

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): February 6, 2003

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 February 6, 2003, announcing its fourth quarter and year 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
February 6, 2003.

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: February 7, 2003

INDEX TO EXHIBIT

Exhibit No. -----	Description -----	Page ----
99.1	News release of Ocwen Financial Corporation, dated February 6, 2003, announcing its fourth quarter and year 2002 results and certain other information.	5

Ocwen Financial Corporation(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

Robert J. Leist, Jr.
Vice President & Chief Accounting Officer
T: (561) 682-7958
E: rleist@ocwen.com

OCWEN FINANCIAL CORPORATION ANNOUNCES
FOURTH QUARTER AND 2002 RESULTS

West Palm Beach, FL - (February 6, 2003) Ocwen Financial Corporation (NYSE: OCN) today reported a net loss in the fourth quarter of 2002 of \$(7.8) million or \$(0.12) per share compared to a net loss of \$(6.9) million or \$(0.10) per share in the fourth quarter of 2001. For the year ended December 31, 2002 the Company reported a net loss of \$(66.5) million or \$(0.99) per share compared to a net loss of \$(124.8) million or \$(1.86) per share in 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. Our fourth quarter results reflect this progress. Core business earnings were once again profitable. Non-core businesses were break-even and the Corporate segment recorded a loss. From a consolidated perspective, our fourth quarter pre-tax loss of \$6.1 million included non-recurring and severance charges totaling \$6.5 million that will lower our expense structure going forward.

- o We recorded an expense of \$2.5 million in the Corporate segment associated with the completion of our \$73.5 million debt redemption. This initiative will reduce annualized interest expense by \$8.0 million in 2003.
- o Results at OTX included \$2.8 million of charges related to intangible assets, including the final amortization of intellectual property of \$0.6 million and a \$2.2 million write-off of the remaining goodwill associated with our REALServicing(TM) product. We remain positive on the future sales potential of REALServicing, but concluded that the absence of sales in 2002 made this appropriate under current accounting standards. Fourth quarter results also included a payment of \$0.5 million representing the final payment due under the terms of our 1997 purchase of AMOS, Inc.
- o During the fourth quarter we also completed an expense reduction initiative which included a charge of \$0.7 million of severance expenses in the quarter. We estimate that this initiative will result in annual compensation and benefit savings of approximately \$3.0 million

Our core business earnings are especially noteworthy because our Residential Loan Servicing business established record earnings in the fourth quarter of 2002, posting pre-tax income of \$9.2 million despite the challenges of the current low interest rate environment. Our balance sheet remains strong, as our non-core assets remaining to be sold declined to \$246 million, a reduction of 13.6% since September 30, and our cash and cash equivalents amounted to \$192 million."

The Servicing business reported record pre-tax income of \$9.2 million in the fourth quarter of 2002 vs. \$8.5 million in the 2001 fourth quarter, despite the continuing earnings pressure from the current low interest rate environment. For 2002, Servicing reported pre-tax income of \$32.0 million as compared to pre-tax income of \$34.6 million in 2001, a decline of 7.5%, largely reflecting the interest rate environment in 2002. Our Servicing business continued to grow in the fourth quarter. As of December 31, 2002 we were the servicer of approximately 336 thousand loans with an unpaid principal balance (UPB) of \$30.7 billion, as compared to approximately 302 thousand loans and \$21.9 billion of UPB at December 31, 2001, an increase of 40% in UPB.

Pre-tax losses at OTX, after adjusting for severance, amortization and write-offs of intellectual property and goodwill, and certain non-recurring payments in both periods were \$(4.5) million in the 2002 fourth quarter compared to \$(5.7) million in the same period of 2001, an improvement of 21%. For the year ended December 31, 2002 OTX adjusted results reflected a pre-tax loss of \$(19.1) million as compared to a pre-tax loss of \$(26.6) million in 2001, a 28% improvement. REALTrans(R) transaction volumes in the fourth quarter increased by 10% to 156 thousand, as compared to 142 thousand in the third quarter of this year. Annual click volumes in 2002 were 471 thousand as compared to 286 thousand in 2001, an increase of 65%.

Ocwen Financial Corporation
Fourth Quarter and Year 2002 Results
February 6, 2003

ORA reported pre-tax income of \$0.7 million in the fourth quarter of 2002 as compared to \$0.5 million in the fourth quarter of 2001 reflecting an improvement in margin from 14.5% to 21%. For 2002, ORA reported pre-tax income of \$2.6 million as compared to \$0.9 million in 2001.

