

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, 2001

OCWEN FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Florida	0-21341	65-0039856
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(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
(Former name or former address, if changed since last report)

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ITEM 5. OTHER EVENTS

The news release of the Registrant dated May 9, 2001 announcing first quarter 2001 results is attached hereto and filed herewith as Exhibit 99.1.

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 May 9, 2001.

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: May 9, 2001

INDEX TO EXHIBIT

EXHIBIT NO.	DESCRIPTION	PAGE
99.1	News release of Ocwen Financial Corporation dated May 9, 2001, announcing its 2001 first quarter results and certain other information.	5

[GRAPHIC LOGO OMITTED]

OCWEN FINANCIAL CORPORATION(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:
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OCWEN FINANCIAL CORPORATION ANNOUNCES
FIRST QUARTER RESULTS

WEST PALM BEACH, FL - (May 9, 2001) Ocwen Financial Corporation (NYSE: OCN) today reported a net loss for its first quarter ended March 31, 2001 of \$(23.5) million, or \$(0.35) per share, compared to a net loss of \$(5.1) million or \$(0.07) per share for the 2000 first quarter. In addition to continued investment in OTX, the results reflect a number of non-cash charges, including provisions for losses on discount loans, increases in reserves for loss on affordable housing assets and an addition to the valuation allowance for deferred taxes.

Chairman and CEO William C. Erbey stated "Despite our first quarter results, we made excellent progress towards achieving our strategic goals. In our residential loan servicing business the unpaid principal balance of loans serviced for others, including loans acquired but not yet boarded, grew to \$19.1 billion at March 31, 2001, an 82% increase over year end 2000. Additionally, in April we closed on another \$1.8 billion in unpaid principal balance of servicing from Metropolitan Mortgage & Securities Co., Inc.

In our technology businesses at OTX, transaction volume on the REALTransSM system grew significantly in the first quarter of 2001 as compared to the fourth quarter of 2000.

We also made progress in exiting from our capital-intensive businesses. Excluding servicing advances and mortgage servicing rights, total assets at March 31, 2001 were reduced by \$270.3 million or 13.6% as compared to December 31, 2000. Our plan is to continue to reduce our exposure. For example, in the month of April we sold or resolved another \$48.6 million of commercial assets. This progress, however, was not made without some cost. In the first quarter our residential discount loan, commercial loan and unsecured businesses incurred an aggregate pretax loss of \$12.1 million. A significant component of this loss was the recording of provisions for losses on loans, discount loans and REO aggregating \$14.3 million. Similarly, our Affordable Housing business incurred a pretax loss of \$7.9 million, including the addition of \$4.5 million of reserves for losses on the expected sale of these assets. Additionally, we recorded a non-cash after tax charge of \$10.0 million to increase our deferred tax asset valuation allowance.

While near term pressure on earnings will continue during our transition, we are confident that the Company's \$479.0 million of equity, \$302.1 million of cash and cash equivalents and newly executed servicing advance financing agreements provide the liquidity and financial strength necessary to achieve our long term objectives."

The Loan Servicing business segment reported record net income of \$5.3 million in the first quarter of 2001 as compared to net income of \$3.7 million in the first quarter of 2000. The number of loans serviced for others as of March 31, 2001, including both those boarded and those that will be boarded over the next several months grew to 280,000 at the end of the first quarter as compared to 165,000 at the end of 2000. It is expected that net income in this business will further increase as the newly acquired loans are boarded over the next several months.

Continuing investments in OTX in the first quarter of 2001 resulted in a net loss of \$(8.5) million, compared to \$(4.5) million in the 2000 first quarter. These results reflect the ongoing effort in OTX to complete the development of its advanced technology products and to broaden its marketing campaigns, the costs of which are reflected in current earnings. Additionally, first quarter results for OTX included a non-recurring pretax charge of \$3.2 million to record the final payment made in connection with the acquisition in 1997 of one of OTX's subsidiaries. The integration of Washington Mutual and other customers onto the REALTrans system is expected to generate significant increases in OTX's revenues in the second half of 2001.

The discount loan businesses, including Residential, Commercial and Unsecured, reported net losses of \$(1.1), \$(5.0) and \$(1.4) million, respectively, in the first quarter of 2001. These results primarily reflect pretax provisions for loan losses totaling \$14.1 million in these three business units in the first quarter. These provisions, which are largely non-cash charges, were recorded in response to changes in the first quarter in the credit quality of the assets or, in the case of the Unsecured business segment, slower than anticipated collection experience.

The Affordable Housing business posted a net loss of \$(4.6) million in the 2001 first quarter as compared to net income of \$1.2 million in 2000. These losses include pretax reserves of \$4.5 million recorded on properties that are not currently classified as held for sale.

First quarter 2001 results included extraordinary gains of \$2.2 million (net of tax) as compared to \$2.1 million in the first quarter of 2000. The extraordinary gains were earned on the repurchase at a discount of \$15.8 million par amount of the Company's 10 7/8% Capital Trust Securities and \$4.2 million par amount of the Company's 11 7/8% Senior Notes. The Company will continue to evaluate additional debt repurchases during 2001.

