UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 0-21341

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

Florida	65-0039856
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida 33401
(Address of principal executive offices) (Zip Code)

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

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ].

Number of shares of Common Stock, $.01 par value, outstanding as of November 11, 2000: 67,152,363 shares

OCWEN FINANCIAL CORPORATION
FORM 10-Q

I N D E X

PART I - FINANCIAL INFORMATION
ITEM 1. INTERIM FINANCIAL STATEMENTS (UNAUDITED)

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

	September 30, 2000	December 31, 1999
ASSETS:		
Cash and amounts due from depository institutions	$ 31,055	$ 153,459
Interest earning deposits	16,422	116,399
Federal funds sold	179,000	112,000
Securities available for sale, at fair value:		
Collateralized mortgage obligations (AAA-rated)	--	392,387
Subordinates, residuals and other securities	--	195,131
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated)	372,541	--
Subordinates, residuals and other securities	123,754	--
Loans available for sale, at lower of cost or market	12,323	45,213
Real estate held for sale	160,589	--
Low-income housing tax credit interests held for sale	75,478	--
Investment securities	13,257	10,965
Loan portfolio, net	115,103	157,408
Discount loan portfolio, net	701,941	913,229
Match funded loans and securities, net	123,900	157,794
Investments in low-income housing tax credit interests	68,271	150,989
Investments in unconsolidated entities	29,803	37,118
Real estate owned, net	169,200	167,506
Investment in real estate	151,242	268,241
Premises and equipment, net	44,922	49,038
Income taxes receivable	22,827	--
Deferred tax asset, net	131,306	136,920
Excess of purchase price over net assets acquired	10,861	13,207
Principal, interest and dividends receivable	9,528	10,024
Escrow advances on loans and loans serviced for others	211,253	162,548
Other assets	68,607	59,737
	$ 2,843,183	$ 3,309,313
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits	$ 1,604,640	$ 1,842,286
Securities sold under agreements to repurchase	5,692	47,365
Bonds-match funded agreements	114,687	141,515
Obligations outstanding under lines of credit	135,644	187,866
Notes, debentures and other interest bearing obligations	273,562	317,573
Accrued interest payable	37,692	32,569
Excess of net assets acquired over purchase price	47,923	56,841
Income taxes payable	--	6,369
Accrued expenses, payables and other liabilities	30,193	57,487
Total liabilities	2,250,033	2,689,871
Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company	99,390	110,000
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value; 20,000,000 shares authorized; 0 shares issued and outstanding	--	--
Common stock, $.01 par value; 200,000,000 shares authorized; 67,152,363 and 68,571,575 shares issued and outstanding at September 30, 2000, and December 31, 1999, respectively	672	686
Additional paid-in capital	223,148	232,340
Retained earnings	269,825	277,002
Accumulated other comprehensive income, net of taxes:		
Net unrealized gain on securities available for sale	--	163
Net unrealized foreign currency translation gain (loss)	115	(749)
Total stockholders' equity	493,760	509,442
	$ 2,843,183	$ 3,309,313

The accompanying notes are an integral part of these consolidated financial statements.

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

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
INTEREST INCOME:				
Federal funds sold and repurchase agreements	$ 2,544	$ 958	$ 5,118	$ 6,412
Securities available for sale	12,831	15,350	42,508	48,199
Loans available for sale	450	6,233	2,174	25,376
Investment securities and other	352	502	1,181	1,537
Loan portfolio	4,651	3,941	13,956	18,985
Match funded loans and securities	2,611	--	8,874	--
Discount loan portfolio	21,848	29,035	70,021	84,591
	45,287	56,019	143,832	185,100
INTEREST EXPENSE:				
Deposits	25,852	24,779	75,330	75,166
Securities sold under agreements to repurchase	2,761	2,120	10,685	5,891
Bonds-match funded agreements	2,948	--	9,095	--
Obligations outstanding under lines of credit	4,371	3,101	11,783	12,219
Notes, debentures and other interest bearing obligations	8,501	6,787	26,598	20,147
	44,433	36,787	133,491	113,423
Net interest income before provision for loan losses	854	19,232	10,341	71,677
Provision for loan losses	6,861	826	12,604	5,188
Net interest (loss) income after provision for loan losses	(6,007)	18,406	(2,263)	66,489
NON-INTEREST INCOME:				
Servicing fees and other charges	22,517	19,584	63,647	56,764
Gain on interest earning assets, net	1,453	442	17,717	43,585
Unrealized loss on trading securities	(2,406)	--	(2,406)	--
Impairment charges on securities available for sale	--	(19,211)	(11,597)	(48,080)
(Loss) gain on real estate owned, net	(4,621)	(1,508)	(14,634)	1,798
Net operating gains (losses) on investments in real estate	9,153	(2,169)	22,769	(1,927)
Amortization of excess of net assets acquired over purchase price	2,995	--	8,788	--
Other income	20,445	65,105	33,431	80,731
	49,536	62,243	117,715	132,871
NON-INTEREST EXPENSE:				
Compensation and employee benefits	22,134	29,451	61,114	80,991
Occupancy and equipment	3,141	4,331	9,356	15,053
Technology and communication costs	6,003	4,275	16,698	14,818
Loan expenses	3,583	3,992	10,500	10,773
Net operating losses on investments in certain low-income housing tax credit interests	3,691	1,094	6,030	4,558
Amortization of excess of purchase price over net assets acquired	778	284	2,346	771
Other operating expenses	5,370	8,701	18,574	25,312
	44,700	52,128	124,618	152,276
Distributions on Company-obligated, mandatory redeemable securities of subsidiary trust holding solely junior subordinated debentures	2,730	3,400	8,842	10,196
Equity in losses of investments in unconsolidated entities	893	4,768	4,965	9,483
(Loss) income before income taxes and extraordinary gain	(4,794)	20,353	(22,973)	27,405
Income tax benefit (expense)	1,486	(8,199)	7,122	(9,595)
Minority interest in net loss of consolidated subsidiary	--	369	--	497
(Loss) income before extraordinary gain	(3,308)	12,523	(15,851)	18,307
Extraordinary gain on repurchase of debt, net of taxes	2,628	253	8,674	253
Net (loss) income	$ (680)	$ 12,776	$ (7,177)	$ 18,560
(LOSS) EARNINGS PER SHARE:				
Basic:				
Net (loss) income before extraordinary gain	$ (0.05)	$ 0.21	$ (0.24)	$ 0.30
Extraordinary gain	0.04	--	0.13	0.01
Net (loss) income	$ (0.01)	$ 0.21	$ (0.11)	$ 0.31
Diluted:				
Net (loss) income before extraordinary gain	$ (0.05)	$ 0.21	$ (0.24)	$ 0.30
Extraordinary gain	0.04	--	0.13	0.01
Net (loss) income	$ (0.01)	$ 0.21	$ (0.11)	$ 0.31
Weighted average common shares outstanding:				
Basic	67,152,363	60,427,623	67,519,428	60,652,865

Diluted	67,152,363	60,460,314	67,519,428	60,691,416

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(DOLLARS IN THOUSANDS)

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Net (loss) income	$ (680)	$ 12,776	$ (7,177)	$ 18,560
Other comprehensive (loss) income, net of taxes:				
Change in unrealized (loss) gain on securities available for sale arising during the period (1).	--	(7,308)	--	(8,805)
Less: Reclassification adjustment	1,295	(1,673)	(163)	(4,286)
Net change in unrealized loss on securities available for sale (2)	1,295	(8,981)	(163)	(13,091)
Change in unrealized foreign currency translation adjustment arising during the period (3)	491	(117)	864	(375)
Less: Reclassification adjustment for losses on foreign currency translation included in net income	--	1,184	--	1,184
Net change in unrealized foreign currency translation loss	491	1,067	864	809
Other comprehensive (loss) income	1,786	(7,914)	701	(12,282)
Comprehensive (loss) income	$ 1,106	$ 4,862	$ (6,476)	$ (6,278)
Disclosure of reclassification adjustment:				
Unrealized holding losses (gains) arising during the period on securities sold or impaired	$ 2,955	$ (32,871)	$ 9,499	$ 32,621
Add: Adjustment for realized gains (losses) and impairment charges on securities available for sale included in net income (loss)	(1,660)	31,198	(9,662)	28,335
Net reclassification adjustment for gains (losses) recognized in other comprehensive income (loss) in prior years (4)(5)	$ 1,295	$ (1,673)	$ (163)	$ (4,286)

(1) Net of tax benefit (expense) of $3,464 and $4,893 for the three and nine months ended September 30, 1999, respectively.

(2) Net of a tax (expense) benefit of $(950) and $4,404 for the three months ended September 30, 2000 and 1999, respectively, and $123 and $7,300 for the nine months ended September 30, 2000 and 1999, respectively.

(3) Net of tax (expense) benefit of $(274) and $63 for the three months ended September 30, 2000 and 1999, respectively, and $(475) and $202 for the nine months ended September 30, 2000 and 1999, respectively.

(4) Net of tax (expense) benefit of $(950) and $(940) for the three months ended September 30, 2000 and 1999, respectively, and $123 and $(2,407) for the nine months ended September 30, 2000 and 1999, respectively.

(5) Includes the adjustment related to the reclassification of securities available for sale to trading securities.

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000
(DOLLARS IN THOUSANDS)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Taxes	Total
	Shares	Amount				
Balances at December 31, 1999	68,571,575	$ 686	$ 232,340	$ 277,002	$ (586)	$ 509,442
Net loss	--	--	--	(7,177)	--	(7,177)
Repurchase and retirement of common stock	(1,427,747)	(14)	(9,233)	--	--	(9,247)
Change in directors' stock plan	8,535	--	41	--	--	41
Other comprehensive income, net of taxes:						
Change in unrealized gain (loss) on securities available for sale	--	--	--	--	(163)	(163)
Change in unrealized foreign currency translation loss	--	--	--	--	864	864
Balances at September 30, 2000	67,152,363	$ 672	$ 223,148	$ 269,825	$ 115	$ 493,760

The accompanying notes are an integral part of these consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(DOLLARS IN THOUSANDS)

For the nine months ended September 30,	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	$ (7,177)	$ 18,560
Adjustments to reconcile net (loss) income to net cash used by operating activities:		
Net cash provided by trading activities	--	39,264
Proceeds from sales of loans available for sale	22,219	557,865
Purchases of loans available for sale	--	(54,303)
Origination of loans available for sale	--	(715,962)
Principal payments received on loans available for sale	4,304	24,142
Premium amortization on securities, net	12,108	18,462
Depreciation and amortization	3,885	6,264
Provision for loan losses	12,604	5,188
Provision for real estate owned	24,556	21,334
Gain on sale of Ocwen UK	--	(50,431)
Gain on interest-earning assets, net	(17,717)	(43,585)
Unrealized loss on trading securities	2,406	--
Impairment charges on securities available for sale	11,597	48,080
Extraordinary gain on repurchase of long-term debt	(12,572)	(389)
Gain on sale of low-income housing tax credit interests	(261)	(5,542)
Loss on low-income housing tax credits held for sale	3,062	--
Gain on real estate owned, net	(16,793)	(29,591)
Gain on sale of investment in real estate held for sale	(20,925)	(1,465)
Gain on sale of real estate held for investment	(643)	(297)
Equity in losses of unconsolidated entities	4,965	9,483
Decrease in principal, interest and dividends receivable	496	5,389
(Increase) decrease in income taxes receivable	(22,827)	19,849
Decrease in income taxes payable	(6,369)	--
(Decrease) increase in deferred tax asset	5,491	(31,573)
Increase in escrow advances	(48,705)	(38,948)
Decrease in other assets, net	(19,191)	(8,702)
(Decrease) increase in accrued expenses, interest payable and other liabilities	(25,971)	18,814
Net cash used by operating activities	(91,458)	(187,822)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of securities available for sale	550,121	633
Purchase of securities available for sale	(891,269)	(549,175)
Maturities of and principal payments received on securities available for sale	416,004	413,568
Proceeds from the sale of Ocwen UK	--	122,101
Acquisition of Federal Home Loan Bank stock	(2,432)	--
Principal payments received on match funded loans	21,204	--
Increase in low-income housing tax credit investments	(24,702)	(13,720)
Proceeds from sales of low-income housing tax credit interests	22,587	--
Proceeds from sales of discount loans, net	153,123	259,371
Proceeds from sale of real estate held for sale	80,758	--
Proceeds from sale of real estate held for investment	3,623	--
Proceeds from sales of loans held for investment	8,894	26,218
Proceeds from sale of premises and equipment	46	--
Purchase and originations of loans held for investment, net of undisbursed loan funds	(41,030)	(19,665)
Purchase of discount loans, net	(162,599)	(437,106)
Decrease in investment in unconsolidated entities	490	--
Increase in real estate held for investment	(98,903)	21,306
Principal payments received on loans held for investment	73,388	94,589
Increase in real estate held for sale	(3,905)	--
Principal payments received on discount loans, net	117,987	130,401
Proceeds from sale of real estate owned	130,670	192,821
Purchase of real estate owned in connection with discount loan purchases	(8,580)	(37,848)
Acquisition of subsidiaries	--	(5,196)
Additions to premises and equipment	(2,789)	(20,561)
Net cash provided by investing activities	342,686	177,737

The accompanying notes are an integral part of these
consolidated financial statements.

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS- (CONTINUED)
(DOLLARS IN THOUSANDS)

For the nine months ended September 30,	2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in deposits	$ (237,646)	$ (393,851)
(Decrease) increase in securities sold under agreements to repurchase	(41,673)	70,554
Repayment of obligations under lines of credit, net	(52,222)	152,668
Payments on bonds-match funded agreements	(24,556)	--
Repurchase of Capital Securities	(4,979)	--
Repurchases of notes and subordinate debentures	(36,537)	(2,655)
Repurchase of common stock	(8,996)	(5,302)
Net cash used by financing activities	(406,609)	(178,586)
Net decrease in cash and cash equivalents	(155,381)	(188,671)
Cash and cash equivalents at beginning of period	381,858	445,179
Cash and cash equivalents at end of period	$ 226,477	$ 256,508
RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF PERIOD:		
Cash and amounts due from depository institutions	$ 31,055	$ 94,517
Interest-earning deposits	16,422	161,991
Federal funds sold and repurchase agreements	179,000	--
	$ 226,477	$ 256,508
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 128,369	$ 83,024
Income taxes	$ 18,837	$ 575
Supplemental schedule of non-cash investing and financing activities:		
Real estate owned acquired through foreclosure	$ 120,329	$ 120,591
Exchange of discount loans and loans available for sale for securities	$ --	$ 758,032
Reclassification of properties from investment in real estate to real estate held for sale	$ 218,514	$ --
Exchange of note receivable for real estate held for sale	$ 19,000	$ --
Reclassification of securities available for sale to trading securities	$ 496,295	$ --
Reclassification of investments in low-income housing tax credit interests to low-income housing tax credits held for sale	$ 75,478	$ --
Acquisition of businesses:		
Fair value of assets acquired	$ --	$ 5,304
Liabilities assumed	--	(101)
Cash paid	--	5,203
Less cash acquired	--	(7)
Net cash paid for assets acquired	$ --	$ 5,196
Sale of subsidiary:		
Fair values of assets sold	$ --	$ 413,121
Liabilities	--	(345,327)
Cash sold	--	3,936
Gain on sale	--	50,371
	$ --	$ 122,101

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1: BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in conformity with the instructions to Form 10-Q and Article 10, Rule 10-01 of Regulation S-X for interim financial statements. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements. The Company's consolidated financial statements include the accounts of Ocwen Financial Corporation ("OCN" or the "Company") and its subsidiaries. The Company owns directly and indirectly all of the outstanding common and preferred stock of its primary subsidiaries, Ocwen Federal Bank FSB (the "Bank"), Investors Mortgage Insurance Holding Company ("IMI"), Ocwen Technology Xchange, Inc. ("OTX") and Ocwen Asset Investment Corp. ("OAC"). The Company acquired OAC on October 7, 1999. The Company's consolidated financial statements include OAC and its subsidiaries as of that date. The Company also owns 99.58% of Ocwen Financial Services, Inc. ("OFS"), with the remaining 0.42% owned by the shareholders of Admiral Home Loan. The Company sold its investment in its foreign subsidiary, Ocwen UK plc ("Ocwen UK"), on September 30, 1999. Ocwen UK's results of operations for 1999 have been included in the consolidated statements of operations through that date. All significant intercompany transactions and balances have been eliminated in consolidation.

The Bank is a federally chartered savings bank regulated by the Office of Thrift Supervision ("OTS").

In the opinion of management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary for a fair presentation of the Company's financial condition at September 30, 2000 and December 31, 1999, the results of its operations for the three and nine months ended September 30, 2000 and 1999, its comprehensive income (loss) for the three and nine months ended September 30, 2000 and 1999, its changes in stockholders' equity for the nine months ended September 30, 2000 and its cash flows for the nine months ended September 30, 2000 and 1999. The results of operations and other data for the three and nine-month period ended September 30, 2000 are not necessarily indicative of the results that may be expected for any other interim periods or the entire year ending December 31, 2000. The unaudited consolidated financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1999. Certain reclassifications have been made to the prior period's consolidated financial statements to conform to the September 30, 2000 presentation.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the statements of financial condition and revenues and expenses for the periods covered. Actual results could differ from those estimates and assumptions.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS IN REAL ESTATE

In conjunction with its commercial loan acquisition and resolution activities, the Company acquired certain acquisition, development and construction loans in which the Company participated in the residual profits of the underlying real estate and the borrower had not contributed substantial equity to the project. As such, the Company accounted for these loans under the equity method of accounting as though it had made an investment in a real estate limited partnership.

INVESTMENTS IN REAL ESTATE PARTNERSHIPS

The Company's investments in real estate partnerships are accounted for under the equity method of accounting. Under the equity method of accounting, an investment in the shares of other interests of an investee is recorded at cost of the shares or interests acquired and thereafter is periodically increased (decreased) by the investors proportionate share of earnings (losses) of the investee and decreased by the dividends or distributions received by the investor from the investee.

REAL ESTATE HELD FOR SALE

Real estate held for sale is reported at the lower of the carrying amount or fair value less cost to sell. Real estate is classified as held for sale when the Company has committed to a plan to sell the assets, and depreciation is discontinued. Gains and losses on the sale of real estate held for sale are included as a component of income.

SECURITIES

Securities are reported on the Statement of Financial Condition at fair value. Fair value is determined within a range based on third party dealer quotations, where available, and internal values, subject to an internal review process.

On September 30, 2000 the Company changed its accounting policy for securities available for sale and match funded securities to account for these securities as trading. For these securities, changes in fair value are reported in income in the period of change. Previously, the Company accounted for its securities as available for sale, for which the unrealized gains and losses for these securities were reported as a separate component of accumulated other comprehensive income in stockholder's equity.

LOW-INCOME HOUSING TAX CREDIT INTERESTS HELD FOR SALE

Low-income housing tax credit interests held for sale are reported at the lower of cost or fair value less costs to sell. Investments in low-income housing tax credit interests are classified as held for sale when the Company has committed to a plan to sell the interests. Gains and losses on the sale of investments in low-income housing tax credit interests are included in other income.

NOTE 3: CURRENT ACCOUNTING PRONOUNCEMENTS

RECENT ACCOUNTING STANDARDS

The Financial Accounting Standards Board ("FASB") has issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137 and SFAS No. 138 (collectively, "SFAS No. 133"). SFAS No. 133 is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000; accordingly, the Company is required to adopt SFAS No. 133 on January 1, 2001.

SFAS No. 133 requires that all derivative instruments be recorded on the balance sheet at fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, depending on the type of hedge transaction.

- For fair-value hedging transactions in which the Company is hedging changes in fair value of an asset, liability or firm commitment, changes in the fair value of the derivative instrument will generally be offset in the income statement by changes in the hedged item's fair value.

- For cash-flow hedging transactions in which the Company is hedging the variability of cash flows related to a variable-rate asset, liability, or a forecasted transaction, changes in the fair value of the derivative instrument will be reported in other comprehensive income. The gains and losses on the derivative instrument that are reported in other comprehensive income will be reclassified to earnings in the periods in which earnings are impacted by the variability of the cash flows of the hedged item.

- For hedge transactions of net investments in foreign operations, changes in fair value of the derivative instrument will be recorded in the cumulative translation adjustment account within equity.

The ineffective portion of all hedges will be recognized in current period earnings.

For other derivative instruments used by the Company for risk management purposes which do not meet the hedge accounting criteria and, therefore, do not qualify for hedge accounting, these derivative instruments will be accounted for at fair value with changes in fair value recorded in the income statement.

Had the Company adopted SFAS No. 133 on October 1, 2000, the Company estimates that it would have recorded, net of tax, a cumulative effect adjustment of $468 gain in accumulated other comprehensive income to recognize at fair value all derivative instruments that will be designated as cash-flow hedging instruments. The Company further estimates that it also would have recorded, net of tax, a cumulative effect adjustment of $235 gain in earnings to recognize at fair value all derivative instruments that will be designated as hedges of net investments in foreign operations. At September 30, 2000, the Company did not have any derivative instruments that would be designated as fair value hedges.

During September 2000, the FASB issued SFAS No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," a replacement of SFAS No. 125. It revises the standards of accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, however, it carries over most of SFAS 125's provisions without reconsideration. The Company does not expect that SFAS No. 140 will have a material impact on the Company's financial position or results of operations.

SFAS 140 is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001. This Statement is effective for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Disclosures about securitization and collateral accepted need not be reported for periods ending on or before December 15, 2000, for which financial statements are presented for comparative purposes.

NOTE 4: COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY

In August 1997, the Ocwen Capital Trust ("OCT") issued $125,000 of 10.875% Capital Securities (the "Capital Securities"). Proceeds from the issuance of the Capital Securities were invested in 10.875% Junior Subordinated Debentures issued by OCN. The Junior Subordinated Debentures, which represent the sole assets of OCT, will mature on August 1, 2027. During 1999, OCT repurchased $15,000 of its Capital Securities in the open market, resulting in extraordinary gains of $5,548 ($4,570 net of taxes). During the nine months ended September 30, 2000, OCT repurchased $10,610 of its Capital Securities in the open market, resulting in extraordinary gains of $4,499 ($3,104 net of taxes).

Holders of the Capital Securities are entitled to receive cumulative cash distributions accruing from the date of original issuance and payable semiannually in arrears on February 1 and August 1 of each year, commencing on February 1, 1998, at an annual rate of 10.875% of the liquidation amount of $1,000 per Capital Security. Payment of distributions out of moneys held by OCT, and payments on liquidation of OCT or the redemption of Capital Securities, are guaranteed by the Company to the extent OCT has funds available. If the Company does not make principal or interest payments on the Junior Subordinated Debentures, OCT will not have sufficient funds to make distributions on the Capital Securities, in which event the guarantee shall not apply to such distributions until OCT has sufficient funds available therefore. Accumulated distributions payable on the Capital Securities amounted to $1,801 and $4,815 at September 30, 2000 and December 31, 1999, respectively, and are included in accrued interest payable.

