; 0 shares issued and outstanding	--	--
Common stock, $.01 par value; 200,000,000 shares authorized; 67,183,275 and 68,571,575 shares issued and outstanding at March 31, 2000 and December 31, 1999, respectively	672	686
Additional paid-in capital	223,372	232,340
Retained earnings	271,904	277,002
Accumulated other comprehensive income (loss), net of taxes:		
Net unrealized (loss) gain on securities available for sale	(2,924)	163
Net unrealized foreign currency translation loss	(588)	(749)
Total stockholders' equity	492,436	509,442
	$ 3,479,491	$ 3,309,313

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

FOR THE THREE MONTHS ENDED MARCH 31,	2000	1999
INTEREST INCOME:		
Federal funds sold and repurchase agreements	$ 1,709	$ 3,396
Securities available for sale	12,869	17,189
Loans available for sale	807	8,130
Investment securities and other	327	651
Loans	3,968	6,165
Match funded loans and securities	3,311	--
Discount loans	25,099	30,003
	48,090	65,534
INTEREST EXPENSE:		
Deposits	24,685	26,828
Securities sold under agreements to repurchase	2,640	1,491
Obligations outstanding under lines of credit	3,471	3,724
Bonds-match funded agreements	3,356	--
Notes, debentures and other interest bearing obligations	9,244	6,755
	43,396	38,798
Net interest income before provision for loan losses	4,694	26,736
Provision for loan losses	2,608	3,739
Net interest income after provision for loan losses	2,086	22,997
NON-INTEREST INCOME:		
Servicing fees and other charges	20,668	18,251
Gain on interest earning assets, net	10,994	20,225
Impairment charges on securities available for sale	(6,833)	(83)
(Loss) gain on real estate owned, net	(7,007)	629
Amortization of excess of net assets acquired over purchase price	2,794	--
Other income	4,775	6,553
	25,391	45,575
NON-INTEREST EXPENSE:		
Compensation and employee benefits	16,583	27,211
Occupancy and equipment	3,263	5,766
Technology and communication costs	5,281	5,744
Loan expenses	3,930	4,128
Net operating (gains) losses on investments in real estate and certain low-income housing tax credit interests	(4,054)	1,848
Amortization of excess of purchase price over net assets acquired	773	230
Other operating expenses	6,745	7,196
	32,521	52,123
Distributions on Company-obligated, mandatory redeemable securities of subsidiary trust holding solely junior subordinated debentures	3,194	3,399
Equity in losses of investments in unconsolidated entities	(2,260)	(1,245)
(Loss) income before income taxes and extraordinary gain	(10,498)	11,805
Income tax benefit (expense)	3,255	(2,368)
Minority interest in net loss of consolidated subsidiary	--	33
(Loss) income before extraordinary gain	(7,243)	9,470
Extraordinary gain on repurchase of debt, net of taxes	2,145	--
Net (loss) income	$ (5,098)	$ 9,470
(LOSS) EARNINGS PER SHARE:		
Basic:		
Net (loss) income before extraordinary gain	$ (0.10)	$ 0.16
Extraordinary gain	0.03	--
Net (loss) income	$ (0.07)	$ 0.16
Diluted:		
Net (loss) income before extraordinary gain	$ (0.10)	$ 0.16
Extraordinary gain	0.03	--
Net (loss) income	$ (0.07)	$ 0.16
Weighted average common shares outstanding:		
Basic	68,222,987	60,800,357
Diluted	68,222,987	60,843,572

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(DOLLARS IN THOUSANDS)

FOR THE THREE MONTHS ENDED MARCH 31,	2000	1999
Net (loss) income	$ (5,098)	$ 9,470
Other comprehensive (loss) income, net of taxes:		
Change in unrealized loss (gain) on securities available for sale arising during the year	(3,792)	4,813
Less: Reclassification adjustment	544	(2,604)
Net change in unrealized loss on securities available for sale (net of a tax benefit (expense) of $1,899 and $(1,051) for 2000 and 1999, respectively)	(3,248)	2,209
Change in unrealized foreign currency translation adjustment arising during the year (net of tax expense of $95, respectively)	161	175
Net change in unrealized foreign currency translation loss (net of tax)	161	175
Other comprehensive (loss) income	(3,087)	2,384
Comprehensive (loss) income	$ (8,185)	$ 11,854
Disclosure of reclassification adjustment:		
Unrealized holding losses arising during the year on securities sold or impaired	$ (4,208)	$ 231
Add: Adjustment for realized losses and impairment charges on securities available for sale included in net income (loss)	4,752	(2,835)
Net reclassification adjustment for (gains) losses recognized in other comprehensive income (loss) in prior years (net of tax benefit (expense) of $238 and $(_____) for 2000 and 1999, respectively)	$ 544	$ (2,604)

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2000
(DOLLARS IN THOUSANDS)

	Common Stock		Additional Paid-in	Retained	Accumulated Other Comprehensive Income (loss),	
	Shares	Amount	Capital	Earnings	Net of Taxes	Total
Balances at December 31, 1999	68,571,575	$ 686	$ 232,340	$ 277,002	$ (586)	$ 509,442
Net loss	--	--	--	(5,098)	--	(5,098)
Repurchase of common stock	(1,388,300)	(14)	(8,968)	--	--	(8,982)
Other comprehensive income, net of taxes:						
Change in unrealized gain (loss) on securities available for sale	--	--	--	--	(3,087)	(3,087)
Change in unrealized foreign currency translation loss	--	--	--	--	161	161
Balances at March 31, 2000	67,183,275	$ 672	$ 223,372	$ 271,904	$ (3,512)	$ 492,436

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

For the three months ended March 31,	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (5,098)	$ 9,470
Adjustments to reconcile net (loss) income to net cash used by operating activities:		
Net cash provided by trading activities	--	11,992
Proceeds from sales of loans available for sale	2,434	100,817
Purchases of loans available for sale	--	(14,663)
Origination of loans available for sale	--	(286,238)
Principal payments received on loans available for sale	2,258	5,925
Principal payments on match funded loans	12,809	--
Premium amortization on securities, net	(17,362)	6,609
Depreciation and amortization	5,066	5,137
Provision for loan losses	2,608	3,739
Provision for real estate owned	9,212	5,061
Gain on interest-earning assets, net	(10,994)	(20,225)
Impairment charges on securities available for sale	6,833	83
Gain on sale of low-income housing tax credit interests	261	--
Loss (gain) on real estate owned, net	4,556	(9,202)
Loss on sale of investment in real estate held	--	(50)
Equity in losses (earnings) of unconsolidated entities	2,260	1,245
(Increase) decrease in principal, interest and dividends receivable	(954)	4,927
(Increase) decrease in income taxes receivable	(19,567)	3,144
Increase in deferred tax asset	(3,630)	(1,012)
Increase in escrow advances	(10,438)	(8,974)
Decrease in other assets, net	4,564	30,600
Increase in accrued expenses, interest payable and other liabilities	(16,392)	(5,324)
Net cash used by operating activities	(31,574)	(156,939)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities available for sale	83,163	633
Purchase of securities available for sale	(449,954)	(105,401)
Maturities of and principal payments received on securities available for sale	106,099	128,598
Federal Home Loan Bank Stock	(2,432)	--
Purchase of low-income housing tax credit interests	(16,189)	(11,746)
Proceeds from sales of low-income housing tax credit interests	10,162	--
Proceeds from sales of discount loans, net	64,507	143,225
Proceeds from sale of real estate held for investment	--	4,358
Proceeds from sales of loans held for investment	227	29,284
Purchase and originations of loans held for investment, net of undisbursed loan funds	(9,788)	(9,630)
Purchase of discount loans, net	(68,887)	(86,117)
Decrease (increase) in investment in unconsolidated entities	456	--
Principal payments received on loans held for investment	11,310	32,578
Principal payments received on discount loans, net	31,232	31,771
Purchase of and capital improvements to real estate held for investment	(159,314)	(8,099)
Proceeds from sale of real estate owned	39,728	64,135
Purchase of real estate owned in connection with discount loan purchases	(3,591)	(8,160)
Additions to premises and equipment	(1,379)	(7,648)
Net cash (used) provided by investing activities	(364,650)	197,781

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - (CONTINUED)
(DOLLARS IN THOUSANDS)

For the three months ended March 31,	2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in deposits	$ (74,684)	$ (325,322)
Increase in securities sold under agreements to repurchase	329,089	6,423
Proceeds from obligations under lines of credit, net of repayments	(13,396)	145,475
Payments on bonds-match funded agreements	(11,057)	--
Repurchases of notes and subordinate debentures	(19,550)	(2,000)
Repurchase of common stock	(8,996)	--
Net cash provided (used) by financing activities	201,406	(175,424)
Net decrease in cash and cash equivalents	(194,818)	(134,582)
Cash and cash equivalents at beginning of period	381,858	419,154
Cash and cash equivalents at end of period	$ 187,040	$ 284,572
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF PERIOD:		
Cash and amounts due from depository institutions	$ 68,016	$ 65,274
Interest-earning deposits	23,024	18,798
Federal funds sold and repurchase agreements	96,000	200,500
	$ 187,040	$ 284,572
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 36,284	$ 32,009
Income taxes	$ 18,721	$ 802
Supplemental schedule of non-cash investing and financing activities:		
Real estate owned acquired through foreclosure	$ 54,595	$ 57,094
Exchange of discount loans and loans available for sale for securities	$ --	$ 224,210

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in conformity with the instructions to Form 10-Q and Article 10, Rule 10-01 of Regulation S-X for interim financial statements. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements. The Company's consolidated financial statements include the accounts of Ocwen Financial Corporation ("OCN" or the "Company") and its subsidiaries. The Company owns directly and indirectly all of the outstanding common and preferred stock of its primary subsidiaries, Ocwen Federal Bank FSB (the "Bank"), Investors Mortgage Insurance Holding Company ("IMI"), Ocwen Technology Xchange, Inc. ("OTX") and Ocwen Asset Investment Corp. ("OAC"). The Company acquired OAC on October 7, 1999. The Company's consolidated financial statements include OAC and its subsidiaries as of that date. The Company also owns 98.9% of Ocwen Financial Services, Inc. ("OFS"), with the remaining 1.1% owned by the shareholders of Admiral Home Loan and reported in the consolidated financial statements as a minority interest. The Company sold its investment in its foreign subsidiary, Ocwen UK, on September 30, 1999. Ocwen UK's results of operations for 1999 have been included in the consolidated statements of operations through that date. All significant intercompany transactions and balances have been eliminated in consolidation.

The Bank is a federally chartered savings bank regulated by the Office of Thrift Supervision ("OTS").

In the opinion of management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the Company's financial condition at March 31, 2000 and December 31, 1999, the results of its operations for the three months ended March 31, 2000 and 1999, its comprehensive income/(loss) for the three months ended March 31, 2000 and 1999, its cash flows for the three months ended March 31, 2000 and 1999, and its changes in stockholders' equity for the three months ended March 31, 2000. The results of operations and other data for the three-month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for any other interim periods or the entire year ending December 31, 2000. The unaudited consolidated financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. Certain reclassifications have been made to the prior period's consolidated financial statements to conform to the March 31, 2000 presentation.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the statements of financial condition and revenues and expenses for periods covered. Actual results could differ from those estimates and assumptions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENT IN REAL ESTATE

In conjunction with its commercial loan acquisition and resolution activities, the Company acquired certain acquisition, development and construction loans in which the Company participated in the residual profits of the underlying real estate and the borrower had not contributed substantial equity to the project. As such, the Company accounted for these loans under the equity method of accounting as though it has made an investment in a real estate limited partnership.

INVESTMENT IN REAL ESTATE PARTNERSHIPS

The Company's investments in real estate partnerships are accounted for under the equity method of accounting. Under the equity method of accounting, an investment in the shares or other interests of an investee is recorded at cost of the shares or interests acquired and thereafter is periodically increased (decreased) by the investors proportionate share of earnings (losses) of the investee and decreased by the dividends or distributions received by the investor from the investee.

REAL ESTATE HELD FOR SALE

Real estate held for sale is reported at the lower of the carrying amount or fair value less cost to sell. Real estate is classified as held for sale when the Company has committed to a plan to sell the assets, and depreciation is discontinued. Gains and losses on the sale of real estate held for sale are included as a component of income.

NOTE 3: CAPITAL SECURITIES

In August 1997, the Ocwen Capital Trust ("OCT") issued $125,000 of 10-7/8% Capital Securities (the "Capital Securities"). Proceeds from the issuance of the Capital Securities were invested in 10-7/8% Junior Subordinated Debentures issued by Ocwen. The Junior Subordinated Debentures, which represent the sole assets of OCT, will mature on August 1, 2027. During 1999, OCT repurchased $15,000 of its Capital Securities in the open market, resulting in extraordinary gains of $5,548 ($4,570 net of taxes).

Holders of the Capital Securities are entitled to receive cumulative cash distributions accruing from the date of original issuance and payable semiannually in arrears on February 1 and August 1 of each year, commencing on February 1, 1998, at an annual rate of 10-7/8% of the liquidation amount of $1,000 per Capital Security. Payment of distributions out of moneys held by OCT, and payments on liquidation of OCT or the redemption of Capital Securities, are guaranteed by the Company to the extent OCT has funds available. If the Company does not make principal or interest payments on the Junior Subordinated Debentures, OCT will not have sufficient funds to make distributions on the Capital Securities, in which event the guarantee shall not apply to such distributions until OCT has sufficient funds available therefore. Accumulated distributions payable on the Capital Securities amounted to $2,027 and $4,815 at March 31, 2000 and December 31, 1999, respectively, and is included in accrued interest payable.

The Company has the right to defer payment of interest on the Junior Subordinated Debentures at any time or from time to time for a period not exceeding 10 consecutive semiannual periods with respect to each deferral period, provided that no extension period may extend beyond the stated maturity of the Junior Subordinated Debentures. Upon the termination of any such extension period and the payment of all amounts then due on any interest payment date, the Company may elect to begin a new extension period. Accordingly, there could be multiple extension periods of varying lengths throughout the term of the Junior Subordinated Debentures. If interest payments on the Junior Subordinated Debentures are deferred, distributions on the Capital Securities will also be deferred and the Company may not, and may not permit any subsidiary of the Company to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, the Company's capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank pari passu with or junior to the Junior Subordinated Debentures. During an extension period, interest on the Junior Subordinated Debentures will continue to accrue at the rate of 10-7/8% per annum, compounded semiannually.

The Junior Subordinated Debentures are redeemable prior to maturity at the option of the Company, subject to the receipt of any necessary prior regulatory approval, (i) in whole or in part on or after August 1, 2007, at a redemption price equal to 105.438% of the principal amount thereof on August 1, 2007, declining ratably on each August 1 thereafter to 100% on or after August 1, 2017, plus accrued interest thereon, or (ii) at any time, in whole (but not in part), upon the occurrence and continuation of a special event (defined as a tax event, regulatory capital event or investment company event) at a redemption price equal to the greater of (a) 100% of the principal amount thereof or (b) the sum of the present values of the principal amount and premium payable with respect to an optional redemption of such Junior Subordinated Debentures on August 1, 2007, together with scheduled payments of interest from the prepayment date to August 1, 2007, discounted to the prepayment date on a semiannual basis at the adjusted Treasury rate plus accrued interest thereon to the date of prepayment. The Capital Securities are subject to mandatory redemption, in whole or in part, upon repayment of the Junior Subordinated Debentures at maturity or their earlier redemption, in an amount equal to the amount of the related Junior Subordinated Debentures maturing or being redeemed and at a redemption price equal to the redemption price of the Junior Subordinated Debentures, plus accumulated and unpaid distributions thereon to the date of redemption.

For financial reporting purposes, OCT is treated as a subsidiary of the Company and, accordingly, the accounts of OCT are included in the consolidated financial statements of the Company. Intercompany transactions between OCT and the Company, including the Junior Subordinated Debentures, are eliminated in the consolidated financial statements of the Company. The Capital Securities are presented as a separate caption between liabilities and stockholders' equity in the consolidated statement of financial condition of the Company as "Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely Junior Subordinated Debentures of the company." Distributions on the Capital Securities are recorded as a separate caption immediately following non-interest expense in the consolidated statement of operations of the Company. The Company intends to continue this method of accounting going forward.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

In connection with the issuance of the Capital Securities, the Company incurred certain costs which have been capitalized and are being amortized over the term of the Capital Securities. The unamortized balance of these issuance costs amounted to $4,004 and $4,041 at March 31, 2000 and December 31, 1999, respectively, and is included in other assets.

NOTE 4: DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments for the purpose of managing its exposure to adverse fluctuations in interest and foreign currency exchange rates. While these hedging instruments are subject to fluctuations in value, such fluctuations are generally offset by the change in value of the underlying exposures being hedged.

When entering into these derivative financial instruments, it is the Company's intent to account for them under current hedge accounting guidelines. None of these instruments are entered into for trading purposes.

INTEREST RATE MANAGEMENT

In managing its interest rate risk, the Company enters into interest rate swaps ("interest swaps"). The terms of the outstanding interest swaps at March 31, 2000 and December 31, 1999, respectively, are as follows:

Maturity	Notional Amount	LIBOR Index	Fixed Rate	Floating Rate at End of Year	Fair Value
MARCH 31, 2000:					
2001	$ 75,000	1-Month	6.00%	5.92%	$ 593
2003	100,000	1-Month	5.75	6.07	3,438
	$ 175,000				$ 4,031
DECEMBER 31, 1999:					
2001	$ 75,000	1-Month	6.00%	6.48%	$ 482
2001	17,000	1-Month	6.00	6.48	108
2002	8,780	1-Month	6.04	6.48	129
2003	100,000	1-Month	5.75	6.46	2,983
	$ 200,780				$ 3,702

The Company also enters into short sales of U.S. Treasury interest rate futures contracts as part of its overall interest rate risk management activity. During the fourth quarter of 1999 these financial instruments ceased to qualify for hedge accounting and subsequent gains or losses are included in earnings. The terms of the outstanding interest rate futures at March 31, 2000 and December 31, 1999, respectively, are as follows:

	Notional Amount	Maturity	Strike Price	Fair Value
MARCH 31, 2000:				
U.S. 2-year Treasury futures	$ 20,000	2000	$ 98.98	$ (48)
U.S. 10-year Treasury futures	8,000	2000	$ 98.08	(206)
	$ 28,000			$ (254)
DECEMBER 31, 1999:				
U.S. 2-year Treasury futures	$ 12,000	2000	$ 99.31	$ 62
U.S. 10-year Treasury futures	7,000	2000	$ 95.86	116
	$ 19,000			$ 178

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Company also manages its interest rate risk by purchasing European swaptions and put options to hedge anticipated future fundings related to low-income housing tax credit projects. During the fourth quarter of 1999, these financial instruments ceased to qualify for hedge accounting and subsequent gains or losses are included in earnings. The following table sets forth the terms and values of these financial instruments at March 31, 2000 and December 31, 1999, respectively:

	Notional Amount	Maturity	Strike Rate/Price	Fair Value
MARCH 31, 2000:				
European 10-year treasury swaptions............	$ 6,000	2001	6.78%	$ 295
	5,800	2000	6.72%	239
	2,300	2000	7.11%	47
	$ 14,100			$ 581
DECEMBER 31, 1999:				
European 10-year treasury swaptions............	$ 7,500	2000	6.78%	$ 282
	5,800	2000	6.72%	264
	2,800	2000	7.20%	34
	2,300	2000	7.11%	63
	$ 18,400			$ 643
European 10-year treasury put options, 4.75% due 11/05/08..................	$ 2,500	2000	$ 91.45	$ 83

FOREIGN CURRENCY MANAGEMENT

The Company enters into foreign currency derivatives to hedge its equity investment in Kensington, its investments in foreign subsidiaries which own residual interests backed by residential loans originated in the UK ("UK residuals") and in the shopping center located in Halifax, Nova Scotia ("the Nova Scotia Shopping Center"). It is the Company's policy to periodically adjust the amount of foreign currency derivative contracts it has entered into in response to changes in its recorded investments in these assets. The following table sets forth the terms and values of these foreign currency financial instruments at March 31, 2000 and December 31, 1999:

	Maturity	Notional Amount Pay	Notional Amount Receive	Contract Rate	Unamortized Discount	Fair Value
MARCH 31, 2000:						
Currency swaps..............	2003	(pound)27,500	$ 43,546	1.5835	$ 1,002	$ (289)
DECEMBER 31, 1999:						
Currency swaps..............	2003	(pound)27,500	$ 43,546	1.5835	$ 1,119	$ (976)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Maturity	Notional Amount	Strike Rate	Fair Value
MARCH 31, 2000:				
Canadian Dollar currency futures	2000	C$ 26,700	.6876	$ (94)
British Pound currency futures	2000	(pound) 11,563	1.5800	(162)
	2000	(pound) 6,063	1.5766	105
				$ (151)
DECEMBER 31, 1999:				
Canadian Dollar currency futures	2000	C$ 22,100	.6786	$ (300)
	2000	C$ 1,600	.6800	(20)
British Pound currency futures	2000	(pound) 3,750	1.6018	65
	2000	(pound) 15,875	1.6225	56
				$ (199)

NOTE 5: REGULATORY REQUIREMENTS

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and the regulations promulgated thereunder established certain minimum levels of regulatory capital for savings institutions subject to OTS supervision. The Bank must follow specific capital guidelines stipulated by the OTS which involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items. An institution that fails to comply with its regulatory capital requirements must obtain OTS approval of a capital plan and can be subject to a capital directive and certain restrictions on its operations. At March 31, 2000, the minimum regulatory capital requirements were:

- Tangible and core capital of 1.50 percent and 3.00 percent of total adjusted assets, respectively, consisting principally of stockholders' equity, but excluding most intangible assets, such as goodwill and any net unrealized gains or losses on debt securities available for sale. Effective April 1, 1999, the OTS minimum core capital ratio provides that only those institutions with a Uniform Financial Institution Rating System rating of "1" are subject to a 3% minimum core capital ratio. All other institutions are subject to a 4% minimum core capital ratio.

