

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): October 21, 2004

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

Florida
(State or other jurisdiction
of incorporation)

1-13219
(Commission
File Number)

65-0039856
(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
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17
CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR
240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the
Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the
Exchange Act (17 CFR 240.13e-4(c))

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ITEM 8.01 OTHER EVENTS

The news release of the Registrant dated October 21, 2004,
announcing its quarter results is attached hereto and filed
herewith as Exhibit 99.1.

ITEM 9.01 FINANCIAL STATEMENTS 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 October 21,
2004.

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

Mark S. Zeidman
Senior Vice President and Chief Financial Officer

Date: October 21, 2004

INDEX TO EXHIBIT

EXHIBIT NO. -----	DESCRIPTION -----	PAGE -----
99.1	News release of Ocwen Financial Corporation, dated October 21, 2004, announcing its third quarter 2004 results and certain other information.	5

[GRAPHIC OMITTED]
OCWEN

OCWEN FINANCIAL CORPORATION(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

Robert J. Leist, Jr.
Vice President & Chief Accounting Officer
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OCWEN FINANCIAL CORPORATION ANNOUNCES
THIRD QUARTER 2004 NET INCOME

WEST PALM BEACH, FL - (October 21, 2004) Ocwen Financial Corporation (NYSE:OCN) today reported net income for the third quarter of 2004 of \$39.3 million or \$0.61 per share compared to net income of \$4.6 million or \$0.07 per share for the third quarter of 2003. For the nine months ended September 30, 2004 the Company reported net income of \$55.2 million or \$0.83 per share as compared to \$0.3 million or \$0.005 per share in the same period in 2003. Third quarter 2004 results include a net tax benefit of \$31.8 million, primarily reflecting the partial reversal of the deferred tax asset valuation allowance that was established in prior years. Pre-tax income for the third quarter of 2004 was \$7.5 million as compared to \$4.6 million in the same period last year.

Chairman and CEO William C. Erbey stated, "We are pleased to report \$39.3 million of net income for the quarter, inclusive of our realization of significant tax benefits. Among the points to note in this quarter's results are the following:

- o Our Residential Loan Servicing business continues to be adversely impacted by low interest rates and high prepayment speeds. Our third quarter pre-tax income in this business is down by \$4.8 million as compared to the third quarter of last year.
- o The aggregate pre-tax income of our other core business units continues to be strong, increasing \$1.0 million in the 2004 third quarter and \$10.9 million year to date as compared to the same periods last year. These results reflect improvement in Commercial Servicing, which achieved a year to date break-even result in the third quarter, and REALServicing(TM), which signed its first major commercial client in the second quarter of this year.
- o Our 2004 pre-tax income also reflects break-even results in our aggregate non-core businesses in both the quarter and year to date periods.
- o We are reporting pre-tax income of \$3.9 million in our Corporate Segment in the third quarter of 2004, primarily due to interest of \$2.7 million on our federal income tax receivables. In the 2003 third quarter, we reported a pre-tax loss of \$(3.0) million.
- o Although we did not close sales of non-core assets in the third quarter, we did enter into agreements to sell non-core assets that have a net book value of approximately \$60 million. While these agreements remain subject to due diligence and other contingencies, we are optimistic that we can achieve further reductions during the fourth quarter of this year."

The Residential Loan Servicing business reported pre-tax income of \$3.4 million in the third quarter of 2004 vs. \$8.2 million in the 2003 third quarter. Year to date, pre-tax income was \$13.8 million as compared to \$25.8 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 servicing rights amortization and compensating interest expense. These combined amounts increased by \$6.4 million or 7% for the nine months ended September 30. Operating expenses increased in both the third 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 September 30, 2004, we were the servicer of approximately 328 thousand loans with an unpaid principal balance (UPB) of \$34.4 billion, as compared to approximately 360 thousand loans and \$37.7 billion of UPB at December 31, 2003.

Our other core businesses reported aggregate pre-tax income of \$0.8 million in the third quarter of 2004 as compared to a loss of \$(0.2) million in the third quarter of 2003. For the nine months ended September 30, 2004, these businesses reported aggregate pre-tax income of \$7.5 million as compared to a loss of \$(3.4) million in the same period of 2003. These improvements primarily reflect the reduction in losses for Commercial Servicing, which achieved break-even results for the nine months ended September 30, 2004.