The Company has the right to defer payment of interest on the Junior Subordinated Debentures at any time or from time to time for a period not exceeding 10 consecutive semiannual periods with respect to each deferral period, provided that no extension period may extend beyond the stated maturity of the Junior Subordinated Debentures. Upon the termination of any such extension period and the payment of all amounts then due on any interest payment date, the Company may elect to begin a new extension period. Accordingly, there could be multiple extension periods of varying lengths throughout the term of the Junior Subordinated Debentures. If interest payments on the Junior Subordinated Debentures are deferred, distributions on the Capital Securities will also be deferred and the Company may not, and may not permit any subsidiary of the Company to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, the Company's capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities that rank pari passu with or junior to the Junior Subordinated Debentures. During an extension period, interest on the Junior Subordinated Debentures will continue to accrue at the rate of 10-7/8% per annum, compounded semiannually.

The Junior Subordinated Debentures are redeemable prior to maturity at the option of the Company, subject to the receipt of any necessary prior regulatory approval, (i) in whole or in part on or after August 1, 2007, at a redemption price equal to 105.438% of the principal amount thereof on August 1, 2007, declining ratably on each August 1 thereafter to 100% on or after August 1, 2017, plus accrued interest thereon, or (ii) at any time, in whole (but not in part), upon the occurrence and continuation of a special event (defined as a tax event, regulatory capital event or investment company event) at a redemption price equal to the greater of (a) 100% of the principal amount thereof or (b) the sum of the present values of the principal amount and premium payable with respect to an optional redemption of such Junior Subordinated Debentures on August 1, 2007, together with scheduled payments of interest from the prepayment date to August 1, 2007, discounted to the prepayment date on a semiannual basis at the adjusted Treasury rate plus accrued interest thereon to the date of prepayment. The Capital Securities are subject to mandatory redemption, in whole or in part, upon repayment of the Junior Subordinated Debentures at maturity or their earlier redemption, in an amount equal to the amount of the related Junior Subordinated Debentures maturing or being redeemed and at a redemption price equal to the redemption price of the Junior Subordinated Debentures, plus accumulated and unpaid distributions thereon to the date of redemption.

For financial reporting purposes, OCT is treated as a subsidiary of the Company and, accordingly, the accounts of OCT are included in the consolidated financial statements of the Company. Intercompany transactions between OCT and the Company, including the Junior Subordinated Debentures, are eliminated in the consolidated financial statements of the Company. The Capital Securities are presented as a separate caption between liabilities and stockholders' equity in the consolidated statement of financial condition of the Company as "Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely Junior Subordinated Debentures of the company." Distributions on the Capital Securities are recorded as a separate caption immediately following non-interest expense in the consolidated statements of operations of the Company. The Company intends to continue this method of accounting going forward.

In connection with the issuance of the Capital Securities, the Company incurred certain costs which have been capitalized and are being amortized over the term of the Capital Securities. The unamortized balance of these issuance costs amounted to $3,551 and $4,041 at September, 2000 and December 31, 1999, respectively, and is included in other assets.

NOTE 5: TRADING SECURITIES

As discussed in Note 2 above, the Company changed its policy for securities available for sale and match funded securities to account for them as trading securities. The Company believes that this treatment more appropriately reflects the impact on its results of operations arising from changes in the value of these securities. In connection with this change, securities available for sale are now classified as trading securities. As a result, net unrealized losses as of September 30, 2000 of $2,406 have been included in earnings.

NOTE 6: LOW-INCOME HOUSING TAX CREDIT INTERESTS HELD FOR SALE

On September 1, 2000 the Company entered into a transaction to sell twenty-one of its low-income housing tax credit properties, together with the related tax credits. Although this transaction resulted in the transfer of tax credits and operating results for these properties to the purchaser, it did not qualify as a sale for accounting purposes under the criteria established in SFAS no. 66 "Accounting for Sales of Real Estate," primarily due to the amount of cash received at signing, as well as to certain contingencies with respect to potential repurchase requirements. As a result, the Company has reclassified these properties as "held for sale" and has valued them at the lower of cost or fair value less disposal costs. The Company recorded a charge to earnings of $3,026 reflecting the expected net loss to be incurred upon completion of this transaction, currently projected to occur on April 1, 2001, when the cash receipts will meet sale treatment criteria and expiration of repurchase contingencies is projected to occur.

NOTE 7: DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments for the purpose of managing its exposure to adverse fluctuations in interest and foreign currency exchange rates. While these hedging instruments are subject to fluctuations in value, such fluctuations are generally offset by the change in value of the underlying exposures being hedged.

When entering into these derivative financial instruments, it is the Company's intent to account for them under current hedge accounting guidelines. None of these instruments are entered into for trading purposes.

In certain instances, although the instruments are economic hedges of the underlying risks, they do not meet the hedge accounting criteria. In these instances, the gain or loss on the derivative financial instrument is included in earnings.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

INTEREST RATE MANAGEMENT

In managing its interest rate risk, the Company enters into interest rate swaps ("interest swaps"). The terms of the outstanding interest swaps at September 30, 2000 and December 31, 1999, respectively, are as follows:

Maturity	Notional Amount	LIBOR Index	Fixed Rate	Floating Rate	Fair Value
SEPTEMBER 30, 2000:					
April 2001...........	$ 59,000	1-Month	6.00%	6.62%	$ 251
DECEMBER 31, 1999:					
April 2001...........	$ 75,000	1-Month	6.00%	6.48%	$ 482
April 2001...........	17,000	1-Month	6.00	6.48	108
April 2002...........	8,780	1-Month	6.04	6.46	129
January 2003.........	100,000	1-Month	5.75	6.46	2,983
	$ 200,780				$ 3,702

During the nine months ended September 30, 2000, the Company terminated certain interest rate swaps for which the underlying borrowing had been repaid. The unrealized gain on the date of termination was $144 and is included in the Statement of Operations.

The Company has purchased amortizing Caps and Floors to hedge its interest rate exposure relating to its match funded loans and securities. The terms of the outstanding Caps and Floors at September 30, 2000 and December 31, 1999 are as follows:

	Notional Amount	Maturity	Index	Strike Rate	Fair Value
SEPTEMBER 30, 2000:					
Caps.................	$ 145,883	October 2003	LIBOR 1-Month	7.00%	$ 821
Floors...............	$ 38,772	October 2003	CMT 2-Year	4.35	54
					$ 875
DECEMBER 31, 1999:					
Caps.................	$ 159,211	October 2003	LIBOR 1-Month	7.00%	$ 2,289
Floors...............	$ 41,899	October 2003	CMT 2-Year	4.35	47
					$ 2,336

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The Company also manages its interest rate risk by purchasing European swaptions and put options and U.S. Treasury and U.S. Agency futures contracts to hedge anticipated future fundings related to low-income housing tax credit projects. During the fourth quarter of 1999, these financial instruments ceased to qualify for hedge accounting and subsequent gains or losses are included in earnings. The following table sets forth the terms and values of these financial instruments at September 30, 2000 and December 31, 1999, respectively:

	Notional Amount	Maturity	Strike Rate/Price	Fair Value
SEPTEMBER 30, 2000:				
European 10-year swaptions	$ 6,000	March 2001	6.78%	$ 136
	4,000	November 2000	7.45	3
	2,300	October 2000	7.40	--
	2,200	November 2000	7.85	--
	$ 14,500			$ 139
U.S. 10-year Agency futures	$ 5,800	December 2000	$ 93.91	$ (33)
DECEMBER 31, 1999:				
European 10-year swaptions	$ 7,500	March 2000	6.78%	$ 282
	5,800	May 2000	6.72	264
	2,800	February 2000	7.20	34
	2,300	June 2000	7.11	63
	$ 18,400			$ 643
European 10-year put options, U.S. Treasury 4.75% due 11/05/08	$ 2,500	March 2000	$ 91.45	$ 83
U.S. 2-year Treasury futures	$ 12,000	March 2000	$ 99.82	$ 62
U.S. 10-year Treasury futures	7,000	March 2000	$ 97.52	$ 116
	$ 19,000			$ 178

FOREIGN CURRENCY MANAGEMENT

The Company enters into foreign currency derivatives to hedge its equity investment in Kensington Group plc ("Kensington"), its investments in foreign subsidiaries which own residual interests backed by residential loans originated in the UK ("UK residuals") and in the shopping center located in Halifax, Nova Scotia (the "Nova Scotia Shopping Center"). It is the Company's policy to periodically adjust the amount of foreign currency derivative contracts it has entered into in response to changes in its recorded investments in these assets. The following table sets forth the terms and values of these foreign currency financial instruments at September 30, 2000 and December 31, 1999:

	Maturity	Notional Amount: Pay	Notional Amount: Receive	Contract Rate	Unamortized Discount	Fair Value
SEPTEMBER 30, 2000:						
Currency forward	February 2003	(pound) 27,500	$ 43,546	1.5835	$ 855	$ 2,469
DECEMBER 31, 1999:						
Currency forward	February 2003	(pound) 27,500	$ 43,546	1.5835	$ 1,119	$ (976)

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Position	Maturity	Notional Amount	Strike Rate	Fair Value
SEPTEMBER 30, 2000:					
Canadian Dollar currency futures...........	Short	December 2000	C$ 32,500	.6744	$ 271
British Pound currency futures.............	Short	December 2000	(pound) 11,000	1.4380	(429)
	Long	December 2000	(pound) 7,313	1.4197	419
					$ 261
DECEMBER 31, 1999:					
Canadian Dollar currency futures...........	Short	March 2000	C$ 22,100	.6786	$ (300)
	Short	March 2000	C$ 1,600	.6800	(20)
British Pound currency futures.............	Long	March 2000	(pound) 3,750	1.6018	65
	Short	March 2000	(pound) 15,875	1.6225	56
					$ (199)

NOTE 8: REGULATORY REQUIREMENTS

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 and the regulations promulgated thereunder established certain minimum levels of regulatory capital for savings institutions subject to OTS supervision. The Bank must follow specific capital guidelines stipulated by the OTS which involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items. An institution that fails to comply with its regulatory capital requirements must obtain OTS approval of a capital plan and can be subject to a capital directive and certain restrictions on its operations. At September 30, 2000, the minimum regulatory capital requirements were:

- Tangible and core capital of 1.50 percent and 3.00 percent of total adjusted assets, respectively, consisting principally of stockholders' equity, but excluding most intangible assets, such as goodwill and any net unrealized gains or losses on debt securities available for sale. Effective April 1, 1999, the OTS minimum core capital ratio provides that only those institutions with a Uniform Financial Institution Rating System rating of "1" are subject to a 3% minimum core capital ratio. All other institutions are subject to a 4% minimum core capital ratio.

- Risk-based capital consisting of core capital plus certain subordinated debt and other capital instruments and, subject to certain limitations, general valuation allowances on loans receivable, equal to 8.00 percent of the value of risk-weighted assets.

At September 30, 2000, the Bank was "well capitalized" under the prompt corrective action regulations adopted by the OTS pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991. To be categorized as "well capitalized," the Bank must maintain minimum core capital, Tier 1 risk-based capital and risk-based capital ratios as set forth in the following table. The Bank's capital amounts and classification are subject to review by federal regulators about components, risk-weightings and other factors. There are no conditions or events since September 30, 2000 that management believes have changed the institution's category.

Following an examination by the OTS in late 1996 and early 1997, the Bank committed to the OTS to maintain a core capital (leverage) ratio and a total risk-based capital ratio of at least 9% and 13%, respectively. The Bank continues to be in compliance with this commitment and with the regulatory capital requirements of general applicability (as indicated below). Based on discussions with the OTS, the Bank believes that this commitment does not affect its status as a "well-capitalized" institution, assuming the Bank's continued compliance with the regulatory capital requirements required to be maintained by it pursuant to such commitment.

As a result of its most recent examination, the Bank was required to submit a written plan to the OTS by October 16, 2000 to address issues raised by the agency under Part 570 of the rules and regulations. Under the plan, the Bank will take certain actions regarding its operations with respect to asset reviews and the management of interest rate risk exposure and will have periodic reporting obligations to the OTS. In addition, as part of the plan, the Bank submitted a business plan and budget outlining the Bank's operations through 2003. The business plan submitted reflects proposed changes in the Bank's deposit gathering strategies and potential future sources of revenue as the Bank continues its shift away from capital-intensive businesses into fee-based sources of income. On November 9, 2000 the OTS requested the Bank to supply additional information regarding the plan.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

The following table summarizes the Bank's actual and required regulatory capital at September 30, 2000.

	Actual		Minimum For Capital Adequacy Purposes		To Be Well Capitalized For Prompt Corrective Action Provisions		Committed Capital Requirements
	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Stockholders' equity, and ratio to total assets	12.58%	$ 267,106					
Non-includable subsidiary......................		(7,388)					
Acquired real estate...........................		(1,075)					
Disallowed deferred tax assets.................		(21,720)					
Disallowed servicing assets....................		(1,869)					
Tangible capital, and ratio to adjusted total assets......................................	11.23%	$ 235,054	1.50%	$ 31,397			
Tier 1 (core) capital, and ratio to adjusted total assets................................	11.23%	$ 235,054	4.00%	$ 83,726	5.00%	$ 104,658	9.00%
Tier 1 capital, and ratio to risk-weighted assets......................................	14.61%	$ 235,054			6.00%	$ 96,520	
Allowance for loan and lease losses............		20,134					
Qualifying subordinated debentures.............		53,600					
Tier 2 capital.................................		73,734					
Land loans in excess of 80% of loan to value ratio.......................................		(768)					
Total risk-based capital, and ratio to risk-weighted assets.............................	19.15%	$ 308,020	8.00%	$ 128,693	10.00%	$ 160,866	13.00%
Total regulatory assets........................		$2,123,977					
Adjusted total assets..........................		$2,093,161					
Risk-weighted assets...........................		$1,608,664					

The OTS amended its capital distribution regulation effective April 1, 1999. Under the revised regulation, the Bank is required to file a notice with the OTS at least 30 days prior to making a capital distribution unless (a) it is not eligible for expedited treatment under the OTS application processing regulations, (b) the total amount of the Bank's capital distributions (including the proposed distribution) for the calendar year exceeds the Bank's net income for the year to date plus retained net income for the previous two years, (c) the Bank would not be "adequately capitalized" following the proposed distribution or (d) the proposed distribution would violate any applicable statute, regulation, or agreement between the Bank and the OTS, or a condition imposed upon the Bank by an OTS-approved application or notice. If one of these four criteria is present, the Bank is required to file an application with the OTS at least 30 days prior to making the proposed capital distribution. The OTS may deny the Bank's application or disapprove its notice if the OTS determines that (a) the Bank will be "under capitalized," "significantly under capitalized" or "critically under capitalized," as defined in the OTS capital regulations, following the capital distribution, (b) the proposed capital distribution raises safety and soundness concerns or (c) the proposed capital distribution violates a prohibition contained in any statute, regulation or agreement between the Bank and the OTS or a condition imposed on the Bank in an application or notice approved by the OTS. The new rule also amends the definition of "capital distribution" to include any payment to repurchase, redeem, retire, or otherwise acquire debt instruments included in total risk-based capital.

In addition to these OTS regulations governing capital distributions, the indenture governing the 12% subordinated debentures (the "Debentures") due 2005 and issued by the Bank on June 12, 1995 in the original amount of $100,000, limits the declaration or payment of dividends and the purchase or redemption of common or preferred stock in the aggregate to the sum of

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

50% of consolidated net income and 100% of all capital contributions and proceeds from the issuance or sale (other than to a subsidiary) of common stock, since the date the Debentures were issued.

NOTE 9: BUSINESS SEGMENT REPORTING

SFAS No. 131 requires public enterprises to report financial and descriptive information about their reportable operating segments. An operating segment is defined as a component of an enterprise (a) that engages in business activities from which it may earn revenues and incur expenses, (b) whose operating results are regularly reviewed by the enterprise's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available. The Company conducts a variety of business activities within the following segments:

	Net Interest Income	Non-Interest Income	Non-Interest Expense	Net (Loss) Income	Total Assets
AT OR FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2000:					
Single family residential discount loans	$ 6,681	$ 3,215	$ 3,128	$ 4,157	$ 474,199
Commercial loans	269	2,870	4,567	(3,887)	741,292
Domestic residential mortgage loan servicing	(2,253)	20,218	14,725	2,008	173,546
Investment in low-income housing tax credits	(2,828)	376	4,840	(2,500)	183,012
OTX	(162)	574	9,695	(5,756)	19,568
Commercial real estate	(5,130)	21,213	779	9,489	204,192
UK operations	(247)	--	149	(798)	25,923
Domestic subprime single family residential lending	(307)	(6,866)	621	(4,832)	142,883
Unsecured collections	(9)	608	2,340	(2,235)	11,708
Ocwen Realty Advisors (1)	--	2,485	2,955	(291)	1,327
Corporate items and other	4,840	4,843	901	3,965	865,533
	$ 854	$ 49,536	$ 44,700	$ (680)	$2,843,183
AT OR FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000:					
Single family residential discount loans	$ 20,284	$ 7,558	$ 9,153	$ 11,624	$ 474,199
Commercial loans	6,053	10,450	12,178	(2,437)	741,292
Domestic residential mortgage loan servicing	(2,908)	59,401	43,162	8,242	173,546
Investment in low-income housing tax credits	(8,406)	1,674	9,379	(1,308)	183,012
OTX	(539)	1,462	25,926	(15,502)	19,568
Commercial real estate	(15,290)	36,995	2,030	12,199	204,192
UK operations	(801)	--	213	(3,730)	25,923
Domestic subprime single family residential lending	689	(19,942)	1,295	(12,740)	142,883
Unsecured collections	(92)	693	6,615	(6,598)	11,708
Ocwen Realty Advisors (1)	--	10,185	10,188	(2)	1,327
Corporate items and other	11,351	9,239	4,479	3,075	865,533
	$ 10,341	$ 117,715	$ 124,618	$ (7,177)	$2,843,183

(1) Non-interest income for the three and nine months ended September 30, 2000 included $1,589 and $3,695, respectively, of intercompany revenues which have been eliminated in consolidation.

(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)

	Net Interest Income	Non-Interest Income	Non-Interest Expense	Net (Loss) Income	Total Assets
AT OR FOR THE THREE MONTHS ENDED SEPTEMBER 30, 1999:					
Single family residential discount loans	$ 6,664	$ (5,061)	$ 7,444	$ (4,154)	$ 499,681
Commercial loans	8,923	(86)	11,648	(2,185)	840,564
Domestic residential mortgage loan servicing	1,219	14,848	12,841	2,000	131,052
Investment in low-income housing tax credits	(2,600)	5,061	4,125	4,163	219,718
OTX	--	821	4,910	(2,535)	7,728
Commercial real estate	--	766	702	39	(17)
UK operations	8,869	60,532	16,294	30,049	42,024
Domestic subprime single family residential lending	1,751	(16,647)	2,186	(10,217)	146,985
Unsecured collections	180	--	1,617	(1,027)	15,330
Ocwen Realty Advisors	--	--	--	--	--
Corporate items and other	(5,774)	2,009	(9,639)	(3,357)	912,359
	$ 19,232	$ 62,243	$ 52,128	$ 12,776	$ 2,815,424
AT OR FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1999:					
Single family residential discount loans	$ 18,915	$ (9,193)	$ 17,621	$ (9,472)	$ 499,681
Commercial loans	29,917	15,575	27,616	8,043	840,564
Domestic residential mortgage loan servicing	3,755	42,361	33,066	8,091	131,052
Investment in low-income housing tax credits	(8,033)	7,909	11,511	6,612	219,718
OTX	--	1,527	11,977	(6,479)	7,728
Commercial real estate	--	2,352	2,014	209	(17)
UK operations	29,982	85,157	46,157	39,005	42,024
Domestic subprime single family residential lending	12,167	(19,536)	11,907	(11,454)	146,985
Unsecured collections	342	--	4,366	(2,492)	15,330
Ocwen Realty Advisors	--	--	--	--	--
Corporate items and other	(15,368)	6,719	(13,959)	(13,503)	912,359
	$ 71,677	$ 132,871	$ 152,276	$ 18,560	$2,815,424

NOTE 10: COMMITMENTS AND CONTINGENCIES

At September 30, 2000, the Company had commitments of $13,866 to fund construction loans (including loans accounted for as investments in real estate) secured by multi-family and commercial properties. In addition, the Company, through the Bank, had commitments under outstanding letters of credit in the amount of $17,946. The Company, through its investment in subordinated securities and subprime residuals, which had a carrying value of $123,754 at September 30, 2000, supports senior classes of securities. At September 30, 2000 the Company had $7,463 outstanding in guarantees to third parties related to debt obligations and lease commitments of its subsidiaries.

On April 20, 1999, a complaint was filed on behalf of a putative class of public shareholders of the Company in the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida against OCN and OAC. On April 23, 1999, a complaint was filed on behalf of a putative classes of public shareholders of OAC in the Circuit Court of the Fifteenth Judicial Circuit, Palm Beach County, Florida, against OAC and certain directors of OAC. The plaintiffs in both complaints sought to enjoin consummation of the acquisition of OAC by OCN. The cases were consolidated, and on September 13, 1999 a consolidated amended complaint was filed. The injunction was denied, and on October 14, 1999 OCN was dismissed as a party. Plaintiffs' remaining claims are for damages for alleged breaches of common law fiduciary duties. Discovery is ongoing.

On June 3, 1999, Walton Street Capital, L.L.C. ("Walton") filed suit against OAC and Ocwen Partnership, L.P. ("OPLP") in the Circuit Court of Cook County, Illinois. Walton has alleged that OAC committed an anticipatory breach of contract with respect to the proposed sale by OAC of all of its interest in its commercial mortgage-backed securities portfolio to Walton. Walton has claimed damages in an amount in excess of $20,000. As of October 20, 2000, both Walton and OAC have filed motions for Summary Judgement. OAC believes this suit is without merit and continues to vigorously defend against the same. Discovery has been suspended pending the adjudication of the motions.

The Company is subject to various other pending legal proceedings. In management's opinion, the resolution of these other claims will not have a material effect on the consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Dollars in thousands, except share data)

GENERAL

The Company's primary businesses are the servicing and resolution of subperforming and nonperforming residential and commercial mortgage loans, as well as the related development of loan servicing technology, software and business-to-business e-commerce solutions for the mortgage and real estate industries.

The Company is a registered savings and loan holding company subject to regulation by the OTS. The Bank is subject to regulation by the OTS, as its chartering authority, and by the Federal Deposit Insurance Corporation (the "FDIC") as a result of its membership in the Savings Association Insurance Fund administered by the FDIC, which insures the Banks' deposits up to the maximum extent permitted by law. The Bank is also subject to regulation by the Board of Governors of the Federal Reserve System and is currently a member of the Federal Home Loan Bank ("FHLB") of New York, one the 12 regional banks which comprise the FHLB System.

The following discussion of the Company's consolidated financial condition, results of operations, capital resources and liquidity should be read in conjunction with the Interim Consolidated Financial Statements and related Notes included in Item 1 herein (which is incorporated herein by reference).

RECENT DEVELOPMENTS

On November 1, 2000, the Company sold its remaining San Francisco office building (225 Bush Street) for $143,500 realizing net proceeds of approximately $60,300 and a gain of $100. See "Changes in Financial Condition - Real Estate Help for Sale."

The Company intends to sell its entire minority interest in Kensington Group plc during the fourth quarter of 2000. This sale is subject to a number of uncertainties, but it is the Company's expectation that it will realize a gain upon its completion.