The Unsecured Collections business posted pre-tax income of \$0.9 million in the fourth quarter of 2002 vs. pre-tax income of \$0.6 million in the 2001 fourth quarter. For the year ended December 31, 2002 the business reported pre-tax income of \$4.0 million as compared to a pre-tax loss of \$(5.0) million in 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 \$(0.3) million in the 2002 fourth quarter as compared to a pre-tax loss of \$(1.7) million in the 2001 fourth quarter. For the year, the business reported pre-tax income of \$0.8 million, as compared to a pre-tax loss of \$(4.0) 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 December 31, 2002 was reduced to \$3.0 million, down \$50.8 million or 94% from December 31, 2001.

Pre-tax losses for the fourth quarter of 2002 in the Commercial Finance business amounted to \$(5.6) million as compared to a pre-tax loss of \$(2.6) million in the 2001 fourth quarter. Fourth quarter 2002 results reflect loss provisions on loans and real estate owned of approximately \$3.4 million as compared to \$1.3 million in the 2001 fourth quarter. For the year ended December 31, 2002, the business reported a pre-tax loss of \$(49.7) million as compared to a pre-tax loss of \$(21.0) million in the same period of 2001. Results for 2002 reflect impairment charges and loss provisions on loans and real estate owned of \$46.1 million as compared to \$19.6 million for 2001. As of December 31, 2002, reserves on the remaining commercial loan and REO assets amounted to 24.2% of book value as compared to 9.3% at December 31, 2001. Total commercial loans, investments in real estate and REO, consisting of 18 assets, had a book value of \$188.0 million at December 31, 2002, reduced by \$166.1 million or 47% from December 31, 2001.

The Affordable Housing business posted a pre-tax loss of \$(0.5) million in the 2002 fourth quarter compared to a pre-tax loss of \$(8.6) million in the 2001 fourth quarter. No provisions for losses on Affordable Housing properties were recorded in the fourth quarter of 2002, while \$4.5 million of such provisions were recorded in the 2001 fourth quarter. For the year ended December 31, 2002, the business reported a pre-tax loss of \$(31.5) million as compared to a pre-tax loss of \$(29.9) million in 2001. Affordable Housing results for 2002 included total charges of \$24.7 million, as compared to \$16.8 million of charges in 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 \$17.4 million and \$15.6 million during the years ended December 31, 2002 and 2001, respectively, reflecting revisions in completion cost and financing estimates as well as modifications to projected sales results. As of December 31, 2002, reserves on Affordable Housing properties and loans had increased to 48% of remaining book value as compared to 16% at December 31, 2001. There are \$21.5 million of Affordable Housing properties and loans remaining as of December 31, 2002 of which \$6.2 million are loans, \$4.4 million are properties subject to sales contracts that have not yet satisfied all of the accounting criteria for sales treatment and \$10.9 million are properties that remain to be sold.

Results in the Subprime Finance business reflected pre-tax income of \$6.2 million for the 2002 fourth quarter as compared to pre-tax income of \$5.3 million in the 2001 fourth quarter. For the year, the business reported pre-tax income of \$14.5 million, as compared to pre-tax income of \$13.1 million in 2001. The Company's total portfolio of non-investment grade securities, which consists largely of subprime residuals, was reduced to \$37.3 million at December 31, 2002 as compared to \$65.1 million at December 31, 2001, primarily as a result of sales of securities.

Results for 2002 include a net loss on debt repurchases of \$(1.5) million, reflecting a loss of \$(2.5) million in the fourth quarter related to the redemption of \$73.5 million of debt securities at a premium, partially offset by gains of \$1.0 million on repurchases earlier in the year. This compares to gains of \$3.8 million recorded in 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.

The Company's net effective tax expense in the 2002 fourth quarter was \$1.8 million, reflecting a tax payment related to an investment in a non-economic residual security with no book value. Tax expense in the fourth quarter of 2001 was zero. 2002 total tax expense was \$2.9 million, representing the fourth quarter payment as well tax expense recorded in the first quarter to offset the taxes included in the change in accounting principles. 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.

