OCWEN

Investor Presentation
February 28, 2018

FORWARD-LOOKING STATEMENTS:

Our presentation contains certain forward-looking statements as defined under the federal securities laws such as our statements relating to our expectations and strategies for growth, statements relating to our costs and our cost improvement efforts and statements relating to the financial and other impacts of our July 2017 and January 2018 agreements with New Residential Investment Corp. (NRZ). These forward-looking statements may be identified by a reference to a future period or by the use of forward-looking terminology, and include pro forma financial information presented solely for illustrative purposes. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change which has magnified such uncertainties. Readers should bear these factors in mind when considering such statements and should not place undue reliance on such statements. Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. In the past, actual results have differed from those suggested by forward looking statements and this may happen again. 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: uncertainty related to claims, litigation, cease and desist orders and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification, origination and other practices, including uncertainty related to past, present or future investigations, litigation, cease and desist orders and settlements with state regulators, the Consumer Financial Protection Bureau (CFPB), State Attorneys General, the Securities and Exchange Commission (SEC), the Department of Justice or the Department of Housing and Urban Development (HUD) and actions brought under the False Claims Act by private parties on behalf of the United States of America regarding incentive and other payments made by governmental entities; adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements; reactions to the announcement of such investigations, litigation, cease and desist orders or settlements by key counterparties, including lenders, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Government National Mortgage Association (Ginnie Mae); our ability to comply with the terms of our settlements with regulatory agencies, increased regulatory scrutiny and media attention; any adverse developments in existing legal proceedings or the initiation of new legal proceedings; our ability to effectively manage our regulatory and contractual compliance obligations; our ability to comply with our servicing agreements, including our ability to comply with our agreements with, and the requirements of, Fannie Mae, Freddie Mac and Ginnie Mae and maintain our seller/servicer and other statuses with them; our ability to contain and reduce our operating costs; the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover advances, repay borrowings and comply with our debt agreements, including the financial and other covenants contained in them; our ability to timely transfer mortgage servicing rights under our July 2017 and January 2018 agreements with NRZ; our ability to maintain our long-term relationship with NRZ under these new arrangements; our ability to realize anticipated future gains from future draws on existing loans in our reverse mortgage portfolio; our servicer and credit ratings as well as other actions from various rating agencies, including the impact of prior or future downgrades of our servicer and credit ratings; volatility in our stock price; the characteristics of our servicing portfolio, including prepayment speeds along with delinquency and advance rates; our ability to successfully modify delinquent loans, manage foreclosures and sell foreclosed properties; uncertainty related to legislation, regulations, regulatory agency actions, government programs and policies, industry initiatives and evolving best servicing practices; as well as other risks detailed in Ocwen's reports and filings with the SEC, including its amended annual report on Form 10-K/A for the year ended December 31, 2016 and any current and quarterly reports since such date and, once filed, its Form 10-K for the year ended December 31, 2017. Anyone wishing to understand Ocwen's business should review its SEC filings. Ocwen's forward-looking statements speak only as of the date they are made and we disclaim any obligation to update or revise forward-looking statements whether as a result of new information, future events or otherwise. Information contained in this presentation that reflects assumptions as to facts or circumstances may or may not reflect current or future facts or circumstances and may simplify certain variable or otherwise complex outcomes for purposes of presenting such information. Such information is presented solely for illustrative purposes and readers should not place undue reliance on information reflecting such assumptions. Ocwen may post information that is important to investors on its website.

NON-GAAP FINANCIAL MEASURES:

Our presentation contains certain non-GAAP financial measures, such as our references to adjusted operating expense, adjusted pre-tax income, adjusted pre-tax income before corporate debt expense, normalized adjusted cash flow from operations, illustrative servicing cash flow, available liquidity, adjusted proforma liquidity and management's income statement view. We believe these non-GAAP financial measures provide a useful supplement to discussions and analysis of our financial condition. We believe these non-GAAP financial measures provide an alternative way to view certain aspects of our business that is instructive. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Ocwen's reported results under accounting principles generally accepted in the United States. Other companies may use non-GAAP financial measures with the same or similar titles that are calculated differently to our non-GAAP financial measures. As a result, comparability may be limited. Further information may be found on Ocwen's website.

Agenda

- FY 2017 and Q4 2017 Executive Summary
- New Residential Investment Corp. (NRZ) Transaction Update
- Financial Updates
- Appendix

Full Year 2017 Executive Summary

- Reported FY'17 GAAP net loss of $(128) million … $71 million favorable to prior year
  - Net loss includes $(94) million of litigation and regulatory settlement accruals, up $24 million from 2016, offset by a $23 million one-time benefit from a reserve release related to uncertain tax positions
  - Reported pre-tax loss of $(144) million. Adjusted pre-tax loss of $(23) million (see page 22)
  - Adjusted operating expense of $976 million … $86 million or 8% lower than prior year (see page 22)
  - Servicing pre-tax profit of $47 million … $43 million improvement over prior year despite portfolio runoff and HAMP expiration
  - Lending pre-tax loss of $(4) million includes $(7) million restructuring charge
- Continue to maintain a strong cash and liquidity position … successfully refinanced and extended the terms of maturing advance facilities and warehouse lines
  - Received $334 million from NRZ as part of July 2017 agreements and subsequent January 2018 agreements … Working closely with NRZ to receive consents necessary to transfer the MSRs
  - Generated $412 million of Cash Flow from Operating Activities and ended the year with an adjusted pro forma liquidity of $538 million (see page 13)
- Completed over 45,000 loan modifications in the year
- Exited unprofitable forward correspondent and wholesale lending channels and in process of exiting auto floor plan lending business
- Retaining reverse mortgage lending business which generated pre-tax income of $24 million in 2017

Q4 2017 Executive Summary

- Reported Q4'17 GAAP net loss of $(45) million
  - Net loss includes $(50) million of litigation and regulatory settlement accruals offset by $29 million of claims recoveries in connection with a 2013 MSR acquisition
  - Reported pre-tax loss of $(45) million. Adjusted pre-tax income of $4 million (see page 38)
  - Adjusted operating expense of $203 million … $65 million or 24% lower than prior quarter (see page 33)
  - Servicing pre-tax profit of $29 million … Sixth consecutive quarter of pre-tax profitability
  - Lending pre-tax profit of $3 million … $10 million improvement over prior quarter
- Completed over 9,700 loan modifications in the fourth quarter, 48% higher than prior quarter
- As of February 26, 2018, reached resolutions with 29 state regulatory agencies (including the District of Columbia) relating to actions taken against us on or after April 20, 2017 regarding our servicing practices. Continue to seek timely resolutions with the remaining 2 regulatory agencies and 2 state attorneys general[a]
- Refocusing on Ocwen's core business, including Servicing, portfolio recapture and reverse mortgage lending:
  - During Q4 2017, Ocwen sold certain of its wholesale forward lending assets and exited the wholesale forward lending business
  - Ocwen to exit the automotive floor plan lending business with the transitioning of the business expected to happen over the next 60 to 90 days … Terminated funding facility in January 2018
- Prepaid $20 million of corporate debt in December 2017

(a) Settlements may not be reached. Material adverse impact could occur as a result of actual settlements or if settlements are not reached timely, including but not limited to loss of status to continue to do some or all business with key counterparties such as Fannie Mae, Freddie Mac, Ginnie Mae and NRZ

NRZ Transaction Summary: RMSR 2.0

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January 2018 Transaction

- Ocwen & NRZ entered into agreements accelerating the implementation of certain concepts from the July 2017 Agreements for the Rights to MSRs that remained under the original arrangements
  - Effective January 1, 2018, the modified economic terms and other contractual changes went into effect
  - Ocwen received a $280 million lump-sum payment, in accordance with the July 2017 Agreements (i.e. no incremental consideration from either party)
- The cash received will be added to the MSR Financing Liability and will be valued at fair value
- The January 2018 “RMSR 2.0” Agreements attempt to consistently apply the same principles as negotiated in July 2017, with certain consideration given in areas where risks/obligations remain with the MSR Owner
- Ocwen and NRZ will continue to seek consents necessary for transfer of MSRs
- Upon a successful transfer to NRZ, Ocwen will subservice the loans under the 2017 Agreements

($ in millions, except UPB)	July 2017 Subservicing Agreement	January 2018 “RMSR 2.0” Agreement
UPB[1]	$15.9B	$86.8B
Lump-Sum Payment	$54.6	$279.6
Modified Subservicing Economics	✓	✓
5-Year Term (Initial Period)	✓	✓
Waiver of Servicing Rating Downgrade Termination Event	✓[2]	✓
Waterfall Scenario if Unsuccessful in Obtaining Consents	✓	✓
Consistent Termination Events, including Optional Termination (with Fee)	✓	✓
Consistent View of Servicing Requirements/Standards & Vendor Selection	✓	✓[3]
New Reporting Requirements	✓	✓

1) As of transaction agreement date
2) July 2017 Agreements included an immediate standstill, with a pathway towards obtaining a permanent waiver. January 2018 Agreements remove any incremental requirements and grant immediate waiver
3) January 2018 Agreements include incremental protections regarding Ocwen’s obligations, given continued control and ownership of the underlying MSR