On November 14, 2000 OAC announced a tender offer and consent solicitation with respect to all its outstanding 11.5% notes, at a price of $840 per $1,000 principal amount, plus accrued and unpaid interest. The offer and solicitation will expire on December 12, 2000 unless otherwise extended. The primary purpose of the tender offer is to acquire all of the outstanding 11.5% notes and eliminate the interest expense associated with the notes. The primary purpose of the consent solicitation is to eliminate substantially all of the covenants and events of default, other than those related to payment of the notes, thereby affording the Company additional financial and operational flexibility. If consummated, the Company projects that it will recognize extraordinary gains on the retirement of debt during the fourth quarter of 2000 although the amount is dependent upon the quantity of notes purchased by the Company.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations. (Dollars in thousands, except share data)

SELECTED CONSOLIDATED FINANCIAL INFORMATION	September 30, 2000	December 31, 1999	Increase (Decrease)
BALANCE SHEET DATA			
Total assets	$ 2,843,183	$ 3,309,313	(14)%
Securities available for sale, at fair value:			
Collateralized mortgage obligations (AAA-rated)	--	392,387	(100)
Subordinates, residuals and other securities	--	195,131	(100)
Trading securities, at fair value:			
Collateralized mortgage obligations (AAA-rated)	372,541	--	--
Subordinates, residuals and other securities	123,754	--	--
Loans available for sale, at lower of cost or market	12,323	45,213	(73)
Real estate held for sale	160,589	--	--
Low-income housing tax credits held for sale	75,478	--	--
Loan portfolio, net	115,103	157,408	(27)
Discount loan portfolio, net	701,941	913,229	(23)
Match funded loans and securities, net	123,900	157,794	(21)
Investment in low-income housing tax credit interests	68,271	150,989	(55)
Investment in unconsolidated entities	29,803	37,118	(20)
Real estate owned, net	169,200	167,506	1
Total liabilities	2,250,033	2,689,871	(16)
Deposits	1,604,460	1,842,286	(13)
Securities sold under agreements to repurchase	5,692	47,365	(88)
Bonds-match funded agreements	114,687	141,515	(19)
Obligations outstanding under lines of credit	135,644	187,866	(28)
Notes, debentures and other interest bearing obligations	273,562	317,573	(14)
Capital Securities	99,390	110,000	(10)
Stockholders' equity	493,760	509,442	(3)

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	At or for the Three Months Ended September 30,		
	2000	1999	Increase (Decrease)
OPERATIONS DATA			
Net interest income	$ 854	$ 19,232	(96)%
Provision for loan losses	6,861	826	731
Non-interest income	49,536	62,243	(20)
Non-interest expense	44,700	52,128	(14)
Distributions on Capital Securities	2,730	3,400	(20)
Equity in losses of investment in unconsolidated entities	893	4,768	(81)
Income tax benefit (expense)	1,486	(8,199)	(118)
Extraordinary gain on repurchase of debt, net of taxes	2,628	253	939
Net (loss) income	(680)	12,776	(105)
PER COMMON SHARE			
Net (loss) income:			
Basic	$ (0.01)	$ 0.21	(105)%
Diluted	(0.01)	0.21	(105)
Stock price:			
High	$ 6.88	$ 8.25	(17)%
Low	5.44	6.00	(9)
Close	5.88	6.19	(5)
Repurchase of common stock (1)	--	7.68	(100)
KEY RATIOS			
Annualized return on average assets	(0.09)%	1.67%	(105)%
Annualized return on average equity	(0.55)	11.93	(105)
Efficiency ratio (2)	90.31	67.96	33
Core (leverage) capital ratio	11.23	10.00	12
Risk-based capital ratio	19.15	18.37	4

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	At or for the Nine Months Ended September 30,		
	2000	1999	Increase (Decrease)
OPERATIONS DATA			
Net interest income	$ 10,341	$ 71,677	(86)%
Provision for loan losses	12,604	5,188	143
Non-interest income	117,715	132,871	(11)
Non-interest expense	124,618	152,276	(18)
Distributions on Capital Securities	8,842	10,196	(13)
Equity in losses of investment in unconsolidated entities	4,965	9,483	(48)
Income tax benefit (expense)	7,122	(9,595)	(174)
Extraordinary gain on repurchase of debt, net of taxes	8,674	253	3,328
Net (loss) income	(7,177)	18,560	(139)
PER COMMON SHARE			
Net loss:			
Basic	$ (0.11)	$ 0.31	(135)%
Diluted	(0.11)	0.31	(135)
Stock price:			
High	$ 9.25	$ 12.31	(25)%
Low	5.25	6.00	(13)
Close	5.88	6.19	(5)
Average repurchase of common stock (1)	6.48	7.68	(16)
KEY RATIOS			
Annualized return on average assets	(0.29)%	0.79%	(137)%
Annualized return on average equity	(1.94)	5.71	(134)
Efficiency ratio (2)	101.24	78.06	30
Core (leverage) capital ratio	11.23	10.00	12
Risk-based capital ratio	19.15	18.37	4

(1) The Company repurchased 1,388,300 shares of its common stock during the first quarter of 2000.

(2) The efficiency ratio represents non-interest expense divided by the sum of net interest income before provision for loan losses, non-interest income and equity in losses of investment in unconsolidated entities.

RESULTS OF OPERATIONS: THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2000 VERSUS THREE AND NINE MONTHS ENDED SEPTEMBER 30, 1999

GENERAL. The Company recorded a net loss of $(680), or $(0.01) per share, for the third quarter of 2000, as compared to net income of $12,776, or $0.21 per share, for the third quarter of 1999. There were a number of key factors and transactions that contributed to the results for the third quarter of 2000 as compared to the third quarter of 1999, including: the sale of Ocwen UK in September 1999 for a gain of $50,431; the acquisition of OAC in October 1999; gains of $16,776 from the sales of two office buildings in San Francisco during the third quarter of 2000; a decline in impairment charges from $19,211 during the third quarter of 1999 to $0 for the third quarter of 2000; unrealized trading losses of $2,406 during the third quarter of 2000 as a result of the Company's decision to change its accounting policy for securities available for sale and match funded securities to account for them as trading securities effective September 30, 2000; an increase in net losses incurred by OTX from $(2,535) in the third quarter of 1999 to $(5,756) in the third quarter of 2000, reflecting the Company's ongoing commitment to the development of this business; and an increase in extraordinary gains on repurchases of debt, net of tax, from $253 during the third quarter of 1999 to $2,628 during the third quarter of 2000.

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SEGMENT PROFITABILITY. The following table presents the after tax contribution by business segment to the Company's net (loss) income for the years indicated:

	Three Months			Nine Months		
For the periods ended September 30,	2000	1999	Favorable (Unfavorable)	2000	1999	Favorable (Unfavorable)
Single family residential discount loans...........................	$ 4,157	$ (4,154)	$ 8,311	$ 11,624	$ (9,472)	$ 21,096
Commercial loans..................	(3,887)	(2,185)	(1,702)	(2,437)	8,043	(10,480)
Domestic residential mortgage loan servicing......................	2,008	2,000	8	8,242	8,091	151
Investment in low-income housing tax credits.....................	(2,500)	4,163	(6,663)	(1,308)	6,612	(7,920)
OTX..............................	(5,756)	(2,535)	(3,221)	(15,502)	(6,479)	(9,023)
Commercial real estate............	9,489	39	9,450	12,199	209	11,990
UK operations.....................	(798)	30,049	(30,847)	(3,730)	39,005	(42,735)
Domestic subprime single family residential lending.............	(4,832)	(10,217)	5,385	(12,740)	(11,454)	(1,286)
Unsecured collections.............	(2,235)	(1,027)	(1,208)	(6,598)	(2,492)	(4,106)
Ocwen Realty Advisors.............	(291)	--	(291)	(2)	--	(2)
Corporate items and other.........	3,965	(3,357)	7,322	3,075	(13,503)	16,578
	$ (680)	$ 12,776	$ (13,456)	$ (7,177)	$ 18,560	$ (25,737)

The following is a discussion of the contribution by business segment to the Company's net income (loss) for the periods indicated.

- Single Family Residential Discount Loans. Results for three and nine months ended September 30, 2000 included gains of $2,303 and $14,567, respectively, from the sale of loans. This compares to securitization gains of $22,763 for the nine months ended September 30, 1999 (none during the third quarter). Impairment charges on residential subordinate securities amounted to $26,977 for the nine months ended September 30, 1999, including $4,078 for the third quarter. Net unrealized trading gains on residential subordinate securities amounted to $4,143 for the third quarter of 2000. Losses from the sale and operation of real estate owned amounted to $2,824 and $19,359 for the three and nine months ended September 30, 2000, respectively, as compared to $1,027 and $5,548 for the three and nine months ended September 30, 1999, respectively. The results for the three and nine months ended September 30, 2000 also reflect declines of $796 and $7,437, respectively, in the provision for loan losses, as compared to the same periods in the prior year. See "Results of Operations - Non-Interest Income."

- Commercial Loans. The results for the three and nine months ended September 30, 2000 reflect declines of $1,833 and $7,698, respectively, in gains from the sale and operation of real estate owned as compared to the same periods of 1999. Additional interest received in connection with the repayment of loans held in the loan portfolio amounted to $6,084 during the nine months ended September 30, 1999. Equity in earnings related to certain loans which are accounted for as investments in real estate amounted to $4,723 and $9,267 during the three and nine months ended September 30, 2000, respectively. The results for the three and nine months ended September 30, 2000 also reflect increases in the provision for loan losses of $4,139 and $3,235, respectively, primarily related to discount loans.

- Domestic Residential Mortgage Loan Servicing. Domestic residential servicing fees and other charges amounted to $20,286 and $59,439 for the three and nine months ended September 30, 2000, respectively, as compared to $14,731 and $42,229 for the three and nine months ended September 30, 1999, respectively. The increase in servicing fees reflects an increase in the average balance of loans serviced for others. See "Results of Operations - Non-Interest Income."

- Investment in Low-Income Housing Tax Credits. See "Changes in Financial Condition - Investment in Low-Income Housing Tax Credit Interests."

- UK Operations. The Company sold its investment in Ocwen UK on September 30, 1999 for a gain of $50,431. Losses for 2000 relate to the Company's 38.7% equity investment in Kensington. See "Results of Operations - Equity in Losses of Investments in Unconsolidated Entities."

- OTX. The increase in net losses incurred by OTX reflects the Company's ongoing commitment to the development of its technology business.

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o Commercial Real Estate. Results for the three and nine months ended September 30, 2000 included gains of $16,776 and $20,891, respectively, from the sale of real estate properties held for sale. Results for the three and nine months ended September 30, 2000 also included $4,178 and $13,243, respectively, of net operating gains on investments in real estate. These real estate properties were acquired in connection with the acquisition of OAC in October 1999. See "Results of Operations - Non-Interest Income."

o Domestic Subprime Single Family Residential Lending. Results for the three and nine months ended September 30, 1999 included $15,133 and $20,883, respectively, of impairment charges on subprime residual securities, as compared to $0 and $10,930 for the three and nine months ended September 30, 2000, respectively. The results for 2000 also included $6,657 of net unrealized trading losses on subprime residual securities during the third quarter. The Company closed its domestic subprime origination business, which had been conducted primarily through OFS, in 1999.

o Unsecured Collections. Unsecured collections is primarily comprised of activities related to the Company's charged-off unsecured credit card receivables which were acquired at a discount. Collections of unsecured credit card receivables are accounted for under the cost recovery method. Results for the three and nine months ended September 30, 2000 included provisions for loan losses of $1,863 and $4,630, respectively, as compared to $219 and $(5) for the three and nine months ended September 30, 1999.

o Ocwen Realty Advisors. Ocwen Realty Advisors ("ORA"), a new activity in 2000, provides collateral valuation services for residential and commercial properties.

See Note 9 to the Consolidated Financial Statements, included in Item 1 herein (which is incorporated herein by reference), for additional information related to the Company's operating segments.

NET INTEREST INCOME: Net interest income is the difference between interest income earned from interest-earning assets and interest expense incurred on its interest-bearing liabilities. Net interest income is determined by net interest spread (i.e., the difference between the yield earned on its interest-earning assets and the rates paid on its interest-bearing liabilities), the relative amount of interest-earning assets and interest-bearing liabilities and the degree of mismatch in the maturity and repricing characteristics of its interest-earning assets and interest-bearing liabilities.

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The following table sets forth, for the periods indicated, information regarding the total amount of income from interest-earning assets and the resultant average yields, the interest expense associated with interest-bearing liabilities, expressed in dollars and rates, and the net interest spread and net interest margin. Information is based on average daily balances during the indicated periods.

	Three Months Ended September 30,					
	2000			1999		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
AVERAGE ASSETS:						
Federal funds sold and repurchase agreements.......	$ 140,534	$ 2,544	7.24%	$ 74,761	$ 958	5.13%
Securities available for sale (1)..................	629,088	12,831	8.16	652,527	15,350	9.41
Loans available for sale (2).......................	28,564	450	6.30	235,136	6,233	10.60
Investment securities and other....................	27,476	352	5.12	29,407	502	6.83
Loan portfolio (2).................................	145,546	4,651	12.78	138,360	3,941	11.39
Match funded loans and securities..................	138,619	2,611	7.53	--	--	--
Discount loan portfolio............................	790,051	21,848	11.06	1,000,273	29,035	11.61
Total interest earning assets..................	1,899,878	45,287	9.53	2,130,464	56,019	10.52
Non-interest earning cash..........................	35,100			120,069		
Allowance for loan losses..........................	(27,756)			(26,466)		
Low-income housing tax credit interests............	143,930			184,855		
Investment in unconsolidated entities..............	30,279			78,280		
Real estate owned, net.............................	179,666			179,585		
Investment in real estate..........................	160,029			17,579		
Real estate held for sale..........................	195,545			--		
Escrow advances on loans and loans serviced for others..	200,578			145,552		
Other assets.......................................	277,224			237,316		
Total assets...................................	$3,094,473			$3,067,234		
AVERAGE LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest-bearing demand deposits...................	$ 13,349	$ 157	4.70%	$ 25,441	$ 286	4.50%
Savings deposits...................................	1,404	8	2.28	1,593	10	2.51
Certificates of deposit............................	1,573,785	25,687	6.53	1,610,378	24,483	6.08
Total interest-bearing deposits................	1,588,538	25,852	6.51	1,637,412	24,779	6.05
Securities sold under agreements to repurchase.....	159,335	2,761	6.93	139,039	2,120	6.10
Bonds-match funded agreements......................	118,437	2,948	9.96	--	--	--
Obligations outstanding under lines of credit......	178,121	4,371	9.82	200,942	3,101	6.17
Notes, debentures and other........................	280,231	8,501	12.13	226,952	6,787	11.96
Total interest-bearing liabilities.............	2,324,662	44,433	7.65	2,204,345	36,787	6.68
Non-interest bearing deposits......................	7,281			18,251		
Escrow deposits....................................	62,079			222,865		
Excess of net assets acquired over purchase price..	49,900			--		
Other liabilities..................................	59,667			68,363		
Total liabilities..............................	2,503,589			2,513,824		
Capital Securities.................................	100,422			125,000		
Stockholders' equity...............................	490,462			428,410		
Total liabilities and stockholders' equity......	$3,094,473			$3,067,234		
Net interest income................................		$ 854			$ 19,232	
Net interest spread................................			1.88%			3.84%
Net interest margin................................			0.18%			3.61%
Ratio of interest-earning assets to interest-bearing liabilities.....................	82%			97%		

(1) Excludes effect of unrealized gains or losses on securities available for sale.

(2) The average balances of loans available for sale and the loan portfolio include non-performing loans, interest on which is recognized on a cash basis.

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	Nine Months Ended September 30,					
	2000			1999		
	Average Balance	Interest Income/ Expense	Average Yield/ Rate	Average Balance	Interest Income/ Expense	Average Yield/ Rate
AVERAGE ASSETS:						
Federal funds sold and repurchase agreements	$ 104,976	$ 5,118	6.50%	$ 177,971	$ 6,412	4.80%
Securities available for sale (1)	715,121	42,508	7.93	584,488	48,199	11.00
Loans available for sale (2)	37,112	2,174	7.81	297,093	25,376	11.39
Investment securities and other	25,817	1,181	6.10	33,893	1,537	6.05
Loan portfolio (2)	156,882	13,956	11.86	176,147	18,985	14.37
Match funded loans and securities	147,479	8,874	8.02	--	--	--
Discount loan portfolio	871,808	70,021	10.71	973,941	84,591	11.58
Total interest earning assets	2,059,195	143,832	9.31	2,243,533	185,100	11.00
Non-interest earning cash	47,707			77,684		
Allowance for loan losses	(27,511)			(26,589)		
Low-income housing tax credit interests	147,111			167,605		
Investment in unconsolidated entities	32,666			82,820		
Real estate owned, net	181,699			196,840		
Investment in real estate	224,354			33,267		
Real estate held for sale	130,722			--		
Escrow advances on loans and loans serviced for others	187,222			126,133		
Other assets	282,590			249,978		
Total assets	$3,265,755			$3,151,271		
AVERAGE LIABILITIES AND STOCKHOLDERS' EQUITY:						
Interest-bearing demand deposits	$ 9,677	$ 410	5.65%	$ 43,586	$ 1,178	3.60%
Savings deposits	1,520	28	2.46	1,565	28	2.39
Certificates of deposit	1,569,044	74,892	6.36	1,626,920	73,960	6.06
Total interest-bearing deposits	1,580,241	75,330	6.36	1,672,071	75,166	5.99
Securities sold under agreements to repurchase	220,843	10,685	6.45	120,721	5,891	6.51
Bonds-match funded agreements	127,771	9,095	9.49	--	--	--
Obligations outstanding under lines of credit	181,001	11,783	8.68	262,051	12,219	6.22
Notes, debentures and other	292,556	26,598	12.12	224,528	20,147	11.96
Total interest-bearing liabilities	2,402,412	133,491	7.41	2,279,371	113,423	6.63
Non-interest bearing deposits	7,318			17,849		
Escrow deposits	131,672			211,000		
Excess of net assets acquired over purchase price	52,837			--		
Other liabilities	71,297			84,488		
Total liabilities	2,665,536			2,592,708		
Capital Securities	106,329			125,000		
Stockholders' equity	493,890			433,563		
Total liabilities and stockholders' equity	$3,265,755			$3,151,271		
Net interest income		$ 10,341			$ 71,677	
Net interest spread			1.90%			4.37%
Net interest margin			0.67%			4.28%
Ratio of interest-earning assets to interest-bearing liabilities	86%			98%		

(1) Excludes effect of unrealized gains or losses on securities available for sale.

(2) The average balances of loans available for sale and the loan portfolio include non-performing loans, interest on which is recognized on a cash basis.

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The following table describes the extent to which changes in interest rates and changes in volume of interest-earning assets and interest-bearing liabilities have affected the Company's interest income and expense during the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to (i) changes in volume (change in volume multiplied by prior rate), (ii) changes in rate (change in rate multiplied by prior volume) and (iii) total change in rate and volume. Changes attributable to both volume and rate have been allocated proportionately to the change due to volume and the change due to rate.

	Three Months			Nine Months		
	2000 vs. 1999			2000 vs. 1999		
	Increase (Decrease) Due To			Increase (Decrease) Due To		
For the periods ended September 30,	Rate	Volume	Total	Rate	Volume	Total
Interest-Earning Assets:						
Federal funds sold and repurchase agreements	$ 506	$ 1,080	$ 1,586	$ 1,835	$ (3,129)	$ (1,294)
Securities available for sale	(1,983)	(536)	(2,519)	(8,688)	2,997	(5,691)
Loans available for sale	(1,827)	(3,956)	(5,783)	(2,753)	(20,449)	(23,202)
Investment securities and other	(119)	(31)	(150)	5	(361)	(356)
Loan portfolio	498	212	710	(1,883)	(3,146)	(5,029)
Match funded loans and securities	--	2,611	2,611	--	8,874	8,874
Discount loan portfolio	(1,320)	(5,867)	(7,187)	(3,090)	(11,480)	(14,570)
Total interest-earning assets	(4,245)	(6,487)	(10,732)	(14,574)	(26,694)	(41,268)
Interest-Bearing Liabilities:						
Interest-bearing demand deposits	13	(142)	(129)	229	(997)	(768)
Savings deposits	(1)	(1)	(2)	--	--	--
Certificates of deposit	1,770	(566)	1,204	2,137	(1,205)	932
Total interest-bearing deposits	1,782	(709)	1,073	2,366	(2,202)	164
Securities sold under agreements to repurchase	310	331	641	(19)	4,813	4,794
Bonds-match funded agreements	--	2,948	2,948	--	9,095	9,095
Obligations outstanding under lines of credit	1,600	(393)	1,207	2,311	(2,747)	(436)
Notes, debentures and other interest-bearing obligations	164	1,613	1,777	103	6,348	6,451
Total interest-bearing liabilities	3,856	3,790	7,646	4,761	15,307	20,068
	$ (8,101)	$ (10,277)	$ (18,378)	$ (19,335)	$ (42,001)	$ (61,336)

The Company's net interest income before provision for loan losses of $854 for the three months ended September 30, 2000 decreased $18,378 or 96% as compared to the same period in the prior year. The decrease was due to a decrease in average interest-earning assets, an increase in average interest-bearing liabilities and a decrease in the net interest spread. Average interest-earning assets decreased by $230,586 or 12% during the three months ended September 30, 2000 and reduced interest income by $6,487. Average interest-bearing liabilities increased by $120,317 or 5% during the three months ended September 30, 2000 and increased interest expense by $3,790. The impact of these volume changes resulted in a $10,277 decrease in net interest income. The net interest spread decreased 196 basis points as a result of a 99 basis-point decrease in the weighted average rate on interest-earning assets and a 97 basis-point increase in the weighted average rate on interest-bearing liabilities. The impact of these rate changes resulted in a $8,101 decrease in net interest income. The sale of Ocwen UK, which had a net interest spread for the three months ended September 30, 1999 of 8.28%, contributed to the overall decline in the net interest spread. Additionally, the average balance of non-interest earning assets that are largely funded by interest bearing liabilities has increased during 2000, primarily due to an increase in real estate assets resulting from the acquisition of OAC and increase in escrow advances resulting from the growth of the domestic loan servicing business.

The Company's net interest income before provision for loan losses of $10,341 for the nine months ended September 30, 2000 decreased $61,336 or 86% as compared to the same period in the prior year. The decrease was due to a decrease in average interest-earning assets, an increase in average interest-bearing liabilities, and a decrease in the net interest spread. Average interest-earning assets decreased by $184,338 or 8% during the nine months ended September 30, 2000 and reduced interest income by $26,694. Average interest-bearing liabilities increased by $123,041 or 5% during the nine months ended September 30, 2000 and increased interest expense by $15,307. The impact of these volume changes resulted in a $42,001 decrease in net interest income. The net interest spread decreased 247 basis points during the nine months ended September 30, 2000 as a result of a 169 basis-point decrease in the weighted average rate on interest-earning assets and a 78 basis-point increase in the weighted average rate on interest-bearing liabilities. The impact of these rate changes resulted in a

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$19,335 decrease in net interest income. The sale of Ocwen UK, which had a net interest spread for the nine months ended September 30, 1999 of 9.70%, contributed to the overall decline in net interest spread.

