

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

-----  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of report

-----  
(Date of earliest event reported): July 13, 2004

OCWEN FINANCIAL CORPORATION

-----  
(Exact name of registrant as specified in its charter)

Florida

1-13219

65-0039856

-----  
(State or other jurisdiction  
of incorporation)

-----  
(Commission  
File Number)

-----  
(I.R.S. Employer  
Identification No.)

The Forum, Suite 1000  
1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida 33401

-----  
(Address of principal executive office) (Zip Code)

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

N/A

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(Former name or former address, if changed since last report)

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Exhibit Index on Page 4

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) - (b) Not applicable.

(c) Exhibits

The following exhibits are filed as part of this report:

99.1 Text of a press release by the Registrant dated July 13, 2004.

Item 12. Disclosure of Results of Operations and Financial Condition

The news release of the Registrant dated July 13, 2004, announcing  
its second quarter results is attached hereto and filed herewith as  
Exhibit 99.1.

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SIGNATURES

Pursuant to the requirements 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, hereunto duly authorized.

OCWEN FINANCIAL CORPORATION  
(Registrant)

By: /s/ MARK S. ZEIDMAN

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Mark S. Zeidman  
Senior Vice President and Chief Financial Officer

Date: July 19, 2004

INDEX TO EXHIBIT

Exhibit No.	Description	Page
- - - - -	- - - - -	- - -
99.1	News release of Ocwen Financial Corporation, dated July 13, 2004, announcing its second quarter 2004 results and certain other information. Note that the version of the July 13, 2004 news release that is filed as an exhibit to this Current Report on Form 8-K differs in the following respects from the news release that was issued on July 13, 2004. Due to a clerical error, the news release that was issued on July 13, 2004 gave the amount of pre-tax income (loss) for the three months ended June 30, 2003 for our Residential Loan Servicing business segment as \$8,855 and for our Corporate Items and Other Business segment as \$(3,749). The correct amounts for these two items are \$8,401 and \$(3,294). For the six months ended June 30, 2003, the news release gave the amount of pre-tax income (loss) for Residential Loan Servicing as \$18,563, for OTX as \$(5,945) and for Corporate Items and Other as \$(7,369). The correct amounts for these three items are \$17,649, \$(5,972) and \$(6,455). The version of the press release that is filed as an exhibit to this Current Report on Form 8-K reflects the corrections of these amounts and the related comparative statements in the narrative. All other amounts remain unchanged.	5

[LOGO OMITTED]

Ocwen Financial Corporation(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

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 Vice President & Chief Accounting Officer  
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OCWEN FINANCIAL CORPORATION ANNOUNCES  
 SECOND QUARTER 2004 NET INCOME

West Palm Beach, FL - (July 13, 2004) Ocwen Financial Corporation (NYSE:OCN) today reported net income for the second quarter of 2004 of \$0.8 million or \$0.01 per share compared to net income of \$4.1 million or \$0.06 per share for the second quarter of 2003; second quarter 2004 results include a provision of \$9.3 million related to a jury verdict rendered on July 9th, as discussed below. For the six months ended June 30, 2004 the Company reported net income of \$7.5 million or \$0.11 per share as compared to a net loss of \$(4.3) million or \$(0.06) per share in the same period in 2003. Net income in 2004 would have been \$10.1 million for the second quarter and \$16.8 million year to date, excluding the provision for the jury verdict. (Management is presenting this non-GAAP financial measure because it believes the measure will assist investors in making meaningful comparisons to prior periods.)

Chairman and CEO William C. Erbey stated, "We are pleased to report \$10.1 million in net income for the quarter, prior to the reserve for the adverse jury verdict, particularly in light of the continued pressure from low interest rates and high prepayment speeds on our Residential Loan Servicing business. Among the points to note with respect to this quarter's results are the following:

- o Our core business units reported aggregate pre-tax income of \$9.1 million in the second quarter, an improvement of \$1.6 million vs. the 2003 second quarter. Year to date, our core businesses reported pre-tax income of \$17.1 million, up \$2.7 million or 19% over the same period last year. Our newer core businesses - Ocwen Realty Advisors, Unsecured Collections, Business Process Outsourcing and Commercial Servicing - contributed to this growth, posting increases in pre-tax income of \$1.2 million in the second quarter of 2004, and \$4.2 million in the first six months as compared to the same periods last year.
- o OTX reported pre-tax income of \$1.5 million in the second quarter, which includes the recognition of revenue representing one-time documentation fees related to our contract with Aegis Mortgage for the use of our REALServicing(TM) system. This represents the first major commercial contract for REALServicing. We believe this successful implementation of the product is a significant milestone for OTX.
- o Our non-core businesses reported aggregate pre-tax income of \$2.6 million, primarily representing interest income and mark to market gains resulting from strong cash flows on our commercial and subprime residual trading securities.
- o Our Corporate segment reported pre-tax losses of \$11.0 million in the second quarter, including the \$9.3 million provision related to the recent jury verdict.
- o Non-core assets were reduced to \$130.0 million at June 30th, a decline of \$52.2 million or 29% over the balance at December 31, 2003, primarily due to loan repayments and asset sales.
- o Our Residential Loan Servicing business has continued its position as a high-quality, low cost provider and has remained profitable despite a \$9.1 million increase in amortization of mortgage servicing rights and compensating interest expense in the first six months of 2004 as compared to the same period last year. We are pleased that the Federal Reserve Board has begun the process of raising short-term interest rates which will have an immediate impact on float income and, we believe, over the intermediate term, a salutary effect on prepayment speeds.

As we have discussed in the past, our strategic restructuring has included actions to diversify our sources of funding. We believe that the capital markets may offer cost efficient alternatives to replace our remaining deposit funding that would permit us to enhance the growth of our Residential Loan Servicing business. Accordingly, while no final determination has been made, we are considering actions that may result in Ocwen Federal Bank FSB terminating its status as a federal savings bank, whereupon Ocwen Financial Corporation would no longer be a thrift holding company. Such a determination, if any, would be subject to various contingencies, including regulatory approval."

The Residential Loan Servicing business reported pre-tax income of \$4.6 million in the second quarter of 2004 vs. \$8.4 million in the 2003 second quarter. Year to date, pre-tax income was \$10.4 million as compared to \$17.6 million in the same period of 2003. These results reflect the continuing pressures from low interest rates and rising prepayment speeds in our portfolio. One important measure of the impact of these trends is the expense associated with mortgage

amounts increased by \$2.4 million or 8% in the second quarter of 2004 as compared to 2003, and by \$9.1 million or 16% for the six months ended June 30. Operating expenses also increased in both the second quarter and year to date periods in 2004 as compared to 2003, reflecting costs associated with our property management contract with the United States Department of Veteran's Affairs and as a result of reassuming, in the fourth quarter of 2003, certain collection activities that had been performed by outside parties. As a result of high prepayment rates, as well as reduced purchases of servicing rights, our servicing portfolio has declined somewhat since the end of 2003. As of June 30, 2004, we were the servicer of approximately 334 thousand loans with an unpaid principal balance (UPB) of \$34.8 billion, as compared to approximately 360 thousand loans and \$37.7 billion of UPB at December 31, 2003.

OTX reported pre-tax income of \$1.5 million in the 2004 second quarter compared to a pre-tax loss of \$(2.6) million in the 2003 second quarter. Year to date in 2004, OTX reported a pre-tax loss of \$(0.2) million as compared to \$(6.0) million in the same period last year. Second quarter 2004 results reflect one time revenues associated with the service contract between OTX and Aegis Mortgage for the use of the REALServicing system.

Our other core businesses reported aggregate pre-tax income of \$2.9 million in the second quarter of 2004 as compared to \$1.7 million in the second quarter of 2003. For the six months ended June 30, 2004, these businesses reported aggregate pre-tax income of \$6.9 million as compared to \$2.7 million in the same period of 2003. These improvements primarily reflect the growth of our Business Process Outsourcing business as well as the reduction in losses for Commercial Servicing, which achieved break-even results for the six months ended June 30, 2004.

Our non-core businesses recorded aggregate pre-tax income of \$2.6 million for the second quarter as compared to pre-tax income of \$0.2 million in 2003. Year to date, these businesses reported aggregate pre-tax income of \$0.9 million as compared to a pre-tax loss of \$(12.0) million in the same period of 2003. 2004 second quarter results include interest income from both our commercial and subprime subordinate trading securities portfolio as well as mark to market gains on these securities, reflecting strong cash flows during the period. This revenue was partially offset by impairment charges on two of our remaining commercial assets.