NRZ Transaction: Illustrative Financial Impact[a]

($ in millions, except UPB)

	Total Transaction[b]	Initial 9/1/17 Transfer	RMSR 2.0 1/18/18 Agreement[c]
UPB ($B)[b]	$ 101.8	$ 14.8	$ 87.1
Lump-sum Payment ($)	334.2	54.6	279.6
Fair Value	271.2	9.2	262.0
Mark-to-Market Gain	$ 62.9	$ 45.4	$ 17.6
Mark-to-Market Gain (Loss) Drivers			
(A = B + C):	59.6	42.0	17.6
- Characteristics (B)	-	31.4	(31.4)
- Assumptions/Other (C)	59.6	10.5	49.0
- Runoff (D)	3.3	3.3	0.0
Total (A+D)	$ 62.9	$ 45.4	$ 17.6

Notes:

- "Characteristics" reflect, for MSRs where consents were received, the differences between individual MSR valuation inputs (servicing fees, delinquency, etc.) and the weighted average of all deals in the transaction
- "Assumptions" reflect the difference between the payments we are receiving and the fair value, utilizing market assumptions consistent with independent third-party experts, of the economics that Ocwen transferred to NRZ in the transaction. This is a permanent benefit to Ocwen, absent future changes in such assumptions
- "Runoff" reflects the expected realization of cash flows that were transferred to NRZ in the transaction during 2017

(a) See Note 8 of Ocwen's 2017 10-K for further information
(b) As on December 31, 2017, $3.8B lower than October 1, 2017 portfolio balance due to runoff
(c) Estimated impact in Q1 2018 if remaining transfers occurred on 1/1/18. Analysis based on significant assumptions such as prepayment speeds, interest rates and delinquencies, among others, that are subject to change

Financial Updates

FY 2017 Financial Results

($ in millions, except Loss per Share)

	2016	2017	VPY$[a]
Revenues	**$1,387**	**$1,195**	**$(193)**
• Servicing	1,247	1,041	(206)
• Lending	112	127	15
• Corporate	28	26	(2)
Operating Expenses	(1,223)	(999)	225
Other Income / (Expense)	(370)	(340)	30
Pre-Tax Loss	**$(206)**	**$(144)**	**$62**
Net Loss	**$(199)**	**$(128)**	**$71**
Loss per Share[b]	$(1.61)	$(1.01)	$0.60
Operating Cash Flow	**$475**	**$412**	**$(63)**

Key Results

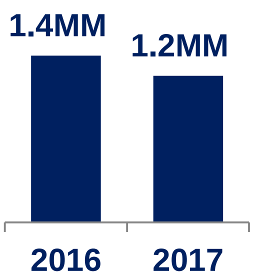
- Servicing Revenue down (17)% due to UPB runoff and decline of HAMP revenue following program expiration
- Lower operating expenses driven by $(75) decline in Monitor expenses, $(71) lower MSR amortization and valuation adjustments, $(29) recovery of outstanding claims related to a 2013 MSR acquisition, $(22) lower GNMA losses, $(22) lower employee costs and other cost savings
- Other Expense lower due to $20 lower SSTL interest expense and $19 lower interest on advance financings
- Net Loss in 2017 includes one-time $23 benefit from reserve release of uncertain tax positions
- Operating Cash Flow primarily driven by $330 net collection of servicing advances

(a) All variances are versus FY'16
(b) Diluted Loss per Share

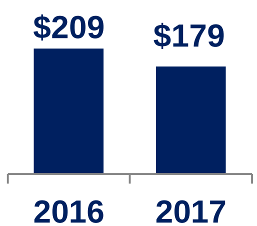
2017 Servicing Segment Results

($ in millions, except UPB)

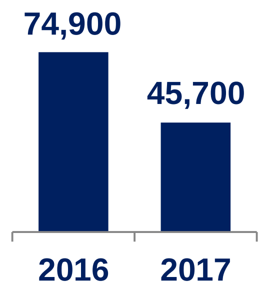
Key Metrics



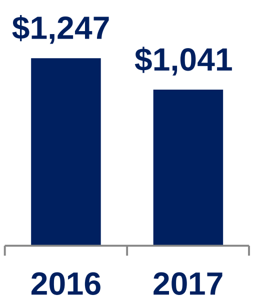
Customers (#)



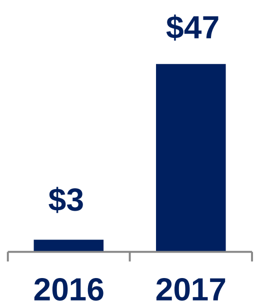
UPB ($B)



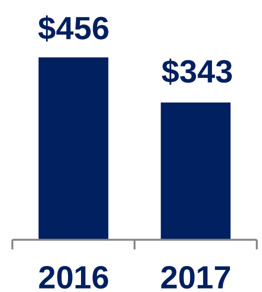
Completed Modifications (#)



Revenue



Pre-tax Income



Illustrative Cash Flow[(a)]

Highlights

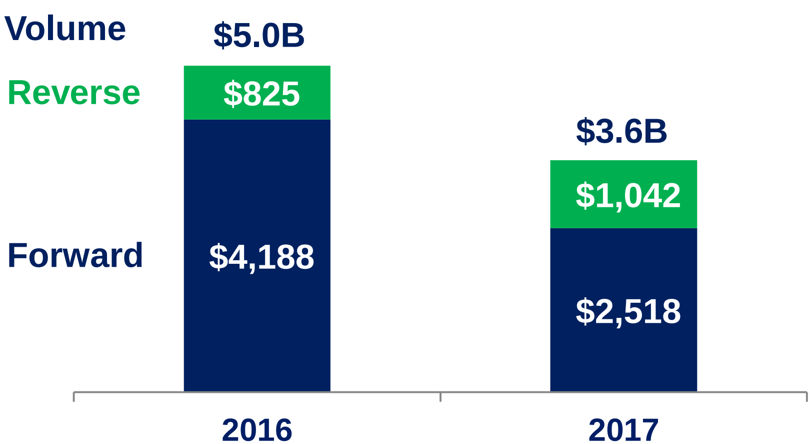
- Ocwen remains focused on providing modification solutions to qualifying borrowers in need
  - Completed almost 45,700 modifications
- $47 pre-tax income despite portfolio run-off and expiration of HAMP program in 2016
- Continue to focus on reducing expenses
  - Average Servicing headcount declined 20% from 2016
- Servicing business generated cash flow greater than net income given non-cash nature of MSR amortization and/or fair value adjustments along with the recovery of advances … Recent NRZ transaction may change cash flow dynamics as cash received upfront
- Continued modification activity and improving delinquency trends drove $330 recovery of outstanding advances

(a) Non-GAAP. See “Reconciliation of Illustrative Servicing Cash Flow” on page 27 for details

2017 Lending Segment Results

($ in millions, except total lending volumes)

Key Metrics



Forward

- Go-forward Retail recapture business … 103% higher volumes in 2017 vs. 2016
- Exited unprofitable correspondent and wholesale channels
- Recorded a pre-tax loss of $(21.6) million in 2017 excluding $(6.8) million restructuring charge

Reverse

- Strong volumes in 2017 … 26% higher volume driven by increases across all channels
- Business adjusting to recent HUD program changes … Market expected to be 15 – 20% lower in 2018
- Continue to manage headcount and marketing costs in the business … Reduced headcount by over 100 employees in the fourth quarter
- Recorded pre-tax income of $24.0 million in 2017

Headcount Trend

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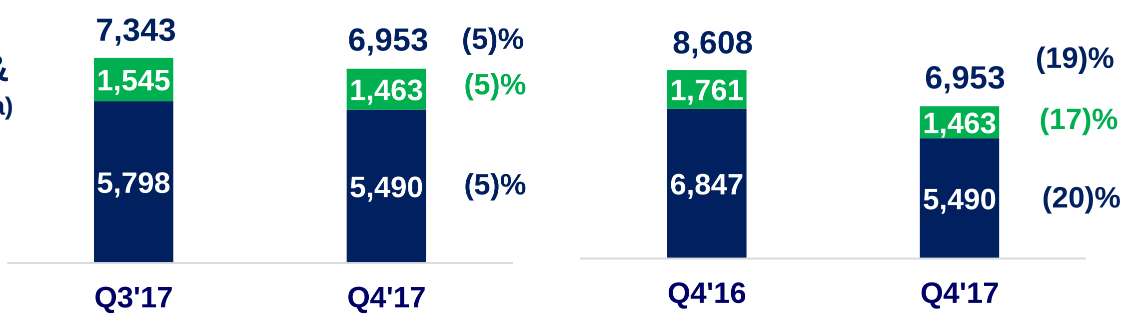
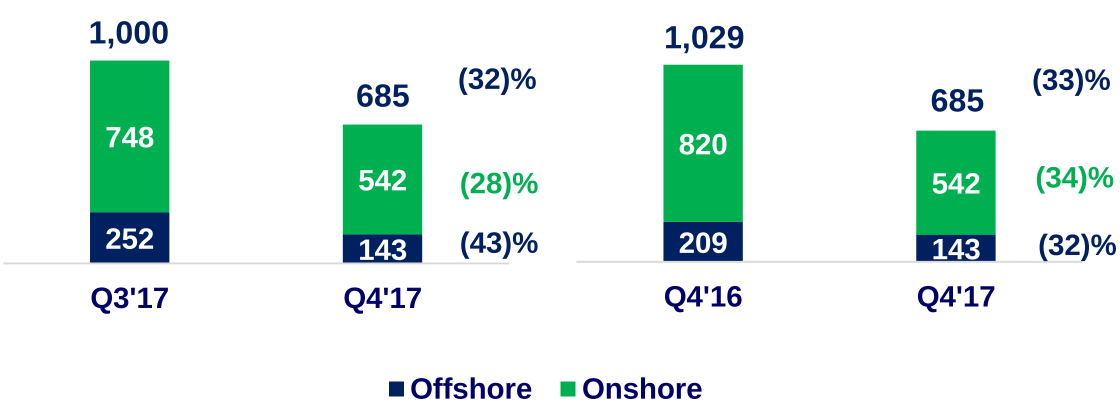
vs. Prior Quarter | **vs. Prior Year**

