

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): November 12, 2002

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

Florida
(State or other
jurisdiction
of incorporation)

0-21341
(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)

Page 1 of 10
Exhibit Index on Page 4

Item 5. Other Events

The news release of the Registrant dated November 12, 2002, announcing its third quarter 2002 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 November 12, 2002.

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: November 12, 2002

INDEX TO EXHIBIT

Exhibit No. -----	Description -----	Page ----
99.1	News release of Ocwen Financial Corporation, dated November 12, 2002, announcing its third quarter 2002 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 RESULTS FOR 2002

West Palm Beach, FL - (November 12, 2002) Ocwen Financial Corporation (NYSE: OCN) today reported a net loss in the third quarter of 2002 of \$(4.0) million or \$(0.06) per share compared to a net loss of \$(72.9) million or \$(1.08) per share in the third quarter of 2001. For the nine months ended September 30, 2002 the Company reported a net loss of \$(58.7) million or \$(0.87) per share compared to a net loss of \$(117.9) million or \$(1.75) per share in the same period of 2001.

Chairman and CEO William C. Erbey stated, "We continue to make progress in our strategy of transitioning Ocwen to a fee-based business and reducing our non-core assets.

- o For the fifth consecutive quarter our core businesses, in the aggregate, were profitable. The combined results of Residential Loan Servicing, Ocwen Technology Xchange(R) (OTX), Ocwen Realty Advisors (ORA) and Unsecured Collections reflected a substantial improvement over the same period last year. After adjusting for severance and certain non-recurring items in OTX in both periods, our core businesses generated pre-tax income of \$4.5 million in the third quarter of 2002 as compared to adjusted income of \$1.1 million in the 2001 third quarter, an improvement of \$3.4 million. Our annualized 2002 core business results reflect an improvement of \$14 million as compared to 2001 adjusted results and \$43 million as compared to adjusted results in 2000.
- o At OTX our REALTrans(R) transaction volumes in the third quarter increased by 45% to 142,000, as compared to 98,000 in the second quarter of this year.
- o We achieved a reduction in operating expenses of 17% in the third quarter of 2002 as compared to the same period in 2001, reflecting in part lower levels of reserve provisions on Affordable Housing properties in the 2002 quarter. Exclusive of reserve increases and severance, expenses in the third quarter of 2002 declined 11% as compared to the same period last year.
- o Our non-core assets remaining to be sold were \$284.3 million as of September 30, 2002 as compared to \$543.3 million at December 31, 2001. We reduced non-core assets to be sold by \$41.5 million or 13% since June 30, 2002. Approximately 74% of these assets consist of commercial real estate, loans and REO, which earned an annualized effective yield of 9.88% in the third quarter of 2002.
- o Our Corporate Items segment reflected losses of \$7.3 million in the 2002 third quarter, largely due to the high interest rates of our older fixed rate debt instruments. We are continuing to reduce this cost through our strategy of debt reduction and have reduced total liabilities by \$280.4 million or 22% as of September 30, 2002 as compared to December 31, 2001. Amongst other actions we announced a \$73.5 million debt redemption to be completed during the fourth quarter of 2002 that we estimate will create savings of \$4.7 million over the next twelve months, net of the associated redemption expenses of \$2.5 million.

We also continue to maintain strong liquidity. Our cash and cash equivalents were \$275.7 million as of September 30, 2002, an increase of \$31 million or 13% since June 30, 2002."

The Servicing business reported pre-tax income of \$7.2 million in the third quarter of 2002 vs. \$9.1 million in the 2001 third quarter. Year to date in 2002, Servicing reported pre-tax income of \$22.8 million as compared to pre-tax income of \$26.1 million for the same period in 2001. 2002 results reflect earnings pressure from the current low interest rate environment. Our Servicing business continued to grow in the third quarter. As of September 30, 2002 we were the servicer of approximately 338 thousand loans with an unpaid principal balance (UPB) of \$29.8 billion, as compared to approximately 302 thousand loans and \$21.9 billion of UPB at December 31, 2001, an increase of 36% in UPB.

Ocwen Financial Corporation
Third Quarter Results
November 12, 2002

Pre-tax losses at OTX, after adjusting for severance, changes in the amortization of intellectual property and goodwill, and certain non-recurring payments in 2001 and the third quarter of 2002, were \$(4.8) million in the 2002 third quarter compared to \$(6.8) million in the same period of 2001, an improvement of 29%. For the nine months ended September 30, 2002 OTX adjusted results reflected a pre-tax loss of \$(15.3) million as compared to a pre-tax loss of \$(21.8) million in 2001, a 30% improvement.