Ocwen Financial Corporation
Third Quarter Results
October 21, 2004

Our non-core businesses recorded an aggregate pre-tax loss of \$(0.6) million for the third quarter as compared to a pre-tax loss of \$(0.3) million in 2003. Year to date, these businesses reported aggregate pre-tax income of \$0.3 million as compared to a pre-tax loss of \$(12.3) million in the same period of 2003.

The Corporate Segment reported pre-tax income of \$3.9 million in the third quarter of 2004 as compared to a loss of \$(3.0) million in the same period last year. Year to date, Corporate generated pre-tax income of \$1.8 million as compared to a loss of \$(9.5) million in the same period of 2003. Corporate results for 2004 include interest income on federal income tax return claims of \$2.7 million and \$6.5 million for the quarter and year to date periods, respectively.

Results for the third quarter of 2004 included a net income tax benefit of \$31.8 million. This benefit is primarily due to the reversal of \$37 million of the valuation allowance on deferred tax assets that had been provided in prior years. This allowance was reduced as a result of refund claims of \$37 million filed with the IRS that reduced our deferred tax asset as of September 30, 2004 and increased our receivable balances by the same amount. The tax benefit is net of \$5.1 million of tax expense on 2004 earnings, primarily representing the company's estimated federal effective tax rate of 20%.

In summary, pre-tax income increased by \$2.8 million in the third quarter of 2004 and by \$22.7 million year to date as compared to the same periods last year. Non-core assets have been reduced by 29% since the end of 2003.

Ocwen Financial Corporation is a diversified financial services holding company with headquarters in West Palm Beach, Florida and operations in Canada, China, Germany, 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.

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 and prepayment speeds on our Residential Loan Servicing business and the outlook on reduction in non-core assets. 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, 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 and its reports on Form 10-Q for the periods ended March 31, 2004 and June 30, 2004. 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		Nine Months	
For the periods ended September 30,	2004	2003	2004	2003
REVENUE				
Servicing and related fees	\$ 34,587	\$ 35,651	\$ 115,310	\$ 101,703
Vendor management fees	13,614	7,722	40,442	21,721
Gain (loss) on trading and match funded securities, net	(171)	159	1,688	2,924
Valuation gains (losses) on real estate	(165)	(686)	(3,990)	(6,695)
Gain (loss) on sales of real estate	311	316	(149)	408
Operating income (loss) from real estate	444	1,269	1,017	3,461
Gain (loss) on debt repurchases	--	(441)	--	(445)
Other income	4,995	2,852	16,599	5,550
Non-interest revenue	53,615	46,842	170,917	128,627
Interest income	4,988	4,071	15,555	17,826
Interest expense	7,141	10,823	22,040	29,554
Net interest income (expense) before provision for loan losses	(2,153)	(6,752)	(6,485)	(11,728)
Provision for loan losses	(94)	415	(913)	(2,670)
Net interest income (expense) after provision for loan losses	(2,059)	(7,167)	(5,572)	(9,058)
Total revenue	51,556	39,675	165,345	119,569
NON-INTEREST EXPENSE				
Compensation and employee benefits	21,300	17,667	64,229	52,505
Occupancy and equipment	3,981	3,254	11,999	8,769
Technology and communication costs	6,190	5,583	19,476	14,577
Loan expenses	6,885	3,835	22,272	10,836
Loss (gain) on investments in affordable housing properties	(100)	4	(179)	319
Professional services and regulatory fees	3,187	2,510	16,328	21,854
Other operating expenses	2,635	2,173	7,890	7,023
Non-interest expense	44,078	35,026	142,015	115,883
Distributions on Capital Securities	--	--	--	3,058
Income (loss) before minority interest and income taxes	7,478	4,649	23,330	628
Minority interest in net income (loss) of subsidiaries	18	28	(50)	(308)
Income tax expense (benefit)	(31,845)	6	(31,779)	618
Net income (loss)	\$ 39,305	\$ 4,615	\$ 55,159	\$ 318
EARNINGS (LOSS) PER SHARE				
Basic	\$ 0.61	\$ 0.07	\$ 0.83	\$ 0.005
Diluted	\$ 0.60	\$ 0.07	\$ 0.81	\$ 0.005
Weighted average common shares outstanding				
Basic	64,637,454	66,865,412	66,853,296	67,148,447
Diluted	65,813,457	67,880,310	68,146,822	67,864,096