Servicing & Corporate[a]



- VPQ: (307) lower headcount in servicing and (83) lower headcount in Corporate
- VPY: 19% lower headcount

Lending & Initiatives



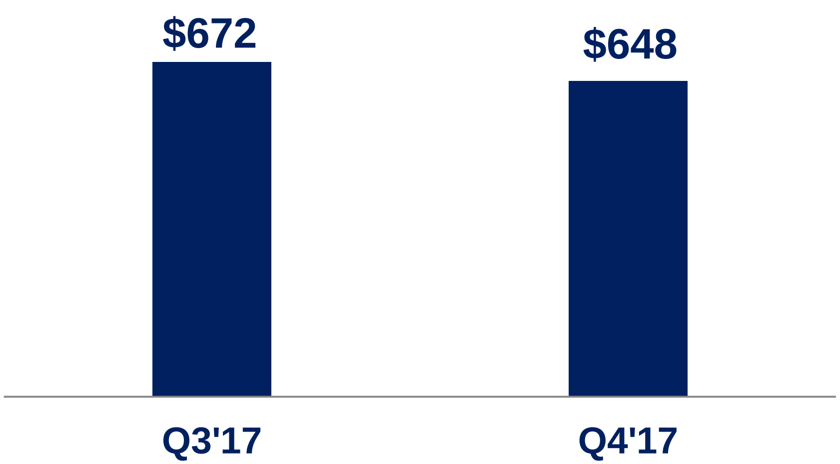
- VPQ: (32)% or (315) lower headcount in lending and Automotive Capital Services
- VPY: 33% lower headcount

(a) As per definitions on page 17. For these purposes, Servicing & Corporate excludes the Initiatives headcount (Automotive Capital Services) that currently are reported in the Corporate Segment. This headcount is reflected in the Lending & Initiatives graphs

Leverage & Liquidity Update

($ in millions, except where otherwise noted)

Corporate Debt



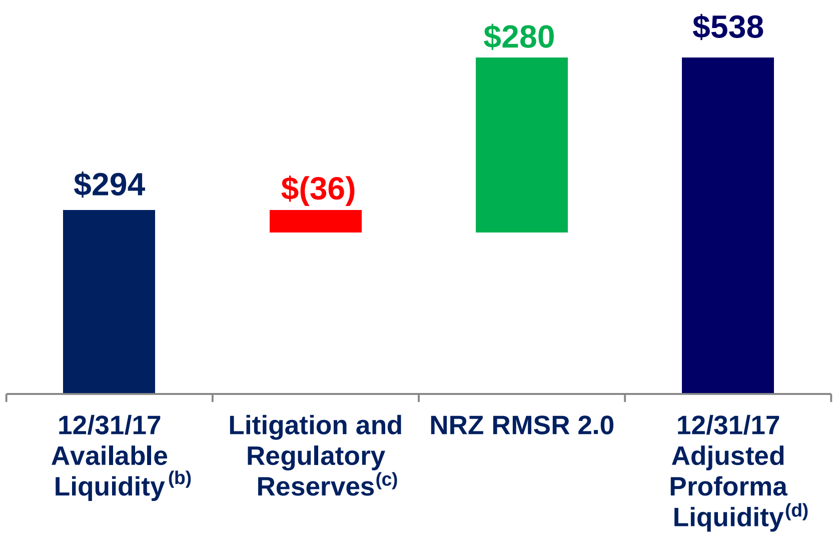
1.1x Corporate Debt/Equity[a]

1.2x Corporate Debt/Equity[a]

- As of 12/31/17, Corporate Debt secured by approximately $1.3B of collateral, calculated in accordance with the Senior Secured Term Loan

(a) Corporate Debt = Debt Balance of Senior Secured Term Loan + 2nd Lien Bonds + remaining Unsecured bonds. Excludes Debt Issuance costs and Original Issue Discount on SSTL refinanced in December 2016.

Cash Update



- $36 Opt out Securities Matter payment made in December 2017 and $18 TCPA Matter payment made in November 2017
- Voluntarily paid down $20 Senior Secured Term Loan in December 2017
- Received $280 cash in January 2018 as part of NRZ RMSR 2.0 transaction

(b) As of 12/31, $260 GAAP reported cash + $34 available credit on advance facilities and warehouse lines
(c) Settlement reserves, excludes $6 Securities matter reserve to be paid out in stock
(d) Non-GAAP. Available liquidity and Adjusted proforma liquidity are for illustrative purposes only and do not include adjustments for all unutilized borrowing capacity, reserves, accounts payable, interest payable and other short term payables, among others

Shareholder Relations Information

About Ocwen	Ocwen Financial Corporation is a financial services holding company which, through its subsidiaries, originates and services loans. We are headquartered in West Palm Beach, Florida, with offices throughout the United States and in the U.S. Virgin Islands and operations in India and the Philippines. We have been serving our customers since 1988. We may post information that is important to investors on our website (www.Ocwen.com).
Contact Information	All Shareholder Relations inquiries should be sent to: shareholderrelations@ocwen.com

Exchange	New York Stock Exchange (NYSE)
Ticker	OCN
Headquarters	West Palm Beach, FL
Employees	Approximately 7,600

Appendix: 2017 Financials

- Cost Performance
- Operating Expense Roll-forward
- Illustrative Adjustments to Pre-tax Income
- Total Other (Income) Expense, Net Detail
- P&L impact of Fair Value and Amortization Changes
- MSR Economics and Valuation Assumptions
- Debt Facilities Overview
- Reconciliation of Illustrative Servicing Cash Flow

Note Regarding Adjustments to GAAP Operating Expense and Pre-Tax Income

In the following six slides, we present supplemental information (including reconciliations) relating to certain illustrative adjustments to GAAP operating expense and pre-tax income. We believe this information is instructive as an alternative way to view certain aspects of our business. However, the adjustments we make to GAAP operating expense and pre-tax income should not be analyzed in isolation or as a substitute to analysis of our GAAP operating expense and pre-tax income. There are certain limitations on the analytical usefulness of the adjustments we make to GAAP operating expense and pre-tax income and, accordingly, we rely primarily on our GAAP results and use these adjustments only for purposes of supplemental analysis. Readers are cautioned not to place undue reliance on analysis of the adjustments we make to GAAP operating expense and pre-tax income.

Adjusted Operating Expense on the following slides adjusts GAAP operating expense for (1) changes in fair value of our MSRs due to changes in market rates, valuation inputs and other assumptions, (2) expense related to business restructuring items such as severance expenses, (3) legal, regulatory or counterparty settlement expenses as well as monitoring costs and (4) other expense items, including certain non-recurring costs, that management believes do not reflect the underlying operating expense performance of the Company, consistent with the intent of providing management and investors with a supplemental means of evaluating our operating performance. Certain components excluded from Adjusted Operating Expense are expected to occur in each period. For example, fair value changes in our MSR portfolio are regularly expected to occur, and we may incur settlement expenses in each period.