For the three months ended September 30,	Average Balance 2000	Average Balance 1999	Increase (Decrease) $	Average Yield 2000	Average Yield 1999	Increase (Decrease) Basis Points
Federal funds sold and repurchase agreements	$ 140,534	$ 74,761	$ 65,773	7.24%	5.13%	211
Securities available for sale	629,088	652,527	(23,439)	8.16	9.41	(125)
Loans available for sale (1)	28,564	235,136	(206,572)	6.30	10.60	(430)
Investment securities and other	27,476	29,407	(1,931)	5.12	6.83	(171)
Loan portfolio	145,546	138,360	7,186	12.78	11.39	139
Match funded loans and securities	138,619	--	138,619	7.53	--	753
Discount loan portfolio	790,051	1,000,273	(210,222)	11.06	11.61	(55)
	$ 1,899,878	$ 2,130,464	$ (230,586)	9.53	10.52	(99)

For the nine months ended September 30,	Average Balance 2000	Average Balance 1999	Increase (Decrease) $	Average Yield 2000	Average Yield 1999	Increase (Decrease) Basis Points
Federal funds sold and repurchase agreements	$ 104,976	$ 177,971	$ (72,995)	6.50%	4.80%	170
Securities available for sale	715,121	584,488	130,633	7.93	11.00	(307)
Loans available for sale (2)	37,112	297,093	(259,981)	7.81	11.39	(358)
Investment securities and other	25,817	33,893	(8,076)	6.10	6.05	5
Loan portfolio	156,882	176,147	(19,265)	11.86	14.37	(251)
Match funded loans and securities	147,479	--	147,479	8.02	--	802
Discount loan portfolio	871,808	973,941	(102,133)	10.71	11.58	(87)
	$ 2,059,195	$ 2,243,533	$ (184,338)	9.31	11.00	(169)

(1) Includes an average balance of $168,110 with an average yield earned of 11.15% for the three months ended September 30, 1999 related to Ocwen UK.

(2) Includes an average balance of $176,572 with an average yield earned of 12.28% for the nine months ended September 30, 1999 related to Ocwen UK.

Interest income on federal funds sold and repurchase agreements increased $1,586 or 166% during the three months ended September 30, 2000 as compared to the same period in 1999 due to a $65,773 or 88% increase in the average balance, and a 211 basis-point increase in the average yield. For the nine months ended September 30, 2000 interest income on federal funds sold and repurchase agreements declined $1,294 or 20% as compared to the same period in 1999 primarily due to a $72,995 or 41% decline in the average balance, offset by a 170 basis-point increase in the average yield.

Interest income on securities available for sale decreased $2,519 or 16% during the three months ended September 30, 2000 as compared to the same period in 1999 as a result of a $23,439 or 4% decrease in the average balance and a 125 basis-point decrease in the weighted average yield earned. For the nine months ended September 30, 2000, interest income on securities available for sale decreased $5,691 or 12% as compared to the same period in 1999 as a result of a 307 basis-point decrease in the weighted average yield earned, offset by a $130,633 or 22% increase in the average balance. As indicated in the tables below, the decrease in the weighted average yield during the three and nine months ended September 30, 2000, as compared to the same periods in 1999, is due primarily to the sale of Ocwen UK and other changes in the composition of the securities available for sale portfolio.

For the three months ended September 30,	Average Balance 2000 Amount	Average Balance 2000 Percent	Average Balance 1999 Amount	Average Balance 1999 Percent	Average Yield 2000	Average Yield 1999
CMOs (AAA-rated) (1)	$ 502,869	80%	$ 429,246	66%	6.70%	5.73%
Subordinates, residuals and other securities (2)	126,219	20	223,281	34	13.98	16.48
	629,088	100%	$ 652,527	100%	8.16	9.41

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For the nine months ended September 30,	Average Balance 2000 Amount	2000 Percent	1999 Amount	1999 Percent	Average Yield 2000	Average Yield 1999
CMOs (AAA-rated) (1)	$ 571,486	80%	$ 361,089	62%	5.63%	6.46%
Subordinates, residuals and other securities (3)	143,635	20	223,399	38	19.66	13.75
	$ 715,121	100%	$ 584,488	100%	7.93	11.00

(1) Because collateralized mortgage obligations ("CMOs") have less cash flow variability, their average lives and yields to maturity are more stable, and therefore, CMOs are priced to yield less than a less stable class of mortgage-related securities. See "Changes in Financial Condition - Securities Available for Sale."

(2) Includes an average balance of $95,080 with an average yield earned of 19.22% for the three months ended September 30, 1999 related to Ocwen UK.

(3) Includes an average balance of $81,204 with an average yield earned of 24.45% for the nine months ended September 30, 1999 related to Ocwen UK.

Interest income on loans available for sale decreased $5,783 or 93% during the three months ended September 30, 2000 as compared to the same period in 1999 as a result of a $206,572 or 88% decrease in the average balance and a 430 basis-point decline in the average yield. For the nine months ended September 30, 2000, interest income on loans available for sale decreased $23,202 or 91% as compared to the same period in 1999 as a result of a $259,981 or 88% decrease in the average balance and a 358 basis-point decline in the average yield. The decrease in the average balances and yields reflects the closure of the domestic subprime origination business and the sale of Ocwen UK. See "Changes in Financial Condition - Loans Available for Sale."

Interest income on the loan portfolio increased by $710 or 18% during the three months ended September 30, 2000 versus the same period in 1999 due to a 139 basis-point increase in the average yield and a $7,186 or 5% increase in the average balance. For the nine months ended September 30, 2000, interest income on the loan portfolio decreased $5,029 or 26% versus the same period in 1999 as a result of a $19,265 or 11% decrease in the average balance and a 251 basis-point decrease in the average yield. The decrease in the average yield is due in part to a decline in the amount of additional interest received in connection with the repayment of loans. Such additional interest amounted to $8 and $97 during the three and nine months ended September 30, 2000, respectively, as compared to $476 and $6,084 for the three and nine months ended September 30, 1999, respectively. During 1999, the Company ceased origination of multi-family and commercial loans. See "Changes in Financial Condition - Loan Portfolio."

Interest income on match funded loans and securities is comprised of income earned on loans acquired in connection with the acquisition of OAC. These loans were previously securitized by OAC under a securitization accounted for as a financing transaction and on four unrated residual securities transferred by the Company in December 1999 to Ocwen NIM Corp. in exchange for non-recourse notes. See "Changes in Financial Condition - Match Funded Loans and Securities."

Interest income on discount loans decreased by $7,187 or 25% during the three months ended September 30, 2000 as compared to the same period in 1999 primarily as a result of a $210,222 or 21% decline in the average balance and a 55 basis-point decrease in the average yield. For the nine months ended September 30, 2000, interest income on discount loans decreased by $14,570 or 17% as compared to the same period in 1999 as a result of a $102,133 or 10% decline in the average balance and an 87 basis-point decline in the average yield. See "Changes in Financial Condition - Discount Loans, Net." The yield on the discount loan portfolio is likely to fluctuate from period to period as a result of the timing of resolutions, particularly the resolution of large multi-family residential and commercial real estate loans, and the mix of the overall portfolio between performing and non-performing loans.

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For the three months ended September 30,	Average Balance 2000	Average Balance 1999	Increase (Decrease) $	Average Rate 2000	Average Rate 1999	Increase (Decrease) Basis Points
Interest-bearing deposits.........................	$ 1,588,538	$ 1,637,412	$ (48,874)	6.51%	6.05%	46
Securities sold under agreements to repurchase (1)	159,335	139,039	20,296	6.93	6.10	83
Bonds-match funded agreements.....................	118,437	--	118,437	9.96	--	996
Obligations outstanding under lines of credit (2)	178,121	200,942	(22,821)	9.82	6.17	365
Notes, debentures and other.......................	280,231	226,952	53,279	12.13	11.96	17
	$ 2,324,662	$ 2,204,345	$ 120,317	7.65	6.68	97

For the nine months ended September 30,	Average Balance 2000	Average Balance 1999	Increase (Decrease) $	Average Rate 2000	Average Rate 1999	Increase (Decrease) Basis Points
Interest-bearing deposits.........................	1,580,241	1,672,071	(91,830)	6.36%	5.99%	37
Securities sold under agreements to repurchase (3)	220,843	120,721	100,122	6.45	6.51	(6)
Bonds-match funded agreements.....................	127,771	--	127,771	9.49	--	949
Obligations outstanding under lines of credit (4)	181,001	262,051	(81,050)	8.68	6.22	246
Notes, debentures and other.......................	292,556	224,528	68,028	12.12	11.96	16
	$ 2,402,412	$ 2,279,371	$ 123,041	7.41	6.63	78

(1) Includes an average balance of $35,445 with an average yield of 7.17% for the three months ended September 30, 1999 related to Ocwen UK.

(2) Includes an average balance of $166,816 with an average yield of 5.83%for the three months ended September 30, 1999 related to Ocwen UK.

(3) Includes an average balance of $30,627 with an average yield of 7.64%for the nine months ended September 30, 1999 related to Ocwen UK.

(4) Includes an average balance of $174,393 with an average yield of 6.16% for the nine months ended September 30, 1999 related to Ocwen UK.

Interest expense on interest-bearing deposits increased $1,073 or 4% during the three months ended September 30, 2000 due to a 46 basis-point increase in the average rate offset in part by a $48,874 or 3% decrease in the average balance. For the nine months ended September 30, 2000, interest expense on interest-bearing deposits increased $164 as compared to the same period in 1999 primarily as a result of a 37 basis-point increase in the average rate, offset by a $91,830 or 5% decrease in the average balance. The increase in the average rates for the above periods was primarily related to certificates of deposit.

Interest expense on securities sold under agreements to repurchase increased $641 or 30% primarily due to an $20,296 or 15% increase in the average balance. For the nine months ended September 30, 2000, interest expense on securities sold under agreements to repurchase increased $4,794 or 81% as compared to the same period in 1999 primarily as a result of a $100,122 or 83% increase in the average balance. See "Changes in Financial Condition - Securities Sold Under Agreements to Repurchase."

Interest expense on bonds-match funded agreements is comprised of interest incurred on bonds-match funded agreements acquired as a result of the OAC acquisition and on non-recourse notes which resulted from the Company's transfer of four unrated residual securities in December 1999 to Ocwen NIM Corp in exchange for non-recourse notes. See "Changes in Financial Condition - Bonds - - Match Funded Agreements."

Interest expense on obligations outstanding under lines of credit increased $1,270 or 41% during the three months ended September 30, 2000 as compared to the same period in 1999 due to a 365 basis-point increase in the weighted average interest rate offset in part by a $22,821 or 11% decrease in the average balance. For the nine months ended September 30, 2000, interest expense on obligations outstanding under lines of credit decreased $436 or 4% as compared to the same period in 1999 as a result of a $81,050 or 31% decrease in the average balance, offset by a 246 basis-point increase in the average rate. During the nine months ended September 30, 1999, lines of credit were used primarily to fund the acquisition and origination of subprime single family loans at OFS and Ocwen UK. The net decreases in the average balances reflects the closure of the domestic subprime origination business and the sale of Ocwen UK, offset by the assumption of lines as a result of the acquisition of OAC. The OAC lines are primarily collateralized by investments in real estate. See "Changes in Financial Condition - Obligations Outstanding Under Lines of Credit."

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Interest expense on notes, debentures and other increased $1,777 or 26% during the three months ended September 30, 2000 primarily due to a $53,279 or 23% increase in the average balance. For the nine months ended September 30, 2000, interest expense on notes, debentures and other increased $6,451 or 32% as compared to the same period in 1999 primarily as a result of a $68,028 or 30% increase in the average balance. The increases in the average balances is primarily due to the assumption of $140,487 of 11.5% Redeemable Notes as a result of the OAC acquisition, offset by the Company's repurchases of debt during 1999 and 2000. See "Changes in Financial Condition - Notes, Debentures and Other."

PROVISIONS FOR LOAN LOSSES. Provisions for losses on loans are charged to operations to maintain an allowance for losses on the loan portfolio, the discount loan portfolio and match funded loans at a level which management considers adequate based upon an evaluation of known and inherent risks in such portfolios. Management's periodic evaluation is based on an analysis of the discount loan portfolio, the loan portfolio and match funded loans, historical loss experience, current economic conditions and trends, collateral values and other relevant factors.

The following table presents the provisions for loan losses by the discount loan, loan portfolio and match funded loans for the periods indicated.

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Discount loan portfolio	$ 5,989	$ 1,209	$ 13,209	$ 4,618
Loan portfolio	938	(383)	(477)	570
Match funded loans	(66)	--	(128)	--
	$ 6,861	$ 826	$ 12,604	$ 5,188

The increase in the provision for loan losses is primarily attributed to detailed asset reviews of commercial loans and an increase in the allowance for losses on unsecured credit card receivables.

The following table sets forth the allowance for loan losses as a percentage of the respective loan balances at the dates indicated.

	September 30, 2000			September 30, 1999		
	Allowance	Loan Balance	Allowance as a %	Allowance	Loan Balance	Allowance as a %
Discount loan portfolio	$ 23,047	$ 724,988	3.18%	$ 20,322	$ 994,794	2.04%
Loan portfolio	4,871	119,974	4.06	5,491	132,517	4.14
Match funded loans	367	87,721	0.42	--	--	--
	$ 28,285	$ 932,683	3.03	$ 25,813	$ 1,127,311	2.29%

At December 31, 1999, the allowance as a percentage of the loan balance for discount loans, loan portfolio and match funded loans was 2.06%, 4.41% and 0.47%, respectively. For additional information regarding the Company's allowance for loan losses on the above portfolios, see "Changes in Financial Condition - Allowance for Loan Losses." For information relating to the Company's valuation allowance on real estate owned, see "Changes in Financial Condition - Real Estate Owned."

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NON-INTEREST INCOME. The following table sets forth the principal components of the Company's non-interest income during the periods indicated.

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Servicing fees and other charges	$ 22,517	$ 19,584	$ 63,647	$ 56,764
Gain on interest-earning assets, net	1,453	442	17,717	43,585
Unrealized loss on trading securities	(2,406)	--	(2,406)	--
Impairment charges on securities available for sale	--	(19,211)	(11,597)	(48,080)
(Loss) gain on real estate owned, net	(4,621)	(1,508)	(14,634)	1,798
Net operating gains (loss) on investments in real estate	9,153	(2,169)	22,769	(1,927)
Amortization of excess of net assets acquired over purchase price	2,995	--	8,788	--
Other income	20,445	65,105	33,431	80,731
Total	$ 49,536	$ 62,243	$ 117,715	$ 132,871

Servicing fees and other charges are primarily comprised of fees from investors for servicing mortgage loans. Excluding Ocwen UK, servicing fees and other charges for the three and nine months ended September 30, 1999 increased $6,529 and $16,574, respectively. Excluding Ocwen UK, the average unpaid principal balance of loans serviced for others amounted to $10,627,495 and $10,750,711 during the three and nine months ended September 30, 2000, respectively, as compared to $10,477,469 and $9,763,100 for the three and nine months ended September 30, 1999, respectively. Also contributing to the increase in servicing fees and other charges during 2000 was an increase in interest earned on custodial accounts during the holding period between collection of borrower payments and remittance to investors, an increase in late charges on residential loans and an increase in other miscellaneous servicing related fees. Servicing fees for the three and nine months ended September 30, 2000 included $2,663 and $8,657 respectively, of special servicing fees as compared to $3,466 and $8,663 for the three and nine months ended September 30, 1999, respectively. The Company began entering into special servicing arrangements in 1998 wherein the Company acts as a special servicer for third parties, typically as part of a securitization. Under these arrangements, the Company services loans that become greater than 90 days past due and receives incentive fees to the extent certain loss mitigation parameters are achieved.

The following table sets forth the Company's loans serviced for others at September 30, 2000.

	Discount Loans		Subprime Loans		Other Loans		Total	
	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans	Amount	No. of Loans
Loans securitized	$ 905,100	14,848	$ 800,544	8,177	$ --	--	$ 1,705,644	23,025
Loans serviced for third parties	813,171	14,362	7,164,323	89,144	972,969	497	8,950,463	104,003
	$ 1,718,271	29,210	$ 7,964,867	97,321	$ 972,969	497	$ 10,656,107	127,028

For the nine months ended September 30, 2000, net gains on interest-earning assets of $17,717 were primarily comprised of $14,567 of gains from the sale of 1,912 single family residential discount loans with an aggregate unpaid principal balance of $155,079, and a $2,768 gain on the sale of a commercial subordinate security. For the nine months ended September 30, 1999, net gains on interest-earning assets of $43,585 were primarily comprised of $36,804 of gains recognized in connection with the securitization of single family loans, as presented in the table below, $4,395 of gains on sales of commercial subordinate securities and $4,212 of gains on sales of commercial discount loans.

The unrealized loss on trading securities securities of $2,406 for the three and nine months ended September 30, 2000 resulted from the Company's change, on September 30, 2000, in its policy for securities available for sale and match-funded securities to account for them as trading securities. See Notes 2 and 5 to the Interim Consolidated Financial Statements included in Item 1 herein.

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During the third quarter of 1999, the Company made a strategic decision to structure future securitizations as financing transactions, thereby precluding the use of gain-on-sale accounting. There were no securitizations of loans executed by the Company during the nine months ended September 30, 2000. The following table sets forth the Company's net gains recognized in connection with the securitization of loans during the nine months ended September 30, 1999. There were no securitizations of loans executed by the Company during the three months ended September 30, 1999.

Loans Securitized					
Type of Loans	Principal	No. of Loans	Net Gain	Book Value Of Securities Retained (Non-cash Gain)	Cash Gain
	(Dollars in thousands)				
For the nine months ended September 30, 1999:					
Single family discount (1)	$ 227,303	3,137	$ 22,763	4,040	$ 18,723
Single family subprime:					
Domestic......................................	235,572	2,192	3,834	12,091	--
Foreign (Ocwen UK)	295,157	8,983	10,207	34,452	--
	530,729	11,175	14,041	46,543	--
	$ 758,032	14,312	$ 36,804	50,583	$ 18,273

(1) Includes 384 loans with an unpaid principal balance of $24,880 securitized from the loan portfolio.

Impairment charges on securities available for sale represent declines in fair value that were deemed to be other than temporary. See "Changes in Financial Condition - Securities Available for Sale."

The following table sets forth the results of the Company's real estate owned (which does not include investments in real estate, as discussed below) during the periods indicated.

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Gains on sales..........................	$ 5,110	$ 8,184	$ 16,793	$ 29,591
Provision for losses in fair value (1)...	(7,593)	(6,494)	(24,556)	(21,334)
Carrying costs, net.....................	(2,138)	(3,198)	(6,871)	(6,459)
(Loss) income on real estate owned, net..	$ (4,621)	$ (1,508)	$ (14,634)	$ 1,798

(1) The valuation allowance as a percentage of real estate owned was 11.38% and 9.34% at September 30, 2000 and 1999, respectively. This increase reflects an increase in the amount of real estate owned which the Company has held in excess of one year, which is primarily due to the anticipated migration of a large retail property which is currently being repositioned for sale.

See "Changes in Financial Condition - Real Estate Owned" for additional information regarding real estate owned.

Net operating gains on investments in real estate during the three and nine months ended September 30, 2000 included $4,366 and $13,394, respectively of operating income from investments in real estate acquired as a result of the OAC acquisition in October 1999. The three and nine months ended September 30, 2000 also included $4,723 and $9,267 of equity in earnings related to certain loans acquired during the first quarter of 2000 which are accounted for as investments in real estate. See "Changes in Financial Condition - Investments in Real Estate."

The amortization of excess of net assets acquired over purchase price resulted from the Company's acquisition of OAC on October 7, 1999. The acquisition resulted in an excess of net assets acquired over the purchase price of $60,042, which is being amortized on a straight-line basis over a period of five years. The unamortized balance of the excess of net assets acquired over purchase price at September 30, 2000 was $47,923, as compared to $56,841 at December 31, 1999.

Other income for the three months ended September 30, 2000 was primarily comprised of $16,354 of gains on sales of investments in real estate and $2,801 of property valuation service fees earned by ORA. See "Changes in Financial Condition - Real Estate Held for Sale." Other income for the three months ended September 30, 1999 was primarily comprised of a $50,431 gain on the sale of Ocwen UK, a gain of $5,003 from the sale of low-income housing tax credit interests, $4,976 of brokerage commissions earned in connection with

Ocwen UK loan originations and $1,415 of management fees earned from OAC.

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Other income for the nine months ended September 30, 2000 was primarily comprised of $21,568 of gains on sales of investments in real estate and $8,395 of property valuation service fees earned by ORA. Other income for the nine months ended September 30, 1999 was primarily comprised of the $50,431 gain on sale of Ocwen UK, $12,896 of brokerage commissions earned in connection with Ocwen UK loan originations, a gain of $5,003 from the sale of low-income housing tax credit interests, $4,467 of management fees earned from OAC and $1,762 of gains on sales of investments in real estate.

NON-INTEREST EXPENSE. As compared to the same periods in 1999, non-interest expense decreased $7,428 or 14% during the three months ended September 30, 2000 and $27,658 or 18% during the nine months ended September 30, 2000. The decrease was due in large part to the sale of Ocwen UK in September 1999 and the Company's closing of its domestic subprime lending operations at OFS, offset by an increase in non-interest expenses related to OTX and the acquisition of OAC in October 1999.

The following table sets forth the principal components of the Company's non-interest expense during the periods indicated.

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Compensation and employee benefits............	$ 22,134	$ 29,451	$ 61,114	$ 80,991
Occupancy and equipment.......................	3,141	4,331	9,356	15,053
Technology and communication costs............	6,003	4,275	16,698	14,818
Loan expenses.................................	3,583	3,992	10,500	10,773
Net operating losses on investments in certain low-income housing tax credit interests....	3,691	1,094	6,030	4,558
Amortization of excess of purchase price over net assets acquired........................	778	284	2,346	771
Other operating expenses......................	5,370	8,701	18,574	25,312
Total.....................................	$ 44,700	$ 52,128	$ 124,618	$ 152,276

The decline in compensation and employee benefits for the three and nine months ended September 30, 2000 as compared to the same periods in 1999 was due in large part to the sale of Ocwen UK and the closing of the domestic subprime lending operations at OFS. In addition to Ocwen UK and OFS, the reversal of accrued profit sharing expense in the amount of $6,012 during the first quarter of 2000 as a result of the Company's decision to suspend its long-term incentive plan also contributed to the decline in compensation and employee benefits during the nine months ended September 30, 2000. Excluding Ocwen UK, OFS and the $6,012 accrual reversal, compensation and employee benefits increased $568 and $8,608 during the three and nine months ended September 30, 2000, respectively. This increase reflects an increase in the average number of full-time equivalent employees (excluding Ocwen UK and OFS) from 1,189 and 1,119 during the three and nine months ended September 30, 1999, respectively, to 1,299 and 1,322 for the three and nine months ended September 30, 2000, respectively. Further contributing to the increase in compensation and employee benefits during 2000 was a reversal of $2,248 of profit sharing expense in the second quarter of 1999 resulting from the Company's decision at that time to grant stock options under its annual incentive plan at an exercise price equal to fair market value. Previously, options were granted at exercise prices below fair market value, resulting in the recognition of compensation expense. For 2000, it is anticipated that options will be granted at exercise prices below fair market value.

The decrease in occupancy and equipment costs during the three and nine months ended September 30, 2000, as compared to the same periods in 1999, was primarily due to the sale of Ocwen UK. Excluding Ocwen UK, occupancy and equipment expense increased $283 and decreased $1,234 during the three and nine months ended September 30, 2000, respectively, as compared to the same periods in 1999.