- Risk-based capital consisting of core capital plus certain subordinated debt and other capital instruments and, subject to certain limitations, general valuation allowances on loans receivable, equal to 8.00 percent of the value of risk-weighted assets.

At March 31, 2000, the Bank was "well capitalized" under the prompt corrective action ("PCA") regulations adopted by the OTS pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"). To be categorized as "well capitalized," the Bank must maintain minimum core capital, Tier 1 risk-based capital and risk-based capital ratios as set forth in the following table. The Bank's capital amounts and classification are subject to review by federal regulators about components, risk-weightings and other factors. There are no conditions or events since March 31, 2000 that management believes have changed the institution's category.

Following an examination by the OTS in late 1996 and early 1997, the Bank committed to the OTS to maintain a core capital (leverage) ratio and a total risk-based capital ratio of at least 9% and 13%, respectively. The Bank continues to be in compliance with this commitment as well as the regulatory capital requirements of general applicability (as indicated below). Based on discussions with the OTS, the Bank believes that this commitment does not affect its status as a "well-capitalized" institution, assuming the Bank's continued compliance with the regulatory capital requirements required to be maintained by it pursuant to such commitment.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following tables summarize the Bank's actual and required regulatory capital at March 31, 2000.

	Actual		Minimum For Capital Adequacy Purposes		To Be Well Capitalized For Prompt Corrective Action Provisions		Committed Capital Requirements
	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Stockholders' equity, and ratio to total assets	10.22%	$ 265,481					
Net unrealized loss on certain available for sale securities		718					
Non-includable subsidiary		(8,325)					
Acquired real estate		(3,424)					
Disallowed deferred tax assets		(13,266)					
Disallowed servicing assets		(1,007)					
Tangible capital, and ratio to adjusted total assets	9.33%	$ 240,177	1.50%	$ 38,602			
Tier 1 (core) capital, and ratio to adjusted total assets	9.33%	$ 240,177	4.00%	$ 77,203	5.00%	$ 128,672	9.00%
Tier 1 capital, and ratio to risk-weighted assets	12.84%	$ 240,177			6.00%	$ 112,247	
Allowance for loan and lease losses		23,386					
Subordinated debentures		67,000					
Tier 2 capital		90,386					
Total risk-based capital, and ratio to risk-weighted assets	17.67%	$ 330,563	8.00%	$ 149,663	10.00%	$ 187,079	13.00%
Total regulatory assets		$2,598,747					
Adjusted total assets		$2,573,443					
Risk-weighted assets		$1,870,791					

The OTS amended its capital distribution regulation effective April 1, 1999. Under the revised regulation, the Bank is required to file a notice with the OTS at least 30 days prior to making a capital distribution unless (a) it is not eligible for expedited treatment under the OTS application processing regulations, (b) the total amount of the Bank's capital distributions (including the proposed distribution) for the calendar year exceeds the Bank's net income for the year to date plus retained net income for the previous two years, (c) the Bank would not be "adequately capitalized" following the proposed distribution or (d) the proposed distribution would violate any applicable statute, regulation, or agreement between the Bank and the OTS, or a condition imposed upon the Bank by an OTS-approved application or notice. If one of these four criteria is present, the Bank is required to file an application with the OTS at least 30 days prior to making the proposed capital distribution. The OTS may deny the Bank's application or disapprove its notice if the OTS determines that (a) the Bank will be "undercapitalized," "significantly undercapitalized" or "critically under capitalized," as defined in the OTS capital regulations, following the capital distribution, (b) the proposed capital distribution raises safety and soundness concerns or (c) the proposed capital distribution violates a prohibition contained in any statute, regulation or agreement between the Bank and the OTS or a condition imposed on the Bank in an application or notice approved by the OTS. The new rule also amends the definition of "capital distribution" to include any payment to repurchase, redeem, retire, or otherwise acquire debt instruments included in total risk-based capital.

In addition to these OTS regulations governing capital distributions, the indenture governing the 12% subordinated debentures ("Debentures") the due 2005 and issued by the Bank on June 12, 1995 in the original amount of $100,000, limits the declaration or payment of dividends and the purchase or redemption of common or preferred stock in the aggregate to the sum of 50% of consolidated net income and 100% of all capital contributions and proceeds from the issuance or sale (other than to a subsidiary) of common stock, since the date the Debentures were issued.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

NOTE 6: BUSINESS SEGMENT REPORTING

SFAS No. 131 requires public enterprises to report financial and descriptive information about its reportable operating segments. An operating segment is defined as a component of an enterprise (a) that engages in business activities from which it may earn revenues and incur expenses, (b) whose operating results are regularly reviewed by the enterprise's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available. The Company conducts a variety of business activities within the following segments:

	Net Interest Income	Non-Interest Income	Non-Interest Expense	Net(Loss) Income	Total Assets
AT OR FOR THE THREE MONTHS ENDED MARCH 31, 2000:					
Single family residential discount loans	$ 6,930	$ 1,020	$ 1,966	$ 3,472	$ 601,993
Commercial loans	1,636	2,983	2,522	720	1,574,244
Domestic residential mortgage loan servicing	280	18,109	13,867	2,804	154,036
Investment in low-income housing tax credits	(2,922)	1,096	2,568	1,119	190,216
OTX	(187)	4,536	12,191	(4,862)	27,956
Commercial real estate	(3,031)	1,098	(1,093)	(583)	273,924
UK operations	(285)	--	(117)	(1,551)	31,843
Domestic subprime single family residential lending	(1,169)	(6,941)	(593)	(4,691)	204,086
Unsecured collections	(38)	1	2,066	(2,226)	17,319
Corporate items and other	3,480	3,489	(856)	700	403,874
	$ 4,694	$ 25,391	$ 32,521	$ (5,098)	$ 3,479,491

	Net Interest Income	Non-Interest Income	Non-Interest Expense	Net(Loss) Income	Total Assets
AT OR FOR THE THREE MONTHS ENDED MARCH 31, 1999:					
Single family residential discount loans	$ 6,882	$ 9,571	$ 4,301	$ 4,385	$ 481,096
Commercial loans	9,785	8,638	7,425	4,952	899,152
Domestic residential mortgage loan servicing	1,193	13,957	12,830	1,439	88,899
Investment in low-income housing tax credits	(2,360)	796	3,394	1,438	215,228
OTX	6	392	4,243	(2,384)	23,481
UK operations	7,161	5,594	10,438	294	391,800
Domestic subprime single family residential lending	4,330	1,616	6,906	(563)	217,507
Unsecured collections	78	--	1,799	(972)	11,348
Corporate items and other	(339)	5,011	787	881	800,272
	$ 26,736	$ 45,575	$ 52,123	$ 9,470	$ 3,130,694

NOTE 7: COMMITMENTS AND CONTINGENCIES

At March 31, 2000, the Company had commitments of $26,049 to fund construction loans including loans accounted for as investments in real estate secured by multi-family and commercial properties and $2,440 to purchase loans secured by commercial properties. In addition, the Company through the Bank had commitments under outstanding letters of credit in the amount of $20,626. The Company, through its investment in subordinated securities and subprime residuals, which had a carrying value of $138,251 at March 31, 2000, supports senior classes of securities.

On April 20, 1999, a complaint was filed on behalf of a putative class of public shareholders of the Company in the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida against OCN and OAC. On April 23, 1999, a complaint was filed on behalf of putative classes of public shareholders of OAC in the Circuit Court of the Fifteenth Judicial

Circuit, Palm Beach County, Florida against OAC and certain directors of OAC. The plaintiffs in both complaints sought to enjoin consummation of the acquisition of OAC by OCN. The cases were consolidated, and on September 13, 1999 a consolidated amended complaint was filed. The injunction was denied, and on October 14, 1999 OCN was dismissed as a party. Plaintiffs' remaining claims are for damages for alleged breaches of common law fiduciary duties. Discovery is ongoing.

On June 3, 1999, Walton Street Capital, L.L.C. ("Walton") filed suit against OAC and Ocwen Partnership, L.P. in the Circuit Court of Cook County, Illinois. Walton has alleged that OAC committed an anticipatory breach of contract with respect to the proposed sale by OAC of all of its interest in its commercial mortgage-backed securities portfolio to Walton. Walton has claimed damages in an amount in excess of $20 million. OAC believes this suit is without merit and continues to vigorously defend against the same. Discovery is ongoing.

The Company is subject to various other pending legal proceedings. In management's opinion the resolution of these claims will not have a material effect on the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollars in thousands, except share data)

GENERAL

The Company's primary business activities currently consist of the acquisition, servicing and resolution of subperforming and non-performing residential and commercial mortgage loans, as well as the related development of loan servicing technology and business-to-business e-commerce solutions for the mortgage and real estate industries.

The following discussion of the Company's consolidated financial condition, results of operations, capital resources and liquidity should be read in conjunction with the Interim Consolidated Financial Statements and related Notes included in Item 1 herein (which is incorporated herein by reference).

The following discussion of the Company's consolidated financial condition, results of operations, capital resources and liquidity should be read in conjunction with the Interim Consolidated Financial Statements and related Notes included in Item 1 herein.

RECENT DEVELOPMENTS

OCN has entered into an agreement to sell its office building located at 690 Market Street in San Francisco for $28.0 million less commissions and closing costs and as adjusted for prorations of certain contractual obligations that survive closing. The buyer has posted a $1,400 deposit, and the closing is expected to occur during the second quarter of 2000. Closing is subject to the fulfillment of certain conditions, including but not limited to delivery of clear title and receipt of required tenant estoppels.

The Board of Directors approved an additional stock repurchase program to repurchase up to an additional 6 million shares of issued and outstanding OCN common stock. As with our original program, any such purchases will be at times, at prices per share, in amounts, and through solicited or unsolicited transactions in the open market, on the New York Stock Exchange or in privately negotiated transactions, in each case as OCN deems appropriate depending on the availability of excess liquidity, market conditions, corporate requirements and applicable securities laws. No limit has been placed on the duration of the stock repurchase program, and OCN reserves the right to discontinue the repurchase program at any time.

SELECTED CONSOLIDATED FINANCIAL INFORMATION	March 31, 2000	December 31, 1999	Increase (Decrease)
BALANCE SHEET DATA			
Total assets	$ 3,479,491	$ 3,309,313	5.1%
Securities available for sale, at fair value	838,446	587,518	42.7
Loans available for sale, at lower of cost or market	36,843	45,213	(18.5)
Loan portfolio, net	156,119	157,408	(0.8)
Match funded loans and securities, net	145,964	157,794	(7.5)
Discount loan portfolio, net	842,178	913,229	(7.8)
Investment in low-income housing tax credit interests	138,778	150,989	(8.1)
Investment in unconsolidated entities	33,998	37,118	(8.4)
Real estate owned, net	185,498	167,506	10.7
Total liabilities	2,877,055	2,689,871	7.0
Deposits	1,767,602	1,842,286	(4.1)
Securities sold under agreements to repurchase	376,454	47,365	694.8
Bonds-match funded agreements	130,429	141,515	(7.8)
Obligations outstanding under lines of credit	174,059	187,866	(7.4)
Notes, debentures and other interest bearing obligations	298,023	317,573	(6.2)
Capital Securities	110,000	110,000	--
Stockholders' equity	492,436	509,442	(3.3)

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	At or For the Three Months Ended March 31,		
	2000	1999	Increase (Decrease)
OPERATIONS DATA			
Net interest income	$ 4,694	$ 26,736	(82)%
Provision for loan losses	2,608	3,739	(30)
Non-interest income	25,391	45,575	(47)
Non-interest expense	32,521	52,123	(40)
Equity in losses of investment in unconsolidated entities	(2,260)	(1,245)	(82)
Income tax benefit (expense)	3,255	(2,368)	238
Net (loss) income	(5,098)	9,470	(154)
PER COMMON SHARE			
Net (loss) income:			
Basic	$ (0.07)	$ 0.16	(144)%
Diluted	(0.07)	0.16	(144)
Stock price:			
High	$ 9.250	11.6250	(20)
Low	5.250	7.7500	(32)
Close	8.000	8.8125	(9)
Repurchase of common stock (1)	6.480	--	--
KEY RATIOS			
Annualized return on average assets	(0.60)%	$ 1.20%	(150)%
Annualized return on average equity	(4.07)	8.62	(147)
Efficiency ratio (2)	116.88	73.34	59
Core (leverage) capital ratio	9.33	10.83	(14)
Risk-based capital ratio	17.67	19.35	(9)

(1) The Company repurchased 1,388,300 shares of its common stock during the first quarter of 2000.

(2) The efficiency ratio represents non-interest expense divided by the sum of net interest income before provision for loan losses, non-interest income and equity in (losses) earnings of investment in unconsolidated entities.

RESULTS OF OPERATIONS: THREE MONTHS ENDED MARCH 31, 2000 VERSUS THREE MONTHS ENDED MARCH 31, 1999

GENERAL. The Company recorded a net loss of $(5,098), or $(0.07) per share, for the first quarter of 2000, as compared to net income of $9,470, or $0.16 per diluted share, for the first quarter of 1999. There were a number of key factors and transactions that contributed to the results for the first quarter of 2000 as compared to the first quarter of 1999, including: the sale of Ocwen UK in September 1999; the acquisition of Ocwen Asset Investment Corp. ("OAC") in October 1999; a reduction in gains on sales of interest earning assets from $20,225 in the first quarter of 1999 to $10,994 for the first quarter of 2000, primarily reflecting the Company's decision in the third quarter of 1999 to discontinue the practice of structuring securitizations as sales transactions, thus precluding recognition of gain-on-sale accounting; the reversal of $6,012 of expense recognized in prior periods in connection with the Company's long-term incentive plan which was suspended in March 2000; and an increase in net losses incurred by Ocwen Technology Xchange, Inc. ("OTX") from $(2,384) in the first quarter of 1999 to $(4,862) in the first quarter of 2000, reflecting the Company's ongoing commitment to the development of this business.

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SEGMENT PROFITABILITY. The following table presents the after tax contribution by business segment to the Company's net (loss) income for the years indicated:

	Three Months Ended March 31,		
	2000	1999	Favorable (Unfavorable)
Single family residential discount loans............	$ 3,472	$ 4,385	$ (913)
Commercial loans....................................	720	4,952	(4,232)
Domestic residential mortgage loan servicing.........	2,804	1,439	1,365
Investment in low-income housing tax credits (1).....	1,119	1,438	(319)
OTX...	(4,862)	(2,384)	(2,478)
Commercial real estate..............................	(583)	--	(583)
UK operations.......................................	(1,551)	294	(1,845)
Domestic subprime single family residential lending..	(4,691)	(563)	(4,128)
Unsecured collections...............................	(2,226)	(972)	(1,254)
Corporate items and other (1)........................	700	881	(181)
	$ (5,098)	$ 9,470	$ (14,568)

(1) As amended from the first quarter 2000 earnings release dated May 9, 2000.

The following is a discussion of the contribution by business segment to the Company's net income (loss) for the years indicated.

- Single Family Residential Discount Loans. Net income for the first quarter of 2000 included a gain of $7,794 from the sale of loans. This compares to a securitization gain of $13,899 in the first quarter of 1999. See "Results of Operations -Non-Interest Income." The results for the first quarter of 2000 also reflect a decline of $4,714 in the provision for loan losses and a $2,216 increase in losses from the sale and operation of real estate owned.

- Commercial Loans. Net income for the first quarter of 1999 included $3,803 of gains on sales of commercial subordinate securities, as compared to $2,768 for the first quarter of 2000. Net income for the first quarter of 1999 also included a gain of $1,184 on the sale of commercial discount loans. The results for the first quarter of 2000 also reflect a $1,439 decline in gains from the sale and operation of real estate owned.

- Domestic Residential Mortgage Loan Servicing. The increase in net income reflects an increase in servicing fees and other charges as a result of an increase in loans serviced for others. See "Results of Operations - Non-Interest Income." Domestic residential servicing fees and other charges amounted to $18,053 for the first quarter of 2000, as compared to $13,945 for the first quarter of 1999.

- Investment in Low-Income Housing Tax Credits. See "Changes in Financial Condition - Investment in Low-Income Housing Tax Credit Interests."

- UK Operations. The Company sold its investment in Ocwen UK on September 30, 1999. Losses for the first quarter of 2000 relate to the Company's 35.84% equity investment in Kensington Group plc ("Kensington"). See "Results of Operations - Equity in Losses of Investments in Unconsolidated Entities."

- OTX. The increase in net losses incurred by OTX reflects the Company's ongoing commitment to the development of its technology business.

- Domestic Subprime Single Family Residential Lending. The loss for the first quarter of 2000 included $6,173 of impairment charges on subprime residual securities. No such impairment charges were recorded for the first quarter of 1999. The Company closed its domestic subprime origination business, which had been conducted primarily through OFS in 1999.

- Unsecured Collections. Unsecured collections is primarily comprised of activities related to the Company's charged-off unsecured credit card receivables which were acquired at a discount. Collections of unsecured credit card receivables are accounted for under the cost recovery method.

See Note 6 to the Consolidated Financial Statements, included in Item 1 herein, for additional information related to the Company's operating segments (which is incorporated herein by reference).

NET INTEREST INCOME: Net interest income, which is the difference between interest income earned from interest-earning assets and interest expense incurred on its interest-bearing liabilities. Net interest income is determined by net

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interest spread (i.e., the difference between the yield earned on its interest-earning assets and the rates paid on its interest-bearing liabilities), the relative amount of interest-earning assets and interest-bearing liabilities and the degree of mismatch in the maturity and repricing characteristics of its interest-earning assets and interest-bearing liabilities.

The following table sets forth, for the three months indicated, information regarding the total amount of income from interest-earning assets and the resultant average yields, the interest expense associated with interest-bearing liabilities, expressed in dollars and rates, and the net interest spread and net interest margin. Information is based on average daily balances during the indicated three months.

	Three Months Ended March 31,					
	2000			1999		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
AVERAGE ASSETS:						
Federal funds sold and repurchase agreements	$ 121,953	$ 1,709	5.61%	$ 285,701	$ 3,396	4.75%
Securities available for sale (1)	655,283	12,869	7.86	510,013	17,189	13.48
Loans available for sale (2)	44,493	807	7.26	259,905	8,130	12.51
Investment securities and other	28,995	327	4.51	35,957	651	7.24
Loan portfolio (2)	161,898	3,968	9.80	217,364	6,165	11.35
Match funded loans and securities	155,574	3,311	8.51	--	--	--
Discount loan portfolio	930,632	25,099	10.79	956,023	30,003	12.57
Total interest earning assets	2,098,828	48,090	9.17	2,264,963	65,534	11.57
Non-interest earning cash	102,503			66,742		
Allowance for loan losses	(26,902)			(24,903)		
Low-income housing tax credit interests	155,710			147,201		
Investment in unconsolidated entities	35,091			86,286		
Real estate owned, net	181,880			213,783		
Investment in real estate	374,846			40,268		
Escrow advances on loans and loans serviced for others	180,631			115,338		
Other assets	280,029			248,877		
Total assets	$ 3,382,616			$3,158,555		
AVERAGE LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest-bearing demand deposits	$ 16,452	178	4.33%	$ 74,135	640	3.45%
Savings deposits	1,451	10	2.76	1,566	9	2.30
Certificates of deposit	1,568,476	24,497	6.25	1,733,722	26,179	6.04
Total interest-bearing deposits	1,586,379	24,685	6.22	1,809,423	26,828	5.93
Securities sold under agreements to repurchase	166,559	2,640	6.34	77,557	1,491	7.69
Bonds-match funded agreements	138,177	3,356	9.72	--	--	--
Obligations outstanding under lines of credit	179,230	3,471	7.75	229,564	3,724	6.49
Notes, debentures and other	298,591	9,244	12.38	225,000	6,755	12.01
Total interest-bearing liabilities	2,368,936	43,396	7.33	2,341,544	38,798	6.63
Non-interest bearing deposits	9,544			21,292		
Escrow deposits	209,629			202,357		
Excess of net assets acquired over purchase price	55,961			--		
Other liabilities	126,915			28,687		
Total liabilities	2,770,985			2,593,880		
Capital securities	110,000			125,000		
Stockholders' equity	501,631			439,675		
Total liabilities and stockholders' equity	$ 3,382,616			$3,158,555		
Net interest income		$ 4,694			$ 26,736	
Net interest spread			1.84%			4.94%
Net interest margin			0.89%			4.72%
Ratio of interest-earning assets to interest-bearing liabilities	89%			97%		

(1) Excludes effect of unrealized gains or losses on securities available for sale.