Additionally, on the slide entitled “Illustrative Adjustments to Pre-tax Income”, we show certain illustrative adjustments to GAAP pre-tax income for the following factors (1) Adjusted Operating Expense, (2) offsets to Other Income (Expense) relating to Adjusted Operating Expense, (3) Fisher litigation defense expenses, (4) CFPB and state regulatory action litigation defense expenses, (5) NRZ transaction expenses, (6) gains/losses on MSR sales, (7) corporate debt interest expense and refinance expense and (8) the payments we have made to NRZ in 2016 related to S&P servicer ranking downgrade

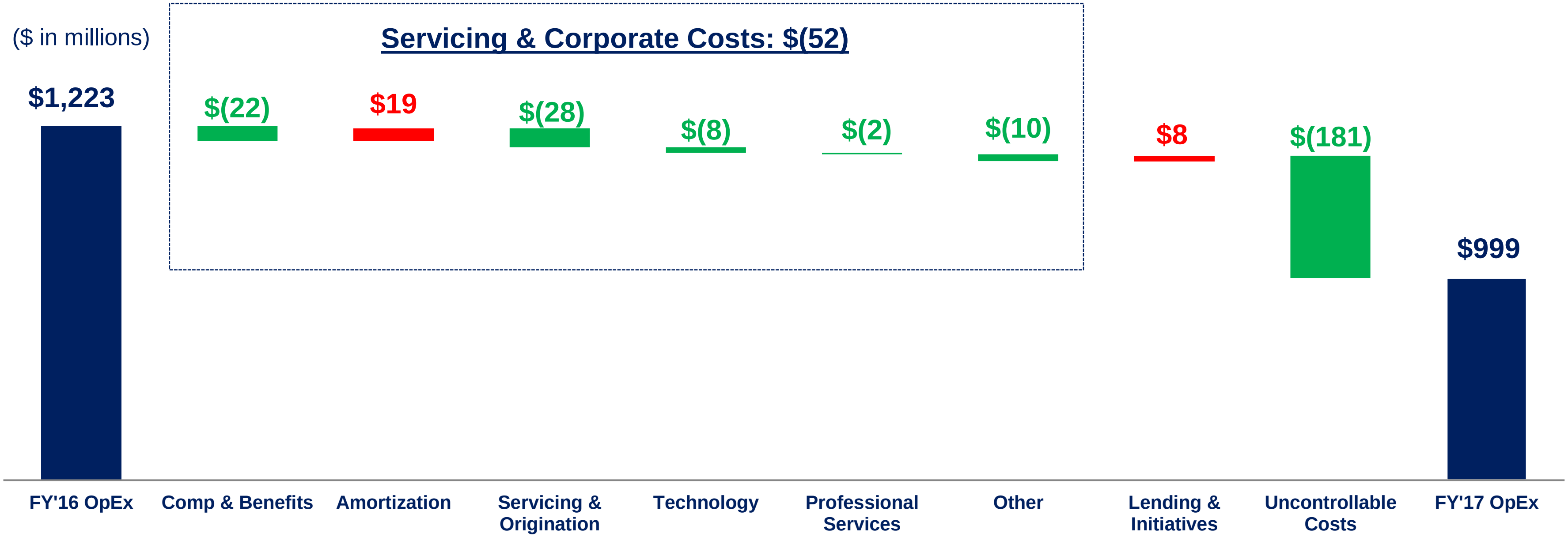
Cost Overview

We believe Ocwen's cost structure is best understood by looking at three distinct categories of costs, each with their own dynamics and drivers

Cost Category	Spend Dynamics
1 Servicing and Corporate costs, excluding Initiative spending and 'uncontrollable' costs described below	• Reduce servicing costs to adjust for reduced portfolio size and drive productivity and other reductions in overhead structure
2 Lending and Initiatives spending	• Right-sizing cost structure in light of recent business announcements
3 Uncontrollable costs (MSR valuation changes and monitoring costs)	• Interest rate changes or valuation assumptions have driven adjustments to our MSRs; For ease of reference, we use the term "uncontrollable" because we have no or limited ability to influence, limit or reduce MSR valuation changes or monitoring costs

Significantly improved cost performance vs. prior year

$225 decrease in costs compared to prior year, driven by $181 lower Uncontrollable expenses, $52 lower expenses in Servicing & Corporate segments due to cost improvement efforts and lower loan count-driven expenses partially offset by higher spend in Lending & Initiatives



Servicing & Corporate	$984
Lending & Initiatives	143
Uncontrollable Costs	97
Total	**$1,223**

Servicing & Corporate	$932
Lending & Initiatives	151
Uncontrollable Costs	(84)
Total	**$999**

Note: See page 17 for details on cost categories

Cost Performance: Servicing & Corporate

$(52) lower Servicing and Corporate controllable expenses primarily driven by $(22) Compensation & Benefits, $(9) lower Amortization and S&O Expense, $(9) lower Mailing and $(8) lower Technology

($ in millions)	FY'16	FY'17	VPY
Servicing & Corporate	**$ 984**	**$ 932**	**$ (52)**
Compensation & Benefits	**$ 300**	**$ 278**	**$ (22)**
Onshore	218	195	(22)
Offshore	79	77	(2)
Severance	3	5	2
Amortization and S&O Expense	**$ 272**	**$ 263**	**$ (9)**
Amortization	33	52	19
MSR FV Change	76	92	16
Servicer Expenses	26	9	(18)
GNMA Losses	104	82	(22)
Other Serv & Orig.	33	30	(4)
Technology	**$ 106**	**$ 97**	**$ (8)**
Servicing Platform Expenses	24	21	(4)
Service/Maintenance Expenses	23	25	2
Imaging Expenses	10	9	(1)
Other Tech & Comm.	49	43	(6)
Professional Fees	**$ 219**	**$ 217**	**$ (2)**
General Legal Fees	91	76	(15)
Legal & Regulatory Settlements	85	107	22
Audit, Insurance and Other	43	34	(9)
Other Expenses	**$ 87**	**$ 77**	**$ (10)**
Mailing Expenses	35	26	(9)
Facility Expenses	40	35	(5)
Reserves	(2)	(4)	(2)
Other	15	20	5

Cost Performance: Lending, Initiatives & Uncontrollable

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$8 higher Lending and Initiatives expenses ($7 Lending restructuring costs and $4 higher advertising expenses offset by savings) and $(181) lower Uncontrollable expenses

($ in millions)	FY'16	FY'17	VPY
Lending & Initiatives	**$ 143**	**$ 151**	**$ 8**
Comp & Benefits	81	81	(0)
Amortization	0	0	(0)
Servicing & Origination	25	22	(4)
Technology	5	3	(1)
Professional Services	5	6	1
Other	26	38	12
Uncontrollable Expenses	**$ 97**	**$ (84)**	**$ (181)**
Agency MSR FV Change	(1)	(0)	0
MSR Impairment	11	(3)	(14)
PLS MSR FV Change	5	(87)	(92)
Monitor Expense	82	6	(75)
Total Operating Expenses	**$ 1,223**	**$ 999**	**$ (225)**

Operating Expense Roll-forward (FY’16 to FY’17)

($ in millions)	Compensation & Benefits	Amortization of Servicing Rights	Servicing & Origination	Technology & Communication	Professional Services	Occupancy & Equipment	Other Operating Expenses	Total
FY'16 Actual Operating Expenses (GAAP)	**$ 381.3**	**$ 33.0**	**$ 279.8**	**$ 110.3**	**$ 305.6**	**$ 80.2**	**$ 33.0**	**$ 1,223.3**
Restructuring costs	(3.2)							(3.2)
GNMA & GSE MSR FV Change [a]			(10.2)					(10.2)
MSR FV Change (Non-Agency) [a]			(4.9)					(4.9)
Legal and Regulatory Settlement Accruals					(69.4)			(69.4)
Monitor Costs					(81.7)			(81.7)
Other							7.4	7.4
FY'16 Adjusted Operating Expense	**$ 378.1**	**$ 33.0**	**$ 264.7**	**$ 110.3**	**$ 154.4**	**$ 80.2**	**$ 40.4**	**$ 1,061.2**
Servicing expenses			(39.8)				3.2	(36.6)
Employee costs	(24.6)							(24.6)
Consulting & Legal					(25.3)			(25.3)
Infrastructure & Projects				(1.6)		(5.3)		(6.8)
Amortization & MSR FV Change [b]		18.8	15.5					34.4
Loan-count driven expenses			(3.8)	(9.0)		(8.9)		(21.7)
Other			(3.7)				(1.2)	(4.9)
FY'17 Adjusted Operating Expense	**$ 353.5**	**$ 51.8**	**$ 233.0**	**$ 99.7**	**$ 129.2**	**$ 66.0**	**$ 42.4**	**$ 975.7**
Restructuring costs	(5.4)			(0.8)			(6.8)	(13.0)
GNMA & GSE MSR FV Change [a]			3.6					3.6
MSR FV Change (Non-Agency) [a]			86.7					86.7
Legal and Regulatory Settlement Accruals					(93.8)			(93.8)
Monitor Costs					(6.4)			(6.4)
FY'17 Actual Operating Expenses (GAAP)	**$ 359.0**	**$ 51.8**	**$ 142.7**	**$ 100.5**	**$ 229.5**	**$ 66.0**	**$ 49.2**	**$ 998.6**

(a) FV changes that are driven by changes in market rates or assumptions are recorded here
(b) Portfolio run-off, excluding any FV changes driven by market rates or assumptions