Technology and communication costs consists primarily of depreciation expense on computer hardware and software, technology-related consulting fees (primarily OTX) and telephone expense.

Excluding Ocwen UK and OFS, loan expenses decreased $1,527 for the three months ended September 30, 2000, as compared to the same period in 1999. For the nine months ended September 30, 2000, loan expenses excluding Ocwen UK and OFS increased $5,090 as compared to the same period in 1999. The increase in loan expenses was due in large part to an increase in appraisal fees in connection with property valuation services provided by ORA.

Other operating expenses are primarily comprised of professional fees, marketing costs and travel costs. The decrease in other operating expenses during the three and nine months ended September 30, 2000, as compared to the same periods in 1999, is primarily due to the sale of Ocwen UK. Excluding Ocwen UK, other operating expenses for the three and nine months ended September 30, 2000 decreased $1,702 and $1,832, respectively, as compared to the same periods in the prior year.

DISTRIBUTIONS ON COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY. Cash distributions on the Capital Securities are payable semi-annually in arrears on February 1 and August 1 of each year at an annual rate of 10.875%. The Company recorded $2,730 and $8,842 of distributions to holders of the Capital Securities during the three and nine months ended September 30, 2000, respectively, as compared to $3,400 and $10,196 during the three and nine months ended September 30, 1999, respectively. The decline in distributions is the result of repurchases during the fourth quarter of 1999 and the second and third quarters of 2000. See Note 4 to the Consolidated Financial Statements included in Item 1 (which is incorporated herein by reference) and "Changes in Financial Condition - Company-Obligated, Mandatorily Redeemable Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures of the Company."

EQUITY IN LOSSES OF INVESTMENTS IN UNCONSOLIDATED ENTITIES. During the three and nine months ended September 30, 2000, the Company recorded equity in the losses of investments in unconsolidated entities of $893 and $4,965, respectively. This compares to losses of $4,768 and $9,483 for the three and nine months ended September 30, 1999, respectively.

During the three and nine months ended September 30, 2000, the Company recorded equity in losses of Kensington Group plc of $891 and $5,002 respectively, including goodwill amortization. For the three and nine months ended September 30, 1999, the Company's share of Kensington's losses amounted to $4,640 and $6,070, respectively. At September 30, 2000, the Company owned 38.7% of the total outstanding common stock of Kensington, an originator of non-conforming residential mortgages in the U.K. See "Recent Developments."

Equity in the losses of investments in unconsolidated entities for the three and nine months ended September 30, 1999 included the Company's equity in the losses of its investments in OAC and OPLP of $120 and $3,605, respectively. Prior to its acquisition of OAC in October 1999, the Company accounted for its investments in OAC and OPLP using the equity method.

See "Changes in Financial Condition - Investment in Unconsolidated Entities."

INCOME TAX BENEFIT (EXPENSE). Income tax benefit (expense) amounted to $1,486 and $(8,199) during the three months ended September 30, 2000 and 1999, respectively, and $7,122 and $(9,595) for the nine months ended September 30, 2000 and 1999, respectively. The Company's income taxes for 2000 and 1999 reflect expected effective tax rates of 31.0% and 35.01%, respectively. The Company's effective tax rates reflect tax credits resulting from the Company's investment in low-income housing tax credit interests of $2,079 and $4,651 during the third quarter of 2000 and 1999, respectively, and $8,496 and $13,714 for the nine months ended September 30, 2000 and 1999, respectively. See "Changes in Financial Condition - Investments in Low-Income Housing Tax Credit Interests."

EXTRAORDINARY GAIN ON REPURCHASE OF DEBT, NET OF TAXES. Extraordinary gains on repurchases of debt, net of taxes, for the three and nine months ended September 30, 2000 of $2,628 and $8,674, respectively, is comprised of $3,104 of gains recognized in connection with the repurchase of Capital Securities ($572 during the third quarter of 2000) and $5,570 of gains ($2,056 during the third quarter of 2000) recognized in connection with repurchases of the 11.5% Redeemable Notes. Extraordinary gains on repurchases of debt for the three and nine months ended September 30, 1999 amounted to $253 and resulted from the Company's repurchase of $7,440 of its 12% Subordinated Debentures. See "Changes in Financial Condition - Notes, Debentures and Other Interest-Bearing Obligations" and "Company Obligated, Mandatorily Redeemable Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures of the Company."

CHANGES IN FINANCIAL CONDITION

SECURITIES AVAILABLE FOR SALE. On September 30, 2000, the Company changed its policy for securities available for sale, to account for them as trading securities. On that date, the Company transferred its portfolio of securities available for sale which had a fair value of $496,295, to trading. Securities available for sale were carried at fair value with unrealized gains or losses reported as a separate component of accumulated other comprehensive income in stockholders' equity, net of taxes. Unrealized losses on securities available for sale that reflected a decline in value which was other than temporary were charged to earnings. At December 31, 1999, securities available for sale included an aggregate of $1,036 of unrealized gains ($6,967 of gross gains and $5,931 of gross losses). See "Changes in Financial Condition - Trading Securities."

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The following table sets forth the fair value of the Company's securities available for sale at the dates indicated.

	September 30, 2000	December 31, 1999
Mortgage-related securities:		
Collateralized mortgage obligations (AAA-rated)	$ --	$ 392,387
Subordinates, residuals and other securities:		
Single family residential:		
BB-rated subordinates	--	5,908
B-rated subordinates	--	6,098
Unrated subordinates	--	17,287
Unrated subprime residuals	--	124,087
	--	153,380
Multi-family residential and commercial:		
BB-rated subordinates	--	38,234
Unrated subordinates	--	3,503
Unrated interest only	--	14
	--	41,751
	--	195,131
Total securities available for sale	$ --	$ 587,518

During the nine months ended September 30, 2000, and prior to the transfer of securities available for sale to trading, securities available for sale declined $91,233 primarily due to $416,004 of maturities and principal repayments, $550,120 of sales, $59,509 of principal shortfalls, $11,597 of impairment charges and $6,888 of net amortization, offset by $891,269 of purchases and $52,621 of premium amortization.

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TRADING SECURITIES. On September 30, 2000, the Company reclassified its collateralized mortgage obligations with a fair value of $372,541 (amortized cost of $372,432) and its subordinates, residuals and other securities with a fair value of $123,754 (amortized cost of $115,778) from securities available for sale to trading.

The following table sets forth the fair value of the Company's trading securities at the dates indicated.

	September 30, 2000	December 31, 1999
Mortgage-related securities:		
Collateralized mortgage obligations (AAA-rated)	$ 372,541	$ --
Subordinates, residuals and other securities:		
Single family residential:		
BB-rated subordinates	4,989	--
B-rated subordinates	3,857	--
Unrated subordinates	12,417	--
Unrated subprime residuals	99,855	--
	121,118	--
Multi-family residential and commercial:		
Unrated subordinates	2,636	--
	2,636	--
	123,754	--
Trading securities	$ 496,295	$ --

Historically, the Company has determined the present value of anticipated cash flows at the time each securitization transaction closes, utilizing valuation assumptions appropriate for each particular transaction. The significant valuation assumptions have included the anticipated prepayment speeds and the anticipated credit losses related to the underlying mortgages. In order to determine the present value of this estimated excess cash flow, the Company currently applies a discount rate of 18% to 25% to the projected cash flows on the unrated classes of securities. The annual prepayment rate of the securitized loans is a function of full and partial prepayments and defaults. The Company makes assumptions as to the prepayment rates of the underlying loans, which the Company believes are reasonable, in estimating fair values of the subordinate securities and residual securities retained. During 2000, the Company utilized proprietary prepayment curves (reaching an approximate range of annualized rates of 11% - 41%). During 2000, the Company estimated annual losses of between 0.90% and 6.20% of the unpaid principal balance of the underlying loans.

Subordinate and residual interests are affected by the rate and timing of payments of principal (including prepayments, repurchase, defaults and liquidations) on the mortgage loans underlying a series of mortgage-related securities. The rate of principal payments may vary significantly over time depending on a variety of factors, such as the level of prevailing mortgage loan interest rates and economic, demographic, tax, legal and other factors. Prepayments on the mortgage loans underlying a series of mortgage-related securities are generally allocated to the more senior classes of mortgage-related securities. Although in the absence of defaults or interest shortfalls all subordinates receive interest, amounts otherwise allocable to residuals generally are used to make payments on more senior classes or to fund a reserve account for the protection of senior classes until overcollateralization or the balance in the reserve account reaches a specified level. In periods of declining interest rates, rates of prepayments on mortgage loans generally increase, and if the rate of prepayments is faster than anticipated, then the yield on subordinates will be positively affected and the yield on residuals will be negatively affected.

The Company periodically assesses the carrying value of its subordinate securities and residual securities retained as well as the servicing assets for impairment. There can be no assurance that the Company's estimates used to determine the gain on securitized loan sales, subordinate securities and residual securities retained and servicing asset valuations will remain appropriate for the life of each securitization. If actual loan prepayments or defaults exceed the Company's estimates, the carrying value of the Company's subordinate securities and residual securities retained and/or servicing assets may be decreased during the period management recognized the disparity. Other factors may also result in a write-down of the

Company's subordinate securities and residual securities in subsequent months. During the nine months ended September 30, 2000, the Company recorded $11,597 of impairment charges on its portfolio of subordinate and residual securities as a result of declines in value that were deemed to be "other than temporary."

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The following tables detail the Company's trading securities portfolio at September 30, 2000, and its estimates of expected yields on such securities, taking into consideration expected prepayment and loss rates together with other factors.

SECURITIZATION (ISSUER) SINGLE-FAMILY RESIDENTIAL	SECURITY	ISSUE DATE	RATING	RATING AGENCIES	CLASS SIZE ISSUANCE	CLASS SIZE 9/30/00	INTEREST PERCENTAGE	SUBORDI-NATION/OC LEVEL AT: 9/30/00	ANTICIPATED YIELD TO MATURITY AT PURCHASE	ANTICIPATED YIELD TO MATURITY AT 9/30/00	PROSPECTIVE YIELD AT 9/30/00
Subordinates:											
BCF 1996 R1(5).......	B3	Oct-96	UR	(a), (b)	$70,773	$18,064	50.00%	None	15.70%	7.95%	35.69%
BCF 1997 R1(5).......	B4	Mar-97	UR	(b), (c)	21,784	1,556	49.71	None	13.46	(37.23)	46.35
BCF 1997 R2 (5)......	B4	Jun-97	Ba2, BB	(b), (c)	6,358	4,104	73.54	5.32	9.58	9.59	48.68
	B5		B2,B		6,264	4,044	73.54	2.26	10.74	9.58	187.57
	B6		UR		13,883	2,989	73.54	None	15.98	3.50	N/A
BCF 1997 R3 (5)......	B4	Dec-97	UR	(b), (d)	69,582	10,215	50.24	None	15.84	(34.70)	96.68
ORMBS 1998 R1 (6)....	B4	Mar-98	UR	(b), (d)	101,774	44,651	82.48	None	20.50	(29.05)	15.31
ORMBS 1998 R2 (6)....	B4A	Jun-98	Ba2	(b)	1,056	959	100.00	6.11	13.22	(3.46)	151.49
	B4F		Ba2		937	865	100.00	5.68	19.23	(5.58)	61.95
	B5A		B2		880	785	100.00	4.26	23.78	(0.88)	266.21
	B5F		B2		937	865	100.00	3.13	11.78	(8.61)	164.68
	B6A		UR		3,696	1,815	100.00	None	16.72	19.93	1,884.16
	B6F		UR		3,345	1,059	100.00	None	19.50	(20.32)	603.32
ORMBS 1998 R3 (6)....	B4	Sep-98	Ba2, BB	(b), (d)	11,765	9,754	85.87	3.71	11.71	(37.21)	4.96
	B5		B2, B		9,151	7,100	85.87	0.00	16.54	(37.27)	16.20
	B6		UR		26,145	--	85.87	None	18.00	(26.24)	N/A
ORMBS 1999 RI (6)...	B5A	Mar-99	B2, B	(b), (d)	1,630	1,511	100.00	4.72	17.73	27.85	19.72
	B5F		B2, B		1,843	1,572	100.00	4.39	17.74	32.97	34.84
	B6A		UR		3,586	2,198	100.00	None	18.00	57.36	36.76
	B6F		UR		4,299	2,595	100.00	None	18.00	97.16	210.29
ORMBS 1999 R2 (6)....	B4	Jun-99	BB	(a),(c),(d)	10,530	10,186	100.00	7.42	13.45	33.50	7.03
	B5		B		4,680	4,535	100.00	2.73	18.45	79.30	625.65
	B6		UR		7,020	2,648	100.00	None	18.00	138.43	40,609.22
CSFB 1996-1R (ITT 94-P1) (7)......	4B2, (1B)	Oct-96	UR	(b), (c)	1,046	122	100.00	None	N/A	N/A	N/A
Subprime residuals:											
SBMS 1996 3 (1)......	R	Jun-96	UR	(a), (b)	130,062	25,846	100.00	22.27	15.52	2.09	18.52
MLM1 1996 1 (2)......	R	Sep-96	UR	(a), (b)	81,142	14,016	100.00	37.49	15.16	3.23	22.79
MS 1997 1 (3)........	X1	Jun-97	UR	(a), (b)	17,727	8,808	100.00	6.50	21.47	18.54	22.51
	X2				87,118	14,957	100.00	21.18	20.38	1.19	18.91
1997 OFS 2 (4).......	X	Sep-97	UR	(a), (b)	102,201	24,003	100.00	11.47	19.65	(0.37)	20.01
1997 OFS 3 (4).......	X	Dec-97	UR	(a), (b)	208,784	64,253	100.00	14.39	19.59	6.94	18.84
1998 OFS 1 (4).......	X	Mar-98	UR	(b), (d)	161,400	52,161	100.00	4.24	18.00	(1.28)	8.10
1998 OFS 2 (4).......	X	Jun-98	UR	(a), (b)	382,715	129,842	100.00	10.64	19.46	(2.86)	10.33
1998 OFS 3 (4).......	X	Sep-98	UR	(a), (d)	261,649	131,223	100.00	4.85	18.00	(3.21)	(0.03)
1998 OFS 4 (4).......	X	Dec-98	UR	(a), (b), (c)	349,000	231,975	100.00	3.15	18.00	(7.66)	(5.01)
1999 OFS 1 (4)	X	Jun-99	UR	(a), (b)	148,628	117,939	100.00	5.47	18.00	0.24	(0.15)
PANAM 1997-1(8)......	X	Dec-97	UR	(a), (b)	113,544	29,458	100.00	10.35	22.45	0.74	18.61
	Prepay Pen.		UR						25.69	5.74	12.04

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SECURITIZATION (ISSUER) SINGLE-FAMILY RESIDENTIAL	SECURITY	ISSUE DATE	RATING	RATING AGENCIES	CLASS SIZE ISSUANCE	CLASS SIZE 9/30/00	INTEREST PERCENTAGE	SUBORDI-NATION/OC LEVEL AT: 9/30/00	ANTICIPATED YIELD TO MATURITY AT PURCHASE	ANTICIPATED YIELD TO MATURITY AT 9/30/00	PROSPECTIVE YIELD AT 9/30/00
EQUICON 1994-2 (9)...	B Fix	Oct-94	UR	(a), (b), (c)	78,846	$15,590	100.00%	7.18	18.00%	103.80%	30.59%
	B Var.		UR		32,306	2,168	100.00	37.32	18.00	31.76	25.10
EQUICON 1995-1 (9)...	B Fix,	May-95	UR	(a), (b), (c)	70,024	10,782	100.00	10.14	18.00	26.54	N/A
	B Var.		UR		40,519	4,791	100.00	10.85	18.00	104.56	N/A
EQUICON 1995-2 (9)...	B Fix	Oct-95	UR	(a), (b)	79,288	16,361	100.00	12.51	18.00	36.46	1,078.57
	B Var.		UR		39,667	4,510	100.00	15.27	18.00	97.17	873.97
ACCESS 1996-1 (10)...	B Fix,	Feb-96	UR	(a), (b)	120,015	27,389	100.00	7.62	18.00	30.56	293.69
	B Var.		UR		55,362	6,709	100.00	8.68	18.00	39.80	N/A
ACCESS 1996-2 (10)...	B-I,BI-	May-96	UR	(a), (b)	142,259	32,293	100.00	9.84	18.00	29.62	N/A
	B-II BII-S		UR		68,345	7,916	100.00	13.16	18.00	15.57	631.51
ACCESS 1996-3 (10)...	B-I, BI-S	Aug-96	UR	(a), (b)	107,712	25,077	100.00	16.10	18.00	15.77	215.25
	B-II BII-S		UR		99,885	12,128	100.00	20.79	18.00	18.45	N/A
ACCESS 1996-4 (10)...	B, B-S	Nov-96	UR	(a), (b)	239,778	41,103	100.00	32.34	18.00	11.44	21.45
ACCESS 1997-1 (10)...	B, B-S	Feb-97	UR	(a), (b)	276,442	62,725	100.00	31.91	18.00	10.97	30.59
ACCESS 1997-2 (10)...	B, B-S	May-97	UR	(a), (b)	185,197	41,402	100.00	22.50	18.00	4.37	24.73
ACCESS 1997-3 (10)...	B, B-S	Oct-97	UR	(a), (b)	199,884	50,441	100.00	15.96	18.00	11.97	37.41
CMR1 (11)............	Deferred Comp	Apr-96	UR	(a), (c)	48,450	14,133	100.00	17.00	18.69	23.86	24.69
CMR2 (11)............	Deferred Comp	Oct-96	UR	(a), (c)	97,627	29,852	100.00	15.08	18.69	31.10	32.89
CMR3 (11)............	Deferred Comp	Oct-96	UR	(a), (c)	176,047	54,085	100.00	21.16	18.69	59.29	80.99
CMR4 (11)............	Deferred Comp	Jan-97	UR	(a), (c)	103,031	34,094	100.00	10.94	18.69	31.63	33.70
CMR5 (11)............	Deferred Comp	Jan-97	UR	(a), (c)	54,686	17,621	100.00	54.84	0.00	0.00	0.00
CMR6 (11)............	Deferred Comp	Apr-97	UR	(a), (c)	90,498	27,055	100.00	12.23	18.69	38.03	45.57
MULTI-FAMILY RESIDENTIAL Subordinates:											
SBMS 1997-HUD1 (12)	B5	Apr-97	B2, n.a.	(b), (d)	9,785	9,107	100.00	0.14	16.87	3.64	19.75
	B6	Apr-97	UR		16,998	226	100.00	None	22.86	(8.97)	1,056.61
GECMS 1994-12 (13)	B4	Mar-94	UR	(a), (b), (c)	2,069	1,262	100.00	None	19.37	20.76	89.53

ISSUERS:

(1) Salomon Brothers Mortgage Securities VII
(2) Merrill Lynch Mortgage Investors, Inc.
(3) Morgan Stanley ABS Capital I, Inc.
(4) Ocwen Mortgage Loan Asset Backed Certificates
(5) BlackRock Capital Finance L.P.
(6) Ocwen Residential MBS Corporation
(7) Credit Suisse First Boston (ITT Federal Bank, FSB)
(8) Pan American Bank, FSB
(9) Equicon Mortgage Loan Trust
(10) Access Financial Mortgage Loan Trust
(11) City Mortgage Receivable
(12) Salomon Brothers Mortgage Securities
(13) GE Capital Mortgage Services, Inc.
(14) Dollar equivalent of amounts in British pounds at the rate of exchange that prevailed at the time of issuance.
(15) Dollar equivalent of amounts in British pounds at the rate of exchange at 9/30/00.

RATING AGENCIES:
(a) S&P
(b) Moody's
(c) Fitch
(d) DCR

OTHER:
N/A - Not Available
NK - Not Known

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SECURITIZATION (ISSUER)	WEIGHTED AVERAGE COUPON AT 9/30/00	WEIGHTED AVERAGE LTV/DSCR AT 9/30/00	TOTAL DELINQUENCY AT 9/30/00	ACTUAL LIFE TO DATE CPR AT 9/30/00	ACTUAL LIFE TO DATE LOSSES AT 9/30/00	PRODUCT TYPE AT 9/30/00	COLLATERAL BALANCE ISSUANCE	COLLATERAL BALANCE 9/30/00
SINGLE-FAMILY RESIDENTIAL								
Subordinates:								
BCF 1996 R1 (5)..........	10.05%	103.41%	11.11%	13.80%	$30,545	98% Fixed, 2% ARM	$505,513	$254,264
BCF 1997 R1 (5)..........	10.08	109.93	22.06	14.09	17,830	97% Fixed, 3% ARM	177,823	97,861
BCF 1997 R2 (5)..........	8.50	81.94	19.68	14.06	8,708	25% Fixed, 75% ARM	251,790	132,246
BCF 1997 R3 (5)..........	9.61	120.05	20.75	12.86	46,581	98% Fixed, 2% ARM	579,851	370,485
ORMBS 1998 R1 (6)........	8.93	120.88	24.99	11.01	44,213	98% Fixed, 2% ARM	565,411	406,507
ORMBS 1998 R2 (6)........	9.26	86.30	25.01	15.92	3,843	44% Fixed, 56% ARM	123,917	76,447
ORMBS 1998 R3 (6)........	8.96	126.46	36.43	13.12	25,959	98% Fixed, 2% ARM	261,452	191,635
ORMBS 1999 R1 (6)........	9.26	84.77	27.63	15.59	2,213	58% Fixed, 42% ARM	147,101	105,641
ORMBS 1999 R2 (6)........	9.34	112.29	28.94	11.56	4,288	100% Fixed	117,004	96,845
CSFB 1996 1R (ITT 94-P1) (7)	8.39	N/A	1.09	N/A	153	100% 1-Year CMT	32,487	39,774
Subprime residuals:								
SBMS 1996 3 (1)..........	11.43	67.83	16.67	31.20	3,590	63% Fixed, 37% ARM	130,062	25,846
MLM1 1996 1 (2)..........	12.18	73.65	25.85	35.15	2,280	37% Fixed, 63% ARM	81,142	14,016
MS 1997 1 (3)............	11.74	74.66	17.48	36.28	2,706	37% Fixed, 63% ARM	17,727	8,808
							87,118	14,957
1997 OFS 2 (4)...........	11.98	77.18	18.10	37.92	3,059	27% Fixed, 73% ARM	102,201	24,003
1997 OFS 3 (4)...........	11.33	80.95	25.89	34.46	5,647	24% Fixed, 76% ARM	208,784	64,253
1998 OFS 1 (4)...........	11.72	79.43	25.97	36.07	5,378	20% Fixed, 80% ARM	161,400	52,161
1998 OFS 2 (4)...........	11.58	76.98	20.63	37.66	9,571	48% Fixed, 52% ARM	382,715	129,842
1998 OFS 3 (4)...........	11.09	78.02	25.18	28.75	7,377	38% Fixed, 62% ARM	261,649	131,223
1998 OFS 4 (4)...........	10.45	79.73	26.68	19.92	9,401	45% Fixed, 55% ARM	349,000	231,975
1999 OFS 1 (4)...........	9.77	77.69	16.86	16.28	1,619	68% Fixed, 32% ARM	148,628	117,939
PANAM 1997-1(8)..........	11.72	84.05	25.63	38.70	5,606	100% ARM	113,544	29,458
EQUICON 1994-2 (9).......	10.17	89.45	21.61	31.40	1,804	100% Fixed	78,846	15,590
						100% ARM	32,306	2,168
EQUICON 1995-1 (9).......	12.25	86.33	30.69	29.35	3,334	100% Fixed	70,024	10,782
						100% ARM	40,519	4,791
EQUICON 1995-2 (9).......	11.11	84.71	35.42	31.37	2,706	100% Fixed	79,288	16,361
						100% ARM	39,667	4,510
ACCESS 1996-1 (10).......	11.13	78.92	31.66	30.16	4,068	100% Fixed	120,015	27,389
						100% ARM	55,362	6,709
ACCESS 1996-2 (10).......	11.26	75.23	30.02	33.01	5,591	100% Fixed	142,259	32,293
						100% ARM	68,345	7,916
ACCESS 1996-3 (10).......	11.94	77.74	40.03	35.26	4,360	100% Fixed	107,712	25,077
						100% ARM	99,885	12,128
ACCESS 1996-4 (10).......	12.22	76.99	37.25	38.16	6,570	55% Fixed, 45% ARM	239,778	41,103
ACCESS 1997-1 (10).......	12.04	82.93	40.06	36.28	10,457	62% Fixed, 38% ARM	276,442	62,725
ACCESS 1997-2 (10).......	11.87	82.25	35.10	38.93	5,568	62% Fixed, 38% ARM	185,197	41,402
ACCESS 1997-3 (10).......	12.04	82.40	40.59	38.69	4,245	55% Fixed, 45% ARM	199,884	50,441

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SINGLE-FAMILY RESIDENTIAL								
Subordinates:								
CMR1 (11)................	13.29%	NK	36.32%	23.86%	$ 920	100% Amortizing	$48,450(14)	$14,133(15)
CMR2 (11)................	12.48	NK	28.15	26.66	1,444	90% Amort 10% IO mortgages	97,627(14)	29,852(15)
CMR3 (11)................	13.51	NK	16.64	17.43	3,680	71.9% Amort 28.1% IO mortgages	176,047(14)	54,085(15)
CMR4 (11)................	13.71	NK	38.61	24.02	2,134	88.5% Amort 11.5% IO mortgages	103,031(14)	34,094(15)
CMR5 (11)................	15.81	NK	63.59	23.28	7,391	80.1% Amort 19.9% IO mortgages	54,686(14)	17,621(15)
CMR6 (11)................	13.62	NK	34.35	29.51	1,376	95.8% Amort 4.2% IO mortgages	90,498(14)	27,055(15)
MULTI-FAMILY RESIDENTIAL								
Subordinates:								
SBMS 1997-HUD1 (12)......	9.81	112.00	10.37	15.77	16,055	97% Fixed, 3% ARM	326,147	166,968
GECMS 1994-12 (13)......	6.81	66.13	0.64	8.80	--	100% Fixed	516,732	192,576

The following table sets forth the principal amount of mortgage loans by the geographic location of the property securing the mortgages that underlie the Company's trading subordinated and residual securities at September 30, 2000.