ORA reported pre-tax income of \$0.9 million in the third quarter of 2002 as compared to \$0.1 million in the third quarter of 2001 reflecting an improvement in margin from 2.6% to 27.9%. Year to date, ORA reported pre-tax income of \$1.9 million as compared to \$0.4 million in 2001.

The Unsecured Collections business posted pre-tax income of \$1.1 million in the

third quarter of 2002 vs. a pre-tax loss of \$(1.3) million in the 2001 third quarter. For the nine months ended September 30, 2002 the business reported pre-tax income of \$3.1 million as compared to a pre-tax loss of \$(5.6) million in the same period of 2001. The increase in pre-tax income in this business primarily reflects the fact that as of December 31, 2001 the net book value of unsecured receivables had been reduced to zero and that the business is now generating fee based revenues.

The Residential Discount Loan business recorded a pre-tax loss of \$(0.6) million in the 2002 third quarter as compared to pre-tax income of \$3.4 million in the 2001 third quarter. Year to date, the business reported pre-tax income of \$1.1 million, as compared to a pre-tax loss of \$(2.9) million in 2001. Primarily as a result of a loan sale during the first quarter of 2002, the amount of loans and REO remaining as of September 30, 2002 was reduced to \$4.2 million, down \$49.6 million or 92% from December 31, 2001.

Pre-tax losses for the third quarter of 2002 in the Commercial Finance business amounted to \$(1.4) million as compared to a pre-tax loss of \$(7.3) million in the 2001 third quarter. Third quarter 2001 results reflect impairment charges and loss provisions on loans and real estate of approximately \$6.7 million. For the nine months ended September 30, 2002, the business reported a pre-tax loss of \$(44.1) million as compared to a pre-tax loss of \$(18.5) million in the same period of 2001. Results year to date for 2002 reflect impairment charges and loss provisions on loans and real estate of \$42.8 million as compared to \$18.3 million for the same period of 2001. As of September 30, 2002, reserves on the remaining commercial loan and REO assets amounted to 20.7% of book value as compared to 9.25% at December 31, 2001. Total commercial loans, investments in real estate and REO, consisting of twenty two assets, had a book value of \$211.2 million at September 30, 2002, reduced by \$143.0 million or 40% from December 31, 2001.

The Affordable Housing business posted a pre-tax loss of \$(1.3) million in the 2002 third quarter compared to a pre-tax loss of \$(6.5) million in the 2001 third quarter. No provisions for losses on Affordable Housing properties were recorded in the third quarter of 2002, while \$3.7 million of such provisions were recorded in the 2001 third quarter. For the nine months ended September 30, 2002, the business reported a pre-tax loss of \$(31.0) million as compared to a pre-tax loss of \$(21.3) million in the same period of 2001. The Affordable Housing results year to date for 2002 included total charges of \$25.2 million, as compared to \$11.1 million of charges year to date 2001. The 2002 charges include a discount of approximately \$3.9 million on a long term sale in the second quarter of seven assets with a book value of \$29 million. We are accreting this discount to income over the term of the related receivable balance. These charges also include loss provisions on properties and loans of \$21.3 million and \$11.1 million during the nine months ended September 30, 2002 and 2001, respectively, reflecting revisions in completion cost and financing estimates as well as modifications to projected sales results. As of September 30, 2002, reserves on Affordable Housing properties and loans had increased to 41% of remaining book value as compared to 16% at December 31, 2001. There are \$45.3 million of Affordable Housing properties and loans remaining as of September 30, 2002 of which \$12.6 million are loans, \$13.2 million are properties subject to sales contracts that have not yet satisfied all of the accounting criteria for sales treatment and \$19.5 million are properties that remain to be sold.

Results in the Subprime Finance business reflected pre-tax income of \$3.5 million for the 2002 third quarter as compared to pre-tax income of \$2.9 million in the 2001 third quarter. Year to date, the business reported pre-tax income of \$8.3 million, as compared to pre-tax income of \$8.4 million in 2001. The Company's total portfolio of non-investment grade securities, which consists largely of subprime residuals, was reduced to \$36.6 million at September 30, 2002 as compared to \$65.1 million at December 31, 2001, primarily as a result of sales of securities.