Illustrative Adjustments to Pre-tax Income

($ in millions)	FY'16	FY'17
Reported Operating Expense (GAAP)	**$1,223.3**	**$998.6**
Restructuring costs	(3.2)	(13.0)
GNMA & GSE MSR FV Change[(a)]	(10.2)	3.6
MSR FV Change (Non-Agency)[(a)]	(4.9)	86.7
Legal and Regulatory Settlement Accruals	(69.4)	(93.8)
Monitor Costs	(81.7)	(6.4)
Other	7.4	-
Adjusted Operating Expense (Non-GAAP)	**$1,061.2**	**$975.7**
Operating Expense Adjustments	**$(162.1)**	**$(23.0)**

	FY'16	FY'17
Pre-tax Income (GAAP)	**$(206)**	**$(144)**
Operating Expense Adjustments	162	23
Offset to Operating Expense Adjustments[(b)]	3	90
CFPB/State Matter Litigation Expenses	-	11
NRZ Consent Expenses	-	8
NRZ Payments (S&P Related)	11	-
Fisher Litigation Defense Expenses	24	-
Corporate Debt Refinance Expenses	16	-
(Gains)/Losses on MSR Sales	(8)	(11)
Adjusted Pre-tax Income (Non-GAAP)	**$1**	**$(23)**
Less: Corporate Debt Interest Expense	(58)	(53)
Adjusted Pre-tax Income before Corporate Debt expense (Non-GAAP)	**$59**	**$30**

(a) FV changes that are driven by changes in market rates or assumptions are recorded here, offset in other income expense

(b) Certain Operating Expense adjustments had offsetting true-ups to revenue, other income and NRZ interest expense

Total Other (Income) Expense, Net

($ in millions)	FY'16	FY'17	VPY$	Comments
NRZ Interest Expense	$234.4	$236.3	$1.9	
- NRZ Servicing Fees	295.8	254.2	(41.6)	Lower UPB
- MSR Liability runoff and other	(64.0)	(55.8)	8.2	CPR & collateral updates
- RMSR Liability runoff	-	(3.3)	(3.3)	Amortization of RMSR liability
- MSR Liability Mark-to-Market	2.6	83.3	80.7	2012 and 2013 Rights to MSR liability: Interest rate and valuation updates
- RMSR Liability Mark-to-Market	-	(42.0)	(42.0)	Characteristics and assumptions (RMSR)
Match Funded Financing	66.9	47.6	(19.3)	Decline in Servicing Advances and higher fees amortized in FY'16
SSTL (incl. fee amortization)	43.8	23.7	(20.1)	Unamortized debt issuance cost in FY'16
Other Secured/Structured Financing	20.3	22.0	1.7	EBO, OASIS, Warehouse Lines
High Yield Bond / Second Lien Notes	30.3	29.8	(0.5)	
RMBS Call Rights	(19.8)	(5.5)	14.3	Commercial clean-up calls in FY'16
Other	13.5	1.9	(11.6)	NRZ Payments (S&P related) in FY'16
Interest Income	(19.1)	(16.0)	3.1	
Total Other Expense, net	**$370.3**	**$339.9**	**$(30.4)**	

Note: "VPY$" = Dollar variance versus prior year
Please refer to the Company's Annual Report on Form 10-K for the year ending December 31, 2017 and amended Annual Report for the year ending December 30, 2016 for additional information on Other Income (Expense), Net

P&L Impact of Fair Value Changes

OCWEN

	($ in millions)	2016	2017	VPY$	Slide Reference
	Non-Agency MSR Fair Value Change				
0	- Portfolio change (Run-off and collateral)	$ (73.9)	$ (89.7)	$ (15.8)	Slide 21 via line 11 below
	- Interest Rate and Other Assumption Changes	(4.9)	86.7	91.6	Slide 22
1	**Total Non-Agency MSR Fair Value Change**	**(78.7)**	**(3.0)**	**75.8**	
	Agency MSR Fair Value Change				
2	- Portfolio change (Run-off and collateral)	$ (2.1)	$ (1.8)	$ 0.3	Slide 21 via line 11 below
3	- Interest Rate and Other Assumption Changes	0.6	0.2	(0.4)	Slide 22 via line 7 below
4	**Total Agency MSR Fair Value Change**	**(1.5)**	**(1.6)**	**(0.1)**	
	Total MSR Fair Value Changes				
	- Portfolio change (Run-off and collateral)	$ (75.9)	$ (91.5)	$ (15.5)	
	- Interest Rate and Other Assumption Changes	(4.3)	87.0	91.2	
5	**Total MSR Fair Value Changes (1 + 4)**	**(80.2)**	**(4.5)**	**75.7**	
6	**Fair Value Impact on Carrying Value of GNMA MSRs (LOCOM)**	**(10.8)**	**3.4**	**14.1**	
7	**Interest Rate-driven Fair Value Changes (3+6)**	**$ (10.2)**	**$ 3.6**	**$ 13.8**	Slide 22
	NRZ Liability Fair Value Changes				
	- Portfolio change (Run-off and collateral)	64.0	55.8	(8.2)	Slide 23
	- Interest Rate and Other Assumption Changes	2.6	(83.3)	(85.9)	Slide 23
8	**Total MSR Liability Fair Value Changes (impacts interest expense)**	**66.6**	**(27.5)**	**(94.1)**	Offset to line 1 above
	Income Statement Impact of Fair Value Related Changes (5 + 6 + 8)	**$ (24.4)**	**$ (28.6)**	**$ (4.2)**	
	Amortization Expense (Agency)				
9	- Portfolio change (Run-off and collateral)	$ (60.5)	$ (51.8)	$ 8.7	
	- HUD Note Sales True-up	27.5	-	(27.5)	
10	**Total Agency MSR Amortization Expense**	**(33.0)**	**(51.8)**	**(18.8)**	Slide 21 via line 11 below
	Additional Reconciliation:				
	Amortization Expense (Agency) **(10)**	$ (33.0)	$ (51.8)	$ (18.8)	
	MSR Fair Value Change (Portfolio change) **(0 + 2)**	(75.9)	(91.5)	(15.5)	
11	**Total Amortization and Fair Value Change (Portfolio change)**	**(108.9)**	**(143.3)**	**(34.4)**	Slide 21

MSR Valuation Assumptions

(in $ millions)	FNMA / FHLMC				GNMA			PLS		
	OASIS Financed[a]	OASIS Retained[a]	MSRs Retained	Total	NRZ Financed	Ocwen Retained	Total[b]	NRZ Financed	Ocwen Retained	Total
UPB	6,015		18,251	24,266	268	16,582	16,850	96,594	29,845	126,439
Book Value	44	24	146	215	(8)	166	158	507	153	660
Fair Value	62	34	200	296	(8)	141	133	507	153	660
Collateral Metrics:										
Weighted Average Note Rate	4.39		4.32	4.33	5.64	4.46	4.47	4.53	4.37	4.49
Weighted Average Svc Fee	0.31		0.28	0.29	0.09	0.32	0.32	0.47	0.33	0.44
Weighted Average Loan-to-Value	72		68	69	81	84	84	86	83	85
% D30 (MBA)	1%		3%	3%	13%	6%	7%	9%	5%	8%
% D60 (MBA)	0%		2%	1%	8%	3%	3%	5%	2%	5%
% D90+ (MBA)	1%		4%	3%	17%	7%	7%	14%	9%	12%
Fair Value Assumptions[c]:										
Lifetime CPR[d]	7.82		9.16	8.83	24.89	11.41	11.63	16.42	13.88	16.01
Cost to Service[e]	$68		$97	$90	$292	$137	$139	$316	$267	$308
Ancillary Income[e]	$42		$46	$45	$64	$64	$64	$89	$103	$91
Discount Rate	8.60		9.44	9.23	13.50	10.24	10.30	12.83	13.58	12.95

(a) "OASIS Financed" represents the value attributed to the securitized 21 bp service fee strip, and “Oasis Retained" is the left over service fee and other cash flows that remain with Ocwen
(b) The ($25mm) difference between GNMA FV and BV is carried as asset impairment at 12/31, favorable to the 9/30 level of ($27mm) due to an increase in market interest rates
(c) 3rd party broker assumptions
(d) Total voluntary payoffs and involuntary defaults; does not include scheduled payments
(e) Annual $ per loan

Debt Facilities Overview[a]

($ in millions)

	Debt Balance	Facility Cap	Weighted Average Advance Rate	Interest Rate	Maturity
Advance Facilities					
OMART	$ 884	960	89.3%	2.80% for term Notes; 1 L + 3.04% for VFN	08/10/2018; 08/15/2018; 09/17/2018 08/15/2019
OFAF	56	110	85.4%	CoF + 2.96%	6/7/2018
OSART III	34	55	69.1%	CoF + 3.01%	12/14/2018
EBO (Counterparty 1)	13	13	79.0%	1L + 4.5%	N/A
EBO (Counterparty 2)			87.0%	1L + 5.5%	N/A
ACART[b]	25	50	77.0%	CoF + 5%	2/15/2019
Subtotal - Advance Facilities	**1,011**	**1,188**			
Warehouse Lines					
OLS - Lender 1	109	175	100.0%	WAC	4/30/2018
OLS - Lender 2	8	138	92.0%	1L + 2.00% to 3.75%	8/20/2018
OLS - Lender 3	54	150	97.0%	1mL+2.25% Forward 1mL+2.75% Reverse	12/7/2018
Liberty - Lender 1	32	100	99.0%	1L + 2.75%	10/12/2018
Liberty - Lender 2	-	50	98.0%	Prime + 0.00% (4% floor)	12/3/2018
HRI - Lender 1	53	75	100.0%	WAC	4/30/2018
Subtotal - Warehouse Lines	**256**	**688**			
Structured Transactions					
OASIS	73	73	N/A	N/A	2/28/2028
Subtotal - Structured Transactions	**73**	**73**			
Corporate Debt					
SSTL	298	298	N/A	1L (with a floor at 1.00%) + 5.00%	12/5/2020
6.625% Sr Notes	3	3	N/A	6.625%	5/15/2019
8.375% 2nd Lien Notes	347	347	N/A	8.375%	11/15/2022
Subtotal - Corporate Debt	**648**	**648**			
Total	**$ 1,988**	**$ 2,596**			