DESCRIPTION	CALIFORNIA	FLORIDA	TEXAS	NEW YORK	NEW JERSEY	OTHER (1)	TOTAL
Single family residential.......	$ 488,269	$ 227,542	$ 224,545	$ 151,385	$ 114,978	$1,492,926	$2,699,645
Commercial......................	35,140	17,128	3,279	19,310	14,347	77,971	167,175
Multi-family....................	991	--	--	62	613	682	2,348
Total	$ 524,400	$ 244,670	$ 227,824	$ 170,757	$ 129,938	$1,571,579	$2,869,168
Percentage (2)..................	18%	9%	8%	6%	4%	55%	100%

(1) No other individual state makes up more than 8% of the total of other.

(2) Based on a percentage of the total unpaid principal balance of the underlying loans.

RATING/DESCRIPTION	AMORTIZED COST	FAIR VALUE	PERCENT OWNED	ORIGINAL ANTICIPATED YIELD TO MATURITY	ANTICIPATED YIELD TO MATURITY AT 9/30/00 (1)	COUPON	ANTICIPATED WEIGHTED AVERAGE REMAINING LIFE (2)	PROSPECTIVE YIELD AT 9/30/00
SINGLE-FAMILY RESIDENTIAL:								
BB-rated subordinates....	$ 3,447	$ 4,989	86.86%	13.15%	8.40%	7.13%	3.21	39.36%
B-rated subordinates.....	3,276	3,857	95.60	16.84	9.60	7.51	2.06	118.53
Unrated subordinates.....	10,396	12,417	50.65	14.48	(4.72)	8.25	2.61	71.24
Unrated subprime residuals.............	96,023	99,855	99.39	18.33	8.54	N/A	6.39	24.74
MULTI-FAMILY AND COMMERCIAL:								
Unrated subordinates.....	2,636	2,636	100.00	22.15	15.87	0.00	2.62	19.14
	$ 115,778	$ 123,754						

(1) Changes in the September 30, 2000 anticipated yield to maturity from that originally anticipated are primarily the result of changes in prepayment assumptions, loss assumptions and charges taken to reduce the value of the securities.

(2) Equals the weighted average life based on the September 30, 2000 book value.

The following is a glossary of terms included in the above tables.

ACTUAL LIFE TO DATE CPR - The Constant Prepayment Rate is used to measure the average prepayment rate for the underlying mortgage pool(s) over the period of time lapsed since the issuance of the securities through the date indicated and is calculated as follows:

$$\text{Actual Life to Date CPR} = 100 \times \left[\left(\frac{\text{1-Final Aggregate Balance actual}}{\text{Final Aggregate Balance scheduled}} \right) \times \left(\frac{12}{\text{Months In Period}} \right) \right]$$

ACTUAL LIFE-TO-DATE LOSSES - Represents cumulative losses of the original collateral at the indicated date.

ANTICIPATED YIELD TO MATURITY AT JUNE 30, 2000- Effective yield based on the purchase price, actual cash flows received from inception until the respective date, and the then current estimate of future cash flows under the assumptions at the respective date.

ANTICIPATED YIELD TO MATURITY AT PURCHASE - Effective yield from inception to maturity based on the purchase price and anticipated future cash flows under pricing assumptions.

CLASS SIZE - Represents the dollar size of a particular class. Class Size for subprime residuals is equal to the Collateral Balance at the respective date.

COLLATERAL BALANCE - Represents the unpaid principal balance including arrearage of the underlying collateral of the entire securities at the indicated date.

INTEREST ONLY - Interest Only ("IO") securities receive the excess interest remaining after the interest payments have been made on all senior classes of bonds based on their respective principal balances. There is no principal associated with IO securities and they are considered liquidated when the particular class they are contractually tied to is paid down to zero.

INTEREST PERCENTAGE - Represents the percentage of the particular class of security owned by the Company.

ISSUE DATE - Represents the date on which the indicated securities were issued.

OVER-COLLATERIZATION LEVEL - For residual interest in residential mortgage-backed securities, over-collaterization ("OC") is the amount by which the collateral balance exceeds the sum of the bond principal amounts. OC is achieved by applying monthly a portion of the interest payments of the underlying mortgages toward the reduction of the class certificate principal amounts, causing them to amortize more rapidly than the aggregate loan balance. The OC percentage, expressed as a percentage of the outstanding collateral balance, represents the first tier of loss protection afforded to the non-residual holders. The OC percentage also determines whether the over-collaterization target has been satisfied as of a specific date, such that cash flows to the residual holder are warranted. To the extend not consumed by losses on more highly rated bonds, OC is remitted to the residual holders.

PROSPECTIVE YIELD - Effective yield based on the amortized cost of the investment, after impairments, and the then current estimate of the future cash flows under the assumptions at the respective date.

RATING - Refers to the credit rating designated by the rating agency for each securitization transaction. Classes designated "A" have a superior claim on payment to those rated "B", which are superior to those rated "C." Additionally, multiple letters have a superior claim to designations with fewer letters. Thus, for example, "BBB" is superior to "BB," which in turn is superior to "B." The lower class designations in any securitization will receive interest payments subsequent to senior classes and will experience losses prior to any senior class. The lowest potential class designation is not rated ("UR") which, if included in a securitization, will always receive interest last and experience losses first.

SECURITIZATION - Series description.

SECURITY - Represents the name of the class associated with each securitization held by the Company. This has no relationship to a formal rating but is for identification purposes (although the names are usually in alphabetical or numeric order from the highest rated to the lowest rated).

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SUBORDINATION LEVEL - Represents the credit support for each mortgage-backed security by indicating the percentage of outstanding bonds whose right to receive payment is subordinate to the referenced security. The subordinate classes must experience a complete loss before any additional losses would affect the particular referenced security.

TOTAL DELINQUENCY - Represents the total unpaid principal balance of loans more than 30 days delinquent at the indicated date as a percentage of the unpaid principal balance of the collateral at such date.

WEIGHTED AVERAGE COUPON - Represents the interest rate of the underlying mortgage loans weighted by the unpaid principal balance of the underlying mortgage loans at the respective date.

WEIGHTED AVERAGE DSCR - Represents debt service coverage ratio, which is calculated by dividing cash flow available for debt service by debt service and applies to the multi-family and commercial securities.

WEIGHTED AVERAGE LTV - Represents the ratio of the unpaid principal balance including arrearage to the value of the underlying collateral and applies to the single-family residential securities.

LOANS AVAILABLE FOR SALE. Loans which the Company presently does not intend to hold to maturity are designated as available for sale and are carried at the lower of cost or aggregate market value. Loans available for sale, which are comprised primarily of subprime single family residential loans, decreased by $32,890 or 73% during the nine months ended September 30, 2000.

Composition of Loans Available for Sale. The following table sets forth the composition of the Company's loans available for sale by type of loan at the dates indicated.

	September 30, 2000	December 31, 1999
Single family residential loans......	$ 12,257	$ 45,084
Consumer loans......................	66	129
	$ 12,323	$ 45,213

The loans available for sale portfolio is secured by mortgages on property located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans available for sale were located at September 30, 2000:

	Single family Residential	Consumer	Total
New Jersey.................................	$ 5,217	$ --	$ 5,217
Michigan...................................	1,645	--	1,645
California.................................	1,054	--	1,054
Florida....................................	1,001	38	1,039
Ohio.......................................	725	--	725
Other (1)..................................	2,615	28	2,643
Total....................................	$ 12,257	$ 66	$ 12,323

(1) Consists of properties located in 22 other states, none of which aggregated over $714 in any one state.

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Activity in Loans Available for Sale. The following table sets forth the activity in the Company's net loans available for sale during the periods indicated:

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
Balance at beginning of period	$ 29,319	$ 132,425	$ 45,213	$ 177,847
Purchases:				
Single family residential		7,200		54,303
Originations:				
Single family residential (1)	--	234,242	--	715,962
Sales (2)	(16,620)	(299,843)	(24,379)	(858,360)
Decrease in lower of cost or market valuation allowance	1,569	1,215	1,745	3,179
Principal repayments, net of capitalized interest	(1,609)	(5,310)	(5,857)	(15,901)
Transfer to real estate owned	(336)	(3,100)	(4,399)	(10,201)
Net (decrease) increase in loans	(16,996)	65,596	(32,890)	(111,018)
Balance at end of period	$ 12,323	$ 66,829	$ 12,323	$ 66,829

(1) Includes $216,784 and $509,791 originated by Ocwen UK during the three and nine months ended September 30, 1999, respectively.

(2) Included the sales for the nine months ended September 30, 1999 is the securitization of 2,192 of domestic subprime single family residential loans with an unpaid principal balance of $235,572 and 8,983 foreign subprime single family loans with an unpaid principal balance of $295,157. See "Results of Operations - Non-interest Income."

The following table presents a summary of the Company's non-performing loans in the loans available for sale portfolio at the dates indicated:

	September 30, 2000	December 31, 1999
Non-performing loans:		
Single family loans	$ 2,857	$ 15,319
Consumer loans	2	1
	$ 2,859	$ 15,320
Non-performing loans as a percentage of:		
Total loans available for sale	23.20%	33.88%
Total assets	0.10%	0.46%

Non-performing loans available for sale consist primarily of subprime single family residential loans, reflecting the higher risk associated with such loans.

LOAN PORTFOLIO, NET. Loans held for investment in the Company's loan portfolio are carried at amortized cost, less an allowance for loan losses, because the Company has the ability and presently intends to hold them to maturity.

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Composition of Loan Portfolio. The following table sets forth the composition of the Company's loan portfolio by type of loan at the dates indicated.

	September 30, 2000	December 31, 1999
Single family residential loans	$ 1,031	$ 4,334
Multi-family residential loans:		
Permanent	13,788	23,430
Construction	38,845	57,936
Total multi-family residential	52,633	81,366
Commercial real estate:		
Hotels:		
Construction	38,363	38,645
Office buildings	43,216	64,745
Land	1	2,238
Total commercial real estate	81,580	105,628
Consumer	56	82
Total loans	135,300	191,410
Undisbursed loan proceeds	(13,866)	(24,654)
Unamortized deferred fees	(1,460)	(2,089)
Allowance for loan losses	(4,871)	(7,259)
Loans, net	$ 115,103	$ 157,408

The loan portfolio is secured by mortgages on properties located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans were located at September 30, 2000:

	Single Family Residential	Multi-family Residential	Commercial Real Estate	Consumer	Total
New York	$ 157	$ 14,687	$ 19,262	$ --	$ 34,106
California	20	17,855	1	--	17,876
Delaware	432	--	13,019	--	13,451
Florida	--	991	9,763	--	10,754
Virginia	--	--	7,650	--	7,650
Other (1)	422	19,100	31,885	56	51,463
Total	$ 1,031	$ 52,633	$ 81,580	$ 56	$ 135,300

(1) Consists of properties located in 15 other states, none of which aggregated over $7,629 in any one state.

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Activity in the Loan Portfolio. The following table sets forth the activity in the Company's gross loan portfolio during the periods indicated.

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
Balance at beginning of period	$ 148,490	$ 133,678	$ 157,408	$ 230,312
Originations:				
Multi-family residential loans	14,124	--	26,614	4,225
Commercial real estate loans	2,471	--	3,627	11,500
Total loans originated (1)	16,595	--	30,241	15,725
Sales (2)	(3,162)	(1,063)	(10,913)	(26,549)
Principal repayments	(47,005)	(9,434)	(73,388)	(95,665)
Transfer to real estate owned	(1,346)	--	(2,051)	(2,572)
Decrease in undisbursed loan proceeds	1,566	3,155	10,788	4,960
Decrease in unamortized deferred fees	(603)	328	630	1,379
Decrease (increase) in allowance for loan losses	568	362	2,388	(564)
Net decrease in loans	(33,387)	(6,652)	(42,305)	(103,286)
Balance at end of period	$ 115,103	$ 127,026	$ 115,103	$ 127,026

(1) Originations for the nine months ended September 30, 2000 represent fundings on previously originated construction loans.

(2) Included in sales for the nine months ended September 30, 1999 is the securitization of 384 single family residential loans with an aggregate unpaid principal balance of $24,880.

The following table sets forth certain information relating to the Company's non-performing loans in its loan portfolio at the dates indicated:

	September 30, 2000	December 31, 1999
Non-performing loans:		
Single family residential loans	$ 98	$ 982
Multi-family residential loans (1)	13,760	11,037
Commercial real estate and other (2)	14,367	19,360
Total	$ 28,225	$ 31,379
Non-performing loans as a percentage of:		
Total loans (3)	23.53%	19.06%
Total assets	0.99%	0.95%
Allowance for loan losses as a percentage of:		
Total loans (3)	4.06%	4.41%
Non-performing loans	17.26%	23.13%

(1) Non-performing multi-family residential loans at September 30, 2000 were comprised of 13 loans, all of which management believes are adequately collateralized and reserved.

(2) Non-performing commercial real estate loans at September 30, 2000 were comprised of 10 loans, all of which management believes are adequately collateralized and reserved.

(3) Total loans is net of undisbursed loan proceeds and unamortized deferred fees.

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MATCH FUNDED LOANS AND SECURITIES. Match funded loans and securities are comprised of the following at the dates indicated:

	September 30, 2000	December 31, 1999
Single family residential loans (1)	$ 87,721	$ 105,596
Allowance for loan losses	(367)	(495)
Match funded loans, net	87,354	105,101
Match funded trading securities at fair value	36,546	52,693
Balance at end of period	$ 123,900	$ 157,794

(1) Includes $260 and $1,127 of non-performing loans at September 30, 2000 and December 31, 1999, respectively.

The match funded loans are secured by mortgages on properties located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's loans were located at September 30, 2000:

Michigan	$ 17,566
California	9,088
Florida	5,926
Texas	5,551
Massachusetts	4,450
Other (1)	45,140
Total	$ 87,721

(1) Consists of properties located in 47 other states, none of which aggregated over $3,628 in any one state.

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The following tables detail the Company's match funded securities at September 30, 2000, and its estimates of expected yields on such securities, taking into consideration expected prepayment and loss rates together with other factors.

SECURITIZATION	SECURITY	ISSUE DATE	CLASS DESIGNATION LETTER	RATING AGENCIES	COLLATERAL ISSUANCE	BALANCE 9/30/00	OVER COLLATERIZATION LEVEL AT 9/30/00	PRODUCT TYPE AT 9/30/00
SASCO 1998-2 (1)	X	Jan-98	NR	S&P, Fitch	$ 600,052	$186,524	2.40% OC	40% Fixed, 60% ARM
SASCO 1998-3 (1)	X	Mar-98	NR	S&P, Fitch	769,671	223,628	5.87% OC	18% Fixed, 82% ARM
MLMI 1998-FFI (2)	X	Jun-98	NR	S&P, Fitch	198,155	42,361	7.09% OC	100% ARM
LHELT 1998-2 (3)	X	Jun-98	NR	Moody's, Fitch	209,225	92,282	8.53% OC	49% Fixed, 51% ARM
OCWEN98-OAC-1 (4)	N/A	Nov-98	NR	S&P, Moody's	182,178	92,806	14.23% OC	28% Fixed, 72% ARM

SECURITIZATION	SECURITY	WEIGHTED AVERAGE INTEREST RATE AT: 9/30/00	WEIGHTED AVERAGE LTV AT: 9/30/00	ACTUAL DELINQUENCY AT: 9/30/00	ACTUAL LIFE TO DATE CPR AT: 9/30/00	ACTUAL LIFE TO DATE LOSSES AT: 9/30/00	YIELD TO MATURITY AT: PURCHASE	YIELD TO MATURITY AT: 9/30/00
SASCO 1998-2	X	11.35%	73.18%	20.51%	35.06%	$10,579	16.00%	(1.21)%
SASCO 1998-3	X	11.50	75.02	21.08	38.64	8,596	17.04	0.10
MLMI 1998-FFI	X	12.06	77.46	25.87	48.04	986	18.57	3.99
LHELT 1998-2	X	10.98	75.15	11.91	29.06	1,990	18.55	12.20
OCWEN98-OAC-1	N/A	8.86	81.18	7.72	29.11	565	N/A	N/A

ISSUERS:

(1) Structured Asset Securities Corp.

(2) Merrill Lynch Mortgage Investors, Inc.

(3) Lehman Home Equity Loan Trust

(4) Ocwen Mortgage Loan Trust

The following table sets forth the principal amount of mortgage loans by the geographic location of the property securing the mortgages that underlie the Company's match-funded securities at September 30, 2000.

DESCRIPTION	CALIFORNIA	FLORIDA	WASHINGTON	ILLINOIS	OREGON	OTHER (1)	TOTAL
Single family residential.......	$ 85,926	$ 52,313	$ 22,671	$ 20,472	$ 20,491	$ 292,050	$ 493,923
Commercial......................	4,331	5,175	1,300	836	1,427	11,121	24,190
Multi-family....................	4,480	1,695	388	2,515	789	16,814	26,681
Total	$ 94,737	$ 59,183	$ 24,359	$ 23,823	$ 22,707	$ 319,985	$ 544,794
Percentage (2)..................	17%	11%	5%	4%	4%	59%	100%

(1) No other individual state makes up more than 7% of the total of other.

(2) Based on a percentage of the total unpaid principal balance of the underlying loans.

	AMORTIZED COST	FAIR VALUE	PERCENT OWNED	ORIGINAL ANTICIPATED YIELD TO MATURITY	ANTICIPATED YIELD TO MATURITY AT 9/30/00 (1)	COUPON	ANTICIPATED WEIGHTED AVERAGE REMAINING LIFE(2)
Match-funded securities.......	$ 46,768	$ 36,546	100.00%	17.24%	2.13%	0.00%	3.97 years

(1) Changes in the September 30, 2000 anticipated yield to maturity from that originally anticipated are primarily the result of changes in prepayment assumptions and, to a lesser extent, loss assumptions.

(2) Equals the weighted average duration based on the September 30, 2000 book value.

For a glossary of the terms included in the above tables, see "Trading

Securities Available for Sale."

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DISCOUNT LOAN PORTFOLIO, NET. The discount loan portfolio decreased $211,288 or 23% during the nine months ended September 30, 2000. Resolutions and repayments, transfers to real estate owned and sales more than offset acquisitions during the period. Substantially all of the Company's discount loan portfolio is secured by first mortgage liens on real estate.

Composition of the Discount Loan Portfolio. The following table sets forth the composition of the Company's discount loan portfolio by type of loan at the dates indicated:

	September 30, 2000	December 31, 1999
Single family residential loans.........	$ 364,969	$ 597,719
Multi-family residential loans..........	190,926	191,971
Commercial real estate loans:		
Office buildings..................	89,839	97,784
Hotels............................	73,978	75,095
Retail properties.................	97,505	105,247
Other properties..................	60,784	87,148
	322,106	365,274
Other loans (1).........................	20,226	21,615
Total discount loans................	898,227	1,176,579
Unaccreted discount:		
Single family residential loans....	(89,546)	(147,630)
Multi-family residential loans.....	(37,456)	(37,981)
Commercial real estate loans.......	(45,965)	(57,604)
Other loans........................	(272)	(954)
	(173,239)	(244,169)
	724,988	932,410
Allowance for loan losses..............	(23,047)	(19,181)
Discount loans, net.....................	$ 701,941	$ 913,229

(1) Includes $18,242 and $16,397 at September 30, 2000 and December 31, 1999, respectively, of charged-off unsecured credit card receivables which were acquired at a discount. Collections are accounted for under the cost recovery method.

The discount loan portfolio is secured by mortgages on property located throughout the United States. The following table sets forth the five states in which the largest amount of properties securing the Company's discount loans were located at September 30, 2000:

	Single Family Residential	Multi-Family Residential	Commercial Real Estate and Other	Total
California............................	$ 23,209	$ 10,269	$ 73,170	$ 106,648
Illinois..............................	13,751	55,664	1,283	70,698
New York..............................	27,657	--	41,161	68,818
Michigan..............................	9,520	36,047	18,840	64,407
Florida...............................	20,462	17,483	12,218	50,163
Other (1).............................	180,824	34,007	149,423	364,254
Total.............................	$ 275,423	$ 153,470	$ 296,095	$ 724,988

(1) Consists of properties located in 44 other states, none of which aggregated over $37,062 in any one state.

