

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): May 9, 2005

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.)

1661 Worthington Road
Suite 100
West Palm Beach, Florida

33409

(Address of principal executive office)

(Zip Code)

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

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

(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 May 9, 2005, announcing its
first quarter 2005 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 May 9, 2005.

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/ ROBERT J. LEIST, JR.

Robert J. Leist, Jr.
Vice President & Chief Accounting
Officer and Acting Chief Financial
Officer

Date: May 9, 2005

INDEX TO EXHIBIT

Exhibit No. -----	Description -----	Page ----
99.1	News release of Ocwen Financial Corporation, dated May 9, 2005, announcing its first quarter 2005 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 & Acting Chief
Financial Officer
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OCWEN FINANCIAL CORPORATION ANNOUNCES
FIRST QUARTER NET INCOME

West Palm Beach, FL - (May 9, 2005) Ocwen Financial Corporation (NYSE:OCN) today reported net income for the first quarter of 2005 of \$2.4 million or \$0.04 per share compared to net income of \$6.8 million or \$0.10 per share for the first quarter of 2004. Results for 2005 are net of a tax provision of \$0.6 million as compared to \$0.01 million in the same period of 2004.

Chairman and CEO William C. Erbey stated "Our first quarter results were impacted by several items that merit noting:

- o In the aggregate, our core businesses earned pre-tax income of \$6.4 million as compared to \$10.3 million in the same period last year, a difference of \$3.9 million. This decline is primarily due to three factors:
 - o in the first quarter of 2005 our core businesses absorbed approximately \$1.2 million more overhead costs than in 2004 because we no longer allocate such costs to the closed non-core Affordable Housing and Commercial Asset businesses;
 - o Residential Loan Servicing pre-overhead contribution declined by \$1.3 million and
 - o contribution from our Subprime Finance group declined by \$1.4 million.
- o We are encouraged that our Residential Loan Servicing business, while still below the earnings of the first quarter of last year, has begun to benefit from increased interest rates, achieving an increase of \$3.5 million or 163% in its pre-overhead contribution as compared to the fourth quarter of last year.
- o Expenses rose in the first quarter of this year as compared to last year by approximately \$2.1 million or 4%, largely due to investments we are making in staff in the Ocwen Recovery Group and Business Process Outsourcing organizations of approximately \$1.4 million and increased sales and marketing costs of approximately \$0.5 million.

As we noted in our annual report, we have reorganized our segment reporting this quarter in order to better reflect our focus on providing solutions to our customers. This change entailed changes to three segments

- o Residential Servicing (including the Residential Loan Servicing, VA servicing and REALServicing(TM) groups)
- o Residential Origination Services (including our loans for resale and title activities as well as REALTrans(TM), Ocwen Realty Advisors, Mortgage Due Diligence Services and Subprime Finance) and
- o Commercial Servicing, which now includes REALSynergy(TM).

We continue to report on our other two core businesses - Ocwen Recovery Group and Business Process Outsourcing. Given the substantial sales of assets during 2004, we have closed the non-core Affordable Housing and Commercial Assets businesses and will now report the results of managing the few remaining non-core assets in our Corporate segment.

As we announced last year, we are continuing the process of debanking. In this regard, we have reduced our deposit liabilities by \$106.2 million or 25% since the end of last year and subsequent to March 31st have concluded two additional financing arrangements with a total capacity of \$165 million. Our cash and investment grade security balances remain high in anticipation of debanking, and together with our new financing arrangements, provide us with the capital and liquidity required to achieve our 2005 objectives."

The Residential Servicing business reported pre-tax income of \$2.9 million in the first quarter of 2005 vs. \$5.5 million in the 2004 first quarter. While Residential Loan Servicing results remain below first quarter 2004 levels, they have improved as compared to the fourth quarter of last year, reflecting reduced prepayment speeds and the growing impact of more recently priced portfolios. Our servicing portfolio grew during the first quarter. As of March 31, 2005, we were

the servicer of approximately 331 thousand loans with an unpaid principal

Ocwen Financial Corporation
First Quarter Results
May 9, 2005

balance (UPB) of \$37.4 billion, as compared to approximately 320 thousand loans and \$34.5 billion of UPB at December 31, 2004.

Residential Origination Services reported pre-tax income of \$2.8 million in the first quarter of 2005 as compared to \$3.0 million in the same period last year. These results reflect improved results in our loan refinancing and resale programs, in settlement and fulfillment services and in REALTrans, offset by a declines in earnings of Ocwen Realty Advisors and Subprime Finance. Our Mortgage Due Diligence Services group, which we initiated at the beginning of the year, generated \$1.8 million in revenue and \$0.3 million of contribution before overhead in the first quarter.

Our other core businesses reported aggregate pre-tax income of \$0.6 million in the first quarter of 2005 as compared to pre-tax income of \$1.8 million in the first quarter of 2004. This is primarily due to reduced earnings of \$0.9 million in Ocwen Recovery Group, reflecting additional costs associated with investing in the development of our India collection capabilities.