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, the discussion of progress in Ocwen's strategy of transitioning to a fee-based business and reducing non-core assets, expectations with regard to reduction of losses, earnings trends, deposit reductions, and decreases in technology support staff, and predictions as to future sales. 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, 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 reports on Form 10-Q for the quarter ended September 30, 2002 and Form 10-K for the year ended December 31, 2001. 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.

Interest Income and Expense

	Three Months		Twelve Months	
For the periods ended December 31,	2002	2001	2002	2001
(Dollars in thousands)				
Interest income				
Interest earning cash and other	\$ 63	\$ 105	\$ 284	\$ 743
Federal funds sold and repurchase agreements	574	1,288	2,629	7,328
Trading securities	4,556	4,391	16,580	18,865
Loans	692	6,488	11,279	46,090
Match funded loans and securities	1,218	2,470	6,463	10,345
	7,103	14,742	37,235	83,371
Interest expense				
Deposits	5,767	11,800	27,455	59,967
Securities sold under agreements to repurchase	6	283	236	529
Bonds - match funded agreements	1,412	1,216	6,573	7,315
Obligations outstanding under lines of credit	805	1,184	3,787	5,511
Notes, debentures and other interest bearing obligations ..	3,737	4,931	17,711	20,007
	11,727	19,414	55,762	93,329
Net interest expense before provision for loan losses	\$ (4,624)	\$ (4,672)	\$(18,527)	\$ (9,958)

Pre-Tax Income (Loss) by Business Segment

	Three Months		Twelve Months	
For the periods ended December 31,	2002	2001	2002	2001
(Dollars in thousands)				
Core businesses				
Residential Loan Servicing	\$ 9,186	\$ 8,518	\$ 31,974	\$ 34,591
OTX	(7,965)	(7,072)	(24,144)	(36,392)
Ocwen Realty Advisors	675	516	2,597	944
Unsecured Collections	866	609	4,006	(5,020)
	2,762	2,571	14,433	(5,877)
Non-core businesses				
Residential Discount Loans	(340)	(1,657)	763	(4,002)
Commercial Finance	(5,583)	(2,562)	(49,697)	(21,014)
Affordable Housing	(534)	(8,635)	(31,521)	(29,917)
Subprime Finance	6,211	5,266	14,536	13,155
	(246)	(7,588)	(65,919)	(41,778)
Corporate Items and Other	(8,626)	(1,876)	(28,321)	5,873
	\$ (6,110)	\$ (6,893)	\$(79,807)	\$(41,782)

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.

	December 31, 2002	December 31, 2001
(Dollars in thousands)		
Loans, net		
Affordable housing	\$ 6,229	\$ 17,215
All other	70,628	168,078
Real estate held for sale	-	13,418
Investments in real estate	58,676	116,896
Real estate owned, net	62,039	110,465
Subordinates, residuals and other trading securities	37,339	65,058
Affordable housing properties	10,861	52,176
Total non-core assets to be sold	\$ 245,772	\$ 543,306

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

	December 31, 2002	December 31, 2001
	-----	-----
Assets		
Cash and amounts due from depository institutions	\$ 76,598	\$ 23,081
Interest earning deposits	30,649	111,574
Federal funds sold and repurchase agreements	85,000	126,000
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated) and U.S. Treasury notes	21,556	161,191
Subordinates and residuals	37,339	65,058
Real estate held for sale	--	13,418
Investments in real estate	58,676	116,896
Affordable housing properties	15,319	102,069
Loans, net	76,857	185,293
Match funded assets	167,744	174,351
Real estate owned, net	62,039	110,465
Premises and equipment, net	44,268	44,589
Income taxes receivable	20,841	20,842
Advances on loans and loans serviced for others	266,356	283,183
Mortgage servicing rights	171,611	101,107
Other assets	87,389	72,033
	-----	-----
	\$ 1,222,242	\$ 1,711,150
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 425,970	\$ 656,878
Escrow deposits on loans and loans serviced for others	84,986	73,565
Securities sold under agreements to repurchase	--	79,405
Bonds - match funded agreements	147,071	156,908
Obligations outstanding under lines of credit	78,511	84,304
Notes, debentures and other interest bearing obligations	81,210	160,305
Accrued interest payable	7,435	12,836
Excess of net assets acquired over purchase price	--	18,333
Accrued expenses, payables and other liabilities	26,064	28,351
	-----	-----
Total liabilities	851,247	1,270,885
	-----	-----
Minority interest in subsidiaries	1,778	--
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; 67,339,773 and 67,289,313 shares issued and outstanding at December 31, 2002 and December 31, 2001, respectively	673	673
Additional paid-in capital	224,454	224,142
Retained earnings	87,887	154,412
Accumulated other comprehensive loss, net of taxes:		
Net unrealized foreign currency translation loss	(46)	(121)
	-----	-----
Total stockholders' equity	312,968	379,106
	-----	-----
	\$ 1,222,242	\$ 1,711,150
	=====	=====