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Activity in the Discount Loan Portfolio. The following table sets forth the activity in the Company's net discount loan portfolio during the periods indicated:

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
Balance at beginning of period	$ 803,446	$ 1,008,764	$ 913,229	$ 1,026,511
Acquisitions (1):				
Single family residential loans	6,722	61,725	155,881	335,808
Multi - family residential loans	28	3,353	21,322	75,312
Commercial real estate loans	1,000	15,514	19,119	147,304
Other (2)	--	4,274	10,030	12,900
	7,750	84,866	206,352	571,324
Resolutions and repayments (3)	(55,437)	(52,182)	(147,154)	(176,497)
Loans transferred to real estate owned	(39,919)	(50,987)	(163,985)	(159,149)
Sales (4)	(42,538)	(25,069)	(173,563)	(304,101)
Increase in undisbursed loan proceeds	201	--	--	--
Decrease (increase) in discount	29,099	8,997	70,929	15,304
(Increase) decrease in allowance for loan losses	(661)	83	(3,867)	1,080
Balance at end of period	$ 701,941	$ 974,472	$ 701,941	$ 974,472

	Three Months		Nine Months	
For the periods ended September 30,	2000	1999	2000	1999
NUMBER OF LOANS				
Balance at beginning of period	6,363	6,737	8,064	8,100
Acquisitions (1):				
Single family residential loans	144	734	2,110	3,945
Multi - family residential loans	1	3	9	33
Commercial real estate loans	1	21	6	137
Other	--	--	1	6
	146	758	2,126	4,121
Resolutions and repayments (3)	(559)	(471)	(1,237)	(856)
Loans transferred to real estate owned	(550)	(617)	(1,971)	(1,787)
Sales (4)	(402)	(45)	(1,984)	(3,216)
Balance at end of period	4,998	6,362	4,998	6,362

(1) Acquisitions during the nine months ended September 30, 2000 exclude commercial and multi-family loans which are accounted for as investments in real estate. See "Changes in Financial Condition - Investments in Real Estate."

(2) For the nine months ended September 30, 2000, consists of charged-off unsecured credit card receivables acquired at a discount.

(3) Resolutions and repayments consists of loans which were resolved in a manner which resulted in partial or full repayment of the loan to the Company, as well as principal payments on loans which have been brought current in accordance with their original or modified terms (whether pursuant to forbearance agreements or otherwise) or on other loans which have not been resolved.

(4) Sales for the nine months ended September 30, 1999 include the securitization of 2,753 performing single family discount loans with an unpaid principal balance of $202,423. See "Results of Operations - Non-interest Income."

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Payment Status of Discount Loans. The following table sets forth certain information relating to the payment status of loans in the Company's discount loan portfolio at the dates indicated.

	September 30, 2000	December 31, 1999
PRINCIPAL AMOUNT		
Loans without Forbearance Agreements:		
Current	$ 478,493	$ 509,845
Past due 31 days to 89 days	8,075	23,438
Past due 90 days or more	310,565	448,312
Acquired and servicing not yet transferred	64	87,538
Subtotal	797,197	1,069,133
Loans with Forbearance Agreements:		
Current	4,775	2,958
Past due 31 days to 89 days	3,500	8,904
Past due 90 days or more(1)(2)	92,755	95,584
Subtotal	101,030	107,446
Total	$ 898,227	$ 1,176,579

	September 30, 2000	December 31, 1999
PERCENTAGE OF LOANS		
Loans without Forbearance Agreements:		
Current	53.27%	43.33%
Past due 31 days to 89 days	0.90	1.99
Past due 90 days or more	34.57	38.10
Acquired and servicing not yet transferred	0.01	7.44
Subtotal	88.75	90.86
Loans with Forbearance Agreements:		
Current	0.53	0.25
Past due 31 days to 89 days	0.39	0.76
Past due 90 days or more	10.33	8.13
Subtotal	11.25	9.14
Total	100.00%	100.00%

(1) Includes $73,153 of loans which were less than 90 days past due under the terms of the forbearance agreements at September 30, 2000, of which $66,255 were current and $6,898 were past due 31 to 89 days.

(2) Includes $95,218 of loans which were less than 90 days past due under the terms of the forbearance agreements at December 31, 1999, of which $67,897 were current and $27,321 were past due 31 to 89 days.

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The following table sets forth certain information relating to the Company's allowance for loan losses on discount loans at and for the periods indicated:

	September 30, 2000	December 31, 1999
Allowances for loan losses as a percentage of:		
Total loans (1)	3.18%	2.06%
Total assets	0.81%	0.58%

	For the Nine Months Ended September 30, 2000	1999
Net charge-offs as a percentage of average discount loans	1.07%	0.59%

(1) Total loans are net of undisbursed loan proceeds and unaccreted discount.

See "Changes in Financial Condition - Allowance for Loan Losses" below for additional information regarding the allowance for discount loan losses.

ALLOWANCES FOR LOAN LOSSES. The Company maintains an allowance for loan losses for each of its loan, discount loan and match funded loan portfolios at a level which management considers adequate to provide for potential losses in each portfolio based upon an evaluation of known and inherent risks in such portfolios. The following table sets forth the breakdown of the allowance for loan losses on the Company's loan portfolio, discount loans and match funded loans by loan category and the percentage of allowance and loans in each category to totals in the respective portfolios at the dates indicated:

	September 30, 2000				December 31, 1999			
	Allowance		Loan Balance		Allowance		Loan Balance	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Loan portfolio:								
Single family	$ 3	0.1%	$ 1,031	0.8%	$ 87	1.2%	$ 4,334	2.3%
Multi-family	1,516	31.1	52,633	38.9	1,722	23.7	81,366	42.5
Commercial real estate	3,352	68.8	81,580	60.3	5,450	75.1	105,628	55.2
Consumer	--	--	56	--	--	--	82	--
	$ 4,871	100.0%	$135,300	100.0%	$ 7,259	100.0%	$191,410	100.0%
Discount loans:								
Single family	$ 7,684	33.3%	$275,423	38.0%	$ 11,081	57.8%	$450,089	48.3%
Multi-family	1,353	5.9	153,470	21.2	1,681	8.8	153,990	16.5
Commercial real estate	7,476	32.4	276,142	38.0	5,152	26.8	307,670	33.0
Other	6,534	28.4	19,953	2.8	1,267	6.6	20,661	2.2
	$ 23,047	100.0%	$724,988	100.0%	$ 19,181	100.0%	$932,410	100.0%
Match funded loans:								
Single family	$ 367	100.0%	$ 87,721	100.0%	$ 495	100.0%	$105,596	100.0%

The allocation of the allowance to each category is not necessarily indicative of future losses and does not restrict the use of the allowance to absorb losses in any other category.

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The following table sets forth an analysis of activity in the allowance for loan losses relating to the Company's loan portfolio and discount loan portfolio during the nine months ended September 30, 2000:

	Balance December 31, 1999	Provision	Charge-offs	Recoveries	Balance September 30, 2000
Loan portfolio:					
Single family	$ 87	$ (84)	$ --	$ --	$ 3
Multi-family	1,722	(206)	--	--	1,516
Commercial real estate	5,450	(187)	(1,911)	--	3,352
	$ 7,259	$ (477)	$ (1,911)	$ --	$ 4,871
Discount loans:					
Single family	$ 11,081	$ (465)	$ (3,550)	$ 618	$ 7,684
Multi-family	1,681	535	(863)	--	1,353
Commercial	5,152	7,871	(5,566)	19	7,476
Other	1,267	5,268	(1)	--	6,534
	$ 19,181	$ 13,209	$ (9,980)	$ 637	$ 23,047
Match funded loans:					
Single family	$ 495	$ (128)	$ --	$ --	$ 367

INVESTMENTS IN LOW-INCOME HOUSING TAX CREDIT INTERESTS. The Company invested in multi-family residential projects which have been allocated low-income housing tax credits under Section 42 of the Internal Revenue Code of 1986, as amended, by a state tax credit allocating agency.

The carrying value of the Company's investments in low-income housing tax credit interests are as follows at the dates indicated.

	September 30, 2000	December 31, 1999
Investments solely as a limited partner made prior to May 18, 1995	$ 6,578	$ 17,327
Investments solely as a limited partner made on or after May 18, 1995	31,779	59,541
Investments both as a limited and, through subsidiaries, as a general partner	29,914	74,121
Total (1)	$ 68,271	$ 150,989

(1) The decrease in the balance during the nine months ended September 30, 2000 is due to the sale of investments in ten projects during the first quarter which had an aggregate carrying value of $27,402 for a loss of $261, and the transfer of twenty-one projects during the third quarter with an aggregate carrying value of $75,478 to held for sale, offset by the investment in new and existing projects. See "Low-Income Housing Tax Credit Interests Held for Sale."

The qualified affordable housing projects underlying the Company's investments in low-income housing tax credit interests are geographically located throughout the United States. At September 30, 2000, the Company's largest single investment was $5,239, relates to a project located in Indiana.

Investments by the Company in low-income housing tax credit interests made on or after May 18, 1995, in which the Company invests solely as a limited partner, are accounted for using the equity method in accordance with the consensus of the Emerging Issues Task Force as recorded in Issue Number 94-1. Limited partnership investments made prior to May 18, 1995, are accounted for under the effective yield method as a reduction of income tax expense. Low-income housing tax credit partnerships in which the Company invests both as a limited and, through a subsidiary, as general partner are presented on a consolidated basis.

Income on the Company's limited partnership investments made prior to May 18, 1995 is recorded under the level yield method as a reduction of income tax expense, and amounted to $508 and $728 for the third quarter of 2000 and 1999, respectively, and $1,849 and $2,247 for the nine months ended September 30, 2000 and 1999, respectively. For limited partnership investments made after May 18, 1995, and for investments as a limited partner and, through subsidiaries, as a general partner, the Company recognized tax credits of $1,571 and $3,923 for the third quarter of 2000 and 1999, respectively, and $6,647 and $11,467 for the nine months ended September 30, 2000 and 1999, respectively, which are also reported as a reduction of income tax expense. The Company also recorded a loss from operations on the underlying real estate after depreciation of $3,691 and $1,094 for the third quarter of 2000 and 1999, respectively, and $6,030 and $4,558 for the nine months ended September 30, 2000 and 1999, respectively. The loss for the third quarter of 2000 of $3,691 included a $3,062 write-down of the carrying value of tax credit interests held for sale. See "Low-Income Housing Tax Credit Interests Held for Sale" below.

LOW-INCOME HOUSING TAX CREDIT INTERESTS HELD FOR SALE. On September 1, 2000 the Company entered into a transaction to sell twenty-one of its low-income housing tax credit properties, together with the related tax credits. Although this transaction resulted in the transfer of tax credits and operating results for these properties to the purchaser, it did not qualify as a sale for accounting purposes under the criteria established in SFAS no. 66 "Accounting for Sales of Real Estate," primarily due to the amount of cash received at signing, as well as to certain contingencies with respect to potential repurchase requirements. As a result, the Company has reclassified these properties as "held for sale" and has valued them at the lower of cost or fair value less disposal costs. The Company recorded a charge to earnings of $3,026 reflecting the expected net loss to be incurred upon completion of this transaction, currently projected to occur on April 1, 2001, when the cash receipts will meet sale treatment criteria and expiration of repurchase contingencies is projected to occur.

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The carrying value of the Company's investments in low-income housing tax credit interests held for sale are as follows at the dates indicated.

	September 30, 2000	December 31, 1999
Investments solely as a limited partner made prior to May 18, 1995	$ 8,922	$ --
Investments solely as a limited partner made on or after May 18, 1995	19,108	--
Investments both as a limited and, through subsidiaries, as a general partner	47,448	--
	$ 75,478	$ --

INVESTMENTS IN UNCONSOLIDATED ENTITIES. Investments in unconsolidated entities totaled $29,803 at September 30, 2000, a $7,315 decrease as compared to the balance at December 31, 1999 of $37,118. This decrease was primarily due to a $6,845 decrease in the Company's 38.7% equity investment in Kensington. The investment in Kensington declined during this period as a result of the Company's $5,002 share of Kensington's losses, including goodwill amortization, and $2,771 of net unrealized foreign currency losses. Additionally, during the third quarter of 2000, the Company's share ownership in Kensington increased from 35.84% at December 31, 1999 to 38.71% at September 30,2000. This share ownership increase was a result of the exercise, during the third quarter, of a put option issued by the principal shareholder of Kensington to OCN in connection with the demerger of Ifonline Group plc from Kensington pursuant to which OCN could require the principal shareholder of Kensington to exchange shares of Kensington for shares in Infonline Group plc received by OCN in connection with the demerger. See "Asset and Liability Management - Foreign Currency Exchange Rate Risk Management" for information regarding the Company's hedging activities related to its investment in Kensington.

REAL ESTATE OWNED, NET. Real estate owned consists almost entirely of properties acquired by foreclosure or deed-in-lieu thereof on loans in the Company's discount loan portfolio.

The following table sets forth certain information relating to the Company's real estate owned at the dates indicated.

	September 30, 2000	December 31, 1999
Discount loan portfolio:		
Single family residential	$ 64,758	$ 72,193
Multi-family residential	10,753	2,601
Commercial real estate	90,159	85,233
Total	165,670	160,027
Loan portfolio	2,508	2,183
Loans available for sale	1,022	5,296
Total	$ 169,200	$ 167,506

The following table sets forth certain geographical information by type of property at September 30, 2000 related to the Company's real estate owned.

	Single Family Residential		Multi-family Residential and Commercial		Total	
	Amount	No. of Properties	Amount	No. of Properties	Amount	No. of Properties
Florida	$ 4,709	94	$ 47,501	6	$ 52,210	100
Georgia	1,053	22	15,705	1	16,758	23
Connecticut	1,694	29	12,044	2	13,738	31
Arizona	448	9	9,881	1	10,329	10
California	4,497	45	5,678	7	10,175	52
Other (1)	53,422	1,287	12,568	16	65,990	1,303
Total	$ 65,823	1,486	$ 103,377	33	$ 169,200	1,519

(1) Consists of properties located in 44 other states, none of which aggregated over $5,575 in any one state.

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The following tables set forth the activity in the real estate owned during the periods indicated.

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
Balance at beginning of period	$ 182,676	$ 183,162	$ 167,506	$ 201,551
Properties acquired through foreclosure or deed-in-lieu thereof:				
Discount loans	39,919	50,987	163,985	159,149
Loans available for sale	336	3,100	4,399	10,201
Loan portfolio	1,346	--	2,051	2,572
Less discount transferred	(13,285)	(17,027)	(50,299)	(51,330)
	28,316	37,060	120,136	120,592
Acquired in connection with acquisitions of discount loans	--	6,358	8,569	37,848
Sales	(42,487)	(47,111)	(131,559)	(178,587)
Change in valuation allowance	695	(1,120)	4,548	(3,055)
Balance at end of period	$ 169,200	$ 178,349	$ 169,200	$ 178,349

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
NUMBER OF PROPERTIES				
Balance at beginning of period	1,732	1,866	1,672	1,999
Properties acquired through foreclosure or deed-in-lieu thereof:				
Discount loans	550	617	1,971	1,787
Loans available for sale	2	38	41	129
Loan portfolio	2	--	7	4
	554	655	2,019	1,920
Acquired in connection with acquisitions of discount loans	--	93	157	668
Sales	(767)	(920)	(2,329)	(2,893)
Balance at end of period	1,519	1,694	1,519	1,694

The following table sets forth the amount of time that the Company had held its real estate owned at the dates indicated.

	September 30, 2000	December 31, 1999
One to two months	$ 23,720	$ 30,695
Three to four months	17,971	26,532
Five to six months	11,536	11,263
Seven to 12 months	29,330	28,606
Over 12 months	86,643	70,410
	$ 169,200	$ 167,506

The Company actively manages its real estate owned. Sales of real estate owned resulted in (losses) gains, net of the provision for loss, of $(2,483) and $(7,763) during the three and nine months ended September 30, 2000, respectively, as compared to $1,690 and $8,257 during the three and nine months ended September 30, 1999, respectively, which are included in determining the Company's (loss) income on real estate owned. The average period during which the Company held the $131,559 and $178,587 of real estate owned which was sold during the nine months ended September 30, 2000 and 1999, respectively, was 6 months.

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The following table sets forth the activity, in the aggregate, in the valuation allowances on real estate owned during the periods indicated.

For the periods ended September 30,	Three Months 2000	Three Months 1999	Nine Months 2000	Nine Months 1999
Balance at beginning of period..........	$ 21,034	$ 17,260	$ 17,181	$ 15,325
Provisions for losses	7,593	6,494	24,556	21,334
Charge-offs and sales...................	(6,898)	(5,374)	(20,008)	(18,279)
Balance at end of period................	$ 21,729	$ 18,380	$ 21,729	$ 18,380
Valuation allowance as a percentage of total gross real estate owned (1)....	11.38%	9.34%	11.38%	9.34%

(1) The increase at September 30, 2000 as compared to September 30, 1999 reflects an increase in the amount of real estate owned which the Company has held in excess of one year. The increase in the amount of real estate owned which the Company has held in excess of one year at September 30, 2000 as compared to September 30, 1999 primarily reflects the anticipated migration of a large retail property which is currently being repositioned for sale. At December 31, 1999, the valuation allowance as a percentage of total gross real estate owned was 9.30%.

INVESTMENTS IN REAL ESTATE. The Company's investment in real estate consisted of the following at the dates indicated:

	September 30, 2000	December 31, 1999
Properties held for investment (1):		
Office buildings..	$ 32,108	$ 202,607
Retail..	9,471	33,224
Building improvements.......................................	10,027	17,590
Tenant improvements and lease commissions....................	1,192	8,150
Furniture and fixtures......................................	52	44
	52,850	261,615
Accumulated depreciation....................................	(2,053)	(9,011)
	50,797	252,604
Loans accounted for as investments in real estate (2):		
Multi-family residential....................................	97	--
Nonresidential..	72,804	--
	72,901	--
Properties held for lease:		
Land and land improvements..................................	1,256	1,256
Building..	15,488	14,629
Accumulated depreciation....................................	(675)	(248)
	16,069	15,637
Investment in real estate partnerships (3)......................	11,475	--
	$ 151,242	$ 268,241

(1) Acquired as a result of the acquisition of OAC. The decline in balances during the nine months ended September 30, 2000 is due to the transfer of properties from held for investment to held for sale. See "Real Estate Held for Sale."

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The Company's properties held for investment at September 30, 2000 are comprised of the following:

Date Acquired	Property	Location	Square Feet	Property Type	% Leased	Carrying Value
07/22/98	841 Prudential Drive.....	Jacksonville, FL	550,000	Office Bldg.	98.0%	$ 32,946
04/09/98	7075 Bayers Road.........	Halifax, Nova Scotia	402,529	Shopping Ctr.	64.0	19,904
			Accumulated depreciation			(2,053)
						$ 50,797

(2) Certain acquisition, development and construction loans were acquired in January 2000 in which the Company participates in the expected residual profits of the underlying real estate and the borrower has not contributed substantial equity to the project. As such, the Company has accounted for these loans under the equity method of accounting as though it had an investment in a real estate limited partnership.

(3) Consists of interests in five limited partnerships operating as real estate ventures, consisting of multi-family type properties.

REAL ESTATE HELD FOR SALE. The Company's real estate held for sale at September 30, 2000 was comprised of the following properties at the dates indicated:

Date Acquired	Property	Location	Square Feet	Property Type	% Leased	Carrying Value
04/08/98	225 Bush Street..........	San Francisco, CA	570,637	Office Bldg.	98.0%	$ 137,313
11/10/97	Cortez Plaza.............	Bradenton, FL	289,686	Shopping Ctr.	95.7	21,618
10/01/98	Holiday Village..........	Havre, MT	223,355	Shopping Ctr.	48.4	1,658
						$ 160,589

The Company engaged unaffiliated third parties to market and sell the properties listed above. These properties were previously held for investment. The office buildings were reclassified to held for sale during the first quarter of 2000 and the shopping centers were reclassified during the second quarter of 2000.

During the second quarter of 2000, the Company sold its office building located at 690 Market Street in San Francisco, for $28,000, less commissions and closing costs, which had a book value of $23,273, for a gain of $3,897. The net proceeds consisted of cash of approximately $7,100 and a note receivable of $19,000.

During the third quarter of 2000, the Company sold its office building located at 10 United Nations Plaza in San Francisco for $15,500, less commissions and closing costs, for a gain of $2,722. Also during the third quarter of 2000, the Company sold its office building located at 450 Sansome Street in San Francisco for $44,350, less commission and closing costs, for a gain of $14,054. On November 1, 2000, the Company sold its office building located at 225 Bush Street in San Francisco for $143.5 million, realizing net proceeds of approximately $60,300 and a gain of $100.

ESCROW ADVANCES ON LOANS AND LOANS SERVICED FOR OTHERS. Escrow advances related to loan portfolios and loans serviced for others consisted of the following at the dates indicated:

	September 30, 2000	December 31, 1999
Loan Portfolios:		
Principal, interest, taxes and insurance advances......................	$ 12,778	$ 19,967
Other advances...	12,029	11,594
	24,807	31,561
Loans Serviced for Others:		
Principal, interest, taxes and insurance advances......................	144,463	100,066
Other advances...	41,983	30,921
	186,446	130,987
	$ 211,253	$ 162,548

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DEPOSITS. Deposits decreased $237,646 or 13% during the nine months ended September 30, 2000 primarily as a result of a $207,777 decrease in non-interest bearing checking accounts. The decrease in non-interest bearing checking accounts is primarily due to the transfer of custodial deposit balances primarily representing collections of principal and interest from borrowers which have yet to be remitted to investors, to a correspondent bank. The following table sets forth information related to the Company's deposits at the dates indicated.

	September 30, 2000		December 31, 1999	
	Amount	% of Total Deposits	Amount	% of Total Deposits
Non-interest bearing checking accounts and escrows......	$ 72,496	5%	$ 280,273	15%
NOW and money market checking accounts..................	13,019	1	30,343	2
Savings accounts..	1,383	--	1,361	--
	86,898	6	311,977	17
Certificates of deposit (1)(2)..........................	1,522,684		1,536,997	
Unamortized deferred fees...............................	(4,942)		(6,688)	
Total certificates of deposit...........................	1,517,742	94	1,530,309	83
Total deposits......................................	$ 1,604,640	100%	$ 1,842,286	100%

(1) Included $1,291,982 and $1,449,873 at September 30, 2000 and December 31, 1999, respectively, of deposits originated through national, regional and local investment banking firms which solicit deposits from their customers, all of which are non-cancelable.

(2) At September 30, 2000 and December 31, 1999, certificates of deposit issued on an uninsured basis (greater than $100,000) amounted to $197,436 and $155,205, respectively. Of the $197,436 of uninsured deposits at September 30, 2000, $62,861 were from political subdivisions in New Jersey and secured or collateralized as required under state law.

SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE. Securities sold under agreements to repurchase of $5,692 at September 30, 2000, decreased $41,673 or 88% during the nine months ended September 30, 2000. From time to time the Company utilizes such collateralized borrowings as additional sources of liquidity. The securities sold under agreements to repurchase at September 30, 2000 are collateralized by two unrated residual securities with a fair value of $6,801.

BONDS-MATCH FUNDED AGREEMENTS. Bonds-match funded agreements of $114,687 at September 30, 2000, decreased $26,828 or 19% during the nine months ended September 30, 2000.