Year to date results include gains on debt repurchases of \$1.0 million in 2002 as compared to \$3.8 million in the same period of 2001. In accordance with the provisions of Statement of Financial Accounting Standards No. 145, which the Company adopted in the second quarter of 2002, these gains are now included as a component of non interest income. During the third quarter of 2002, the Company announced a \$73.5 million debt redemption to be completed in the fourth quarter of this year. This initiative will result in expense of \$2.5 million in the fourth quarter of 2002.

Year to date results for 2002 also include a net gain of \$16.2 million recorded in the first quarter. This gain represents the effect of a change in accounting principle for goodwill and intangible assets in accordance with Statements of Financial Accounting Standards Nos. 141 and 142.

The Company's net effective tax expense in the 2002 third quarter was zero. Tax expense in the third quarter of 2001 was \$65.0 million, representing an increase to the valuation allowance on the deferred tax asset. Year to date 2002 tax expense was \$1.2 million, representing an offset to the taxes included in the change in accounting principles. Year to date tax expense in 2001 was \$83.0 million, representing an increase to the valuation allowance on the deferred tax asset.

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.

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 "believe," "minimize," "return," "improve," "increase," "grow," "reduce," "decline," "progress," "current," "consider," "maintain," "generate," "accrete," "estimate," "modify," "project," "subject to," "gain," "result," "evaluate," "offset," 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, 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 and potential political and economic issues related to operations outside of the USA, 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, uncertainty related to dispute resolution and litigation, 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 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 (the "SEC"), 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, 2001, which filings are available from the SEC. Undue reliance should not be accorded forward-looking statements, which speak only as of the date they are made. OCN undertakes no obligation to publicly update or revise forward-looking statements.

Interest Income and Expense

	Three Months		Nine Months	
For the periods ended September 30,	2002	2001	2002	2001
(Dollars in thousands)				
Interest income				
Interest earning cash and other	\$ 59	\$ 41	\$ 220	\$ 638
Federal funds sold and repurchase agreements	783	1,942	2,055	6,040
Trading securities	3,507	4,601	12,024	14,474
Loans	3,075	9,355	10,588	39,602
Match funded loans and securities	1,188	2,655	5,245	7,875
	8,612	18,594	30,132	68,629
Interest expense				
Deposits	5,990	13,789	21,689	48,167
Securities sold under agreements to repurchase	32	244	230	246
Bonds - match funded agreements	1,445	1,391	5,161	6,099
Obligations outstanding under lines of credit	833	1,871	2,982	4,327
Notes, debentures and other interest bearing obligations ...	4,625	5,012	13,973	15,076
	12,925	22,307	44,035	73,915
Net interest expense before provision for loan losses	\$ (4,313)	\$ (3,713)	\$ (13,903)	\$ (5,286)

Pre-Tax Income (Loss) by Business Segment

	Three Months		Nine Months	
For the periods ended September 30,	2002	2001	2002	2001
(Dollars in thousands)				
Residential Loan Servicing	\$ 7,157	\$ 9,052	\$ 22,788	\$ 26,073
OTX	(5,993)	(7,762)	(16,179)	(29,320)
Ocwen Realty Advisors	902	83	1,921	429
Unsecured Collections	1,057	(1,288)	3,140	(5,629)
Residential Discount Loans	(617)	3,406	1,103	(2,893)
Commercial Finance	(1,370)	(7,277)	(44,114)	(18,452)
Affordable Housing	(1,329)	(6,467)	(30,987)	(21,283)
Subprime Finance	3,516	2,886	8,325	8,437
Corporate Items and Other	(7,330)	(565)	(19,694)	7,749
	\$ (4,007)	\$ (7,932)	\$ (73,697)	\$ (34,889)

Non-Core Assets

The following table presents a summary of the Company's non-core assets that remain to be sold. This table excludes assets subject to sales contracts that have not met accounting criteria for sales treatment.

	September 30, December 31,	
	2002	2001
(Dollars in thousands)		
Loans, net:		
Affordable housing	\$ 12,613	\$ 17,215
All other	90,220	168,078
Real estate held for sale	--	13,418
Investments in real estate	59,982	116,896
Real estate owned, net	65,432	110,465
Subordinates, residuals and other trading securities	36,593	65,058
Affordable housing properties	19,491	52,176
Total non-core assets to be sold	\$ 284,331	\$ 543,306