(2) The average balances of loans available for sale and the loan portfolio include non-performing loans, interest on which is recognized on a cash basis.

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The following table describes the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have affected the Company's interest income and expense during the three months indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (change in volume multiplied by prior rate), (ii) changes in rate (change in rate multiplied by prior volume) and (iii) total change in rate and volume. Changes attributable to both volume and rate have been allocated proportionately to the change due to volume and the change due to rate.

	2000 vs. 1999		
	Increase (Decrease) Due To		
For the three months ended March 31,	Rate	Volume	Total
Interest-Earning Assets:			
Federal funds sold and repurchase agreements..............	$ 525	$ (2,212)	$ (1,687)
Securities available for sale............................	(8,387)	4,067	(4,320)
Loans available for sale.................................	(2,464)	(4,859)	(7,323)
Investment securities and other..........................	(214)	(110)	(324)
Loan portfolio...	(763)	(1,434)	(2,197)
Match funded loans and securities........................	3,311	--	3,311
Discount loan portfolio..................................	(4,125)	(779)	(4,904)
Total interest-earning assets..........................	(12,117)	(5,327)	(17,444)
Interest-Bearing Liabilities:			
Interest-bearing demand deposits.........................	131	(593)	(462)
Savings deposits...	2	(1)	1
Certificates of deposit..................................	876	(2,558)	(1,682)
Total interest-bearing deposits........................	1,009	(3,152)	(2,143)
Securities sold under agreements to repurchase............	(302)	1,451	1,149
Bonds-match funded agreements.............................	3,356	--	3,356
Obligations outstanding under lines of credit.............	648	(901)	(253)
Notes, debentures and other interest-bearing obligations...	217	2,272	2,489
Total interest-bearing liabilities..................	4,928	(330)	4,598
Decrease in net interest income...........................	$ (17,045)	$ (4,997)	$ (22,042)

The Company's net interest income before provision for loan losses of $4,694 decreased $22,042 or 82% during the first quarter of 2000 as compared to the same period in the prior year. The decrease was primarily due to a decrease in average interest-earning assets and a decrease in the net interest spread. Average interest-earning assets decreased by $166,135 or 7% during the three months ended March 31, 2000 and reduced interest income by $5,237. The impact of volume changes resulted in a $4,997 decrease in net interest income. The net interest spread decreased 310 basis points during the three months ended March 31, 2000 as a result of a 240 basis-point decrease in the weighted average rate on interest-earning assets and a 70 basis-point increase in the weighted average rate on interest-bearing liabilities. The impact of these rate changes resulted in a $17,344 decrease in net interest income. The net interest spread related to Ocwen UK for the first quarter of 1999 was 11.55%.

	Average Balance		Increase (Decrease)	Average Yield		Increase (Decrease)
For the three months ended March 31,	2000	1999	$	2000	1999	Basis Points
Federal funds sold and repurchase agreements........................	$ 121,953	$ 285,701	$ (163,748)	5.61%	4.75%	86
Securities available for sale.......	655,283	510,013	145,270	7.86	13.48	(562)
Loans available for sale (1)........	44,493	259,905	(215,412)	7.26	12.51	(525)
Investment securities and other.....	28,995	35,957	(6,962)	4.51	7.24	(273)
Loan portfolio......................	161,898	217,364	(55,466)	9.80	11.35	(155)
Match funded loans and securities...	155,574	--	155,574	8.51	--	851
Discount loan portfolio.............	930,632	956,023	(25,391)	10.79	12.56	(177)
	$ 2,098,828	$ 2,264,963	$ (166,135)	9.17%	11.57%	(240)

(1) Includes an average balance of $147,814 with an average yield earned of 18.24% for the first quarter of 1999 related to Ocwen UK.

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Interest income on federal funds sold and repurchase agreements declined $1,687 or 50% primarily due to a $163,748 or 57% decline in the average balance.

Interest income on securities available for sale decreased $4,320 or 25% during the three months ended March 31, 2000 as compared to the same period in 1999 as a result of a 562 basis-point decrease in the weighted average yield earned, offset by a $145,270 or 28% increase in the average balance. As indicated in the table below, the decrease in the weighted average yield during the three months ended March 31, 2000 is due in large part to changes in the composition of the securities available for sale portfolio.

	Average Balance				Average Yield	
For the three months ended March 31,	2000		1999		2000	1999
	Amount	Percent	Amount	Percent		
CMOs (AAA-rated) (1)...........................	$ 489,503	74.70%	$ 291,199	57.10%	6.25%	5.91%
Subordinates and residuals (2)................	165,780	25.30	218,814	42.90	12.60	23.56
	$ 655,283	100.00%	$ 510,013	100.00%	7.86%	13.48%

(1) Because collateralized mortgage obligations ("CMOs") have less cash flow variability, their average lives and yields to maturity are more stable, and therefore, CMOs are priced to yield less than a less stable class of mortgage-related securities. See "Changes in Financial Condition - Securities Available for Sale."

(2) Includes an average balance of $70,143 with an average yield earned of 29.37% for the first quarter of 1999 related to Ocwen UK.

Interest income on loans available for sale decreased $7,323 or 90% during 2000 as compared to the same period in 1999 as a result of a $215,412 or 83% decrease in the average balance and a 525 basis-point decline in the average yield. The decrease in the average balance reflects the closure of the domestic subprime origination business, as well as the sale of Ocwen UK. See "Changes in Financial Condition - Loans Available for Sale."

Interest income on the loan portfolio decreased by $2,197 or 36% during the three months ended March 31, 2000 versus the same period in 1999 due to a $55,466 or 26% decrease in the average balance and a 155 basis-point decrease in the average yield. The decrease in the average balance was due to the repayment of multi-family residential and commercial real estate loans. The decrease in the average yield is due in part to a decline in the amount of additional interest received in connection with the repayment of such loans. Such additional interest amounted to $15 and $780 during the first quarter of 2000 and 1999, respectively. During 1999, the Company ceased origination of multi-family and commercial loans. See "Changes in Financial Condition - Loan Portfolio."

Interest income on match funded loans and securities is comprised of income earned on loans acquired in connection with the acquisition of OAC, these loans were previously securitized by OAC under a securitization accounted for as a financing transaction, and on four unrated residual securities transferred by the Company in December 1999 to Ocwen NIM Corp. in exchange for non-recourse notes. See "Changes in Financial Condition Match Funded Loans and Securities".

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Interest income on discount loans decreased by $4,904 or 16% during the three months ended March 31, 2000 primarily as a result of a 177 basis-point decrease in the average yield and a $25,391 or 3% decline in the average balance. See "Changes in Financial Condition - Discount Loans, Net." The yield on the discount loan portfolio is likely to fluctuate from period to period as a result of the timing of resolutions, particularly the resolution of large multi-family residential and commercial real estate loans, and the mix of the overall portfolio between performing and non-performing loans.

For the three months ended March 31,	Average Balance 2000	Average Balance 1999	Increase (Decrease) $	Average Rate 2000	Average Rate 1999	Increase (Decrease) Basis Points
Interest-bearing deposits........................	$ 1,586,379	$ 1,809,423	$ (223,044)	6.22%	5.93%	29
Securities sold under agreements to repurchase (1)	166,559	77,557	89,002	6.34	7.69	(135)
Bonds-match funded agreements.....................	138,177	--	138,177	9.72	--	972
Obligations outstanding under lines of credit (2).	179,230	229,564	(50,334)	7.75	6.49	126
Notes, debentures and other.......................	298,591	225,000	73,591	12.38	12.01	37
	$ 2,368,936	$ 2,341,544	$ 27,392	7.33%	6.63%	70

(1) Includes an average balance of $27,849 with an average yield of 8.44% for the first quarter of 1999 related to Ocwen UK.

(2) Includes an average balance of $143,855 with an average yield of 6.33% for the first quarter of 1999 related to Ocwen UK.

Interest expense on interest-bearing deposits decreased $2,143 or 8% during the three months ended March 31, 2000 due to a $223,044 or 12% decrease in the average balance, offset by a 29-basis point increase in the average rate. The decline in the average balance was primarily related to certificates of deposit.

Interest expense on securities sold under agreements to repurchase increased $1,149 or 77% due to an $89,002 or 115% increase in the average balance, offset by a 135 basis-point decline in the average rate. See "Changes in Financial Condition - Securities Sold Under Agreements to Repurchase."

Interest expense on bonds-match funded agreements is comprised of interest incurred on bonds-match funded agreements acquired as a result of the OAC acquisition and on non-recourse notes which resulted from the Company's transfer of four unrated residual securities in December 1999 to Ocwen NIM Corp in exchange for non-recourse notes. See "Changes in Financial Condition - Bonds-Match Funded Agreements".

Interest expense on obligations outstanding under lines of credit decreased $253 or 7% during the three months ended March 31, 2000 as compared to the same period in 1999 due to a $50,334 or 22% decrease in the average balance offset by an 126 basis-point increase in the weighted average interest rate. For the first quarter of 1999, lines of credit were used primarily to fund the acquisition and origination of subprime single family loans at OFS and Ocwen UK. The net decrease in the average balance reflects the closure of the domestic subprime origination business and the sale of Ocwen UK, offset by the assumption of lines as a result of the acquisition of OAC. The OAC lines are primarily collateralized by investments in real estate. See "Changes in Financial Condition - Obligations Outstanding Under Lines of Credit."

Interest expense on notes, debentures and other increased $2,489 or 37% during the three months ended March 31, 2000 due to a $73,591 increase in the average balance and a 37 basis-point increase in the weighted average interest rate. The increase in the average balance is primarily due to the assumption of $140,487 of 11.5% notes as a result of the OAC acquisition, offset by the Company's repurchases of debt during 1999 and 2000. See "Changes in Financial Condition - Notes, Debentures and Other."

PROVISIONS FOR LOAN LOSSES. Provisions for losses on loans are charged to operations to maintain an allowance for losses on the loan portfolio, the discount loan portfolio and match funded loans at a level which management considers adequate based upon an evaluation of known and inherent risks in such portfolios. Management's periodic evaluation is based on an analysis of the discount loan portfolio, the loan portfolio and match funded loans, historical loss experience, current economic conditions and trends, collateral values and other relevant factors.

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The following table presents the provisions for loan losses by the discount loan, loan portfolio and match funded loans for the three months indicated.

For the three months ended March 31,	2000	1999
Discount loan	$ 2,732	$ 4,689
Loan portfolio	(155)	(950)
Match funded loans	31	--
	$ 2,608	$ 3,739

The decline in the provision for losses on the discount loan portfolio reflects the Company's strengthening of its allowance for loan losses through the reallocation of allowance from real estate owned during the first quarter of 1999. The negative provisions for loan losses in the loan portfolio reflect a continuing decline in the gross loan portfolio. See "Changes in Financial Condition - Loan Portfolio, Net," "Match Funded Loans and Securities" and "Discount Loan Portfolio." The following table sets forth the allowance for loan losses as a percentage of the respective loan balances at the dates indicated.

	March 31, 2000			March 31, 1999		
	Allowance	Loan Balance	Allowance as a %	Allowance	Loan Balance	Allowance as a %
Discount Loans	$ 20,189	$ 862,367	2.34%	$ 23,868	$ 917,048	2.60%
Loan portfolio	7,104	163,223	4.35	3,970	181,481	2.19
Match funded loans	526	99,998	0.53	--	--	--
	$ 27,819	$1,125,588	2.47%	$ 27,838	$1,098,529	2.53%

For additional information regarding the Company's allowance for loan losses on the above portfolios, see "Changes in Financial Condition - Allowance for Loan Losses." For information relating to the Company's valuation allowance on real estate owned, see "Changes in Financial Condition - Real Estate Owned."

NON-INTEREST INCOME. Non-interest income decreased $20,184 or 44% during the three months ended March 31, 2000. The following table sets forth the principal components of the Company's non-interest income during the three months indicated.

For the three months ended March 31,	2000	1999
Servicing fees and other charges	$ 20,668	$ 18,251
Gain on interest-earning assets, net	10,994	20,225
Impairment charges on securities available for sale	(6,833)	(83)
(Loss) gain on real estate owned, net	(7,007)	629
Amorization of excess of net assets acquired over purchase price	2,794	--
Other income	4,775	6,553
Total	$ 25,391	$ 45,575

The increases in servicing fees and other charges reflect an increase in loan servicing and related fees as a result of increases in the average balance of loans serviced for others. The average unpaid principal balance of loans serviced for others amounted to $10,787,325 and $10,439,310, during the three months ended March 31, 2000 and 1999, respectively. The increases in the average balance of loans serviced for others was primarily related to the acquisition of servicing, net of repayments. Servicing fees for the three months ended March 31, 2000 and 1999 included $3,790 and $2,407, respectively, of special servicing fees. The Company began entering into special servicing arrangements in 1998 wherein the Company has acted as a special servicer for third parties, typically as part of a securitization. Under these arrangements, the Company services loans that become greater than 90 days past due and receives incentive fees to the extent certain loss mitigation parameters are achieved.

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The following table sets forth the Company's loans serviced for others at March 31, 2000.

	Discount Loans		Subprime Loans		Other Loans		Total	
	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans
Loans securitized.................	$ 999,749	16,240	$ 995,348	9,940	$ --	--	$ 1,995,097	26,180
Loans serviced for third parties...	907,780	15,600	6,895,712	85,882	933,499	573	8,736,991	102,055
	$1,907,529	31,840	$7,891,060	95,822	$ 933,499	573	$10,732,088	128,235

Net gains on interest-earning assets for the three months ended March 31, 2000 of $10,994 were primarily comprised of a $7,794 gain recognized in connection with the sale of 845 single family residential discount loans with an unpaid principal balance of $70,631 and a gain of $2,768 on the sale of a commercial subordinate security.

Net gains on interest-earning assets in the three months ended March 31, 1999 of $20,225 were primarily comprised of $16,616 of net gains recognized in connection with the securitization of single family discount loans and domestic single family subprime loans, as presented in the table below, $4,394 of gains on sales of commercial subordinate securities and $1,184 of gains on sales of commercial discount loans.

During the third quarter of 1999, the Company made a strategic decision to structure future securitizations as financing transactions, thereby precluding the use of gain-on-sale accounting. There were no securitizations of loans executed by the Company during the three months ended March 31, 2000. The following table sets forth the Company's net gains recognized in connection with the securitization of loans during the three months ended March 31, 1999.

Loans Securitized					
Types of Loans	Principal	No. of Loans	Net Gain	Book Value of Securities Retained (Non-Cash Gain)	Cash Gain
For the three months ended March 31, 1999:					
Single family discount(1)....................	$ 137,266	1,694	$ 13,899	$ 1,907	$ 11,992
Domestic single family subprime.............	86,944	811	2,717	4,432	--
	$ 224,210	2,505	$ 16,616	$ 6,339	$ 11,992

(1) Includes 384 loans with an unpaid principal balance of $24,880 securitized from the loan portfolio.

Impairment charges on securities available for sale represent declines in fair value that were deemed to be other than temporary. See "Changes in Financial Condition - Securities Available for Sale."

The following table sets forth the results of the Company's real estate owned (which does not include investments in real estate, as discussed below) during the three months indicated.

For the three months ended March 31,	2000	1999
Gains on sales..................................	$ 4,556	$ 9,202
Provision for losses in fair value..............	(9,212)	(5,061)
Carrying costs, net.............................	(2,351)	(3,512)
(Loss) income on real estate owned, net..........	$ (7,007)	$ 629

See "Changes in Financial Condition - Real Estate Owned" for additional information regarding real estate owned.

Amortization of excess of net assets acquired over a purchase price of $2,794 for the first quarter of 2000 resulted from the Company's acquisition of OAC on October 7, 1999. The acquisition resulted in an excess of net assets acquired over the purchase price of $60,042, which is being amortized on a straight-line basis over a period of five years. The unamortized balance of the excess of net assets acquired over purchase price at March 31, 2000 was $54,041, as compared to $56,841 at December 31, 1999.

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Other income for the three months ended March 31, 2000 was primarily comprised of $3,497 of property valuation service fees earned by Ocwen Realty Advisors ("ORA"). Other income for the three months ended March 31, 1999 was primarily comprised of $3,689 of brokerage commissions earned in connection with Ocwen UK loan originations and $1,524 of management fees earned from OAC.

NON-INTEREST EXPENSE. Non-interest expense decreased $19,602 or 38% during the three months ended March 31, 2000 as compared to the three months ended March 31, 1999. The decrease was due in part to the sale of Ocwen UK in September 1999 and the Company's closing of its domestic subprime lending operations at OFS, offset by an increase in non-interest expense related to OTX and the acquisition of OAC in October 1999.

The following table sets forth the principal components of the Company's non-interest expense during the three months indicated.

For the three months ended March 31,	2000	1999
Compensation and employee benefits	$ 16,583	$ 27,211
Occupancy and equipment	3,263	5,766
Technology and communication costs	5,281	5,744
Loan expenses	3,930	4,128
Net operating (gains) losses on investment in real estate and certain low-income housing tax credit interests	(4,054)	1,848
Amortization of excess of purchase price over net assets acquired	773	230
Other operating expenses	6,745	7,196
Total	$ 32,521	$ 52,123

Compensation and employee benefits decreased during the first quarter of 2000 due in part to a decrease in the average number of full-time equivalent employees from 1,620 during the three months ended March 31, 1999 to 1,284 the three months ended March 31, 2000. The decrease in the average number of full-time equivalent employees reflects the sale of Ocwen UK and the closing of the domestic subprime lending operations. Compensation and employee benefit expense for the first quarter of 1999 included $5,149 related to Ocwen UK. Also contributing to the decline in compensation and employee benefits is the reversal of accrued profit sharing expense in the amount of $6,012 during the first quarter of 2000 as a result of the Company's decision to suspend its long-term incentive plan.

The decrease in occupancy and equipment costs of $2,503 during the first quarter of 2000 was primarily due to a $1,113 decrease in rent expense and a $502 decrease in general office operating expenses. Occupancy and equipment expense for the first quarter of 1999 included $1,420 related to Ocwen UK.

Technology and communication costs consists primarily of depreciation expense on computer hardware and software, technology-related consulting fees (primarily OTX) and telephone expense.

Loan expenses for the first quarter of 1999 included $1,308 and $980 related to Ocwen UK and OFS, respectively. Excluding these amounts, loan expenses increased $2,090 in the first quarter of 2000, primarily due to a $1,856 increase in appraisal fees in connection with property valuation services provided by ORA.

Net operating gains on investments in real estate and certain low-income housing tax credits during the three months ended March 31, 2000 includes $3,764 of operating income from investments in real estate acquired as a result of the OAC acquisition in October 1999. The first quarter of 2000 also includes $1,761 of equity in earnings related to certain loans which are accounted for as investments in real estate. See "Changes in Financial Condition - - Investments in Real Estate."

Other operating expenses are primarily comprised of professional fees, marketing costs and travel costs. Other operating expenses for the first quarter of 1999 included $1,242 related to Ocwen UK.

DISTRIBUTIONS ON COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY. In August 1997, Ocwen Capital Trust I ("OCT"), a wholly-owned subsidiary of the Company, issued $125.0 million of 10-7/8% Capital Securities, of which $15.0 million were repurchased during the fourth quarter of 1999. Cash distributions on the Capital Securities accrue from the date of original issuance and are payable semi-annually in arrears on February 1 and August 1 of each year, commencing on February 1, 1998, at an annual rate of 10-7/8% of the liquidation amount of $1,000 per Capital Security. The Company recorded $3,194 and $3,399 of distributions to holders of the Capital Securities during the three months ended March 31, 2000 and 1999, respectively. See Note 3 to the Consolidated Financial Statements included in Item 1 (which is incorporated herein by reference) and "Changes in Financial Condition - Company-Obligated, Mandatorily Redeemable Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures of the Company."

EQUITY IN LOSSES OF INVESTMENTS IN UNCONSOLIDATED ENTITIES. During the first quarter of 2000, the Company recorded equity in the losses of investments in unconsolidated entities of $2,260, as compared to losses of $1,245 for the first quarter of 1999. The increased losses are primarily related to the Company's investment in Kensington.