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

	September 30, 2004	December 31, 2003
	-----	-----
ASSETS		
Cash and amounts due from depository institutions	\$ 189,446	\$ 215,764
Interest earning deposits	52,541	324
Trading securities, at fair value:		
U.S. government and sponsored enterprise securities	98,179	6,679
Subordinates and residuals	40,310	42,841
Real estate	68,480	103,943
Affordable housing properties	8,356	7,410
Loans, net	11,459	28,098
Match funded assets	108,328	130,087
Premises and equipment, net	39,000	41,944
Advances on loans and loans serviced for others	345,945	374,769
Mortgage servicing rights	135,319	166,495
Receivables	114,500	88,157
Other assets	73,623	33,607
	-----	-----
Total assets	\$ 1,285,486	\$ 1,240,118
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits	\$ 412,117	\$ 446,388
Escrow deposits	146,074	116,444
Bonds - match funded agreements	97,712	115,394
Lines of credit and other secured borrowings	35,502	150,384
Notes and debentures	231,249	56,249
Accrued interest payable	3,083	4,789
Accrued expenses, payables and other liabilities	31,529	31,926
	-----	-----
Total liabilities	957,266	921,574
	-----	-----
Minority interest in subsidiaries	1,296	1,286
STOCKHOLDERS' EQUITY		
Common stock, \$.01 par value; 200,000,000 shares authorized: 62,719,552 and 67,467,220 shares issued and outstanding at September 30, 2004 and December 31, 2003, respectively	627	675
Additional paid-in capital	181,071	225,559
Retained earnings	145,568	90,409
Accumulated other comprehensive income (loss), net of taxes....	(342)	615
	-----	-----
Total stockholders' equity	326,924	317,258
	-----	-----
Total liabilities and stockholders' equity	\$ 1,285,486	\$ 1,240,118
	=====	=====

PRE-TAX INCOME (LOSS) BY BUSINESS SEGMENT

For the periods ended September 30, ----- (Dollars in thousands)	Three Months		Nine Months	
	2004	2003	2004	2003

CORE BUSINESSES				
Residential Loan Servicing.....	\$ 3,380	\$ 8,159	\$ 13,763	\$ 25,808
OTX.....	(2,133)	(2,353)	(2,370)	(8,327)
Ocwen Realty Advisors.....	1,478	1,156	5,013	3,766
Ocwen Recovery Group.....	708	1,140	2,998	3,422
Business Process Outsourcing.....	687	1,004	1,791	1,007
Commercial Servicing.....	63	(1,111)	60	(3,276)
	-----	-----	-----	-----
	4,183	7,995	21,255	22,400
	-----	-----	-----	-----
NON-CORE BUSINESSES				
Commercial Assets.....	(1,845)	(2,025)	(4,895)	(8,692)
Affordable Housing.....	(888)	(3)	(3,047)	(3,608)
Subprime Finance.....	2,116	1,720	8,243	20
	-----	-----	-----	-----
	(617)	(308)	301	(12,280)
	-----	-----	-----	-----
CORPORATE ITEMS AND OTHER.....	3,912	(3,038)	1,774	(9,492)
	-----	-----	-----	-----
Income (loss) before minority interest and income taxes.....	\$ 7,478	\$ 4,649	\$ 23,330	\$ 628
	=====	=====	=====	=====

NON-CORE ASSETS

(Dollars in thousands)	September 30, 2004	December 31, 2003
	-----	-----
Loans, net		
Affordable housing.....	\$ 3,664	\$ 6,545
All other.....	7,795	21,553
Real estate.....	68,480	103,943
Subordinates, residuals and other trading securities.....	40,310	42,841
Affordable housing properties.....	8,356	7,410
	-----	-----
Total non-core assets.....	\$ 128,605	\$ 182,292
	=====	=====