Income tax expense for the first quarter of 2001 included a non-cash provision for a valuation allowance on the Company's deferred tax asset of \$10.0 million. No such provision was recorded in the first quarter of 2000. The Company has established this allowance based upon generally accepted accounting principles that require it to estimate that portion of the deferred tax asset that may not be realized for financial reporting purposes in the near future. The Company's ability to utilize the deferred tax asset and its need for the valuation allowance ultimately will depend on future profitability.

RECENT DEVELOPMENTS

On April 18, 2001, the Company acquired the servicing rights to more than \$1.8 billion in mortgage loans from Metropolitan Mortgage & Securities Co., Inc. The servicing rights to approximately 31,000 loans will be transferred.

On April 18, 2001, the Company executed a Receivables Financing Facility Agreement with Greenwich Capital Financial Products, Inc. ("Greenwich"), whereby the Company borrowed \$23.9 million collateralized by certain of the Company's servicing advances. According to a Commitment Letter signed in connection with the execution of the Agreement, the Company has agreed to finance at least \$200 million of servicing advances with Greenwich over the course of the next two years.

On April 20, 2001, the Company executed a Loan and Security Agreement with Credit Suisse First Boston whereby the Company may borrow up to \$100 million over the next year collateralized by certain of the Company's servicing advances. The Company borrowed approximately \$38.1 million on this credit line on the date of execution.

Ocwen Financial Corporation is a financial services company headquartered in West Palm Beach, Florida. The Company's primary business is the servicing and special servicing of nonconforming, subperforming and nonperforming residential and commercial mortgage loans. Ocwen also specializes in the development of related loan servicing technology and software for the mortgage and real estate industries. Additional information about Ocwen Financial Corporation is available at www.ocwen.com. REALTransSM is the property of Ocwen Financial Corporation.

Certain statements contained herein 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 may be identified by reference to a future period(s) or by the use of forward-looking terminology such as "will," "continue," "expect," "further," "generate," "reduce," "plan," "ongoing," "develop," "anticipate," future or conditional verb tenses, similar terms, variations on such terms or negatives of such terms. 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 changes in market conditions as they exist on the date hereof, applicable economic environments, government fiscal and monetary policies, prevailing interest or currency exchange rates, effectiveness of interest rate, currency and other hedging strategies, laws and regulations affecting financial institutions and real estate operations (including regulatory fees, capital requirements, income and property taxation and environmental compliance), uncertainty of foreign laws, competitive products, pricing and conditions, credit, prepayment, basis, default, subordination and asset/liability risks, loan servicing effectiveness, the ability to identify acquisitions and investment opportunities meeting OCN's investment strategy, satisfaction or fulfillment of agreed upon terms and conditions of closing or performance, timing of transaction closings, software integration, development and licensing effectiveness, change or damage to the Company's computer equipment and the information stored in its data centers, availability of adequate and timely sources of liquidity, dependence on existing

sources of funding, ability to repay or refinance indebtedness (at maturity or upon acceleration), availability of discount loans and servicing rights 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, geographic concentrations of assets, changes in real estate conditions (including valuation, revenues and competing properties), adequacy of insurance coverage in the event of a loss, the market prices of the common stock of OCN, other factors generally understood to affect the real estate acquisition, mortgage, servicing and leasing markets, securities investments and the software and technologies industries, and other risks detailed from time to time in OCN's reports and filings with the Securities and Exchange Commission, including its periodic reports on Forms 8-K, 10-Q and 10-K, including Exhibit 99.1 attached to OCN's Form 10-K for the year ended December 31, 2000.

INTEREST INCOME AND EXPENSE

For the three months ended March 31,	2001	2000
(Dollars in thousands)		
INTEREST INCOME:		
Federal funds sold and repurchase agreements	\$ 1,644	\$ 1,709
Trading securities	5,700	--
Securities available for sale	--	12,869
Loans available for sale	221	807
Investment securities and other	346	327
Loan portfolio	1,883	3,968
Match funded loans and securities	2,483	3,311
Discount loan portfolio	12,540	25,099
	24,817	48,090
INTEREST EXPENSE:		
Deposits	18,071	24,685
Advances from the Federal Home Loan Bank	4	--
Securities sold under agreements to repurchase	2	2,640
Bonds - match funded agreements	2,966	3,356
Obligations outstanding under lines of credit	720	3,471
Notes, debentures and other interest bearing obligations	5,117	9,244
	26,880	43,396
Net interest (loss) income before provision for loan losses	\$ (2,063)	\$ 4,694
	=====	=====