(a) Balances as of 12/31/17

(b) ACART facility paid down and terminated on January 23, 2018

Note: Excludes Debt Issuance costs and Discount, “CoF” represents Cost of Funds, “1L” represents 1 month LIBOR and “WAC” represents Weighted Average Coupon on underlying mortgage loans

Reconciliation of Illustrative Servicing Cash Flow

($ in millions)

	2016	2017
Cash Provided by Operating Activities (A) (GAAP)	**$475**	**$412**
Loans Held for Sale change (B)	(100)	(76)
Monitor Expenses (C)	(82)	(6)
Servicing Cash (A) + (B) – (C) (Non-GAAP)	**$456**	**$343**

Appendix: Q4 2017 Financials

- Financial and Segment Results
- Adjusted Operating Expense Overview
- Cost Performance
- Illustrative Adjustments to Pre-tax Income
- Total Other (Income) Expense, Net Detail
- P&L impact of Fair Value and Amortization Changes
- Financial Updates: Management View
- Consolidated Statement of Cash Flows – Adjusted Cash from Operations Calculation
- Reconciliation of Illustrative Servicing Cash Flow

Q4’17 Financial Results

($ in millions, except Loss per Share)

	Q3’17	Q4’17	VPQ$[a]
Revenues	**$285**	**$277**	**$(8)**
• Servicing	247	239	(8)
• Lending	32	32	0
• Corporate	6	6	(0)
Operating Expenses	(273)	(168)	105
Other Income / (Expense)	(38)	(154)	(116)
Pre-Tax Loss	**$(27)**	**$(45)**	**$(19)**
Net Loss	**$(6)**	**$(45)**	**$(39)**
Loss per Share[b]	$(0.05)	$(0.34)	$(0.29)
Operating Cash Flow	**$120**	**$11**	**$(110)**

Key Results

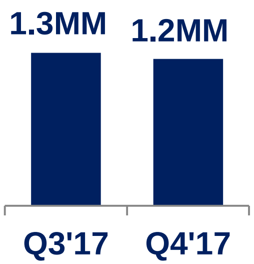
- Servicing Revenue down (3)% due to UPB runoff and lower GNMA redeliveries
- Lower operating expenses driven by $(96) lower MSR amortization and fair value change (offset by NRZ interest expense below) and $(29) recovery of outstanding claims related to 2013 MSR acquisitions. $(8) lower GNMA losses and other cost savings partially offset by $48 higher legal settlement reserves
- Other Expense higher due to $109 higher NRZ interest expense (offset above)
- Q3’17 includes a one-time $23 benefit from a reserve release for uncertain tax positions
- $11 Operating Cash Flow primarily driven by collection of advances, the level of mortgage loan production and the timing of sales and securitizations of mortgage loans

(a) All variances are versus Q3’17
(b) Diluted Loss per Share

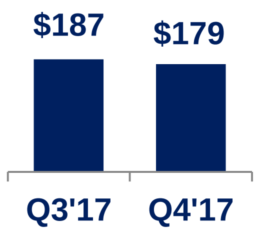
Q4’17 Servicing Segment Results

($ in millions, except UPB)

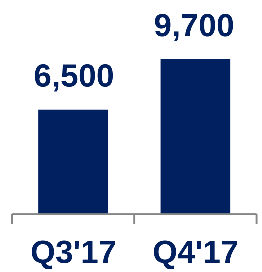
Key Metrics



Customers (#)



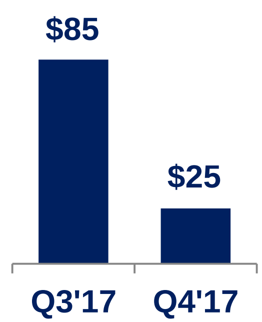
UPB ($B)



Completed Modifications (#)

Revenue

Pre-tax Income



Illustrative Cash Flow [(a)]

Highlights

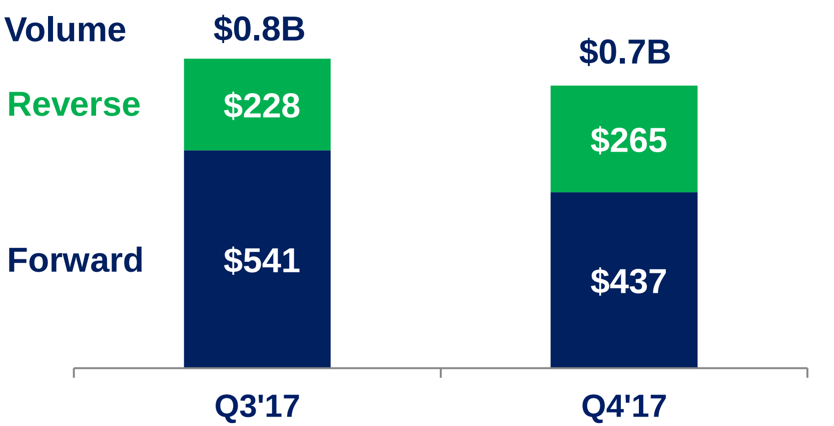
- Ocwen remains focused on providing modification solutions to qualifying borrowers in need
  - Completed over 9,700 modifications
- $29 pre-tax income primarily due to $29 recovery of claims related to a 2013 MSR acquisition
- Continue to focus on reducing expenses
  - Headcount declined 5% from Q3’17
- Servicing business typically generates cash flow greater than net income given non-cash nature of MSR amortization and/or fair value adjustments along with the recovery of advances … Recent NRZ transactions may change cash flow dynamics as cash received upfront
- Continued modification activity and portfolio runoff drove $45 recovery of outstanding advances

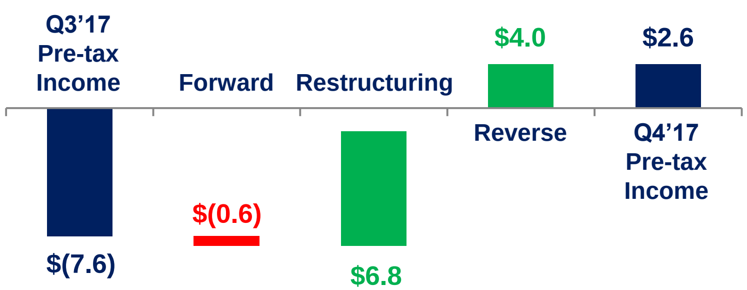
(a) Non-GAAP. See “Reconciliation of Illustrative Servicing Cash Flow” on page 42 for details

Q4’17 Lending Segment Results

($ in millions, except total lending volumes)

Financial Performance





Forward

- Go-forward focus on Retail recapture business … 16% higher volumes in Q4’17
- Cost right-sizing in process … Reduced headcount by almost 200 employees in the fourth quarter
- Q4’17 pre-tax loss of $(5.9) million

Reverse

- Strong volumes in fourth quarter … 17% higher volume driven by increases across all channels
- Business adjusting to recent HUD program changes … Market expected to be 15 – 20% lower in 2018
- Continue to manage headcount and marketing costs in the business … Reduced headcount by over 100 employees in the fourth quarter
- Q4’17 pre-tax income of $8.5 million

Q4’17 Segment Results

($ in millions, except where otherwise noted)

Servicing

	Q3’17	Q4’17	VPQ$[a]
Revenues	**$247**	**$239**	**$(8)**
• Servicing / Subservicing	192	189	(3)
• HAMP/Late/Other fees	41	39	(2)
• Gains / Other	13	11	(2)
Operating expenses	(219)	(79)	140
Other Income / (Expense)	(22)	(131)	(109)
Pre-tax Income	**$6**	**$29**	**$23**

Drivers:

- Lower revenue driven by UPB run-off and lower GNMA redeliveries
- Lower expenses driven by $96 favorable MSR amortization and FV change, $29 recovery of claims related to 2013 MSR purchase and $8 lower GNMA losses
- Higher Other Expense driven by $109 higher NRZ interest expense, primarily driven by $73 MSR valuation driven liability FV change in Q4’17 and $37 favorable mark-to-market on the new NRZ financing liability in Q3’17