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

	September 30, 2002	December 31, 2001
	-----	-----
Assets		
Cash and amounts due from depository institutions	\$ 11,799	\$ 33,442
Interest earning deposits	43,883	101,213
Federal funds sold and repurchase agreements	220,000	126,000
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated)	50,448	161,191
Subordinates, residuals and other securities	36,593	65,058
Real estate held for sale	--	13,418
Investments in real estate	59,982	116,896
Affordable housing properties	32,721	102,069
Loans, net	102,833	185,293
Match funded assets	153,952	174,351
Real estate owned, net	65,432	110,465
Premises and equipment, net	45,748	44,589
Income taxes receivable	22,231	20,842
Advances on loans and loans serviced for others	273,767	283,183
Mortgage servicing rights	167,757	101,107
Other assets	81,906	72,033
	-----	-----
	\$ 1,369,052	\$ 1,711,150
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 454,812	\$ 656,878
Escrow deposits on loans and loans serviced for others	106,430	73,565
Securities sold under agreements to repurchase	--	79,405
Bonds - match funded agreements	142,020	156,908
Obligations outstanding under lines of credit	92,567	84,304
Notes, debentures and other interest bearing obligations	154,755	160,305
Accrued interest payable	12,964	12,836
Excess of net assets acquired over purchase price	--	18,333
Accrued expenses, payables and other liabilities	26,977	28,351
	-----	-----
Total liabilities	990,525	1,270,885
	-----	-----
Minority interest in subsidiaries	1,625	--
Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	56,249	61,159
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; 67,336,276 and 67,289,313 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	673	673
Additional paid-in capital	224,419	224,142
Retained earnings	95,715	154,412
Accumulated other comprehensive loss, net of taxes:		
Net unrealized foreign currency translation loss	(154)	(121)
	-----	-----
Total stockholders' equity	320,653	379,106
	-----	-----
	\$ 1,369,052	\$ 1,711,150
	=====	=====

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

For the periods ended September 30,	Three Months		Nine Months	
	2002	2001	2002	2001
Net interest expense				
Income	\$ 8,612	\$ 18,594	\$ 30,132	\$ 68,629
Expense	12,925	22,307	44,035	73,915
Net interest expense before provision for loan losses	(4,313)	(3,713)	(13,903)	(5,286)
Provision for loan losses	(901)	(388)	10,510	18,029
Net interest expense after provision for loan losses	(3,412)	(3,325)	(24,413)	(23,315)
Non-interest income				
Servicing and other fees	34,024	35,952	105,598	100,809
Loss on interest earning assets, net	--	(1,851)	(2,773)	(3,260)
Gain on trading and match funded securities, net	944	3,394	3,897	13,133
Loss on real estate owned, net	(337)	(715)	(16,307)	(3,804)
Gain (loss) on other non-interest earning assets, net	508	(414)	(333)	(933)
Net operating gains (losses) on investments in real estate	495	(1,197)	(8,844)	2,068
Amortization of excess of net assets acquired over purchase price .	--	4,583	--	13,749
Gain (loss) on repurchase of debt	(35)	--	1,039	3,819
Equity in income of investment in unconsolidated entities	115	(84)	146	100
Other income	2,312	1,989	9,669	6,471
	38,026	41,657	92,092	132,152
Non-interest expense				
Compensation and employee benefits	19,594	21,531	60,375	63,775
Occupancy and equipment	2,914	3,055	8,959	9,322
Technology and communication costs	6,899	5,675	17,960	21,379
Loan expenses	2,437	4,192	9,808	11,262
Net operating losses on investments in certain affordable housing properties	225	4,005	22,135	11,823
Amortization of excess of purchase price over net assets acquired .	--	778	--	2,334
Professional services and regulatory fees	2,573	3,882	10,341	11,632
Other operating expenses	2,450	1,483	7,040	6,786
	37,092	44,601	136,618	138,313
Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	1,529	1,663	4,758	5,413
Loss before income taxes and effect of change in accounting principle	(4,007)	(7,932)	(73,697)	(34,889)
Income tax expense	--	65,000	1,166	83,000
Net loss before effect of change in accounting principle	(4,007)	(72,932)	(74,863)	(117,889)
Effect of change in accounting principle, net of taxes	--	--	16,166	--
Net loss	\$ (4,007)	\$ (72,932)	\$ (58,697)	\$ (117,889)
Earnings (loss) per share Basic and Diluted:				
Net loss before effect of change in accounting principle	\$ (0.06)	\$ (1.08)	\$ (1.11)	\$ (1.75)
Effect of change in accounting principle, net of taxes	--	--	0.24	--
Net loss	\$ (0.06)	\$ (1.08)	\$ (0.87)	\$ (1.75)
Weighted average common shares outstanding	67,336,246	67,269,343	67,315,913	67,206,688