The Corporate Segment reported a pre-tax loss of \$(11.0) million in the second quarter of 2004 as compared to a loss of \$(3.3) million in the same period last year. Year to date, Corporate reflected a pre-tax loss of \$(10.5) million as compared to \$(6.5) million in the same period of 2003. While technology and interest expenses in Corporate for 2004 were reduced as compared to 2003 in both the quarter and year to date periods, second quarter 2004 Corporate results include a provision of \$9.3 million related to a recent jury verdict. On July 9, 2004 a jury rendered an adverse verdict in litigation brought by Cartel Asset Management, Inc. ("Cartel") against the Company and its subsidiaries, Ocwen Federal Bank FSB and Ocwen Technology Xchange in federal court in Denver, Colorado. Cartel alleged trade secret and contract-related claims arising out of real estate valuation services performed from 1997 through the first quarter of 2001, at which time the Company ceased doing business with Cartel. The lawsuit does not involve challenges to the Company's core Residential Loan Servicing business practices. We believe that the verdict, which has not yet been reduced to final judgment, is contrary to the facts and law, and it will be vigorously challenged in post-trial motions and, if necessary, an appeal to the U.S. Court of Appeals for the Tenth Circuit.

In summary, aggregate core business earnings in the second quarter of 2004 increased by 22.3% as compared to the second quarter of 2003, while year to date 2004 core business earnings increased 18.5% as compared to the same period in 2003. Non-core assets have been reduced by 29% since the end of 2003. Net income in 2004 would have been \$10.1 million for the second quarter and \$16.8 million year to date, excluding the provision for the jury verdict.

Ocwen Financial Corporation is a diversified financial services holding company with headquarters in West Palm Beach, Florida and operations in India, Japan and Taiwan. Ocwen Financial Corporation is engaged in a variety of businesses related to residential and commercial mortgage servicing, real estate asset management, asset recovery, business process outsourcing and the marketing and sales of technology solutions to third parties. Ocwen Financial Corporation is a global leader in customer service excellence as a result of our company-wide commitment to quality, integrity and accountability. Additional information about Ocwen Financial Corporation is available at [www.ocwen.com](http://www.ocwen.com).

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, interest rates and the impact of changes in interest rates on the servicing business, the availability of financing alternatives, the potential actions that may result in our no longer being a thrift holding company, and expectations with regard to litigation. Forward-looking statements are not guarantees of future performance, and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially.

Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the following: general economic and market conditions, prevailing interest or currency exchange rates, governmental regulations and policies, international political and economic uncertainty, availability of adequate and timely sources of liquidity, uncertainty related to dispute resolution and litigation, federal income tax rates, recognition of deferred tax credits and real estate market conditions and trends, as well as other risks detailed in OCN's reports and filings with the Securities and Exchange Commission, including its periodic report on Form 10-K for the year ended December 31, 2003. The forward-looking statements speak only as of the date they are made and should not be relied upon. OCN undertakes no obligation to update or revise the forward-looking statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(Dollars in thousands, except share data)

	Three Months		Six Months	
For the periods ended June 30,	2004	2003	2004	2003
<b>Revenue</b>				
Servicing and related fees.....	\$ 38,602	\$ 32,224	\$ 80,723	\$ 66,052
Vendor management fees.....	13,654	6,091	26,828	10,865
Gain (loss) on trading and match funded securities, net.....	2,503	3,188	1,860	2,765
Valuation gains (losses) on real estate.....	(1,974)	(6,308)	(3,825)	(6,009)
Gain (loss) on sales of real estate.....	81	13	(460)	92
Operating income (loss) from real estate.....	565	1,421	573	2,192
Gain on debt repurchases.....	--	(4)	--	(4)
Other income.....	4,984	2,776	11,604	5,831
Non-interest revenue.....	58,415	39,401	117,303	81,784
Interest income .....	5,962	6,998	10,567	13,755
Interest expense.....	7,096	9,404	14,898	18,731
Net interest income (expense) before provision for loan losses.....	(1,134)	(2,406)	(4,331)	(4,976)
Provision for loan losses.....	(287)	(3,250)	(819)	(3,085)
Net interest income (expense) after provision for loan losses.....	(847)	844	(3,512)	(1,891)
Total revenue.....	57,568	40,245	113,791	79,893
<b>Non-interest expense</b>				
Compensation and employee benefits.....	20,897	17,130	42,930	34,838
Occupancy and equipment.....	4,021	2,685	8,018	5,515
Technology and communication costs.....	6,616	4,497	13,285	8,994
Loan expenses.....	7,460	3,465	15,387	7,000
Loss (gain) on affordable housing properties.....	(41)	(56)	(79)	314
Professional services and regulatory fees.....	15,636	4,060	21,461	19,344
Other operating expenses.....	2,199	2,554	5,256	4,850
Non-interest expense.....	56,788	34,335	106,258	80,855
Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company (Capital Securities)	--	1,529	--	3,059
Income (loss) before minority interest and income taxes.....	780	4,381	7,533	(4,021)
Minority interest in net income (loss) of subsidiaries.....	(47)	(73)	(68)	(336)
Income tax expense.....	55	305	66	612
Net income (loss).....	\$ 772	\$ 4,149	\$ 7,535	\$ (4,297)
<b>Earnings (loss) per share</b>				
Basic.....	\$0.01	\$0.06	\$0.11	\$(0.06)
Diluted.....	\$0.01	\$0.06	\$0.11	\$(0.06)
<b>Weighted average common shares outstanding</b>				
Basic.....	68,160,020	67,240,155	67,961,217	67,289,964
Diluted.....	69,534,999	68,372,204	69,314,392	67,289,964