Lending

	Q3’17	Q4’17	VPQ$[a]
Revenues	**$32**	**$32**	**$0**
• Gain on loans held for sale	22	24	2
• Other revenue	10	8	(2)
Operating expenses	(38)	(27)	11
Other Income / (Expense)	(1)	(2)	(1)
Pre-tax Income / (Loss)	**$(8)**	**$3**	**$10**

Drivers:

- Retail Forward Lending channel volume up 16% and Reverse Lending volume increased by 17% in Q4’17
- Lower operating expenses primarily due to $7 write-off of the carrying value of internally-developed software used in our wholesale forward lending business in Q3’17 and $2 lower employee costs

(a) All variances are versus Q3’17

Adjusted Operating Expense

($ in millions)

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Reported Operating Expense (GAAP)	**$237.9**	**$276.4**	**$280.5**	**$273.5**	**$168.3**
Restructuring costs	(0.2)	(0.4)	(0.8)	(9.5)	(2.4)
GNMA & GSE MSR FV Change[(a)]	31.6	(0.9)	(3.7)	6.0	2.2
MSR FV Change (Non-Agency)[(a)]	-	-	-	2.3	84.4
Legal and Regulatory Settlement Accruals	(12.5)	(8.0)	(33.6)	(2.5)	(49.8)
Monitor Costs	(8.5)	(4.4)	(0.5)	(1.6)	-
Adjusted Operating Expense (Non-GAAP)	**$248.3**	**$262.8**	**$241.9**	**$268.2**	**$202.7**

Operating Expense Adjustments	**$10.4**	**$(13.6)**	**$(38.6)**	**$(5.3)**	**$34.4**

(a) FV changes that are driven by changes in market rates or assumptions are recorded here

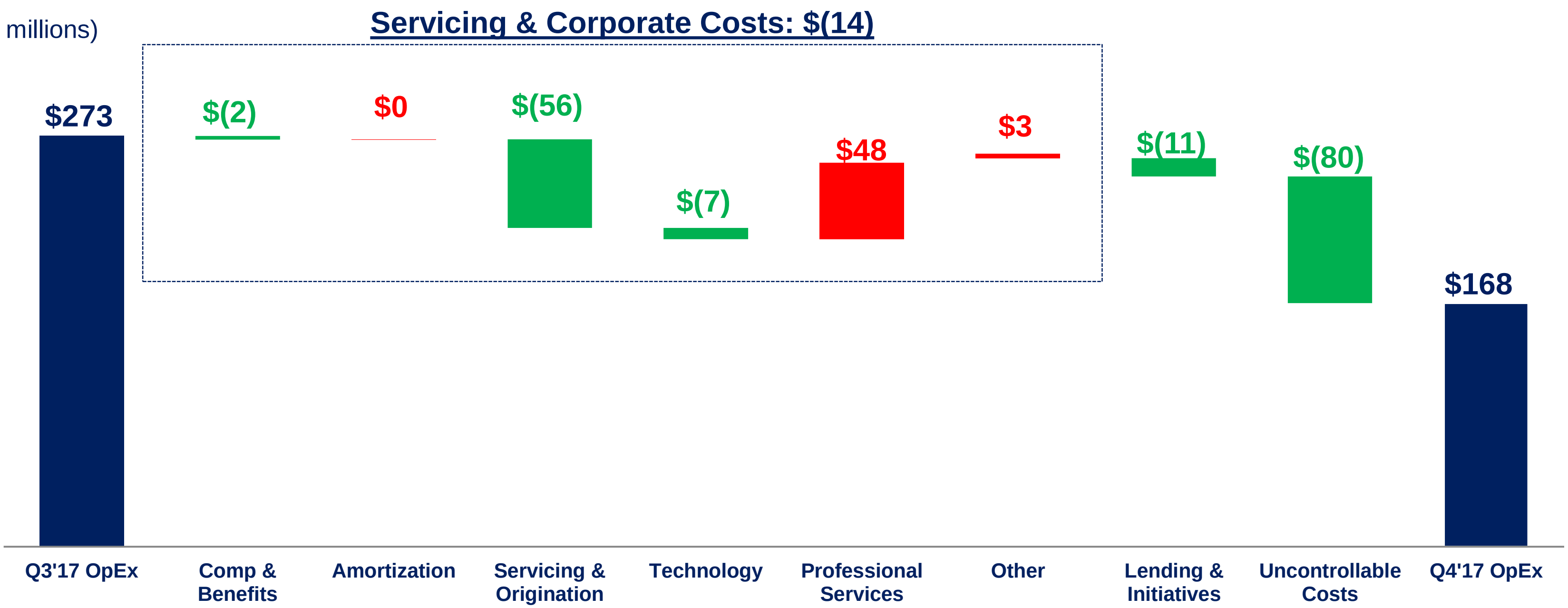
Operating Expense Roll-forward

($ in millions)	Compensation & Benefits	Amortization of Servicing Rights	Servicing & Origination	Technology & Communication	Professional Services	Occupancy & Equipment	Other Operating Expenses	Total
Q3'17 Actual Operating Expenses (GAAP)	**$ 90.5**	**$ 13.1**	**$ 72.5**	**$ 27.9**	**$ 38.4**	**$ 15.3**	**$ 15.6**	**$ 273.5**
Restructuring costs	(1.9)			(0.8)			(6.8)	(9.5)
GNMA & GSE MSR FV Change [(a)]			6.0					6.0
MSR FV Change (Non-Agency) [(a)]			2.3					2.3
Legal and Regulatory Settlement Accruals					(2.5)			(2.5)
Monitor Costs					(1.6)			(1.6)
Q3'17 Adjusted Operating Expense	**$ 88.7**	**$ 13.1**	**$ 80.9**	**$ 27.1**	**$ 34.3**	**$ 15.3**	**$ 8.7**	**$ 268.2**
Servicing expenses			(37.7)				1.8	(36.0)
Employee costs	(4.8)							(4.8)
Consulting & Legal					(0.3)			(0.3)
Infrastructure & Projects				(5.7)		1.0		(4.7)
Amortization & MSR FV Change [(b)]		0.1	(17.8)					(17.7)
Loan-count driven expenses			(0.3)	(0.5)		0.1		(0.6)
Other	-	-	(0.8)	-	-	-	(0.6)	(1.4)
Q4'17 Adjusted Operating Expense	**$ 83.9**	**$ 13.2**	**$ 24.3**	**$ 21.0**	**$ 34.0**	**$ 16.5**	**$ 9.9**	**$ 202.7**
Restructuring costs	(2.4)							(2.4)
GNMA & GSE MSR FV Change [(a)]			2.2					2.2
MSR FV Change (Non-Agency) [(a)]			84.4					84.4
Legal and Regulatory Settlement Accruals					(49.8)			(49.8)
Q4'17 Actual Operating Expenses (GAAP)	**$ 86.2**	**$ 13.2**	**$ (62.3)**	**$ 21.0**	**$ 83.8**	**$ 16.5**	**$ 9.9**	**$ 168.3**

(a) FV changes that are driven by changes in market rates or assumptions are recorded here
(b) Portfolio run-off, excluding any FV changes driven by market rates or assumptions

Cost Overview

($ in millions)



Servicing & Corporate	$238
Lending & Initiatives	42
Uncontrollable Costs	(7)
Total	**$273**

Servicing & Corporate	$224
Lending & Initiatives	31
Uncontrollable Costs	(87)
Total	**$168**

- $(14) lower Servicing and Corporate controllable expenses primarily driven by $(29) recoveries of prior claims, $(18) favorable Non-Agency MSR FV change, $(8) lower GNMA losses and $(7) technology expense partly offset by $48 higher settlement expenses
- $(11) lower Lending and Initiatives controllable expenses primarily due to write-off of the carrying value of internally-developed software used in our wholesale forward lending business in Q3'17 and lower employee costs
- $(80) lower Uncontrollable costs primarily due to favorable valuation driven Non-Agency MSR Fair Value change

Note: See page 17 for details on cost categories

Cost Performance: Servicing & Corporate

$(14) lower Servicing and Corporate controllable expenses primarily driven by $(56) lower Amortization and S&O expenses and $(7) lower Technology expenses partially offset by $48 higher Professional fees

($ in millions)	Q3'17	Q4'17	VPQ
Servicing & Corporate	**$ 238**	**$ 224**	**$ (14)**
Compensation & Benefits	**$ 70**	**$ 68**	**$ (2)**
Onshore	49	47	(2)
Offshore	20	19	(1)
Severance	2	2	0
Amortization and S&O Expense	**$ 89**	**$ 33**	**$ (56)**
Amortization	13	13	0
MSR FV Change	29	11	(18)
Servicer Expenses	12	(17)	(29)
GNMA Losses	28	19	(8)
Other Serv & Orig.	7	7	(0)
Technology	**$ 27**	**$ 20**	**$ (7)**
Servicing Platform Expenses	4	6	2
Service/Maintenance Expenses	9	3	(6)
Imaging Expenses	2	2	0
Other Tech & Comm.	13	9	(3)
Professional Fees	**$ 35**	**$ 83**	**$ 48**
General Legal Fees	22	23	1
Legal & Regulatory Settlements	5	52	48
Audit, Insurance and Other	8	7	(1)
Other Expenses	**$ 17**	**$ 20**	**$ 3**
Mailing Expenses	6	6	0
Facility Expenses	8	9	1
Reserves	1	0	(1)
Other	2	4	3