The Corporate Segment reported a pre-tax loss of \$(3.5) million in the first quarter of 2005 as compared to income of \$0.7 million in the first quarter of last year. Corporate results for 2005 include approximately \$1.1 million of costs related to our remaining non-core real estate, loan and affordable housing assets as well as \$1.4 million of interest expense related in part to our high cash balances in preparation for debanking. Corporate results also include interest income on federal income tax receivables of \$0.4 million and \$3.7 million for the first quarter of 2005 and 2004, respectively. We have also reduced our remaining real estate assets during the first quarter, closing on the sale of our Halifax shopping mall, which had a book value of \$8.8 million as of December 31, 2004. We have \$23.0 million of non-core assets remaining as of March 31, 2005, several of which are subject to sales contracts we expect to close later this year.

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, the impact of actions that may result in our no longer being a thrift holding company, the adequacy of our liquidity position 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, 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, 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)

For the three months ended March 31,	2005	2004
-----	-----	-----
Revenue		
Servicing and related fees	\$ 45,389	\$ 42,291
Vendor management fees	10,881	13,003
Gain (loss) on trading securities, net	(1,397)	(643)
Valuation gains (losses) on real estate	89	(1,851)
Gain (loss) on sales of real estate	34	(541)
Operating income (loss) from real estate	(174)	8
Other income	1,884	6,621
	-----	-----
Non-interest revenue	56,706	58,888
	-----	-----
Interest income	6,332	4,605
Interest expense	8,440	7,802
	-----	-----
Net interest income (expense) before provision for loan losses	(2,108)	(3,197)
Provision for loan losses	4	(531)
	-----	-----
Net interest income (expense) after provision for loan losses	(2,112)	(2,666)
	-----	-----
Total revenue	54,594	56,222
	-----	-----
Non-interest expense		
Compensation and employee benefits	24,371	22,033
Occupancy and equipment	4,242	3,997
Technology and communication costs	7,399	6,669
Loan expenses	5,712	7,927
Loss (gain) on investments in affordable housing properties	642	(38)
Professional services and regulatory fees	4,721	5,825
Other operating expenses	4,570	3,036
	-----	-----
Non-interest expense	51,657	49,449
	-----	-----
Income (loss) before income taxes	2,937	6,773
Income tax expense (benefit)	550	11
	-----	-----
Net income (loss)	\$ 2,387	\$ 6,762
	=====	=====
Earnings (loss) per share		
Basic	\$ 0.04	\$ 0.10
Diluted	\$ 0.04	\$ 0.10
Weighted average common shares outstanding		
Basic	62,743,287	67,762,414
Diluted	64,018,882	69,093,785

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

	March 31, 2005	December 31, 2004
	-----	-----
Assets		
Cash and amounts due from depository institutions	\$ 107,227	\$ 168,799
Interest earning deposits	113,306	119,052
Trading securities, at fair value:		
Investment grade	75,104	86,215
Subordinates and residuals	37,363	39,527
Match funded assets (including advances on loans serviced for others of \$266,281 and \$276,626)	269,959	280,760
Advances on loans and loans serviced for others	232,261	240,430
Mortgage servicing rights	135,274	131,409
Receivables	135,468	126,719
Real estate	9,450	18,732
Affordable housing properties	4,968	5,641
Loans (net of allowance for loan losses of \$4,350 and \$4,546)	8,575	3,792
Premises and equipment, net	39,066	37,440
Other assets	66,568	68,977
	-----	-----
Total assets	\$ 1,234,589	\$ 1,327,493
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 199,530	\$ 301,299
Escrow deposits	121,499	125,977
Match funded liabilities	222,437	244,327
Lines of credit and other secured borrowings	91,089	50,612
Debt securities	231,249	231,249
Accrued liabilities	34,278	42,391
	-----	-----
Total liabilities	900,082	995,855
	-----	-----
Minority interest in subsidiaries	1,581	1,530
Stockholders' Equity		
Common stock, \$.01 par value; 200,000,000 shares authorized: 62,750,904 and 62,739,478 shares issued and outstanding	628	627
Additional paid-in capital	181,464	181,336
Retained earnings	150,520	148,133
Accumulated other comprehensive income (loss), net of taxes	314	12
	-----	-----
Total stockholders' equity	332,926	330,108
	-----	-----
Total liabilities and stockholders' equity	\$ 1,234,589	\$ 1,327,493
	=====	=====

Ocwen Financial Corporation
First Quarter Results
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Pre-Tax Income (Loss) by Business Segment
For the three months ended March 31,

	2005	2004

(Dollars in thousands)		
Core businesses		
Residential Servicing	\$ 2,947	\$ 5,493
Residential Origination Services	2,834	3,034
Ocwen Recovery Group	503	1,401
Business Process Outsourcing	98	397
Commercial Servicing	21	(42)
	-----	-----
	6,403	10,283
	-----	-----
Non-core businesses		
Commercial Assets	--	(3,241)
Affordable Housing	--	(973)
	-----	-----
	--	(4,214)
	-----	-----
Corporate Items and Other	(3,466)	704
	-----	-----
Income (loss) before income taxes	\$ 2,937	\$ 6,773
	=====	=====