During the first quarter of 2000 and 1999, the Company recorded equity in losses of Kensington of $2,334 and $1,142, respectively, including goodwill amortization. At March 31, 2000, the Company owned 35.84% of the total outstanding common stock of Kensington, an originator of non-conforming residential mortgages in the U.K.

Equity in the losses of investments in unconsolidated entities for the first quarter of 1999 included the Company's equity in the losses of its investments in OAC and OPLP of $218. Prior to its acquisition of OAC in October 1999, the Company accounted for its investments in OAC and OPLP using the equity method.

See "Changes in Financial Condition - Investment in Unconsolidated Entities,"

INCOME TAX BENEFIT (EXPENSE). Income tax benefit (expense) amounted to $3,255 and ($2,368) during the three months ended March 31, 2000 and 1999, respectively. The Company's effective tax rate was 31% and 19.8% during the three months ended March 31, 2000 and 1999, respectively. The Company's effective tax rates reflect tax credits resulting from the Company's investment in low-income housing tax credit interests of $3,715 and $4,464 during the three months ended March 31, 2000 and 1999, respectively. See "Changes in Financial Condition - Investments in Low-Income Housing Tax Credit Interests."

CHANGES IN FINANCIAL CONDITION

SECURITIES AVAILABLE FOR SALE. At March 31, 2000, securities available for sale amounted to $838,446 as compared to $587,518 at December 31, 1999, an increase of $250,928 or 43%. Securities available for sale are carried at fair value with unrealized gains or losses reported as a separate component of accumulated other comprehensive income in stockholders' equity, net of taxes. Unrealized losses on securities that reflect a decline in value which is other than temporary are charged to earnings. At March 31, 2000, securities available for sale included an aggregate of $1,496 of unrealized losses ($6,264 of gross losses and $4,768 of gross gains), as compared to $1,036 of unrealized gains ($6,967 of gross gains and $5,931 of gross losses), at December 31, 1999.

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The following table sets forth the fair value of the Company's securities available for sale at the dates indicated.

	March 31, 2000	December 31, 1999	Increase (Decrease) Dollars	Percent
Mortgage-related securities:				
Single family residential:				
Collateralized mortgage obligations (AAA-rated).......	$ 700,195	$ 392,387	$ 307,808	78%
BB-rated subordinates................................	5,149	5,908	(759)	(13)
B-rated subordinates.................................	5,179	6,098	(919)	(15)
Unrated subordinates	13,564	17,287	(3,723)	(22)
Unrated subprime residuals	111,157	124,087	(12,930)	(10)
	835,244	545,767	289,477	53
Multi-family residential and commercial:				
BB-rated subordinates................................	--	38,234	(38,234)	(100)
Unrated subordinates.................................	3,188	3,503	(315)	(9)
Unrated interest only................................	14	14	--	--
	3,202	41,751	(38,549)	(92)
Total..	$ 838,446	$ 587,518	$ 250,928	43

The increase in securities available for sale during the three months ended March 31, 2000 was due primarily to $449,954 of purchases and $17,362 of net premium accretion offset by $106,099 of maturities and principal repayments, $83,163 of sales, $21,081 of principal shortfalls and $6,833 of impairment charges on certain subordinates and residual securities.

At March 31, 2000, the fair value of the Company's investment in subordinate and residual interests amounted to $138,237 ($138,542 amortized cost) or 16% of total securities available for sale and supported senior classes of securities.

Historically, the Company has determined the present value of anticipated cash flows at the time each securitization transaction closes, utilizing valuation assumptions appropriate for each particular transaction. The significant valuation assumptions have included the anticipated prepayment speeds and the anticipated credit losses related to the underlying mortgages. In order to determine the present value of this estimated excess cash flow, the Company currently applies a discount rate of 18% and 25% to the projected cash flows on the unrated classes of securities. The annual prepayment rate of the securitized loans is a function of full and partial prepayments and defaults. The Company makes assumptions as to the prepayment rates of the underlying loans, which the Company believes are reasonable, in estimating fair values of the subordinate securities and residual securities retained. During 2000, the Company utilized proprietary prepayment curves (reaching an approximate range of annualized rates of 10% - 45%). During 1999, the Company estimated annual losses of between 0.60% and 7.00% of the unpaid principal balance of the underlying loans.

Subordinate and residual interests are affected by the rate and timing of payments of principal (including prepayments, repurchase, defaults and liquidations) on the mortgage loans underlying a series of mortgage-related securities. The rate of principal payments may vary significantly over time depending on a variety of factors, such as the level of prevailing mortgage loan interest rates and economic, demographic, tax, legal and other factors. Prepayments on the mortgage loans underlying a series of mortgage-related securities are generally allocated to the more senior classes of mortgage-related securities. Although in the absence of defaults or interest shortfalls all subordinates receive interest, amounts otherwise allocable to residuals generally are used to make payments on more senior classes or to fund a reserve account for the protection of senior classes until overcollateralization or the balance in the reserve account reaches a specified level. In periods of declining interest rates, rates of prepayments on mortgage loans generally increase, and if the rate of prepayments is faster than anticipated, then the yield on subordinates will be positively affected and the yield on residuals will be negatively affected.

The Company periodically assesses the carrying value of its subordinate securities and residual securities retained as well as the servicing assets for impairment. There can be no assurance that the Company's estimates used to determine the gain on securitized loan sales, subordinate securities and residual securities retained and servicing asset valuations will remain appropriate for the life of each securitization. If actual loan prepayments or defaults exceed the Company's estimates, the carrying value of the Company's subordinate securities and residual securities retained and/or servicing assets may be decreased during the period management recognized the disparity. Other factors may also result in a write-down of the

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Company's subordinate securities and residual securities in subsequent months. During the first quarter of 2000, the Company recorded $6,833 of impairment charges on its portfolio of subordinate and residual securities as a result of declines in value that were deemed to be "other than temporary."

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The following tables detail the Company's securities available for sale portfolio at March 31, 2000, and its estimates of expected yields on such securities, taking into consideration expected prepayment and loss rates together with other factors.

SECURITIZATION (ISSUER)					CLASS SIZE			SUBORDI-NATION/OC	ANTICIPATED YIELD TO MATURITY AT		PROSPECTIVE
SINGLE-FAMILY RESIDENTIAL	SECURITY	ISSUE DATE	RATING	RATING AGENCIES	ISSUANCE	3/31/00	INTEREST PERCENTAGE	LEVEL AT: 3/31/00	PURCHASE	3/31/00	YIELD TO MATURITY AT: 3/31/00
Subordinates:											
BCF 1996 R1(5)........	B3	Oct-96	UR	(a), (b)	$70,773	$40,400	50.00%	None	15.70%	8.37%	31.84%
BCF 1997 R1(5)........	B4	Mar-97	UR	(b), (c)	21,784	5,629	49.71	None	13.46	(37.67)	41.76
BCF 1997 R2 (5).......	B4	Jun-97	Ba2, BB	(b), (c)	6,358	5,663	73.54	7.49%	9.58	9.27	43.46
	B5		B2,B		6,264	5,581	73.54	3.65	10.74	9.58	145.27
	B6		UR		13,883	5,302	73.54	None	15.98	3.83	N/A
BCF 1997 R3 (5).......	B4	Dec-97	UR	(b), (d)	69,582	31,464	50.24	None	15.84	(34.76)	66.32
ORMBS 1998 R1 (6).....	B4	Mar-98	UR	(b), (d)	101,774	66,841	50.34	None	20.50	(31.55)	13.31
ORMBS 1998 R2 (6).....	B4A	Jun-98	Ba2	(b)	1,056	970	100.00	6.18	13.22	(6.49)	62.22
	B4F		Ba2		937	880	100.00	6.05	19.23	(8.63)	28.99
	B5A		B2		880	839	100.00	4.43	23.78	(2.10)	116.20
	B5F		B2		937	880	100.00	3.74	11.78	(11.12)	31.98
	B6A		UR		3,696	2,114	100.00	None	16.72	18.31	427.67
	B6F		UR		3,345	1,419	100.00	None	19.50	(20.14)	39.39
ORMBS 1998 R3 (6).....	B4	Sep-98	Ba2, BB	(b), (d)	11,765	11,444	85.87	8.79	11.71	(32.52)	24.85
	B5		B2, B		9,151	8,901	85.87	4.76	16.54	(29.77)	100.78
	B6		UR		26,145	10,529	85.87	None	18.00	(22.54)	415.03
ORMBS 1999 RI (6)....	B5A	Mar-99	B2, B	(b), (d)	1,630	1,540	100.00	5.47	17.73	27.25	17.77
	B5F		B2, B		1,843	1,647	100.00	5.41	17.74	30.94	28.04
	B6A		UR		3,586	2,890	100.00	None	18.00	56.50	45.40
	B6F		UR		4,299	3,630	100.00	None	18.00	83.91	118.16
ORMBS 1999 R2 (6)	B4	Jun-99	BB	(a),(c),(d)	10,530	10,292	100.00	9.35	13.45	27.02	25.16
	B5		B		4,680	4,581	100.00	5.03	18.45	61.44	98.05
	B6		UR		7,020	5,325	100.00	None	18.00	147.53	521.80
CSFB 1996-1R (ITT 94-P1) (7).......	4B2	Oct-96	UR	(b), (c)	1,046	153	100.00	None	N/A	N/A	N/A
Subprime residuals:											
SBMS 1996 3 (1).......	R	Jun-96	UR	(a), (b)	130,062	29,825	100.00	17.47	15.52	1.80	21.26
MLM1 1996 1 (2).......	R	Sep-96	UR	(a), (b)	81,142	17,632	100.00	27.39	15.16	3.04	23.27
MS 1997 1 (3).........	X1	Jun-97	UR	(a), (b)	17,727	10,510	100.00	5.92	21.47	18.12	25.82
	X2				87,118	20,293		15.21	20.38	1.32	16.18
1997 OFS 2 (4)........	X	Sep-97	UR	(a), (b)	102,201	31,801	100.00	10.08	19.65	2.79	20.04
1997 OFS 3 (4)........	X	Dec-97	UR	(a), (b)	208,784	84,429	100.00	10.82	19.59	8.41	28.24
1998 OFS 1 (4)........	X	Mar-98	UR	(b), (d)	161,400	74,886	100.00	3.72	18.00	4.24	14.43
1998 OFS 2 (4)........	X	Jun-98	UR	(a), (b)	382,715	175,274	100.00	7.91	19.46	1.41	15.85
1998 OFS 3 (4)........	X	Sep-98	UR	(a), (d)	261,649	177,247	100.00	4.45	18.00	6.71	15.46
1998 OFS 4 (4)........	X	Dec-98	UR	(a), (b), (c)	349,000	277,269	100.00	3.86	18.00	4.98	19.91
1999 OFS 1 (4)	X	Jun-99	UR	(a), (b)	148,628	134,800	100.00	4.75	18.00	14.09	15.18
SASCO 1998-2(11)......	X	Jan-98	UR	(a), (c)	600,052	238,959	100.00	2.20	16.00	0.95	15.94
SASCO 1998-3(11)......	X	Mar-98	UR	(a), (c)	769,671	312,843	100.00	4.31	17.04	1.94	15.61
MLMI 1998-FF 1(2).....	X	Jun-98	UR	(a), (c)	198,155	71,328	100.00	4.17	18.57	6.18	9.72
PANAM 1997-1(12)......	X	Dec-97	UR	(a), (b)	113,544	42,368	100.00	8.02	22.45	1.66	14.98
	Prepay Pen		UR						25.69	7.64	(2.46)
LHELT 1998-2 (13).....	X	Jun-98	UR	(b), (c)	209,225	111,641	100.00		18.55	14.84	38.81

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(Dollars in thousands, except share data)

SECURITIZATION (ISSUER)					CLASS SIZE			SUBORDI-NATION/OC LEVEL AT:	ANTICIPATED YIELD TO MATURITY AT		PROSPECTIVE YIELD TO MATURITY AT:
SINGLE-FAMILY RESIDENTIAL	SECURITY	ISSUE DATE	RATING	RATING AGENCIES	ISSUANCE	3/31/00	INTEREST PERCENTAGE	3/31/00	PURCHASE	3/31/00	3/31/00
Subordinates:											
EQUICON 1994-2 (14).	B Fix	Oct-94	UR	(a), (b), (c)	$78,846	$17,809	100.00%	6.32	18.00%	103.70%	29.69%
	B Var B-2		UR		32,306	3,475	100.00	30.21	18.00	35.05	28.38
EQUICON 1995-1 (14).	B Fix,	May-95	UR	(a), (b), (c)	70,024	12,787	100.00	10.68	18.00	30.70	--
	B Var		UR		40,519	5,489	100.00	12.64	18.00	100.12	--
EQUICON 1995-2 (14).	B Fix	Oct-95	UR	(a), (b)	79,288	18,105	100.00	13.59	18.00	33.35	163.45
	B Var		UR		39,667	5,065	100.00	16.71	18.00	86.31	100.04
ACCESS 1996-1 (15)..	B.Fix,	Feb-96	UR	(a), (b)	120,015	30,133	100.00	7.28	18.00	28.12	143.39
	B Var		UR		55,362	8,164	100.00	17.26	18.00	29.38	68.80
ACCESS 1996-2 (15)..	B-I,BI-S	May-96	UR	(a), (b)	142,259	37,646	100.00	12.52	18.00	17.59	40.59
	B-II BII-S		UR		68,345	9,790	100.00	14.44	18.00	16.35	55.49
ACCESS 1996-3 (15)..	B-I, BI-S	Aug-96	UR	(a), (b)	107,712	29,154	100.00	16.02	18.00	10.61	53.79
	B-II BII-S		UR		99,885	14,781	100.00	21.86	18.00	16.02	84.00
ACCESS 1996-4 (15)..	B, B-2	Nov-96	UR	(a), (b)	239,778	50,549	100.00	25.98	18.00	11.16	21.03
ACCESS 1997-1 (15)..	B, B-S	Feb-97	UR	(a), (b)	276,442	75,867	100.00	26.55	18.00	11.05	27.61
ACCESS 1997-2 (15)..	B, B-S	May-97	UR	(a), (b)	185,197	51,880	100.00	18.43	18.00	4.82	19.72
ACCESS 1997-3 (15)..	B, B-S	Oct-97	UR	(a), (b)	199,884	61,317	100.00	13.12	18.00	12.21	33.91
OCWEN 98 - OAC 1 (16)................	N/A	Nov-98	UR	(a), (b)	182,178	106,362	100.00	11.70	N/A	N/A	N/A
CMR1 (17)...........	Deferred Comp	Apr-96	UR	(a), (e)	47,802(9)	19,180(19)	100.00	11.34	19.80	21.17	21.46
CMR2 (17)...........	Deferred Comp	Nov-96	UR	(a), (c), (e)	106,692(18)	41,120(19)	100.00	12.28	18.00	27.60	26.83
CMR3 (17)...........	Deferred Comp	Nov-96	UR	(a), (c), (e)	195,610(18)	79,196(19)	100.00	16.81	18.00	35.42	36.97
CMR4 (17)...........	Deferred Comp	Feb-97	UR	(a), (c), (e)	108,630(18)	49,803(19)	100.00	8.65	18.00	27.26	27.74
CMR6 (17)...........	Deferred Comp	May-97	UR	(a), (c), (e)	91,442(18)	41,745(19)	100.00	8.88	18.00	27.39	27.38
MULTI-FAMILY RESIDENTIAL											
Subordinates:											
SBMS 1997-HUD1 (20)	B5	Apr-97	B2, n.a.	(b), (d)	9,785	9,271	100.00	1.48	16.87	4.09	17.69
	B6	Apr-97	UR		16,998	2,702	100.00	None	22.86	(9.53)	44.26
ORMBS 1998-R1 (21)	B4	Mar-98	UR	(b), (d)	101,774	66,841	32.15	None	13.75	(24.49)	17.80
GECMS 1994-12 (22)	B4	Mar-94	UR	(a), (b), (c)	2,069	1,349	100.00	None	19.37	21.09	69.14

ISSUERS:

(1) Salomon Brothers Mortgage Securities VII
(2) Merrill Lynch Mortgage Investors, Inc.
(3) Morgan Stanley ABS Capital I, Inc.
(4) Ocwen Mortgage Loan Asset Backed Certificates
(5) BlackRock Capital Finance L.P.
(6) Ocwen Residential MBS Corporation
(7) Ocwen Mortgage Loans
(8) Credit Suisse First Boston (ITT Federal Bank, FSB)
(9) Federal National Mortgage Association
(10) Berkley Federal Bank & Trust
(11) Structured Asset Securities Corp.
(12) Pan American Bank, FSB
(13) Lehman Home Equity Loan Trust
(14) Equicon Mortgage Loan Trust
(15) Access Financial Mortgage Loan Trust
(16) Ocwen Residential Mortgage-Backed Securities
(17) City Mortgage Receivable
(18) Dollar equivalent of amounts in British pounds at the rate of exchange that prevailed at the time of Issuance.
(19) Dollar equivalent of amounts in British pounds at the rate of exchange at 12/31/99
(20) Salomon Brothers Mortgage Securities
(21) Ocwen Mortgage Loan Trust.
(22) GE Capital Mortgage Services, Inc.

Rating Agencies:
(a) S&P
(b) Moody's
(c) Fitch
(d) DCR
(e) Duff

Other:
N/A - Not Available

RF - Reserve funds are actual cash reserves

(Dollars in thousands, except share data)

SECURITIZATION (ISSUER)	WEIGHTED AVERAGE COUPON AT 3/31/00	WEIGHTED AVERAGE LTV/DSCR AT 3/31/00	TOTAL DELINQUENCY AT 3/31/00	ACTUAL LIFE TO DATE CPR AT 3/31/00	ACTUAL LIFE TO DATE LOSSES AT 3/31/00	PRODUCT TYPE AT 3/31/00	COLLATERAL BALANCE ISSUANCE	COLLATERAL BALANCE 3/31/00
SINGLE-FAMILY RESIDENTIAL Subordinates:								
BCF 1996 R1 (5).........	10.04%	103.34%	11.07%	13.85%	$ 26,680	98% Fixed, 2% ARM	$505,513	$276,219
BCF 1997 R1 (5).........	10.07	109.78	21.03	13.87	15,372	97% Fixed, 3% ARM	177,823	107,155
BCF 1997 R2 (5).........	8.16	83.18	23.71	14.04	7,537	25% Fixed, 75% ARM	251,790	145,256
BCF 1997 R3 (5).........	9.62	119.48	18.95	12.28	35,681	98% Fixed, 2% ARM	579,851	406,324
ORMBS 1998 R1 (6).......	8.92	122.29	22.91	10.23	32,008	98% Fixed, 2% ARM	565,411	450,712
ORMBS 1998 R2 (6).......	9.02	86.62	24.74	15.51	3,185	44% Fixed, 56% ARM	123,917	85,745
ORMBS 1998 R3 (6).......	8.95	127.23	34.68	10.25	14,906	99% Fixed, 1% ARM	261,452	221,063
ORMBS 1999 R1 (6).......	9.08	85.65	26.76	13.97	634	57% Fixed, 43% ARM	147,101	119,866
ORMBS 1999 R2 (6).......	9.37	113.38	26.55	9.53	1,573	100% Fixed	117,004	105,906
CSFB 1996 1R (ITT 94-P1) (7)	7.26	N/A	0.00	N/A	156	100% 1-Year CMT	32,487	4,992
Subprime residuals:								
SBMS 1996 3 (1).........	11.15	67.93	20.50	32.07	3,499	61% Fixed, 39% ARM	130,062	29,825
MLM1 1996 1 (2).........	11.69	73.34	26.50	34.96	2,193	36% Fixed, 64% ARM	81,142	17,632
MS 1997 1 (3)...........	10.54	76.01	17.48	35.56	2,055		17,727	10,510
	11.85	73.88				34% Fixed, 66% ARM	87,118	20,293
1997 OFS 2 (4)..........	11.50	78.81	16.28	36.93	2,436	23% Fixed, 77% ARM	102,201	31,801
1997 OFS 3 (4)..........	10.95	80.33	24.86	32.72	3,905	21% Fixed, 79% ARM	208,784	84,429
1998 OFS 1 (4)..........	11.15	79.75	22.47	31.56	3,483	17% Fixed, 83% ARM	161,400	74,886
1998 OFS 2 (4)..........	11.11	77.11	18.13	35.50	5,962	43% Fixed, 57% ARM	382,715	175,274
1998 OFS 3 (4)..........	10.39	78.64	22.73	22.41	3,238	31% Fixed, 69% ARM	261,649	177,247
1998 OFS 4 (4)..........	10.45	79.11	24.90	15.78	3,122	43% Fixed, 57% ARM	349,000	277,269
1999 OFS 1 (4)..........	9.86	76.71	15.58	11.58	119	66% Fixed, 34% ARM	146,628	134,800
SASCO 1998-2(11)........	11.13	73.44	20.00	34.19	6,573	34% Fixed, 66% ARM	600,052	238,959
SASCO 1998-3(11)........	11.11	75.34	17.36	35.85	5,664	14% Fixed, 86% ARM	769,671	312,843
MLMI 1998-FF 1(2).......	11.14	77.47	18.08	42.34	411	100% ARM	198,155	71,328
PANAM 1997-1(12)........	11.17	85.02	22.46	35.46	4,441	100% ARM	113,544	42,368
LHELT 1998-2 (13).......	10.81	75.27	13.89	28.51	1,118	47% Fixed, 53% ARM	209,225	111,641
EQUICON 1994-2 (14).....	9.94	90.35	20.99	32.08	1,361	100% Fixed	78,846	17,809
	11.37	96.06				100% ARM	32,306	3,475
EQUICON 1995-1 (14).....	11.99	84.63	34.71	30.50	2,708	100% Fixed	70,024	12,787
	12.10	90.21				100% ARM	40,519	5,489
EQUICON 1995-2 (14).....	10.77	87.55	33.38	34.38	2,559	100% Fixed	79,288	18,105
	11.92	76.38				100% ARM	39,667	5,065
ACCESS 1996-1 (15)......	10.81	79.89	31.50	32.58	3,683	100% Fixed	120,015	30,133
	11.92	78.65				100% ARM	55,362	8,164
ACCESS 1996-2 (15)......	10.96	75.25	30.83	34.39	4,719	100% Fixed	142,259	37,646
	11.74	76.56				100% ARM	68,345	9,790
ACCESS 1996-3 (15)......	11.44	76.72	38.15	36.99	3,996	100% Fixed	107,712	29,154
	12.33	78.32				100% ARM	99,885	14,781
ACCESS 1996-4 (15)......	12.01	76.95	38.04	39.33	5,227	53% Fixed, 47% ARM	239,778	50,549
ACCESS 1997-1 (15)......	11.78	82.81	39.94	37.47	8,162	60% Fixed, 40% ARM	276,442	75,867
ACCESS 1997-2 (15)......	11.57	81.56	36.63	39.67	4,059	56% Fixed, 44% ARM	185,197	51,880
ACCESS 1997-3 (15)......	11.57	81.72	34.64	40.18	2,984	51% Fixed, 49% ARM	199,884	61,317
OCWEN 98 - OAC 1 (16)...	8.73	80.92	5.93	31.03	350	27% Fixed, 73% ARM	182,178	106,362