Note: See page 17 for details on cost categories

Cost Performance: Lending, Initiatives & Uncontrollable

OCWEN

$(11) lower Lending and Initiatives expenses primarily driven by $7 restructuring charges for Forward Wholesale Lending in Q3'17 and $(2) lower Comp & Benefits. $(80) lower uncontrollable expenses primarily due to favorable PLS MSR Fair Value change

($ in millions)	Q3'17	Q4'17	VPQ
Lending & Initiatives	**$ 42**	**$ 31**	**$ (11)**
Comp & Benefits	20	18	(2)
Amortization	0	0	(0)
Servicing & Origination	5	5	(1)
Technology	1	1	0
Professional Services	2	1	(1)
Other	14	6	(7)
Uncontrollable Expenses	**$ (7)**	**$ (87)**	**$ (80)**
Agency MSR FV Change	0	(0)	(1)
MSR Impairment	(6)	(2)	4
PLS MSR FV Change	(2)	(84)	(82)
Monitor Expense	2	-	(2)
Total Operating Expenses	**$ 273**	**$ 168**	**$ (105)**

Note: See page 17 for details on cost categories

Illustrative Adjustments to Pre-tax Income

($ in millions)	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Pre-tax Income (GAAP)	**$(10)**	**$(30)**	**$(42)**	**$(27)**	**$(45)**
Operating Expense Adjustments[(a)]	(10)	14	39	5	(34)
Other Income Adjustments[(b) (c)]	-	-	(1)	10	81
CFPB/State Matter Litigation Expenses	-	-	6	3	2
NRZ Consent Expenses	-	-	2	3	3
Corporate Debt Refinance Expenses	16	-	-	-	-
(Gains)/Losses on MSR Sales	(1)	(0)	(1)	(7)	(3)
Adjusted Pre-tax Income (Non-GAAP)	**$(5)**	**$(17)**	**$3**	**$(13)**	**$4**
Less: Corporate Debt Interest Expense	(13)	(13)	(13)	(13)	(14)
Adjusted Pre-tax Income before Corporate debt expense (Non-GAAP)	**$8**	**$(5)**	**$16**	**$0**	**$17**

(a) See page 33 for details
(b) Certain Operating Expense adjustments had offsetting true-ups to other income/(expense) and NRZ interest expense
(c) Q4'17 included $73 valuation driven NRZ interest expense and $8 valuation mark-to-market for trading securities asset

Total Other (Income) Expense, Net

($ in millions)

	Q3'17	Q4'17	VPQ$	Comments
NRZ Interest Expense	$13.9	$122.6	$108.7	
- NRZ Servicing Fees	60.7	60.6	(0.1)	Lower UPB offset by additional RMSR fees due to NRZ
- MSR Liability runoff and other	(19.1)	(3.6)	15.5	CPR & collateral updates
- RMSR Liability runoff	(0.8)	(2.6)	(1.8)	Amortization of RMSR Liability
- MSR Liability Mark-to-Market	9.9	73.4	63.5	Interest rate and valuation updates
- RMSR Liability Mark-to-Market	(36.8)	(5.1)	31.7	Characteristics and assumptions (RMSR)
Match Funded Financing	12.0	10.1	(1.9)	
SSTL (incl. fee amortization)	6.0	6.1	0.1	
Other Secured/Structured Financing	6.4	4.6	(1.8)	EBO, OASIS, Warehouse Lines
High Yield Bond / Second Lien Notes	7.5	7.5	(0.0)	
RMBS Call Rights	(1.1)	1.7	2.9	
Other	(2.8)	5.0	7.8	3rd party valuation on trading securities
Interest Income	(4.1)	(3.9)	0.2	
Total Other Expense, net	**$37.7**	**$153.8**	**$116.1**	

Note: "VPQ$" = Dollar variance versus prior quarter
Please refer to the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2017 and Annual Report for the year ending December 31, 2017 for additional information on Other Income (Expense), Net

P&L Impact of Fair Value Changes

	($ in millions)	Q3'17	Q4'17	VPQ$	Slide Reference
	Non-Agency MSR Fair Value Change				
0	- Portfolio change (Run-off and collateral)	$ (28.2)	$ (10.4)	$ 17.8	Slide 34 via line 11 below
	- Interest Rate and Other Assumption Changes	2.3	84.4	82.1	Slide 33
1	**Total Non-Agency MSR Fair Value Change**	**(25.9)**	**73.9**	**99.8**	
	Agency MSR Fair Value Change				
2	- Portfolio change (Run-off and collateral)	$ (0.4)	$ (0.4)	$ 0.0	Slide 34 via line 11 below
3	- Interest Rate and Other Assumption Changes	(0.2)	0.4	0.5	Slide 33 via line 7 below
4	**Total Agency MSR Fair Value Change**	**(0.6)**	**(0.0)**	**0.6**	
	Total MSR Fair Value Changes				
	- Portfolio change (Run-off and collateral)	$ (28.6)	$ (10.9)	$ 17.8	
	- Interest Rate and Other Assumption Changes	2.2	84.8	82.6	
5	**Total MSR Fair Value Changes (1 + 4)**	**(26.5)**	**73.9**	**100.4**	
6	**Fair Value Impact on Carrying Value of GNMA MSRs (LOCOM)**	**6.2**	**1.8**	**(4.4)**	Slide 33 via line 7 below
7	**Interest Rate-driven Fair Value Changes (3+6)**	**$ 6.0**	**$ 2.2**	**$ (3.8)**	Slide 33
	NRZ Liability Fair Value Changes				
	- Portfolio change (Run-off and collateral)	19.1	3.6	(15.5)	Slide 39
	- Interest Rate and Other Assumption Changes	(9.9)	(73.4)	(63.6)	Slide 39
8	**Total MSR Liability Fair Value Changes (impacts interest expense)**	**9.2**	**(69.8)**	**(79.1)**	Offset to line 1 above
	Income Statement Impact of Fair Value Related Changes (5 + 6 + 8)	**$ (11.0)**	**$ 5.9**	**$ 16.9**	
	Amortization Expense (Agency)				
9	- Portfolio change (Run-off and collateral)	$ (13.1)	$ (13.2)	$ (0.1)	
10	**Total Agency MSR Amortization Expense**	**(13.1)**	**(13.2)**	**(0.1)**	Slide 34 via line 11 below
	Additional Reconciliation:				
	Amortization Expense (Agency) **(10)**	$ (13.1)	$ (13.2)	$ (0.1)	
	MSR Fair Value Change (Portfolio change) **(0 + 2)**	(28.6)	(10.9)	17.8	
11	**Total Amortization and Fair Value Change (Portfolio change)**	**(41.8)**	**(24.1)**	**17.7**	Slide 34

Consolidated Statement of Cash Flows: Adjusted Cash Flow from Operations Calculation

($ in millions)

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Cash Provided by Operating Activities (A) (GAAP)	**$124**	**$86**	**$195**	**$120**	**$11**
Decrease in Advances and Match Funded Advances (B)	$109	$106	$121	$58	$45
Funding Efficiency (C) (1)	75%	75%	74%	73%	69%
Reduction of match funded liabilities (D=B*C)	82	80	89	42	31
Adjusted Cash Flow from Operations (A-D)	**$42**	**$6**	**$106**	**$78**	**$(20)**
Loans Held for Sale change (E)	(26)	25	(78)	(37)	15
ACS re-class (move from Operating usage to Investing usage) (F)(1)	(23)	-	-	-	-
Normalized Adjusted Cash Flow from Operations (A-D) + (E) + (F) (Non-GAAP)	**$(7)**	**$31**	**$28**	**$41**	**$(6)**

(1) Funding Efficiency = Average month-end balance of Servicing match funded liabilities / (Average month-end balance of advances, net + Average month-end balance of Servicing match funded assets)

(2) Reclassified ACS-related cash flows from Operating to Investing activity in Q4'16. Investments in the business will be shown as investing cash flows going forward

Reconciliation of Illustrative Servicing Cash Flow

($ in millions)

	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
Cash Provided by Operating Activities (A) (GAAP)	**$124**	**$86**	**$195**	**$120**	**$11**
Loans Held for Sale change (B)	(26)	25	(78)	(37)	15
Automotive Capital Services Receivables Change (C)[1]	12	-	-	-	-
Monitor Expenses (D)	(8)	(4)	(0)	(2)	-
ACS re-class (move from Operating usage to Investing usage) (E)[1]	(35)	-	-	-	-
Servicing Cash (A) + (B) + (C) – (D) + (E) (Non-GAAP)	**$84**	**$116**	**$117**	**$85**	**$25**

(1) Reclassified ACS-related cash flows from Operating to Investing activity in Q4'16. Investments in the business will be shown as investing cash flows going forward