NET (LOSS) INCOME BY BUSINESS SEGMENT

For the three months ended March 31,	2001	2000
(Dollars in thousands)		
Single family residential discount loans	\$ (1,089)	\$ 3,086
Commercial loans	(5,031)	694
Domestic residential mortgage loan servicing	5,278	3,731
Investment in low-income housing tax credits	(4,610)	1,217
OTX	(8,535)	(4,475)
Commercial Real Estate	100	693
UK operations	--	(1,542)
Subprime single family residential lending	1,066	(4,561)
Unsecured collections	(1,364)	(2,173)
Ocwen Realty Advisors	87	142
Corporate items and other	(9,418)	(1,910)
	\$ (23,516)	\$ (5,098)
	=====	=====

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

For the three months ended March 31,	2001	2000
NET INTEREST INCOME:		
Income	\$ 24,817	\$ 48,090
Expense	26,880	43,396
Net interest income before provision for loan losses	(2,063)	4,694
Provision for loan losses	8,120	2,608
Net interest (loss) income after provision for loan losses	(10,183)	2,086
NON-INTEREST INCOME:		
Servicing and other fees	31,117	24,166
Gain on interest earning assets, net	(645)	10,994
Unrealized gain on trading and match funded securities, net	4,003	--
Impairment charges on securities available for sale	--	(6,833)
Loss on real estate owned, net	(984)	(7,007)
Gain on other non interest earning assets, net	456	138
Net operating gains on investments in real estate	2,554	5,553
Amortization of excess of net assets acquired over purchase price	4,583	2,794
Other income	2,046	1,139
	43,130	30,944
NON-INTEREST EXPENSE:		
Compensation and employee benefits	20,935	16,583
Occupancy and equipment	3,093	3,263
Technology and communication costs	10,148	5,621
Loan expenses	4,235	3,930
Net operating losses on investments in certain low-income housing tax credit interests.	5,062	1,499
Amortization of excess of purchase price over net assets acquired	778	773
Professional services and regulatory fees	4,026	3,839
Other operating expenses	2,579	2,566
	50,856	38,074
Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	2,053	3,194
Equity in income (losses) of investments in unconsolidated entities	45	(2,260)
Loss before income taxes and extraordinary gain	(19,917)	(10,498)
Income tax (expense) benefit	(5,762)	3,255
Loss before extraordinary gain	(25,679)	(7,243)
Extraordinary gain on repurchase of debt, net of taxes	2,163	2,145
Net loss	\$ (23,516)	\$ (5,098)
(LOSS) EARNINGS PER SHARE:		
Basic:		
Loss before extraordinary gain	\$ (0.38)	\$ (0.10)
Extraordinary gain	0.03	0.03
Net loss	\$ (0.35)	\$ (0.07)
Diluted:		
Loss before extraordinary gain	\$ (0.38)	\$ (0.10)
Extraordinary gain	0.03	0.03
Net loss	\$ (0.35)	\$ (0.07)
Weighted average common shares outstanding:		
Basic	67,152,363	68,222,987
Diluted	67,152,363	68,222,987

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

	March 31, 2001	December 31, 2000
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ASSETS:		
Cash and amounts due from depository institutions	\$ 39,413	\$ 18,749
Interest earning deposits	9,990	134,987
Federal funds sold and repurchase agreements	155,500	--
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated)	97,196	277,595
Subordinates, residuals and other securities	109,461	112,647
Loans available for sale, at lower of cost or market	10,096	10,610
Real estate held for sale	21,623	22,670
Low-income housing tax credit interests held for sale	100,800	87,083
Investment securities, at cost	13,257	13,257
Loan portfolio, net	77,983	93,414
Discount loan portfolio, net	439,649	536,028
Match funded loans and securities, net	110,470	116,987
Investments in low-income housing tax credit interests	54,213	55,729
Investments in unconsolidated entities	447	430
Real estate owned, net	136,267	146,419
Investment in real estate	116,125	122,761
Premises and equipment, net	42,483	43,152
Income taxes receivable	34,980	30,261
Deferred tax asset, net	82,171	95,991
Advances on loans and loans serviced for others	299,609	227,055
Mortgage servicing rights	67,477	51,426
Other assets	49,479	52,169
	-----	-----
	\$ 2,068,689	\$ 2,249,420
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits	\$ 1,133,691	\$ 1,258,360
Bonds - match funded agreements	99,732	107,050
Obligations outstanding under lines of credit	32,796	32,933
Notes, debentures and other interest bearing obligations	169,130	173,330
Accrued interest payable	26,470	22,096
Excess of net assets acquired over purchase price	32,082	36,665
Accrued expenses, payables and other liabilities	32,070	36,030
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Total liabilities	1,525,971	1,666,464
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Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company....	63,685	79,530
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; 67,152,363 shares issued and outstanding at March 31, 2001, and December 31, 2000, respectively.....	672	672
Additional paid-in capital	223,177	223,163
Retained earnings	255,678	279,194
Accumulated other comprehensive income, net of taxes:		
Net unrealized gain on securities available for sale	--	--
Net unrealized loss on derivative financial instruments	(20)	--
Net unrealized foreign currency translation (loss) gain	(474)	397
	-----	-----
Total stockholders' equity	479,033	503,426
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	\$ 2,068,689	\$ 2,249,420
	=====	=====