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SECURITIZATION (ISSUER)	WEIGHTED AVERAGE COUPON AT 3/31/00	WEIGHTED AVERAGE LTV/DSCR AT 3/31/00	TOTAL DELINQUENCY AT 3/31/00	ACTUAL LIFE TO DATE CPR AT 3/31/00	ACTUAL LIFE TO DATE LOSSES AT 3/31/00	PRODUCT TYPE AT 3/31/00	COLLATERAL BALANCE ISSUANCE	COLLATERAL BALANCE 3/31/00
SINGLE-FAMILY RESIDENTIAL Subordinates:								
CMR1 (17)...............	13.37	N/A	38.12	22.60	814	100% Amortizing	47,802(9)	19,180(10)
CMR2 (17)...............	12.55	N/A	27.60	24.03	1,259	89.86% Amort 10.14% IO mortgages	106,692(9)	41,120(10)
CMR3 (17)...............	13.49	N/A	16.39	20.45	2,917	62.25% Amort 27.75% IO mortgages	195,610(9)	79,196(10)
CMR4 (17)...............	13.71	N/A	35.73	22.28	1,548	89.05% Amort 10.95% IO mortgages	108,630(9)	49,803(10)
CMR6 (17)...............	13.58	N/A	34.48	24.42	1,063	95.61% Amort 4.39% IO mortgages	91,442(9)	41,745(10)
MULTI-FAMILY RESIDENTIAL Subordinates:								
FNMA 1995 M2 (3) FNMA 1995-M2 (9)	9.57	1.35	--	12.59	--	100% Multi-family	216,797	116,413
SBMS 1997-HUD1 (20).....	9.79	111.69	10.44	15.98	13,600	97% Fixed	326,147	182,499
ORMBS 1998-R1 (21)......	8.92	122.29	22.91	10.23	32,008	98% Fixed	565,411	450,712
GECMS 1994-12 (22).....	6.81	66.06	--	8.70	--	100% Fixed	516,732	211,487

The following table sets forth the principal amount of mortgage loans by the geographic location of the property securing the mortgages that underlie the Company's subordinated and residual securities available for sale at March 31, 2000.

DESCRIPTION	CALIFORNIA	FLORIDA	TEXAS	NEW YORK	UK	OTHER (1)	TOTAL
Single family residential.......	$ 640,287	$289,877	$284,015	$195,693	$200,311	$2,089,410	$3,699,593
Commercial......................	45,102	21,716	4,226	25,206	--	117,115	213,365
Multi-family	1,026	--	--	62	--	1,626	2,714
Total	$ 686,415	$311,593	$288,241	$220,961	$200,311	$2,208,151	$3,915,672
Percentage (2)..................	18%	8%	7%	6%	5%	56%	100%

(1) No other individual state makes up more than 4% of the total of other.

(2) Based on a percentage of the total unpaid principal balance of the underlying loans.

RATING/DESCRIPTION	AMORTIZED COST	FAIR VALUE	PERCENT OWNED	ORIGINAL ANTICIPATED YIELD TO MATURITY	ANTICIPATED YIELD TO MATURITY AT 3/31/00 (1)	COUPON	ANTICIPATED WEIGHTED AVERAGE REMAINING LIFE (2)	PROSPECTIVE YIELD AT 3/31/00
SINGLE-FAMILY RESIDENTIAL:								
BB-rated subordinates....	$ 4,285	$ 5,149	87.26%	13.15%	0.82%	6.91%	2.97	32.31%
B-rated subordinates.....	4,468	5,179	93.81	16.84	8.16	7.44	2.46	47.43
Unrated subordinates.....	13,680	13,564	52.02	14.48	(8.70)	8.13	2.78	38.95
Unrated subprime residuals.............	113,095	111,157	99.28	18.33	9.30	N/A	5.80	21.50
MULTI-FAMILY AND COMMERCIAL:								
Unrated subordinates.....	3,188	3,188	100.00	22.15	15.47	0.00	2.98	14.21
Unrated interest only....	--	14	N/A	--	47.53	--	N/A	N/A
	$ 138,716	$ 138,251						

(1) Changes in the March 31, 2000 anticipated yield to maturity from that originally anticipated are primarily the result of changes in prepayment assumptions, loss assumptions and charges taken to reduce the value of the securities.

(2) Equals the weighted average life based on the March 31, 2000 book value.

The following is a glossary of terms included in the above tables.

ACTUAL LIFE TO DATE CPR - The Constant Prepayment Rate is used to measure the average prepayment rate for the underlying mortgage pool(s) over the period of time lapsed since the issuance of the securities through the date indicated and is calculated as follows:

$$\text{Actual Life to Date CPR} = 100 \times \left[\left(1 - \frac{\text{Final Aggregate Balance actual}}{\text{Final Aggregate Balance scheduled}}\right) \times \left(\frac{12}{\text{Months In Period}}\right)\right]$$

ACTUAL LIFE-TO-DATE LOSSES - Represents cumulative losses of the original collateral at the indicated date.

ANTICIPATED YIELD TO MATURITY AT MARCH 31, 2000- Effective yield based on the purchase price, actual cash flows received from inception until the respective date, and the then current estimate of future cash flows under the assumptions at the respective date.

ANTICIPATED YIELD TO MATURITY AT PURCHASE - Effective yield from inception to maturity based on the purchase price and anticipated future cash flows under pricing assumptions.

CLASS SIZE - Represents the dollar size of a particular class. Class Size for subprime residuals is equal to the Collateral Balance at the respective date.

COLLATERAL BALANCE - Represents the unpaid principal balance including arrearage of the underlying collateral of the entire securities at the indicated date.

INTEREST ONLY - Interest Only ("IO") securities receive the excess interest remaining after the interest payments have been made on all senior classes of bonds based on their respective principal balances. There is no principal associated with IO securities and they are considered liquidated when the particular class they are contractually tied to is paid down to zero.

INTEREST PERCENTAGE - Represents the percentage of the particular class of security owned by the Company.

ISSUE DATE - Represents the date on which the indicated securities were issued.

OVER-COLLATERIZATION LEVEL - For residual interest in residential mortgage-backed securities, over-collaterization ("OC") is the amount by which the collateral balance exceeds the sum of the bond principal amounts. OC is achieved by applying monthly a portion of the interest payments of the underlying mortgages toward the reduction of the class certificate principal amounts, causing them to amortize more rapidly than the aggregate loan balance. The OC percentage, expressed as a percentage of the outstanding collateral balance, represents the first tier of loss protection afforded to the non-residual holders. The OC percentage also determines whether the over-collaterization target has been satisfied as of a specific date, such that cash flows to the residual holder are warranted. To the extend not consumed by losses on more highly rated bonds, OC is remitted to the residual holders.

PROSPECTIVE YIELD - Effective yield based on the amortized cost of the investment, after impairments, and the then current estimate of the future cash flows under the assumptions at the respective date.

RATING - Refers to the credit rating designated by the rating agency for each securitization transaction. Classes designated "A" have a superior claim on payment to those rated "B", which are superior to those rated "C." Additionally, multiple letters have a superior claim to designations with fewer letters. Thus, for example, "BBB" is superior to "BB," which in turn is superior to "B." The lower class designations in any securitization will receive interest payments subsequent to senior classes and will experience losses prior to any senior class. The lowest potential class designation is not rated ("UR") which, if included in a securitization, will always receive interest last and experience losses first.

SECURITIZATION - Series description.

SECURITY - Represents the name of the class associated with each securitization held by the Company. This has no relationship to a formal rating but is for identification purposes (although the names are usually in alphabetical or numeric order from the highest rated to the lowest rated).

(Dollars in thousands, except share data)

SUBORDINATION LEVEL - Represents the credit support for each mortgage-backed security by indicating the percentage of outstanding bonds whose right to receive payment is subordinate to the referenced security. The subordinate classes must experience a complete loss before any additional losses would affect the particular referenced security.

TOTAL DELINQUENCY - Represents the total unpaid principal balance of loans more than 30 days delinquent at the indicated date as a percentage of the unpaid principal balance of the collateral at such date.

WEIGHTED AVERAGE COUPON - Represents the interest rate of the underlying mortgage loans weighted by the unpaid principal balance of the underlying mortgage loans at the respective date.

WEIGHTED AVERAGE DSCR - Represents debt service coverage ratio, which is calculated by dividing cash flow available for debt service by debt service and applies to the multi-family and commercial securities.

WEIGHTED AVERAGE LTV - Represents the ratio of the unpaid principal balance including arrearage to the value of the underlying collateral and applies to the single-family residential securities.

LOANS AVAILABLE FOR SALE. Loans which the Company presently does not intend to hold to maturity are designated as available for sale and are carried at the lower of cost or aggregate market value. Loans available for sale, which are comprised primarily of subprime single family residential loans, decreased by $8,370 or 19% during the first quarter of 2000.

Composition of Loans Available for Sale. The following table sets forth the composition of the Company's loans available for sale by type of loan at the dates indicated.

	March 31, 2000	December 31, 1999
Single family residential loans......	$ 36,736	$ 45,084
Consumer loans......................	107	129
	$ 36,843	$ 45,213

The loans available for sale portfolio is secured by mortgages on property located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans available for sale were located at March 31, 2000:

	Single family Residential	Consumer	Total
New Jersey..................	$ 7,332	$ --	$ 7,332
Florida.....................	5,010	51	5,061
Illinois....................	3,120	--	3,120
New York....................	3,013	--	3,013
California..................	2,385	--	2,385
Other (1)...................	15,876	56	15,932
Total.......................	$ 36,736	$ 107	$ 36,843

(1) Consists of properties located in 35 other states, none of which aggregated over $2,303 in any one state.

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Activity in Loans Available for Sale. The following table sets forth the activity in the Company's net loans available for sale during the three months indicated:

For the three months ended March 31,	2000	1999
Balance at beginning of period	$ 45,213	$ 177,847
Purchases:		
Single family residential	--	14,663
Originations:		
Single family residential (1)	--	298,803
Sales (2)	(2,961)	(101,465)
Decrease (increase) in lower of cost or market valuation allowance	42	(645)
Principal repayments, net of capitalized interest	(2,322)	(10,290)
Transfer to real estate owned	(3,129)	(4,819)
Net (decrease) increase in loans	(8,370)	196,247
Balance at end of period	$ 36,843	$ 374,094

(1) Includes $140,525 originated by Ocwen UK during the first quarter of 1999.

(2) Includes the securitization of 811 domestic subprime single family residential loans during the three months ended March 31, 1999 which had an unpaid principal balance of $86,944. See "Results of Operations - Non-interest Income."

The following table presents a summary of the Company's non-performing loans in the loans available for sale portfolio at the dates indicated:

	March 31, 2000	December 31, 1999
Non-performing loans:		
Single family loans..................	$ 11,851	$ 15,319
Consumer loans.......................	4	1
	$ 11,855	$ 15,320
Non-performing loans as a percentage of:		
Total loans available for sale........	32.18%	33.88%
Total assets..........................	0.34%	0.46%

Non-performing loans available for sale consist primarily of subprime single family residential loans, reflecting the higher risk associated with such loans.

LOAN PORTFOLIO, NET. Loans held for investment in the Company's loan portfolio are carried at amortized cost, less an allowance for loan losses, because the Company has the ability and presently intends to hold them to maturity.

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Composition of Loan Portfolio. The following table sets forth the composition of the Company's loan portfolio by type of loan at the dates indicated.

	March 31, 2000	December 31, 1999
Single family residential loans	$ 3,418	$ 4,334
Multi-family residential loans:		
Permanent	21,592	23,430
Construction	67,781	57,936
Total multi-family residential	89,373	81,366
Commercial real estate:		
Hotels:		
Construction	38,635	38,645
Office buildings	58,071	64,745
Land	1,195	2,238
Other	--	--
Total commercial real estate	97,901	105,628
Consumer	68	82
Total loans	190,760	191,410
Undisbursed loan proceeds	(26,049)	(24,654)
Unamortized deferred fees	(1,488)	(2,089)
Allowance for loan losses	(7,104)	(7,259)
Loans, net	$ 156,119	$ 157,408

The loan portfolio is secured by mortgages on properties located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans were located at March 31, 2000:

	Single Family Residential	Multi-family Residential	Commercial Real Estate	Consumer	Total
New York	$ 647	$ 41,222	$ 19,769	$ 30	$ 61,668
California	403	18,749	2,920	--	22,072
Delaware	500	44	13,293	--	13,837
Florida	88	--	12,780	--	12,868
Massachusetts	--	--	10,218	--	10,218
Other (1)	1,780	29,358	38,921	38	70,097
Total	$ 3,418	$ 89,373	$ 97,901	$ 68	$ 190,760

(1) Consists of properties located in 21 other states, none of which aggregated over $9,251 in any one state.

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Activity in the Loan Portfolio. The following table sets forth the activity in the Company's gross loan portfolio during the three months indicated.

For the three months ended March 31,	2000	1999
Balance at beginning of period	$ 191,410	$ 244,819
Originations:		
Single family residential loans	--	--
Multi-family residential loans	--	2,467
Commercial real estate loans	10,213	5,100
Commercial non-mortgage and consumer loans	970	--
Total loans originated	11,183	7,567
Sales (1)	(251)	(28,880)
Principal repayments	(11,308)	(31,051)
Transfer to real estate owned	(274)	(2,466)
Net (decrease) increase in loans	(650)	(54,830)
Balance at end of period	$ 190,760	$ 189,989

(1) Included in sales for the three months ended March 31, 1999 is the securitization of 384 single family residential loans with an aggregate unpaid principal balance of $24,880.

The following table sets forth certain information relating to the Company's non-performing loans in its loan portfolio at the dates indicated:

	March 31, 2000	December 31, 1999
Non-performing loans:		
Single family residential loans	$ 544	$ 982
Multi-family residential loans (1)	9,555	11,037
Commercial real estate and other (2)	25,062	19,360
Total	$ 35,161	$ 31,379
Non-performing loans as a percentage of:		
Total loans (3)	21.54%	19.06%
Total assets	1.01%	0.95%
Allowance for loan losses as a percentage of:		
Total loans (3)	4.35%	4.41%
Non-performing loans	20.20%	23.13%

(1) Non-performing multi-family residential loans at March 31, 2000 were primarily attributable to 11 loans with an aggregate balance of $9,555, all of which management believes are well collateralized.

(2) Non-performing commercial real estate loans at March 31, 2000 were primarily attributable to 13 loans with an aggregate balance of $25,062, all of which management believes are well collateralized

(3) Total loans is net of undisbursed loan proceeds and unamortized deferred fees.

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MATCH FUNDED LOANS AND SECURITIES. Match funded loans and securities are comprised of the following at the dates indicated:

	March 31, 2000	December 31, 1999
Single family residential loans (1)................	$ 99,998	$ 105,596
Allowance for loan losses..........................	(526)	(495)
Match funded loans, net.........................	99,472	105,101
Match funded securities available for sale.........	46,492	52,693
Balance at end of period...........................	$ 145,964	$ 157,794

(1) Includes $1,350 and $1,127 of non-performing loans at March 31, 2000 and December 31, 1999, respectively.

The match funded loans are secured by mortgages on properties located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans were located at March 31, 2000:

Michigan.............	$ 21,623
California...........	10,907
Florida..............	6,649
Texas................	5,942
Massachusetts........	4,686
Other (1)............	50,191
Total................	$ 99,998

(1) Consists of properties located in 42 other states, none of which aggregated over $3,947 in any one state.

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The following tables detail the Company's match funded securities at March 31, 2000, and its estimates of expected yields on such securities, taking into consideration expected prepayment and loss rates together with other factors.

SECURITIZATION	SECURITY	ISSUE DATE	CLASS DESIGNATION LETTER	RATING AGENCIES	COLLATERAL BALANCE ISSUANCE	COLLATERAL BALANCE 3/31/00	OVER COLLATERIZATION LEVEL AT 3/31/00	PRODUCT TYPE AT 3/31/00
SASCO 1998-2(1)	X	Jan-98	NR	S&P, Fitch	$600,052	$ 238,959	2.20% OC	34% Fixed, 66% ARM
SASCO 1998-3(1)	X	Mar-98	NR	S&P, Fitch	769,671	312,843	4.31% OC	14% Fixed, 86% ARM
MLMI 1998-FF1(2)	X	Jun-98	NR	S&P, Fitch	198,155	71,328	4.17% OC	100% ARM
LHELT 1998-2(3)	X	Jun-98	NR	Moody's, Fitch	209,225	111,641	7.05% OC	47% Fixed, 53% ARM
OCWEN 98-OAC-1(4)	N/A	Nov-98	NR	S&P, Moody's	182,178	106,362	11.70% OC	27% Fixed, 73% ARM

SECURITIZATION	SECURITY	WEIGHTED AVERAGE INTEREST RATE AT: 3/31/00	WEIGHTED AVERAGE LTV AT: 3/31/00	ACTUAL DELINQUENCY AT: 3/31/00	ACTUAL LIFE TO DATE CPR AT: 3/31/00	ACTUAL LIFE TO DATE LOSSES AT: 3/31/00	YIELD TO MATURITY AT: PURCHASE	YIELD TO MATURITY AT: 3/31/00
SASCO 1998-2	X	11.13%	73.44%	20.00%	34.19%	$6,573	16.00%	0.95%
SASCO 1998-3	X	11.11	75.34	17.36	38.85	5,664	17.04	1.94
MLMI 1998-FF1	X	11.14	77.47	18.08	42.34	411	18.57	6.18
LHELT 1998-2	X	10.81	75.27	13.89	28.51	1,118	18.55	14.84
OCWEN 98-OAC-1	N/A	8.73	80.92	5.93	31.03	350	N/A	N/A

ISSUERS:
(1) Structured Asset Securities Corp.
(2) Merrill Lynch Mortgage Investors, Inc.
(3) Lehman Home Equity Loan Trust.
(4) Ocwen Mortgage Loan Trust.

RATING/DESCRIPTION	AMORTIZED COST	FAIR VALUE	PERCENT OWNED	ORIGINAL ANTICIPATED YIELD TO MATURITY	ANTICIPATED YIELD TO MATURITY AT 3/31/00 (1)	COUPON	ANTICIPATED WEIGHTED AVERAGE REMAINING LIFE(2)
Match-funded securities..........	$ 50,275	$ 46,492	100.00%	17.24%	4.43%	0.00%	3.89 years

(1) Changes in the March 31, 2000 anticipated yield to maturity from that originally anticipated are primarily the result of changes in prepayment assumptions and, to a lesser extent, loss assumptions.

(2) Equals the weighted average duration based on the March 31, 2000 book value.

For a glossary of the terms included in the above tables, see "Securities Available for Sale."