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

For the periods ended December 31,	Three Months		Twelve Months	
	2002	2001	2002	2001
<hr/>				
Net interest expense				
Income	\$ 7,103	\$ 14,742	\$ 37,235	\$ 83,371
Expense	11,727	19,414	55,762	93,329
	<hr/>	<hr/>	<hr/>	<hr/>
Net interest expense before provision for loan losses	(4,624)	(4,672)	(18,527)	(9,958)
Provision for loan losses	3,119	(2,363)	13,629	15,666
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Net interest expense after provision for loan losses	(7,743)	(2,309)	(32,156)	(25,624)
	<hr/>	<hr/>	<hr/>	<hr/>
Non-interest income				
Servicing and other fees	36,393	33,788	141,991	134,597
Loss on interest earning assets, net	(712)	(689)	(3,485)	(3,949)
Gain on trading and match funded securities, net	3,115	3,197	7,012	16,330
Gain (loss) on real estate owned, net	588	(5,452)	(15,719)	(9,256)
Gain (loss) on other non-interest earning assets, net	1,455	(122)	1,122	(1,054)
Net operating gains (losses) on investments in real estate	529	3,513	(8,315)	5,581
Amortization of excess of net assets acquired over purchase price ...	--	4,583	--	18,333
Gain (loss) on repurchase of debt	(2,500)	(44)	(1,461)	3,774
Equity in income of investment in unconsolidated entities	69	205	215	304
Other income	3,446	2,288	13,115	8,759
	<hr/>	<hr/>	<hr/>	<hr/>
	42,383	41,267	134,475	173,419
	<hr/>	<hr/>	<hr/>	<hr/>
Non-interest expense				
Compensation and employee benefits	17,403	21,139	77,778	84,914
Occupancy and equipment	2,884	2,255	11,843	11,577
Technology and communication costs	7,310	5,389	25,270	26,768
Loan expenses	2,797	4,549	12,605	15,811
Net operating losses on investments in certain affordable housing properties	225	4,757	22,360	16,580
Amortization/writeoff of excess of purchase price over net assets acquired	2,231	778	2,231	3,112
Professional services and regulatory fees	3,792	3,118	14,133	14,749
Other operating expenses	2,579	2,148	9,619	8,935
	<hr/>	<hr/>	<hr/>	<hr/>
	39,221	44,133	175,839	182,446
	<hr/>	<hr/>	<hr/>	<hr/>
Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	1,529	1,718	6,287	7,131
	<hr/>	<hr/>	<hr/>	<hr/>
Loss before minority interest, income taxes and effect of change in accounting principle	(6,110)	(6,893)	(79,807)	(41,782)
Minority interest in net loss of subsidiaries	(99)	--	(99)	--
Income tax expense	1,817	--	2,983	83,000
	<hr/>	<hr/>	<hr/>	<hr/>
Net loss before effect of change in accounting principle	(7,828)	(6,893)	(82,691)	(124,782)
Effect of change in accounting principle, net of taxes	--	--	16,166	--
	<hr/>	<hr/>	<hr/>	<hr/>
Net loss	\$ (7,828)	\$ (6,893)	\$ (66,525)	\$ (124,782)
	<hr/>	<hr/>	<hr/>	<hr/>
Earnings (loss) per share				
Basic and Diluted:				
Net loss before effect of change in accounting principle	\$ (0.12)	\$ (0.10)	\$ (1.23)	\$ (1.86)
Effect of change in accounting principle, net of taxes	--	--	0.24	--
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Net loss	\$ (0.12)	\$ (0.10)	\$ (0.99)	\$ (1.86)
	<hr/>	<hr/>	<hr/>	<hr/>
Weighted average common shares outstanding	67,337,454	67,288,168	67,321,299	67,227,058