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(Dollars in thousands, except share data)

	June 30, 2004	December 31, 2003
	-----	-----
<b>Assets</b>		
Cash and amounts due from depository institutions.....	\$ 282,099	\$ 215,764
Interest earning deposits.....	7	324
Trading securities, at fair value:		
U.S. government and sponsored enterprise securities.....	4,652	6,679
Subordinates and residuals.....	42,280	42,841
Real estate.....	68,080	103,943
Affordable housing properties.....	8,198	7,410
Loans, net.....	11,520	28,098
Match funded assets.....	132,775	130,087
Premises and equipment, net.....	41,633	41,944
Advances on loans and loans serviced for others.....	337,320	374,769
Mortgage servicing rights.....	136,174	166,495
Receivables.....	85,415	88,157
Other assets.....	39,016	33,607
	-----	-----
<b>Total assets.....</b>	<b>\$ 1,189,169</b>	<b>\$ 1,240,118</b>
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits.....	\$ 455,669	\$ 446,388
Escrow deposits.....	138,661	116,444
Bonds - match funded agreements.....	117,745	115,394
Lines of credit and other secured borrowings.....	50,582	150,384
Notes and debentures.....	56,249	56,249
Accrued interest payable.....	4,099	4,789
Accrued expenses, payables and other liabilities.....	36,191	31,926
	-----	-----
<b>Total liabilities.....</b>	<b>859,196</b>	<b>921,574</b>
	-----	-----
Minority interest in subsidiaries.....	1,294	1,286
<b>Stockholders' equity</b>		
Common stock, \$.01 par value; 200,000,000 shares authorized: 68,201,948 and 67,467,220 shares issued and outstanding at June 30, 2004 and December 31, 2003, respectively.....	682	675
Additional paid-in capital.....	230,440	225,559
Retained earnings.....	97,943	90,409
Accumulated other comprehensive income (loss), net of taxes.....	(386)	615
	-----	-----
<b>Total stockholders' equity.....</b>	<b>328,679</b>	<b>317,258</b>
	-----	-----
<b>Total liabilities and stockholders' equity.....</b>	<b>\$ 1,189,169</b>	<b>\$ 1,240,118</b>
	=====	=====



Pre-Tax Income (Loss) by Business Segment

	Three Months		Six Months	
For the periods ended June 30,	2004	2003	2004	2003
(Dollars in thousands)				
Core businesses				
Residential Loan Servicing.....	\$ 4,637	\$ 8,401	\$ 10,383	\$ 17,649
OTX.....	1,534	(2,645)	(237)	(5,972)
Ocwen Realty Advisors.....	1,576	1,594	3,535	2,609
Unsecured Collections.....	889	964	2,290	2,281
Business Process Outsourcing.....	707	(77)	1,104	4
Commercial Servicing.....	(226)	(784)	(3)	(2,165)
	9,117	7,453	17,072	14,406
Non-core businesses				
Commercial Assets.....	190	(4,239)	(3,050)	(6,668)
Affordable Housing.....	(1,186)	(1,324)	(2,159)	(3,604)
Subprime Finance.....	3,623	5,785	6,127	(1,700)
	2,627	222	918	(11,972)
Corporate Items and Other.....	(10,964)	(3,294)	(10,457)	(6,455)
Income (loss) before minority interest and income taxes...	\$ 780	\$ 4,381	\$ 7,533	\$ (4,021)

Non-Core Assets

(Dollars in thousands)	June 30, 2004	December 31, 2003
Loans, net		
Affordable housing.....	\$ 3,635	\$ 6,545
All other.....	7,885	21,553
Real estate.....	68,080	103,943
Subordinates, residuals and other trading securities.....	42,280	42,841
Affordable housing properties.....	8,198	7,410
Total non-core assets.....	\$ 130,078	\$ 182,292