DISCOUNT LOAN PORTFOLIO, NET. The discount loan portfolio decreased $71,051 or 8% during the three months ended March 31, 2000. Resolutions and repayments, transfers to real estate owned and sales more than offset acquisitions during the period. Substantially all of the Company's discount loan portfolio is secured by first mortgage liens on real estate.

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Composition of the Discount Loan Portfolio. The following table sets forth the composition of the Company's discount loan portfolio by type of loan at the dates indicated:

	March 31, 2000	December 31, 1999
Single family residential loans	$ 499,170	$ 597,719
Multi-family residential loans	194,480	191,971
Commercial real estate loans:		
Office buildings	96,463	97,784
Hotels	74,984	75,095
Retail properties	108,929	105,247
Other properties	81,983	87,148
	362,359	365,274
Other loans (1)	22,753	21,615
Total discount loans	1,078,762	1,176,579
Unaccreted discount:		
Single family residential loans	(122,604)	(147,630)
Multi-family residential loans	(38,396)	(37,981)
Commercial real estate loans	(54,952)	(57,604)
Other loans	(443)	(954)
	(216,395)	(244,169)
	862,367	932,410
Allowance for loan losses	(20,189)	(19,181)
Discount loans, net	$ 842,178	$ 913,229

(1) Includes $17,319 and $16,397 at March 31, 2000 and December 31, 1999, respectively, of charged-off unsecured credit card receivables which were acquired at a discount. Collections are accounted for under the cost recovery method.

The discount loan portfolio is secured by mortgages on property located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's discount loans were located at March 31, 2000:

	Single Family Residential	Multi-Family Residential	Commercial Real Estate and Other	Total
California	$ 32,220	$ 7,455	$ 82,118	$ 121,793
New York	40,760	2,192	36,375	79,327
Illinois	16,805	55,719	1,292	73,816
Michigan	13,439	36,047	21,573	71,059
Florida	31,005	17,507	15,362	63,874
Other (1)	242,337	37,164	172,997	452,498
Total	$ 376,566	$ 156,084	$ 329,717	$ 862,367

(1) Consists of properties located in 45 other states, none of which aggregated over $41,443 in any one state.

(Dollars in thousands, except share data)

Activity in the Discount Loan Portfolio. The following table sets forth the activity in the Company's net discount loan portfolio during the three months indicated:

For the three months ended March 31,	2000	1999
AMOUNT		
Balance at beginning of period................	$ 913,229	$ 1,026,511
Acquisitions (1):		
Single family residential loans............	58,937	40,876
Multi - family residential loans............	15,317	32,684
Commercial real estate loans................	6,787	24,801
Other (2)..................................	5,493	6,596
	86,534	104,957
Resolutions and repayments (3)................	(41,927)	(49,063)
Loans transferred to real estate owned........	(71,435)	(70,694)
Sales (4)....................................	(70,989)	(162,397)
Decrease in discount..........................	27,774	46,332
Increase in allowance.........................	(1,008)	(2,466)
Balance at end of period......................	$ 842,178	$ 893,180

For the three months ended March 31,	2000	1999
NUMBER OF LOANS		
Balance at beginning of period................	8,064	8,100
Acquisitions (1):		
Single family residential loans............	937	6,606
Multi - family residential loans............	7	34
Commercial real estate loans................	4	202
Other......................................	1	6
	949	6,848
Resolutions and repayments (3)................	(362)	(1,241)
Loans transferred to real estate owned........	(774)	(2,367)
Sales (4)....................................	(846)	(3,276)
Balance at end of period......................	7,031	8,064

(1) Acquisitions during the first quarter of 2000 exclude commercial and multi-family loans which are accounted for as investments in real estate. See "Changes in Financial Condition - Investments in Real Estate."

(2) For the three months ended March 31, 2000 consists of charged-off unsecured credit card receivables acquired at a discount.

(3) Resolutions and repayments consists of loans which were resolved in a manner which resulted in partial or full repayment of the loan to the Company, as well as principal payments on loans which have been brought current in accordance with their original or modified terms (whether pursuant to forbearance agreements or otherwise) or on other loans which have not been resolved.

(4) Sales for the three months ended March 31, 1999 include the securitization of performing single family discount loans. See "Results of Operations - Non-interest Income."

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Payment Status of Discount Loans. The following table sets forth certain information relating to the payment status of loans in the Company's discount loan portfolio at the dates indicated.

	March 31, 2000	December 31, 1999
PRINCIPAL AMOUNT		
Loans without Forbearance Agreements:		
Current	$ 484,731	$ 509,845
Past due 31 days to 89 days	44,155	23,438
Past due 90 days or more	400,081	448,312
Acquired and servicing not yet transferred	57,829	87,538
Subtotal	986,796	1,069,133
Loans with Forbearance Agreements:		
Current	4,217	2,958
Past due 31 days to 89 days	6,482	8,904
Past due 90 days or more (1)(2)	81,267	95,584
Subtotal	91,966	107,446
Total	$ 1,078,762	$ 1,176,579

	March 31, 2000	December 31, 1999
PERCENTAGE OF LOANS		
Loans without Forbearance Agreements:		
Current	44.94%	43.33%
Past due 31 days to 89 days	4.09	1.99
Past due 90 days or more	37.09	38.10
Acquired and servicing not yet transferred	5.36	7.44
Subtotal	91.48	90.86
Loans with Forbearance Agreements:		
Current	0.39	0.25
Past due 31 days to 89 days	0.60	0.76
Past due 90 days or more	7.53	8.13
Subtotal	8.52	9.14
Total	100.00%	100.00%

(1) Includes $81,090 of loans which were less than 90 days past due under the terms of the forbearance agreements at March 31, 2000, of which $65,094 were current and $15,996 were past due 31 to 89 days.

(2) Includes $95,218 of loans which were less than 90 days past due under the terms of the forbearance agreements at December 31, 1999, of which $67,897 were current and $27,321 were past due 31 to 89 days.

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ALLOWANCES FOR LOAN LOSSES. The Company maintains an allowance for loan losses for each of its loan, discount loan and match funded loan portfolios at a level which management considers adequate to provide for potential losses in each portfolio based upon an evaluation of known and inherent risks in such portfolios. The following table sets forth the breakdown of the allowance for loan losses on the Company's loan portfolio, discount loans and match funded loans by loan category and the percentage of allowance and loans in each category to totals in the respective portfolios at the dates indicated:

	March 31, 2000				December 31, 1999			
	Allowance		Loan Balance		Allowance		Loan Balance	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Loan portfolio:								
Single family	$ 63	0.9%	$ 3,418	1.8%	$ 87	1.2%	$ 4,334	$ 2.3%
Multi-family	1,506	21.2	89,373	46.9	1,722	23.7	81,366	42.5
Commercial real estate	5,535	77.9	97,901	51.3	5,450	75.1	105,628	55.2
Consumer	--	--	68	--	--	--	82	--
	$ 7,104	100.0%	$190,760	100.0%	$ 7,259	100.0%	$ 191,410	$ 100.0%
Discount loan:								
Single family	$ 10,256	50.8%	$376,566	43.7%	$ 11,081	57.8%	$ 450,089	$ 48.3%
Multi-family	1,285	6.4	156,084	18.1	1,681	8.8	153,990	16.5
Commercial real estate	5,725	28.3	307,407	35.7	5,152	26.8	307,670	33.0
Other	2,923	14.5	22,310	2.5	1,267	6.6	20,661	2.2
	$ 20,189	100.0%	$862,367	100.0%	$ 19,181	100.0%	$ 932,410	$ 100.0%
Match funded loans:								
Single family residential loans	$ 526	100.0%	$ 99,998	100.0%	$ 495	100.0%	$ 105,596	100.0%

The allocation of the allowance to each category is not necessarily indicative of future losses and does not restrict the use of the allowance to absorb losses in any other category.

The following table sets forth an analysis of activity in the allowance for loan losses relating to the Company's loan portfolio and discount loan portfolio during the three months ended March 31, 2000:

	Balance December 31, 1999	Provision	Charge-offs	Recoveries	Balance March 31, 2000
Loan portfolio:					
Single family	$ 87	$ (24)	$ --	$ --	$ 63
Multi-family	1,722	(216)	--	--	1,506
Commercial real estate	5,450	85	--	--	5,535
Consumer	--	--	--	--	--
	$ 7,259	$ (155)	$ --	$ --	$ 7,104
Discount loans:					
Single family	$ 11,081	$ 201	$ (1,196)	$ 170	$ 10,256
Multi-family	1,681	105	(501)	--	1,285
Commercial	5,152	768	(195)	--	5,725
Other	1,267	1,658	(2)	--	2,923
	$ 19,181	$ 2,732	$ (1,894)	$ 170	$ 20,189
Match funded loans:					
Single family residential loans	$ 495	$ 31	$ --	$ --	$ 526

INVESTMENTS IN LOW-INCOME HOUSING TAX CREDIT INTERESTS. The Company invests in multi-family residential projects which have been allocated low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, by a state tax credit allocating agency.

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The carrying value of the Company's investments in low-income housing tax credit interests are as follows at the dates indicated.

	March 31, 2000	December 31, 1999
Investments solely as a limited partner made prior to May 18, 1995.............	$ 16,701	$ 17,327
Investments solely as a limited partner made on or after May 18, 1995 (1).......	47,738	59,541
Investments both as a limited and, through subsidiaries, as a general partner...	74,339	74,121
	$ 138,778	$ 150,989

(1) The decrease in the balance during the three months ended March 31, 2000 is due to the sale of investments in ten projects which had an aggregate carrying value of $27,402 for a loss of $261, offset by the investment in new and existing projects.

The qualified affordable housing projects underlying the Company's investments in low-income housing tax credit interests are geographically located throughout the United States. At March 31, 2000, the Company's largest single investment was $8,023, which related to a project located in Columbia, South Carolina.

Investments by the Company in low-income housing tax credit interests made on or after May 18, 1995, in which the Company invests solely as a limited partner, are accounted for using the equity method in accordance with the consensus of the Emerging Issues Task Force as recorded in Issue Number 94-1. Limited partnership investments made prior to May 18, 1995, are accounted for under the effective yield method as a reduction of income tax expense. Low-income housing tax credit partnerships in which the Company invests both as a limited and, through a subsidiary, as general partner are presented on a consolidated basis.

Income on the Company's limited partnership investments made prior to May 18, 1995 is recorded under the level yield method as a reduction of income tax expense, and amounted to $682 and $770 for the three months ended March 31, 2000 and 1999, respectively. For limited partnership investments made after May 18, 1995, and for investments as a limited and, through subsidiaries, as a general partner, the Company recognized tax credits of $3,032 and $3,695 for the three months ended March 31, 2000 and 1999, respectively, and recorded a loss after depreciation of $1,500 and $1,864 from operations on the underlying real estate for the three months ended March 31, 2000 and 1999, respectively.

INVESTMENTS IN UNCONSOLIDATED ENTITIES. Investments in unconsolidated entities decreased $3,120 during the three months ended March 31, 2000 to $33,998 from $37,118 at December 31, 1999, primarily as a result of a $2,739 decrease in the Company's 35.84% equity investment in Kensington. The decrease was primarily due to the Company's $2,334 share of Kensington's losses recorded for the three months ended March 31, 2000.

REAL ESTATE OWNED, NET. Real estate owned, net, increased by $17,992 or 11% during the first quarter of 2000 due primarily to foreclosures and acquisitions in excess of sales. Real estate owned consists almost entirely of properties acquired by foreclosure or deed-in-lieu thereof on loans in the Company's discount loan portfolio.

The following table sets forth certain information relating to the Company's real estate owned at the dates indicated.

	March 31, 2000	December 31, 1999
Discount loan portfolio:		
Single family residential.................	$ 76,546	$ 72,193
Multi-family residential..................	12,536	2,601
Commercial real estate....................	89,818	85,233
Total.................................	178,900	160,027
Loan portfolio...............................	1,986	2,183
Loans available for sale.....................	4,612	5,296
Total.................................	$ 185,498	$ 167,506

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The following table sets forth certain geographical information by type of property at March 31, 2000 related to the Company's real estate owned.

	Single Family Residential		Multi-family Residential and Commercial		Total	
	Amount	No. of Properties	Amount	No. of Properties	Amount	No. of Properties
Florida	$ 6,759	120	$ 47,549	5	$ 54,308	125
Georgia	1,533	21	15,299	1	16,832	22
Connecticut	3,726	45	12,524	2	16,250	47
California	8,732	104	3,897	5	12,629	109
Arizona	1,182	18	9,713	1	10,895	19
Other (1)	59,695	1,365	14,889	29	74,584	1,394
Total	$ 81,627	1,673	$ 103,871	43	$ 185,498	1,716

(1) Consists of properties located in 45 other states, none of which aggregated over $6,632 in any one state.

The following tables set forth the activity in the real estate owned during the three months indicated.

For the three months ended March 31,	2000	1999
AMOUNT		
Balance at beginning of period	$ 167,506	$ 201,551
Properties acquired through foreclosure or deed-in-lieu thereof:		
Discount loans	71,435	70,694
Loans available for sale	3,129	4,819
Loan portfolio	274	2,466
Less discount transferred	(20,243)	(20,885)
	54,595	57,094
Acquired in connection with acquisitions of discount loans	3,591	8,160
Sales	(38,204)	(59,754)
Change in valuation allowance	(1,990)	1,780
Balance at end of period	$ 185,498	$ 208,831

For the three months ended March 31,	2000	1999
NUMBER OF PROPERTIES		
Balance at beginning of period	1,672	1,999
Properties acquired through foreclosure or deed-in-lieu thereof:		
Discount loans	774	702
Loans available for sale	21	56
Loan portfolio	3	2
	798	760
Acquired in connection with acquisitions of discount loans	3	146
Sales	(757)	(1,032)
Balance at end of period	1,716	1,873

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The following table sets forth the amount of time that the Company had held its real estate owned at the dates indicated.

	March 31, 2000	December 31, 1999
One to two months	$ 49,188	$ 30,695
Three to four months	16,981	26,532
Five to six months	15,925	11,263
Seven to 12 months	18,864	28,606
Over 12 months	84,540	70,410
	$ 185,498	$ 167,506

The Company actively manages its real estate owned. Sales of real estate owned resulted in (losses) gains, net of the provision for loss, of $(4,656) and $4,141 during the first three months of 2000 and 1999, respectively, which are included in determining the Company's (loss) income on real estate owned. The average period during which the Company held the $38,204 and $59,754 of real estate owned which was sold during the three months ended March 31, 2000 and 1999, respectively, was 6 months and 6 months, respectively.

The following table sets forth the activity, in the aggregate, in the valuation allowances on real estate owned during the three months indicated.

For the three months ended March 31,	2000	1999
Balance at beginning of year	$ 17,181	$ 15,325
Provisions for losses	9,212	5,061
Charge-offs and sales	(7,222)	(6,841)
Balance at end of period	$ 19,171	$ 13,545
Valuation allowance as a percentage of total gross real estate owned (1)	9.37%	6.09%

(1) The increase at March 31, 2000 as compared to March 31, 1999 reflects an increase in the amount of real estate owned which the Company has held in excess of one year and a decline in the balance of total gross real estate owned. Additionally, the provision for the first quarter of 1999 reflects a reallocation of $3,665 of allowance to loans (primarily discount loans). The increase in the amount of real estate owned which the Company has held in excess of one year at March 31, 2000 as compared to March 31, 1999, primarily reflects the anticipated migration of a large retail property which is currently being repositioned for sale. At December 31, 1999, the valuation allowance as a percentage of total gross real estate owned was 9.30%.

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INVESTMENTS IN REAL ESTATE. The Company's investment in real estate consisted of the following at the dates indicated:

	March 31, 2000	December 31, 1999
Properties held for investment (1):		
Office buildings	$ 32,097	$ 202,607
Retail	33,305	33,224
Building improvements	7,443	17,590
Tenant improvements and lease commissions	584	8,150
Furniture and fixtures	59	44
	73,488	261,615
Accumulated depreciation	(2,641)	(9,011)
	70,847	252,604
Loans accounted for as investments in real estate (2):		
Multi-family residential	3,341	--
Nonresidential	136,801	--
	140,142	--
Properties held for lease:		
Land and land improvements	1,256	1,256
Building	14,755	14,629
Accumulated depreciation	(461)	(248)
	15,550	15,637
Investment in real estate partnerships (3)	11,708	--
	$ 238,247	$ 268,241

(1) Acquired as a result of the acquisition of OAC. The decline in balances during the first quarter of 2000 is due to the transfer of the Company's four properties located in San Francisco, California from held for investment to held for sale. See "Real Estate Held for Sale."

(2) Certain acquisition, development and construction loans were acquired in January 2000 in which the Company participates in the expected residual profits of the underlying real estate and the borrower has not contributed substantial equity to the project. As such, the Company has accounted for these loans under the equity method of accounting as though it had an investment in a real estate limited partnership.

(3) Consists of five limited partnership interests in multi-family real estate ventures.

The Company's properties held for investment at March 31, 2000 are comprised of the following:

Date Acquired	Property	Location	Square Feet	Property Type	% Leased	Book Value
07/22/98	841 Prudential Drive	Jacksonville, FL	550,000	Office Bldg.	98.0%	32,405
11/10/97	Cortez Plaza	Bradenton, FL	289,686	Shopping Ctr.	94.5	22,608
04/09/98	7075 Bayers Road	Halifax, Nova Scotia	402,529	Shopping Ctr.	67.0	16,957
10/01/98	Holiday Village	Havre, MT	223,355	Shopping Ctr.	47.0	1,518
			Accumulated depreciation			(2,641)
						$ 70,847

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REAL ESTATE HELD FOR SALE. The Company's real estate held for sale at March 31, 2000 is comprised of the following properties:

Date Acquired	Property	Location	Square Feet	Property Type	% Leased	Book Value
04/08/98	225 Bush Street.........	San Francisco, CA	570,637	Office Bldg.	98.0%	$ 127,061
09/23/97	450 Sansome Street	San Francisco, CA	130,437	Office Bldg.	100.0	28,447
01/23/98	690 Market Street	San Francisco, CA	124,692	Office Bldg.	97.0	21,558
09/03/97	10 U.N. Plaza	San Francisco, CA	71,636	Office Bldg.	100.0	11,742
						$ 188,808

On March 23, 2000, the Company engaged Grubb & Ellis Company to market and sell these four properties. These properties were previously held for investment. On March 30, 2000, Company entered into an agreement to sell its office building located at 690 Market Street in San Francisco for $28,000 less commissions and closing costs and as adjusted for prorations of certain contractual obligations that survive closing. Closing is subject to the fulfillment of certain conditions, including but not limited to delivery of clear title and receipt of required tenant estoppels. The closing is expected to occur during the second quarter of 2000.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

(Dollars in thousands, except share data)

DEPOSITS. Deposits decreased $74,684 or 4% during the three months ended March 31, 2000 primarily as a result of a decrease in non-interest bearing checking accounts offset by an increase in certificates of deposit.

The following table sets forth information related to the Company's deposits at the dates indicated.

	March 31, 2000		December 31, 1999	
	Amount	% of Total Deposits	Amount	% of Total Deposits
Non-interest bearing checking accounts........	$ 189,147	11%	$ 280,273	15%
NOW and money market checking accounts........	15,369	1	30,343	2
Savings accounts.............................	1,552	--	1,361	--
	206,068	12	311,977	17
Certificates of deposit (1)(2)................	1,568,024		1,536,997	
Unamortized deferred fees.....................	(6,490)		(6,688)	
Total certificates of deposit.................	1,561,534	88	1,530,309	83
Total deposits.............................	$ 1,767,602	100%	$ 1,842,286	100%

(1) Includes Brokered deposits obtained through national, regional and local investment banking firms which solicit deposits from their customer, amounted to $1,398,675 at March 31, 2000, as compared to $1,449,873 at December 31, 1999.

(2) At March 31, 2000 and December 31, 1999, certificates of deposit issued on an uninsured basis (greater than $100,000) amounted to $165,802 and $155,205, respectively. Of the $165,802 of uninsured deposits at March 31, 2000, $63,014 were from political subdivisions in New Jersey and secured or collateralized as required under state law.

SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE. Securities sold under agreements to repurchase of $376,454 at March 31, 2000, increased $329,089 or 695% during the three months ended March 31, 2000. From time to time the Company utilizes such collateralized borrowings as additional sources of liquidity. The securities sold under agreements to repurchase at March 31, 2000 are primarily collateralized by CMOs.

BONDS-MATCH FUNDED AGREEMENTS. Bonds-match funded agreements of $130,429 at March 31, 2000, decreased $11,086 or 8% during the three months ended March 31, 2000.

Bonds-match funded agreements were comprised of the following at the dates indicated:

	March 31, 2000	December 31, 1999
OAC Mortgage Residential Securities, Inc.(1)...............	$ 94,302	$ 100,968
Ocwen NIM Corp (2)..	36,127	40,547
	$ 130,429	$ 141,515

(1) Acquired in connection with the acquisition of OAC. Originally arose in connection with a previous securitization of loans by OAC which was accounted for as a financing transaction.

(2) In December 1999, the Company transferred four unrated residual securities to Ocwen NIM Corp. in exchange for non-recourse notes. The transaction was accounted for as a financing.

(Dollars in thousands, except share data)

NOTES, DEBENTURES AND OTHER INTEREST-BEARING OBLIGATIONS. Notes, debentures and other interest-bearing obligations mature as follows:

	March 31, 2000	December 31, 1999
2003:		
11.875% Notes due October 1	$ 103,850	$ 103,850
2004:		
Loan due May 24 (LIBOR plus 150 basis points)	6,236	6,236
2005:		
12% Subordinated Debentures due June 15	67,000	67,000
11.5% Senior Notes due July 1 (1)	120,937	140,487
	$ 298,023	$ 317,573

(1) The decline in the outstanding balance is due to the repurchase of notes in the open market. The $19,550 repurchase resulted in extraordinary gains of $3,109 ($2,145 after tax).

OBLIGATIONS OUTSTANDING UNDER LINES OF CREDIT. Obligations outstanding under lines of credit decreased $13,807 or 7% during the three months ended March 31, 2000. The decrease is primarily due to the repayment of lines of credit at OFS. The Company through its subsidiaries has obtained secured lines of credit arrangements from various unaffiliated financial institutions as follows:

Entity	Balance Outstanding	Amount of Facility	Committed Amount	Maturity Date	Interest Rate(3)
MARCH 31, 2000:					
OFS (1)	$ 990	$ 15,000	$ --	May 2000	LIBOR + 150 basis points
	13,899	25,000	--	May 2000	LIBOR + 175 basis points
OAC (2)	84,170	200,000	200,000	June 2001	LIBOR + 175 basis points
	75,000	75,000	75,000	April 2001	LIBOR + 175 basis points
	$ 174,059				
DECEMBER 31, 1999:					
OFS (1)	$ 2,041	$ 200,000	$ 100,000	July 2001	LIBOR + 75 basis points
	3,770	115,000	100,000	May 2000	LIBOR + 95 +0+ 150 basis points
	15,227	50,000	50,000	May 2000	LIBOR + 137.5 basis points
	7,658	25,000	--	May 2000	LIBOR + 175 basis points
OAC (2)	84,170	200,000	200,000	June 2001	LIBOR + 175 basis points
	75,000	75,000	75,000	April 2001	LIBOR + 175 basis points
	$ 187,866				

(1) These lines were used to fund subprime mortgage loan originations, generally advanced at a rate of 50% to 80% of the principal balance of the mortgage loan are secured by such mortgage loans.

(2) These lines are collateralized by commercial loans and investments in real estate

(3) LIBOR was 6.13% and 5.82% at March 31, 2000 and December 31, 1999, respectively.

COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY. In August 1997, OCT, a wholly-owned subsidiary of Ocwen, issued $125.0 million of 10-7/8% Capital Securities. Proceeds from the issuance of the Capital Securities were invested in 10-7/8% Junior Subordinated Debentures issued by Ocwen. The Junior Subordinated Debentures, which represent the sole assets of OCT, will mature on August 1, 2027. During 1999, the Company repurchased $15,000 of the Capital Securities in the open market. Intercompany transactions between OCT and the

Company, including the Junior Subordinated Debentures, are eliminated in the consolidated financial statements of the Company.

STOCKHOLDERS' EQUITY. Stockholders' equity decreased $17,006 or 3% during the three months ended March 31, 2000. The decrease in stockholders' equity during the three months ended March 31, 2000 was primarily due to a net loss of $5,098, the repurchase of 1,388,300 shares of common stock in the aggregate amount of $8,982 and a $3,087 decline in unrealized gains on securities available for sale. See Consolidated Statements of Changes in Stockholders' Equity in the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference).

LIQUIDITY, COMMITMENTS AND OFF-BALANCE SHEET RISKS

The primary sources of funds for liquidity consist of deposits, FHLB advances, reverse repurchase agreements, lines of credit and maturities and payments of principal and interest on loans and securities and proceeds from sales and securitizations thereof.

Sources of liquidity include certificates of deposit obtained primarily from wholesale sources. At March 31, 2000, the Company had $1,561,534 of certificates of deposit, including $1,398,675 of brokered certificates of deposit obtained through national, regional and local investment banking firms, all of which are non-cancelable. At the same date, scheduled maturities of certificates of deposit during the 12 months ending March 31, 2001 and 2002, and thereafter amounted to $763,599, $630,185 and $167,751, respectively.

Sources of borrowings include FHLB advances, which are required to be secured by single family and/or multi-family residential loans or other acceptable collateral, and reverse repurchase agreements. At March 31, 2000, the Company was eligible to borrow up to an aggregate of $649,687 from the FHLB of New York (subject to the availability of acceptable collateral) and had $8,951 of residential loans and $21,197 of short duration CMOs (all of which were held by the Bank) pledged as security for any such advances. At March 31, 2000, the Company had contractual relationships with 12 brokerage firms and the FHLB of New York pursuant to which it could obtain funds from reverse repurchase agreements. At March 31, 2000, the Company had $152,884 of unrestricted cash and cash equivalents, $678,998 of short duration CMOs and $141,227 of subordinate and residual securities, which could be used to secure additional borrowings. At March 31, 2000, the Company had no outstanding FHLB advances.

The Company believes that its existing sources of liquidity, including internally generated funds, will be adequate to fund planned activities for the foreseeable future, although there can be no assurances in this regard. Moreover, the Company continues to evaluate other sources of liquidity, such as lines of credit from unaffiliated parties, which will enhance the management of its liquidity and the costs thereof.

The Company's operating activities used $31,574 and $156,939 of cash flows during the first quarter of 2000 and 1999, respectively. During the first quarter of 2000, cash flows used by operating activities primarily related to an increase in income taxes paid and an the increase in escrow advances on loans and loans serviced for others. During the first quarter of 1999, resources of cash were used primarily to purchase and originate loans available for sale. The decrease in net cash flows used by operating activities during the first quarter of 2000 as compared to the first quarter of 1999, was due primarily to a decline in purchases and originations of loans available for sale.

The Company's investing activities (used) provided cash flows totaling ($364,650) and $ 197,781 during the first quarter of 2000 and 1999, respectively. During the foregoing periods, cash flows from investing activities were used primarily to purchase securities available for sale, purchase discount loans and for the purchase of and capital improvments to real estate held for investment. Cash flows from investing activities were provided primarily by maturities of and principal payments received on securities available for sale, proceeds from sales of discount loans and proceeds from sales of real estate owned. The increase in net cash used by investing activities during increase in purchases of securities available for sale and an increase in purchases of and capital improvements to real estate held for investment.

The Company's financing activities provided (used) cash flows of $201,406 and ($175,424) during the first quarter of 2000 and 1999, respectively. Cash flows from financing activities were primarily provided by securities sold under agreements to repurchase and proceeds from obligations under lines of credit. Cash flows utilized in connection with financing activities were primarily related to a decline in deposits, repayment of bonds-match funded agreements, repurchase of debt and repurchase of common stock. The increase in cash provided by financing acitivities during the first quarter of 2000 as compared to the first quarter of 1999 was due primarily to an increase in securities sold under agreements to repurchase, partially offset by the decline in the proceeds from obligations outstanding under lines of credit.

The Bank is required under applicable federal regulations to maintain specified levels of "liquid" investments in qualifying types of U.S. government, federal agency and other investments having maturities of five years or less (currently not less than 4% of its average daily balance of net withdrawable deposit accounts and borrowings payable in one year or less). The Bank's liquidity, as measured for regulatory purposes, amounted to 8.23% at March 31, 2000.

As a result of a verbal agreement between the Bank and the OTS to dividend subordinate and residual mortgage-related securities resulting from securitization activities conducted by the Bank, the Bank has been limited in its ability to pay cash dividends to the Company. The Bank held no subordinate or residual mortgage-related securities at March 31, 2000. See "Regulatory Capital Requirements."

There are restrictions on OAC's ability to pay dividends under the Indenture governing OAC's 11.5% Redeemable Notes. As of March 31, 2000, OAC was not permitted to pay dividends under the Indenture.

At March 31, 2000, the Company had commitments of $26,049 related to the funding of construction loans and $2,440 related to the purchase of loans. Management of the Company believes that the Company has adequate resources to fund all such unfunded commitments to the extent required and that substantially all of such unfunded commitments will be funded during 1999. See Note 7 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference).

In addition to commitments to extend credit, the Company is party to various off-balance sheet financial instruments in the normal course of the Company's business in order to manage its interest rate risk and foreign currency exchange rate risk. See Note 4 to the Interim Consolidated Financial Statements included in Item 1 (which is incorporated herein by reference) herein and "Asset and Liability Management" included in Item 3 herein.

REGULATORY CAPITAL AND OTHER REQUIREMENTS

Following an examination in late 1996 and early 1997, the Bank committed to the OTS to maintain a core capital (leverage) ratio and a total risk-based capital ratio of at least 9% and 13%, respectively. The Bank continues to be in compliance with this commitment as well as the regulatory capital requirements of general applicability, as indicated in Note 5 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference). The Bank's core capital, Tier 1 risk-based capital and total risk-based capital ratios at March 31, 2000 were 9.33%, 12.84% and 17.67%, respectively, placing the Bank in the "well-capitalized" category as defined by federal regulations. Based on discussions with the OTS, the Bank believes that this commitment does not affect its status as a "well-capitalized" institution, assuming the Bank's continued compliance with the regulatory capital requirements required to be maintained by it pursuant to such commitment.

YEAR 2000 DATE CONVERSION

The Company is currently not aware of any significant Year 2000 or related problems that have arisen for its customers or vendors.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

(Dollars in thousands)

ASSET AND LIABILITY MANAGEMENT

Asset and liability management is concerned with the timing and magnitude of the repricing of assets and liabilities. It is the objective of the Company to attempt to control risks associated with interest rate and foreign currency exchange rate movements. In general, management's strategy is to match asset and liability balances within maturity categories and to manage foreign currency rate exposure related to its investments in non-U.S. dollar functional currency operations in order to limit the Company's exposure to earnings variations and variations in the value of assets and liabilities as interest rates and foreign currency exchange rates change over time. The Company's asset and liability management strategy is formulated and monitored by the Asset/Liability Management Committee, which is composed of directors and officers of the Company, in accordance with policies approved by the Board of Directors of the Company. The Asset/Liability Committee meets to review, among other things, the sensitivity of the Company's assets and liabilities to interest rate changes and foreign currency exchange rate changes, the book and market values of assets and liabilities, unrealized gains and losses, including those attributable to hedging transactions, purchase and sale activity, and maturities of investments and borrowings. The Asset/Liability Committee also approves and establishes pricing and funding decisions with respect to overall asset and liability composition.

The Asset/Liability Committee's methods for evaluating interest rate risk include an analysis of the Company's interest rate sensitivity "gap," which is defined as the difference between interest-earning assets and interest-bearing liabilities maturing or repricing within a given time period. A gap is considered positive when the amount of interest-rate sensitive assets exceeds the amount of interest-rate sensitive liabilities. A gap is considered negative when the amount of interest-rate sensitive liabilities exceeds interest-rate sensitive assets. During a period of rising interest rates, a negative gap would tend to adversely affect net interest income, while a positive gap would tend to result in an increase in net interest income. During a period of falling interest rates, a negative gap would tend to result in an increase in net interest income, while a positive gap would tend to affect net interest income adversely. Because different types of assets and liabilities with the same or similar maturities may react differently to changes in overall market rates or conditions, changes in interest rates may affect net interest income positively or negatively even if an institution were perfectly matched in each maturity category.

The following table sets forth the estimated maturity or repricing of the Company's interest-earning assets and interest-bearing liabilities at March 31, 2000. The amounts of assets and liabilities shown within a particular period were determined in accordance with the contractual terms of the assets and liabilities, except (i) adjustable-rate loans, performing discount loans, securities and FHLB advances are included in the period in which they are first scheduled to adjust and not in the period in which they mature, (ii) fixed-rate mortgage-related securities reflect estimated prepayments, which were estimated based on analyses of broker estimates, the results of a prepayment model utilized by the Company and empirical data, (iii) non-performing discount loans reflect the estimated timing of resolutions which result in repayment to the Company, (iv) NOW and money market checking deposits and savings deposits, which do not have contractual maturities, reflect estimated levels of attrition, which are based on detailed studies of each such category of deposit by the Company, and (v) escrow deposits and other non-interest bearing checking accounts, which amounted to $189,147 at March 31, 2000, are excluded. Management believes that these assumptions approximate actual experience and considers them reasonable; however, the interest rate sensitivity of the Company's assets and liabilities in the table could vary substantially if different assumptions were used or actual experience differs from the historical experience on which the assumptions are based.

	March 31, 2000				
	Within Three Months	Four to Twelve Months	More Than One Year to Three Years	Three Years and Over	Total
	(Dollars in Thousands)				
RATE-SENSITIVE ASSETS:					
Interest-earning deposits	$ 23,024	$ --	$ --	$ --	$ 23,024
Federal funds sold	96,000	--	--	--	96,000
Securities available for sale	386,795	211,212	159,931	80,508	838,446
Loans available for sale (1)	1,024	19,727	8,688	7,404	36,843
Investment securities, net	13,256	--	--	--	13,256
Loan portfolio, net (1)	91,661	39,836	14,902	9,720	156,119
Match funded loan and securities	5,343	14,953	34,769	90,899	145,964
Discount loan portfolio, net	78,937	460,131	189,442	113,668	842,178
Total rate-sensitive assets	696,040	745,859	407,732	302,199	2,151,830
RATE-SENSITIVE LIABILITIES:					
NOW and money market checking deposits	13,875	171	367	956	15,369
Savings deposits	116	221	437	778	1,552
Certificates of deposit	286,869	475,189	630,921	168,555	1,561,534
Total interest-bearing deposits	300,860	475,581	631,725	170,289	1,578,455
Securities sold under agreements to repurchase	376,454	--	--	--	376,454
Bond-match funded loan agreements	98,055	10,652	21,722	--	130,429
Obligations outstanding under lines of credit	174,059	--	--	--	174,059
Notes, debentures and other	6,236	--	--	291,787	298,023
Total rate-sensitive liabilities	955,664	486,233	653,447	462,076	2,557,420
Interest rate sensitivity gap before financial instruments	(259,624)	259,626	(245,715)	(159,877)	(405,590)
FINANCIAL INSTRUMENTS:					
Interest rate swaps	175,000	--	(175,000)	--	--
Swaption and put option contracts	286	295	--	--	581
Futures contracts	28,000	--	(20,000)	(8,000)	--
Total rate-sensitive financial instruments	203,286	295	(195,000)	(8,000)	581
Interest rate sensitivity gap including financial instruments	$ (56,338)	$ 259,921	$ (440,715)	$ (167,877)	$ (405,009)
Cumulative interest rate sensitivity gap	$ (56,338)	$ 203,583	$ (237,132)	$ (405,009)	
Cumulative interest rate sensitivity gap as a percentage of total rate-sensitive assets	(2.62)%	9.46%	(11.02)%	(18.82)%	

(1) Balances have not been reduced for non-performing loans.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

(Dollars in thousands)

The OTS has established specific minimum guidelines for thrift institutions to observe in the area of interest rate risk as described in Thrift Bulletin No. 13a, "Management of Interest Rate Risk, Investment Securities, and Derivative Activities" ("TB 13a"). Under TB 13a, institutions are required to establish and demonstrate quarterly compliance with board-approved limits on interest rate risk that are defined in terms of net portfolio value ("NPV"), which is defined as the net present value of an institution's existing assets, liabilities and off-balance sheet instruments. These limits specify the minimum net portfolio value ratio ("NPV Ratio") allowable under current interest rates and hypothetical interest rate scenarios. An institution's NPV Ratio for a given interest rate scenario is calculated by dividing the NPV that would result in that scenario by the present value of the institution's assets in that same scenario. The hypothetical scenarios are represented by immediate, permanent, parallel movements in the term structure of interest rates of plus and minus 100, 200 and 300 basis points from the actual term structure observed at quarter end. The current NPV Ratio for each of the seven rate scenarios and the corresponding limits approved by the Board of Directors, and as applied to OCN, is as follows at March 31, 2000:

Rate Shock (in basis points)	Board Limits (minimum NPV Ratios)	Current NPV Ratios
+300	5.00%	18.75%
+200	6.00%	18.48%
+100	7.00%	18.17%
0	8.00%	17.86%
-100	7.00%	17.57%
-200	6.00%	17.27%
-300	5.00%	17.01%

The Asset/Liability Committee also regularly reviews interest rate risk by forecasting the impact of alternative interest rate environments on net interest income and NPV and evaluating such impacts against the maximum potential changes in net interest income and NPV that is authorized by the Board of Directors, and as applied to OCN. The following table quantifies the potential changes in net interest income and net portfolio value should interest rates go up or down (shocked) 300 basis points, assuming the yield curves of the rate shocks will be parallel to each other. The cash flows associated with the loan portfolios and securities available for sale are calculated based on prepayment and default rates that vary by asset. Projected losses, as well as prepayments, are generated based upon the actual experience with the subject pool, as well as similar, more seasoned pools. To the extent available, loan characteristics such as loan-to-value ratio, interest rate, credit history, prepayment penalty terms and product types are used to produce the projected loss and prepayment assumptions that are included in the cash flow projections of the securities. When interest rates are shocked, these projected loss and prepayment assumptions are further adjusted. The base interest rate scenario assumes interest rates at March 31, 2000. Actual results could differ significantly from the OCN results estimated in the following table:

Change in Interest Rates (Rate Shock in basis points)	Estimated Changes in Net Interest	Estimated Changes in NPV
+300	1.54%	2.45%
+200	1.02%	1.80%
+100	0.51%	0.90%
0	0.00%	0.00%
-100	(0.51)%	(0.74)%
-200	(1.02)%	(1.58)%
-300	(1.54)%	(2.21)%

The Asset/Liability Committee is authorized to utilize a wide variety of off-balance sheet financial techniques to assist it in the management of interest rate risk and foreign currency exchange rate risk. These techniques include interest rate exchange or "swap" agreements, U.S. Treasury interest rate futures contracts, foreign currency futures contracts, foreign currency swap agreements and European swaptions and put options.

INTEREST RATE RISK MANAGEMENT. The Company utilizes interest rate swaps to protect against the decrease in value of a fixed-rate asset or the increase in borrowing cost from a short-term, fixed-rate liability, such as reverse repurchase agreements, in an increasing interest-rate environment. The Company had entered into interest rate swaps with an aggregate notional amount of $175,000 and $200,780 at March 31, 2000 and December 31, 1999, respectively.

The Company also enters into U.S. Treasury futures contracts to offset declines in the market value of its fixed-rate loans and certain fixed-rate mortgage-backed and related securities available for sale in the event of an increasing interest rate environment. The Company had entered into futures contracts with an aggregate notional amount of $28,000 and $19,000 at March 31, 2000 and December 31, 1999, respectively.

The Company entered into swaption and put option contracts to mitigate its interest rate exposure on anticipated future funding related to certain of its investments in low-income housing tax credit interests. The Company had entered into European swaptions and put options with an aggregate notional amount of $14,100 and $20,900 at March 31, 2000 and December 31, 1999, respectively.

See Note 4 to the Interim Consolidated Financial Statements for additional disclosures regarding the Company's interest rate derivative financial instruments included in Item 1 herein (which is incorporated herein by reference).

FOREIGN CURRENCY EXCHANGE RATE RISK MANAGEMENT. The Company has entered into foreign currency derivatives to hedge its equity investment in Kensington, its investments in foreign subsidiaries which own residual interests backed by residential loans originated in the UK ("UK residuals") and in the shopping center located in Halifax, Nova Scotia (the "Nova Scotia Shopping Center").

The Company's hedges (currency futures and swaps), the related foreign currency equity investment, the related investments in foreign subsidiaries, and the net exposures as of March 31, 2000 and December 31, 1999 were as follows.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

(Dollars in thousands)

	Investment	Hedge	Net Exposure
MARCH 31, 2000:			
Kensington	$ 33,477	$ 33,966	$ 489
UK residuals	$ 24,582	$ 18,269	$ (6,313)
Nova Scotia shopping center	$ 16,957	$ 18,359	$ 1,402
DECEMBER 31, 1999:			
Kensington	$ 36,215	$ 37,546	$ 1,331
UK residuals	$ 28,098	$ 25,758	$ (2,340)
Nova Scotia shopping center	$ 14,844	$ 16,074	$ 1,230

The net exposures are subject to gain or loss if foreign currency exchange rates fluctuate. See the "Foreign Currency Management" section of Note 4 to the Interim Consolidated Financial Statements which is included in Item 1 herein for additional disclosures regarding the Company's foreign currency derivative financial instruments (which is incorporated herein by reference).

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are not, and certain statements contained in future filings by the Company with the Securities and Exchange Commission (the "Commission") in the Company's press releases or in the Company's other public or shareholder communications may not be, based on historical facts and are "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, which are based on various assumptions (some of which are beyond the Company's control), may be identified by reference to a future period(s) or by the use of forward-looking terminology such as "anticipate," "believe," "commitment," "consider," "continue," "could," "encourage," "estimate," "expect," "foresee," "intend," "in the event of," "may," "plan," "present," "propose," "prospect," "update," "whether," "will," "would," future or conditional verb tenses, similar terms, variations on such terms or negatives of such terms. Although the Company believes the anticipated results or other expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that those results or expectations will be attained. Actual results could differ materially from those indicated in such statements due to risks, uncertainties and changes with respect to a variety of factors, including, but not limited to, international, national, regional or local economic environments (particularly in the market areas where the Company operates), government fiscal and monetary policies (particularly in the market areas where the Company operates), prevailing interest or currency exchange rates, effectiveness of interest rate, currency and other hedging strategies, laws and regulations affecting financial institutions, investment companies and real estate (including regulatory fees, capital requirements, access for disabled persons and environmental compliance), uncertainty of foreign laws, competitive products, pricing and conditions (including from competitors that have significantly greater resources than the Company), credit, prepayment, basis, default, subordination and asset/liability risks, loan servicing effectiveness, ability to identify acquisitions and investment opportunities meeting the Company's investment strategy, the course of negotiations and the ability to reach agreement with respect to the material terms of any particular transaction, satisfactory due diligence results, satisfaction or fulfillment of agreed upon terms and conditions of closing or performance, the timing of transaction closings, software integration, development and licensing, availability of and costs associated with obtaining adequate and timely sources of liquidity, ability to repay or refinance indebtedness (at maturity or upon acceleration), to meet collateral calls by lenders (upon re-valuation of the underlying assets or otherwise), to generate revenues sufficient to meet debt service payments and other operating expenses, availability of discount loans for purchase, size of, nature of and yields available with respect to the secondary market for mortgage loans, financial, securities and securitization markets in general, allowances for loan losses, changes in real estate conditions (including liquidity, valuation, revenues, rental rates, occupancy levels and competing properties), adequacy of insurance coverage in the event of a loss, other factors generally understood to affect the real estate acquisition, mortgage and leasing markets and securities investments, and other risks detailed from time to time in the Company's reports and filings with the Commission, including its periodic reports on Forms 10-Q, 8-K and 10-K and Exhibit 99.1 titled Risk Factors, to the Company's Form 10-K for the year ended December 31, 1999. Given these uncertainties, readers are cautioned not to place undue reliance on such statements. The Company does not undertake, and specifically disclaims any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

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(a) EXHIBITS.

3.1	Amended and Restated Articles of Incorporation (1)
3.2	Amended and Restated Bylaws (2)
4.0	Form of Certificate of Common Stock (1)
4.1	Form of Indenture between the Company and Bank One, Columbus, NA as Trustee (1)
4.2	Form of Note due 2003 (included in Exhibit 4.1) (1)
4.3	Certificate of Trust of Ocwen Capital Trust I (3)
4.4	Amended and Restated Declaration of Trust of Ocwen Capital Trust I (3)
4.5	Form of Capital Security of Ocwen Capital Trust I (4)
4.6	Form of Indenture relating to 10 7/8% Junior Subordinated Debentures due 2027 of the Company (3)
4.7	Form of 10 7/8% Junior Subordinated Debentures due 2027 of the Company (4)
4.8	Form of Guarantee of the Company relating to the Capital Securities of Ocwen Capital Trust I (3)
4.9	Form of Indenture between the Company and The Bank of New York as Trustee (5)
4.10	Form of Subordinated Debentures due 2005 (5)
4.11	Form of Indenture between OAC and Norwest Bank Minnesota, National Association, as Trustee thereunder for the 11.5% Redeemable Notes due 2005 (6)
10.1	Ocwen Financial Corporation 1996 Stock Plan for Directors, as amended (8)
10.2	Ocwen Financial Corporation 1998 Annual Incentive Plan (8)
10.3	Loan Facility Agreement, dated April 23, 1999, among Ocwen Limited, National Westminster Bank plc and Ocwen Financial Corporation (9)
10.4	Loan Agreement, dated as of April 7, 1998, between OAIC Bush Street, LLC and Salomon Brothers Realty Corp. (11)
10.5	Loan Agreement, dated as of April 24, 1998, between OAC and Greenwich Financial Products Inc. (12)
10.6	Amended and Restated Loan Agreement, dated as of June 10, 1998, among, inter alia, OAIC California Partnership, L.P., OAIC California Partnership II, L.P., Salomon Brothers Realty Corp. and LaSalle National Bank (12)
10.7	Compensation and Indemnification Agreement, dated as of May 6, 1999, between OAC and the independent committee of the Board of Directors (13)
10.8	Second Amendment to Guarantee of Payment, dated as of July 9, 1999, between Salomon Brothers Realty Corp. and Ocwen Partnership, L.P. (13)
10.9	Indemnity agreement, dated August 24, 1999, among OCN and OAC's Board of directors (13)
10.10	Amended Ocwen Financial Corporation 1991 Non-Qualified Stock Option Plan, dated October 26, 1999 (filed herewith)
10.11	First Amendment to Agreement dated March 30, 2000 between HCT and OAIC (14).
27.1	Financial Data Schedule for the three months ended March 31, 2000 (filed herewith)
99.1	Risk factors (15)

(1) Incorporated by reference from the similarly described exhibit filed in connection with the Registrant's Registration Statement on Form S-1 (File No. 333-5153), as amended, declared effective by the Commission on September 25, 1996.

(2) Incorporated by reference from the similarly described exhibit included with the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.

(3) Incorporated by reference from the similarly described exhibit filed in connection with the Company's Registration Statement on Form S-1 (File No. 333-28889), as amended, declared effective by the Commission on August 6, 1997.

Item 6. Exhibits and Reports on Form 8-K.

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(4) Incorporated by reference from similarly described exhibit included with Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997.

(5) Incorporated by reference from the similarly described exhibit filed in connection with Amendment No. 2 to Offering Circular on Form OC (on Form S-1) filed on June 7, 1995.

(6) Incorporated by reference from OAC's Registration Statement on Form S-4 (File No. 333-64047), as amended, as declared effective by the Commission on February 12, 1999.

(7) Incorporated by reference from the similarly described exhibit filed in connection with the Registrant's Registration Statement on Form S-8 (File No. 333-44999), effective when filed with the Commission on January 28, 1998.

(8) Incorporated by reference from the similarly described exhibit to the Company's definitive Proxy Statement with respect to the Company's 1998 Annual Meeting of Shareholders as filed with the Commission on March 31, 1998.

(9) Incorporated by reference from the similarly described exhibit filed in connection with the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1999.

(10) Incorporated by reference from the similarly described exhibit included with the Registrant's current report on Form 8-K filed with the Commission on July 26, 1999.

(11) Incorporated by reference from OAC's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998.

(12) Incorporated by reference from the Current Report on Form 8-K filed by OAC with the Commission on April 23, 1998.

(13) Incorporated by reference from OAC's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999.

(14) Incorporated by reference from the similarly described exhibit included with OAC's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000.

(15) Incorporated by reference from a similarly described exhibit included with the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

(b) REPORTS ON FORM 8-K FILED DURING THE QUARTER ENDED MARCH 31, 2000

(1) A Form 8-K was filed by the Company on February 10, 2000 which contained a news release announcing the Company's financial results for the three and twelve months ended December 31, 1999.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OCWEN FINANCIAL CORPORATION

BY: /s/ MARK S. ZEIDMAN

Mark S. Zeidman,
Senior Vice President and
Chief Financial Officer
(On behalf of the Registrant and as its
principal financial officer)

Date: May 15, 2000

AS AMENDED THROUGH OCTOBER 26,1999
(And Reflecting Adjustment for the
Ten-for-One Stock Split in July 1996
and the Two-for-One Stock Split in
November 1997)

OCWEN FINANCIAL CORPORATION
1991 NON-QUALIFIED STOCK OPTION PLAN

ARTICLE I
DEFINITIONS

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

(a) "Board" shall mean the Board of Directors of the Company.

(b) "Committee" shall mean the Compensation Committee of the Board, which shall consist of not less than the minimum number of persons from time to time required by Rule 16b-3, each of whom, to the extent necessary to comply with Rule 16b-3 only, shall be a "Non-Employee Director" within the meaning of Rule 16b-3.

(c) "Company" shall mean Ocwen Financial Corporation, a Florida corporation.

(d) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(e) "Fair Value" shall mean the book value of the Stock as determined by the Committee until such time as the Stock is registered under the Exchange Act, following which time the Committee shall determine the method to establish fair market value.

(f) "Option" shall mean an option to purchase Stock granted pursuant to the provisions of Article VI hereof.

(g) "Optionee" shall mean a person to whom an Option has been granted hereunder.

(h) "Option Price" shall mean the price at which an Optionee may purchase a share of stock under a Stock Option Agreement which price may be less than Fair Value at the time the Option is granted.

(i) "Plan" shall mean the Ocwen Financial Corporation 1991 Non-Qualified Stock Option Plan, as amended.

(j) "Rule 16b-3" shall mean Rule 16b-3 as promulgated and interpreted by the Securities and Exchange Commission under the Exchange Act, or any successor rule or regulation thereto as in effect from time to time.

(k) "Stock" shall mean the common stock, $.01 par value, of the Company or, in the event that the outstanding shares of Stock are hereinafter changed into or exchanged

for shares of a different stock or securities of the Company or some other corporation, such other stock or securities.

(l) "Stock Option Agreement" shall mean an agreement between the Company and the Optionee under which the Optionee may purchase Stock hereunder.

(m) "Subsidiary" shall mean any corporation, the majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company.

ARTICLE II
THE PLAN

2.1 NAME. This plan shall be known as the "Ocwen Financial Corporation 1991 Non-Qualified Stock Option Plan."

2.2 PURPOSE. The purpose of the Plan is to advance the interests of the Company, its Subsidiaries and its shareholders by affording certain officers and other key employees of the Company and its Subsidiaries an opportunity to acquire or increase their proprietary interests in the Company by granting such persons Options to purchase Stock in the Company. The Options will promote the growth and profitability of the Company and its Subsidiaries because the Optionees will be provided with an additional incentive to achieve the Company's objectives through participation in its success and growth and by encouraging their continued employment with the Company.

2.3 EFFECTIVE DATE; TERMINATION DATE. The effective date of the Plan is December 1, 1991. The Plan shall terminate, and no further Options shall be granted hereunder, after November 30, 2006.

ARTICLE III
PARTICIPANTS

Any "key employee," as determined by the Committee, including executive personnel, department heads and directors, of the Company or its Subsidiaries shall be eligible to participate in the Plan, provided that they are full-time employees of the Company or any of its Subsidiaries.

ARTICLE IV
ADMINISTRATION

4.1 DUTIES AND POWERS OF COMMITTEE. The Plan shall be administered by the Committee. In administering the Plan, the Committee's actions and determinations shall be binding on all interested parties. Subject to the express provisions of the Plan, the Committee shall have the sole discretion and authority to determine from among eligible key employees those to whom an Option shall be granted, the number of shares of Stock subject to the Option, and the terms and conditions of the Stock Option Agreement. Subject to the express provisions of the Plan, the Committee shall also have complete authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the details and provisions of each Stock Option Agreement, and to make all other determinations necessary or advisable in the administration of the Plan, including, without limitation, the amending or altering of the Plan and any Options granted hereunder as may be required to comply with or to conform to any federal, state or local laws or regulations. The Committee shall have the power to authorize the issuance of Stock in accordance with the provisions of the Plan. No member of the Committee shall be liable to any person for any determination made in good faith with respect to the Plan or any Option granted hereunder.

4.2 COMMITTEE PROCEDURES. The Committee may make such rules and regulations for the conduct of its business as it may deem necessary or appropriate. A majority of the members of the Committee shall constitute a quorum, and any action taken by a majority at a meeting at which a quorum is present or any action taken without a meeting evidenced by a writing executed by all the members of the Committee, shall constitute the action of the Committee. The Committee shall keep minutes of its meetings.

The Company shall supply full and timely information to the Committee on all matters relating to eligible persons as the Committee may require. The Company shall furnish the Committee with such clerical and other assistance as is necessary in the performance of its duties.

4.3 AUTHORITY OF THE BOARD. Notwithstanding anything to the contrary contained in the Plan, the Plan also may be administered by the Board only to the extent permitted by Rule 16b-3. In the event of such administration by the Board, all references to the Committee in the Plan shall be deemed to refer to the Board and any employee-director of the Company shall be eligible to be designated a "key employee" for purposes of the Plan.

ARTICLE V
SHARES OF STOCK SUBJECT TO PLAN

5.1 LIMITATIONS. Subject to any adjustment pursuant to the provisions of Section 5.2 hereof, the maximum number of shares of Stock which may be issued and sold hereunder shall not exceed 20,000,000 shares. Shares subject to an Option may be either authorized and unissued shares or shares issued and later acquired by the Company. Any shares of Stock that are subject to an Option and which are forfeited, and any shares of Stock that for any other reason are not issued to an Optionee, shall automatically become available again for use under the Plan if Rule 16b-3 under the Exchange Act, as such rule may be amended, or any successor rule, and interpretations thereof by the Securities and Exchange Commission or its staff permit such share replenishment.

5.2 ANTIDILUTION. In the event that the outstanding shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another corporation by reason of merger, consolidation, reorganization, recapitalization, reclassification, combination of shares, stock splitup or stock dividend:

(a) The aggregate number and kind of shares of Stock on which Options may be granted hereunder shall be adjusted appropriately;

(b) The rights under outstanding Options granted hereunder, both as to the number of subject shares and the Option Price, shall be adjusted appropriately; and

(c) Where dissolution or liquidation of the Company is involved, the Optionee shall have the right, immediately prior to such dissolution or liquidation, to exercise his Option, in whole or in part, to the extent that it shall not have been exercised, subject, however, to the limitations set forth in Article VI hereof.

The foregoing adjustments and the manner of application thereof shall be determined solely by the Committee, and any such adjustment may provide for the elimination of fractional share interests. The adjustments required under this Article shall apply to any successor or successors of the Company and shall be made regardless of the number or type of successive events requiring adjustments hereunder.

ARTICLE VI
OPTIONS

6.1 OPTION GRANT AND AGREEMENT. Each Option granted hereunder shall be evidenced by minutes of a meeting or the written consent of the Committee and by a written Stock Option Agreement dated as of the date of grant and executed by the Company and the Optionee. As to each grant hereunder, the terms of the Option, including the Option's exercise price, shall be stated in the Stock Option Agreement or incorporated therein by reference to the resolution or written consent of the Committee setting the terms of the Option. The terms and conditions of the Option shall be consistent with the Plan.

6.2 OPTION PRICE. The Option Price of the Stock subject to each Option shall be determined by the Committee.

6.3 EXERCISE PERIOD. The period for the exercise of each Option shall be ten years from the date of grant, unless the Option is earlier terminated as may be provided in the Stock Option Agreement.

6.4 OPTION EXERCISE. An Option shall be exercisable in full or in part, subject to the terms of the Stock Option Agreement, prior to expiration or termination of the Option.

An Option may be exercised at any time or from time to time during the term of the Option as to any or all full shares, but not at any time as to less than 50 shares unless the remaining shares subject to the Option are less than 50 shares. The Option Price is to be paid in full in cash upon the exercise of the Option, and the Company shall not be required to deliver certificates for such shares until such payment has been made; provided, however, that in lieu of cash all or any portion of the Option Price may be paid in such other manner as may be acceptable to the Committee prior to delivery of the certificate(s) representing said Stock which may, in the sole discretion of the Committee, include the tendering to the Company shares of Stock duly endorsed for transfer and owned by the Optionee, to be credited against the Option Price at their Fair Value on the date of exercise. The holder of an Option shall not have any of the rights of a stockholder with respect to the shares of Stock subject to the Option until such shares have been issued or transferred to him upon the exercise of his Option.

An Option shall be exercised by written notice of intent to exercise the Option with respect to a specified number of shares of Stock, which notice shall include the agreement to sign and abide by the terms and conditions of all then applicable stockholders' agreements and transfer restrictions and by payment in full to the Company in accordance with the preceding paragraph of the Option Price for the number of shares of Stock with respect to which the Option is then being exercised. The foregoing notice and payment shall be delivered to the Secretary of the Company. In addition to and at the time of payment of the Option Price, the Optionee shall pay to the Company in cash the full amount of any federal and state withholding or other employment taxes applicable to the taxable income of such Optionee resulting from such exercise; provided, however, that in lieu of cash all or any portion of such tax obligations, together with additional taxes not exceeding the actual additional taxes to be owed by the Optionee as a result of such exercise, may, in the sole discretion of the Committee and upon the irrevocable election of the Optionee, be paid by tendering to the Company shares of Stock duly endorsed for transfer and owned by the Optionee for more than six months, in that number of shares having a Fair Value at the time of exercise equal to the amount of such taxes thereby being paid.

6.5 NONTRANSFERABILITY OF OPTION. No Option shall be transferred by an Optionee otherwise than by will or the laws of descent and distribution. During the lifetime of an Optionee, his Option shall be exercisable only by him (or by his guardian or legal representative, should one be appointed).

ARTICLE VII
STOCK CERTIFICATES

The Company shall not be required to issue or deliver a certificate for shares of Stock purchased upon the exercise of any Option granted hereunder or any portion thereof, prior to fulfillment of all of the following conditions:

(a) The execution of all then applicable stockholders' agreements and agreement to all then applicable transfer restrictions;

(b) The obtaining of any approval or other clearance from any federal or state governmental agency which the Company upon the advice of counsel shall determine to be necessary or advisable; and

(c) The lapse of such reasonable period of time following the exercise of the Option as may be appropriate for reasons of administrative convenience.

ARTICLE VIII
TERMINATION, AMENDMENT AND MODIFICATION OF PLAN

The Board may at any time terminate the Plan and may at any time and from time to time and in any respect amend or modify the Plan; provided, however, that if the Plan is approved by the stockholders of the Company, the Board may not thereafter, without further stockholder approval, amend the Plan to:

(a) Increase the total number of shares of Stock subject to the Plan;

(b) Materially change or modify the class of employees that may participate in the Plan; or

(c) Otherwise materially increase the benefits accruing to participants under the Plan.

No termination, amendment or modification of the Plan shall adversely affect any Option previously granted hereunder without the written consent of the Optionee or his guardian, legal representative or legatee.

ARTICLE IX
MISCELLANEOUS

9.1 PLAN BINDING ON SUCCESSORS. The Plan shall be binding upon the successors and assigns of the Company.

9.2 SINGULAR, PLURAL; GENDER. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

9.3 HEADINGS, ETC., NO PART OF PLAN. Headings of articles and sections hereof are inserted for convenience and reference; they constitute no part of the Plan.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM OCWEN FINANCIAL CORPORATION'S CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AND STATEMENT OF OPERATIONS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS FROM ITS FILING ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998.

0000873860
OCWEN FINANCIAL CORP.
1,000
USD

3-MOS
DEC-31-2000
JAN-01-2000
MAR-31-2000
1
68,016
23,024
96,000
0
838,446
13,256
13,256
1,134,582
27,819
3,479,491
1,767,602
680,942
130,488
298,023
0
0
672
491,764
3,479,491
32,721
13,660
1,709
48,090
24,685
43,396
4,694
2,608
(3,365)
37,975
(10,498)
(7,243)
2,145
0
(5,098)
(0.07)
(0.07)
9.17
587,543
0
0
0
26,935
(1,894)
170
27,819
27,819
0
0

INCLUDES LOANS AVAILABLE FOR SALE OF $36,843, LOAN PORTFOLIO OF $156,119, DISCOUNT LOAN PORTFOLIO OF $842,148 AND MATCH FUNDED LOANS OF $99,472.
INCLUDES ALLOWANCE FOR LOAN LOSSES ON LOAN PORTFOLIO OF $7,104, ON THE DISCOUNT LOAN PORTFOLIO OF $20,189 AND ON MATCH FUNDED LOANS OF $526.
INCLUDES SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE OF $680,454, ON OBLIGATIONS OUTSTANDING UNDER LINES OF CREDIT OF $174,059 AND ON BONDS - MATCH FUNDED AGREEMENTS OF $130,429.
INCLUDES INTEREST INCOME ON LOANS AVAILABLE FOR SALE OF $807, LOAN PORTFOLIO OF $3,968, AND DISCOUNT LOANS OF $25,099 AND ON MATCH FUNDED LOANS AND SECURITIES OF $2,847.
INCLUDES NON-INTEREST EXPENSE OF $32,521, DISTRIBUTIONS ON COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY OF $3,194, AND EQUITY IN LOSSES OF INVESTMENT IN UNCONSOLIDATED ENTITIES OF $2,260.