Bonds-match funded agreements were comprised of the following at the dates indicated:

	September 30, 2000	December 31, 1999
OAC Mortgage Residential Securities, Inc (1)...............	$ 79,894	$ 100,968
Ocwen NIM Corp. (2)..	34,793	40,547
	$ 114,687	$ 141,515

(1) Acquired in connection with the acquisition of OAC. Originally arose in connection with a previous securitization of loans by OAC which was accounted for as a financing transaction.

(2) In December 1999, the Company transferred four unrated residual securities to Ocwen NIM Corp. in exchange for non-recourse notes. The transaction was accounted for as a financing.

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NOTES, DEBENTURES AND OTHER INTEREST-BEARING OBLIGATIONS. Notes, debentures and other interest-bearing obligations mature as follows:

	September 30, 2000	December 31, 1999
2003:		
11.875% Notes due October 1	$ 103,850	$ 103,850
2004:		
Loan due May 24 (LIBOR plus 250 basis points)	6,235	6,236
2005:		
12% Subordinated Debentures due June 15	67,000	67,000
11.5% Redeemable Notes due July 1 (1)	96,477	140,487
	$ 273,562	$ 317,573

(1) The $44,010 decline in the outstanding balance is due to repurchases in the open market during the nine months ended September 30, 2000. These repurchases resulted in extraordinary gains of $2,980 ($2,056 net of taxes) and $8,073 ($5,570 net of taxes), for the three and nine months ended September 30, 2000, respectively.

OBLIGATIONS OUTSTANDING UNDER LINES OF CREDIT. Obligations outstanding under lines of credit decreased $52,222 or 28% during the nine months ended September 30, 2000. The Company, through its subsidiaries, has obtained secured lines of credit arrangements from various unaffiliated financial institutions as follows:

Entity	Balance Outstanding	Amount of Facility	Committed Amount	Maturity Date	Interest Rate(5)
SEPTEMBER 30, 2000:					
OFS (1)	$ 1,045	$ 35,000	$ 35,000	May 2001	LIBOR + 175 basis points
	429	5,000	--	May 2001	LIBOR + 175 basis points
OAC	59,170(2)	115,580	115,580	June 2001	LIBOR + 240 basis points
	75,000(3)	75,000	75,000	April 2001	LIBOR + 175 basis points
	$ 135,644				
DECEMBER 31, 1999:					
OFS (4)	$ 2,041	$ 200,000	$ 100,000	July 2001	LIBOR + 75 basis points
	3,770	115,000	100,000	May 2000	LIBOR + 95 - 150 basis points
	15,227	50,000	50,000	May 2000	LIBOR + 137.5 basis points
	7,658	25,000	--	May 2000	LIBOR + 175 basis points
OAC	84,170(2)	200,000	200,000	June 2001	LIBOR + 175 basis points
	75,000(3)	75,000	75,000	April 2001	LIBOR + 175 basis points
	$ 187,866				

(1) These lines were used to fund subprime mortgage loan originations, generally advanced at a rate of 65% to 75% of the principal balance of the mortgage loan and are secured by such mortgage loans.

(2) Collateralized by commercial loans and investments in real estate.

(3) Collateralized by the real estate property (office building) located at 225 Bush Street in San Francisco, CA. See "Real Estate Held for Sale."

(4) These lines were used to fund subprime mortgage loan originations, generally advanced at a rate of 80% to 98% of the principal balance of the mortgage loan and are secured by such mortgage loans.

(5) LIBOR was 6.62% and 5.82% at September 30, 2000 and December 31, 1999, respectively.

COMPANY OBLIGATED, MANDATORILY REDEEMABLE SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY JUNIOR SUBORDINATED DEBENTURES OF THE COMPANY. The outstanding balance of the 10.875% Capital Securities amounted to $99,390 at September 30, 2000, a decline of $10,610 from the balance outstanding at December 31, 1999. During the three and nine months ended September 30, 2000, the Company repurchased $2,000 and $10,610, respectively, of its Capital Securities in the open market, resulting in an extraordinary gain of $828 ($572 net of taxes) and $4,499 ($3,104 net of taxes) for the three and nine months ended September 30, 2000, respectively. See Note 4 to the Interim Consolidated Financial Statements included in Item 1 hereof (which is incorporated herein by reference).

STOCKHOLDERS' EQUITY. Stockholders' equity decreased $15,682 or 3% during the nine months ended September 30, 2000. The decrease was primarily due to a net loss of $7,177 and the repurchase of 1,388,300 shares of common stock in the aggregate amount of $8,996 during the first quarter. On September 30, 2000, the Company changed its accounting policy for securities available for sale and match funded securities to account for these securities as trading. As a result, net unrealized holding gains and losses on trading securities are included in earnings. Previously, unrealized holding gains and losses for these securities were reported as a separate component of accumulated other comprehensive income in stockholders' equity. See Consolidated Statements of Changes in Stockholders' Equity and Notes 2 and 5 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference).

LIQUIDITY, COMMITMENTS AND OFF-BALANCE SHEET RISKS

The primary sources of funds for liquidity consist of deposits, FHLB advances, reverse repurchase agreements, lines of credit and maturities and payments of principal and interest on loans and securities and proceeds from sales and securitizations thereof.

Sources of liquidity include certificates of deposit obtained primarily from wholesale sources. At September 30, 2000, the Company had $1,517,742 of certificates of deposit, including $1,291,982 of brokered certificates of deposit obtained through national, regional and local investment banking firms, all of which are non-cancelable. At the same date, scheduled maturities of certificates of deposit during the 12 months ending September 30, 2001 and 2002, and thereafter amounted to $836,332, $430,718 and $250,692, respectively.

Sources of borrowings include FHLB advances, which are required to be secured by single family and/or multi-family residential loans or other acceptable collateral, and reverse repurchase agreements. At September 30, 2000, the Company was eligible to borrow up to an aggregate of $530,994 from the FHLB of New York (subject to the availability of acceptable collateral) and had $30,974 of residential loans and $22,104 of short duration CMOs (all of which were held by the Bank) pledged as security for any such advances. At September 30, 2000, the Company had contractual relationships with 12 brokerage firms and the FHLB of New York pursuant to which it could obtain funds from reverse repurchase agreements. At September 30, 2000, the Company had $206,477 of unrestricted cash and cash equivalents and $350,437 of short duration CMOs which could be used to secure additional borrowings. At September 30, 2000, the Company had no outstanding FHLB advances. In addition, at September 30, 2000, the Company, through the bank, had a line of credit of $150,000. The Company had no balance outstanding at September 30, 2000 under this line of credit.

The Company believes that its existing sources of liquidity, including internally generated funds, will be adequate to fund planned activities for the foreseeable future, although there can be no assurances in this regard. Moreover, the Company continues to evaluate other sources of liquidity, such as lines of credit from unaffiliated parties, which will enhance the management of its liquidity and the costs thereof.

The Company's operating activities used $91,458 and $187,822 of cash flows during the nine months ended September 30, 2000 and 1999, respectively. During the nine months ended September 30, 2000, cash flows used by operating activities primarily related to an increase in escrow advances and an increase in accrued expenses, interest payable and other liabilities. During the nine months ended September 30, 1999, cash flows were primarily related to the purchase, origination and sale of loans available for sale. The decrease in net cash flows used by operating activities during the nine months ended September 30, 2000 as compared to the nine months ended September 30, 1999, was due primarily to a decline in activity related to loans available for sale as a result of the sale of Ocwen UK and the closing of domestic subprime lending operations at OFS.

The Company's investing activities provided cash flows totaling $342,686 and $177,737 during the nine months ended September 30, 2000 and 1999, respectively. During the foregoing periods, cash flows from investing activities were used primarily to purchase securities available for sale, purchase discount loans and for the purchase of and capital improvements to real estate held for investment. Cash flows from investing activities were provided primarily by sales of, maturities of and principal payments received on securities available for sale, proceeds from sales of and principal payments received on discount loans, proceeds from sales of real estate owned and proceeds from the sale of Ocwen UK during the third quarter of 1999. The increase in net cash provided by investing activities during the nine months ended September 30, 2000 as compared to the nine months ended September 30, 1999 was due primarily to an increase in proceeds from the sale of securities available for sale and a decline in purchases of discount loans, offset by an increase in purchases of securities available for sale, a decline in proceeds from sales of discount loans and an increase in purchases of and capital improvements to real estate held for investment.

The Company's financing activities used cash flows of $406,609 and $178,586 during the nine months ended September 30, 2000 and 1999, respectively. Cash flows utilized in connection with financing activities were primarily related to a decline in deposits, a decline in securities sold under agreements to repurchase, repayment of bonds-match funded agreements, repayment of lines of credit and repurchases of debt.

The Bank is required under applicable federal regulations to maintain specified levels of "liquid" investments in qualifying types of U.S. government, federal agency and other investments having maturities of five years or less (currently not less than 4% of its average daily balance of net withdrawable deposit accounts and borrowings payable in one year or less). The Bank's liquidity, as measured for regulatory purposes, amounted to 7.60% at September 30, 2000.

As a result of a verbal agreement between the Bank and the OTS to dividend subordinate and residual mortgage-related securities resulting from securitization activities conducted by the Bank, the Bank has been limited in its ability to pay cash dividends to the Company. The Bank held no subordinate or residual mortgage-related securities at September 30, 2000. See Note 8 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated by reference).

There are restrictions on OAC's ability to make certain restricted payments, including dividends under the Indenture governing OAC's 11.5% Redeemable Notes. As of September 30, 2000, OAC was permitted to make restricted payments of approximately $2,500.

At September 30, 2000, the Company had commitments of $13,866 related to the funding of construction loans. Management believes that the Company has adequate resources to fund all such unfunded commitments to the extent required and that substantially all of such unfunded commitments will be funded during 2000. See Note 10 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference).

In addition to commitments to extend credit, the Company is party to various off-balance sheet financial instruments in the normal course of the Company's business in order to manage its interest rate risk and foreign currency exchange rate risk. See Note 7 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference) and "Asset and Liability Management" included in Item 3 herein.

REGULATORY CAPITAL AND OTHER REQUIREMENTS

See Note 8 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated by reference).

YEAR 2000 DATE CONVERSION

The Company is currently not aware of any significant Year 2000 or related problems that have arisen for its customers or vendors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.
(Dollars in Thousands)

ASSET AND LIABILITY MANAGEMENT

Asset and liability management is concerned with the timing and magnitude of the repricing of assets and liabilities. It is the objective of the Company to attempt to control risks associated with interest rate and foreign currency exchange rate movements. In general, management's strategy is to match asset and liability balances within maturity categories and to manage foreign currency rate exposure related to its investments in non-U.S. dollar functional currency operations in order to limit the Company's exposure to earnings variations and variations in the value of assets and liabilities as interest rates and foreign currency exchange rates change over time. The Company's asset and liability management strategy is formulated and monitored by the Asset/Liability Management Committee (the "Committee"), which is composed of directors and officers of the Company, in accordance with policies approved by the Board of Directors of the Company. The Committee meets to review, among other things, the sensitivity of the Company's assets and liabilities to interest rate changes and foreign currency exchange rate changes, the book and market values of assets and liabilities, unrealized gains and losses, including those attributable to hedging transactions, purchase and sale activity, and maturities of investments and borrowings. The Committee also approves and establishes pricing and funding decisions with respect to overall asset and liability composition.

The Committee's methods for evaluating interest rate risk include an analysis of the Company's interest rate sensitivity "gap," which is defined as the difference between interest-earning assets and interest-bearing liabilities maturing or repricing within a given time period. A gap is considered positive when the amount of interest-rate sensitive assets exceeds the amount of interest-rate sensitive liabilities. A gap is considered negative when the amount of interest-rate sensitive liabilities exceeds interest-rate sensitive assets. During a period of rising interest rates, a negative gap would tend to adversely affect net interest income, while a positive gap would tend to result in an increase in net interest income. During a period of falling interest rates, a negative gap would tend to result in an increase in net interest income, while a positive gap would tend to affect net interest income adversely. Because different types of assets and liabilities with the same or similar maturities may react differently to changes in overall market rates or conditions, changes in interest rates may affect net interest income positively or negatively even if an institution were perfectly matched in each maturity category.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.
(Dollars in Thousands)

The following table sets forth the estimated maturity or repricing of the Company's interest-earning assets and interest-bearing liabilities at September 30, 2000. The amounts of assets and liabilities shown within a particular period were determined in accordance with the contractual terms of the assets and liabilities, except (i) adjustable-rate loans, performing discount loans, securities and FHLB advances are included in the period in which they are first scheduled to adjust and not in the period in which they mature, (ii) fixed-rate mortgage-related securities reflect estimated prepayments, which were estimated based on analyses of broker estimates, the results of a prepayment model utilized by the Company and empirical data, (iii) non-performing discount loans reflect the estimated timing of resolutions which result in repayment to the Company, (iv) NOW and money market checking deposits and savings deposits, which do not have contractual maturities, reflect estimated levels of attrition, which are based on detailed studies of each such category of deposit by the Company, and (v) escrow deposits and other non-interest bearing checking accounts, which amounted to $72,496 at September 30, 2000, are excluded. Management believes that these assumptions approximate actual experience and considers them reasonable; however, the interest rate sensitivity of the Company's assets and liabilities in the table could vary substantially if different assumptions were used or actual experience differs from the historical experience on which the assumptions are based.

	September 30, 2000				
	Within Three Months	Four to Twelve Months	More Than One Year to Three Years	Three Years and Over	Total
RATE-SENSITIVE ASSETS:					
Interest-earning deposits	$ 16,422	$ --	$ --	$ --	$ 16,422
Federal funds sold	179,000	--	--	--	179,000
Trading securities	107,536	226,943	77,835	83,981	496,295
Loans available for sale (1)	368	6,047	3,289	2,619	12,323
Investment securities, net	13,257	--	--	--	13,257
Loan portfolio, net (1)	77,439	23,370	8,780	5,514	115,103
Discount loan portfolio, net	123,860	289,774	161,635	126,672	701,941
Match funded loans and securities	6,986	44,530	36,286	36,098	123,900
Total rate-sensitive assets	524,868	590,664	287,825	254,884	1,658,241
RATE-SENSITIVE LIABILITIES:					
NOW and money market checking deposits	11,461	179	383	996	13,019
Savings deposits	150	190	375	668	1,383
Certificates of deposit	398,004	438,328	542,217	139,193	1,517,742
Total interest-bearing deposits	409,615	438,697	542,975	140,857	1,532,144
Securities sold under agreements to repurchase	5,692	--	--	--	5,692
Bond-match funded loan agreements	80,897	19,858	11,360	2,572	114,687
Obligations outstanding under lines of credit	135,644	--	--	--	135,644
Notes, debentures and other	6,235	--	--	267,327	273,562
Total rate-sensitive liabilities	638,083	458,555	554,335	410,756	2,061,729
Interest rate sensitivity gap excluding financial instruments	(113,215)	132,109	(266,510)	(155,872)	(403,488)
FINANCIAL INSTRUMENTS:					
Interest rate swaps	59,000	(59,000)	--	--	--
Swaption and put option contracts	3	136	--	--	139
Futures contracts	5,800	--	--	(5,800)	--
Interest rate caps	--	--	--	821	821
Interest rate floors	--	--	--	54	54
Total rate-sensitive financial instruments	64,803	(58,864)	--	(4,925)	1,014
Interest rate sensitivity gap including financial instruments	$ (48,412)	$ 73,245	$ (266,510)	$ (160,797)	$ (402,474)
Cumulative interest rate sensitivity gap	$ (48,412)	$ 24,833	$ (241,677)	$ (402,474)	
Cumulative interest rate sensitivity gap as a percentage of total rate-sensitive assets	(2.92)%	1.50%	(14.57)%	(24.27)%	

(Dollars in Thousands)

(1) Balances have not been reduced for non-performing loans.

The OTS has established specific minimum guidelines for thrift institutions to observe in the area of interest rate risk as described in Thrift Bulletin No. 13a, "Management of Interest Rate Risk, Investment Securities, and Derivative Activities" ("TB 13a"). Under TB 13a, institutions are required to establish and demonstrate quarterly compliance with board-approved limits on interest rate risk that are defined in terms of net portfolio value ("NPV"), which is defined as the net present value of an institution's existing assets, liabilities and off-balance sheet instruments. These limits specify the minimum net portfolio value ratio ("NPV Ratio") allowable under current interest rates and hypothetical interest rate scenarios. An institution's NPV Ratio for a given interest rate scenario is calculated by dividing the NPV that would result in that scenario by the present value of the institution's assets in that same scenario. The hypothetical scenarios are represented by immediate, permanent, parallel movements (shocks) in the term structure of interest rates of plus and minus 100, 200 and 300 basis points from the actual term structure observed at quarter end. The current NPV Ratio for each of the seven rate scenarios and the corresponding limits approved by the Board of Directors, and as applied to OCN, are as follows at September 30, 2000:

Rate Shock in basis points	Board Limits (minimum NPV Ratios)	Current NPV Ratios
+300	5.00%	22.59%
+200	6.00%	22.37%
+100	7.00%	22.13%
0	8.00%	21.87%
-100	7.00%	21.65%
-200	6.00%	21.45%
-300	5.00%	21.25%

The Committee also regularly reviews interest rate risk by forecasting the impact of alternative interest rate environments on net interest income and NPV and evaluating such impacts against the maximum potential changes in net interest income and NPV that is authorized by the Board of Directors, and as applied to OCN. The following table quantifies the potential changes in net interest income and net portfolio value should interest rates go up or down (shocked) 300 basis points, assuming the yield curves of the rate shocks will be parallel to each other. The cash flows associated with the loan portfolios and securities available for sale are calculated based on prepayment and default rates that vary by asset. Projected losses, as well as prepayments, are generated based upon the actual experience with the subject pool, as well as similar, more seasoned pools. To the extent available, loan characteristics such as loan-to-value ratio, interest rate, credit history, prepayment penalty terms and product types are used to produce the projected loss and prepayment assumptions that are included in the cash flow projections of the securities. When interest rates are shocked, these projected loss and prepayment assumptions are further adjusted. The base interest rate scenario assumes interest rates at September 30, 2000. Actual results could differ significantly from the OCN results estimated in the following table:

	Estimated Changes in	
Rate Shock in basis points	Net Interest	NPV
+300	1.19%	0.79%
+200	0.80%	0.64%
+100	0.40%	0.41%
0	0.00%	0.00%
-100	(0.40)%	(0.16)%
-200	(0.80)%	(0.24)%
-300	(1.19)%	(0.34)%

The Committee is authorized to utilize a wide variety of off-balance sheet financial techniques to assist it in the management of interest rate risk and foreign currency exchange rate risk. These techniques include interest rate exchange or "swap" agreements, U.S. Treasury interest rate futures contracts, foreign currency futures contracts and foreign currency swap agreements and European swaptions and put options.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.
(Dollars in Thousands)

INTEREST RATE RISK MANAGEMENT. The Company utilizes interest rate swaps to protect against the decrease in value of a fixed-rate asset or the increase in borrowing cost from a short-term, fixed-rate liability, such as reverse repurchase agreements, in an increasing interest-rate environment. The Company had entered into interest rate swaps with an aggregate notional amount of $59,000 and $200,780 at September 30, 2000 and December 31, 1999, respectively.

The Company entered into swaption and put option contracts and futures contracts to mitigate its interest rate exposure on anticipated future fundings related to certain of its investments in low-income housing tax credit interests. The Company had entered into European swaptions and put options with an aggregate notional amount of $14,500 and $20,900 at September 30, 2000 and December 31, 1999, respectively. The Company had entered into futures contracts with an aggregate notional amount of $5,800 and $19,000 at September 30, 2000 and December 31, 1999, respectively.

In addition, the Company purchased amortizing Caps and Floors to hedge its interest rate exposure relating to its match funded loans and securities. The Company had entered into Caps and Floors with an aggregate notional amount of $145,883 and $38,772, respectively, at September 30, 2000, and Caps and Floors with an aggregate notional amount of $159,211 and $41,899, respectively, at December 31, 1999.

See Note 7 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference) for additional disclosures regarding the Company's interest rate derivative financial instruments.

FOREIGN CURRENCY EXCHANGE RATE RISK MANAGEMENT. The Company has entered into foreign currency derivatives to hedge its equity investment in Kensington, its investments in foreign subsidiaries which own residual interests backed by residential loans originated in the UK and in the shopping center located in Halifax, Nova Scotia.

The Company's hedges the related foreign currency equity investment, the related investments in foreign subsidiaries, and the net exposures as of September 30, 2000 and December 31, 1999 were as follows.

	Investment	Hedge	Net Exposure
SEPTEMBER 30, 2000:			
Kensington..........................	$ 28,437	$ 29,775	$ 1,338
UK residuals.......................	$ 23,722	$ 16,224	$ (7,498)
Nova Scotia Shopping Center........	$ 21,861	$ 21,627	$ (234)
DECEMBER 31, 1999:			
Kensington..........................	$ 36,215	$ 38,632	$ 2,217
UK residuals.......................	$ 28,098	$ 25,689	$ 2,409
Nova Scotia Shopping Center........	$ 14,844	$ 16,389	$ 1,545

The net exposures are subject to gain or loss if foreign currency exchange rates fluctuate. See the "Foreign Currency Management" section of Note 7 to the Interim Consolidated Financial Statements included in Item 1 herein (which is incorporated herein by reference) for additional disclosures regarding the Company's foreign currency derivative financial instruments.

FORWARD-LOOKING STATEMENTS

Certain statements contained herein are not, and certain statements contained in future filings by the Company with the Securities and Exchange Commission (the "Commission"), in the Company's press releases or in the Company's other public or shareholder communications 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, which are based on various assumptions (some of which are beyond the Company's control), may be identified by reference to a future period(s) or by the use of forward-looking terminology such as "anticipate," "believe," "commitment," "consider," "continue," "could," "encourage," "estimate," "expect," "foresee," "intend," "in the event of," "may," "plan," "present," "propose," "prospect," "update," "whether," "will," "would," future or conditional verb tenses, similar terms, variations on such terms or negatives of such terms. Although the Company believes the anticipated results or other expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that those results or expectations will be attained. 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, but not limited to, international, national, regional or local economic environments (particularly in the market areas where the Company operates), government fiscal and monetary policies (particularly in the market areas where the Company operates), prevailing interest or currency exchange rates, effectiveness of interest rate, currency and other hedging strategies, laws and regulations affecting financial institutions, investment companies and real estate (including regulatory fees, capital requirements, access for disabled persons and environmental compliance), uncertainty of foreign laws, competitive products, pricing and conditions (including from competitors that have significantly greater resources than the Company), credit, prepayment, basis, default, subordination and asset/liability risks, loan servicing effectiveness, ability to identify acquisitions and investment opportunities meeting the Company's investment strategy, the course of negotiations and the ability to reach agreement with respect to the material terms of any particular transaction, satisfactory due diligence results, satisfaction or fulfillment of agreed upon terms and conditions of closing or performance, the timing of transaction closings, software integration, development and licensing, damage to the company's computer equipment and the information stored its data centers, availability of and costs associated with obtaining adequate and timely sources of liquidity, ability to repay or refinance indebtedness (at maturity or upon acceleration), to meet collateral calls by lenders (upon re-valuation of the underlying assets or otherwise), to generate revenues sufficient to meet debt service payments and other operating expenses, availability of discount loans 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, adequacy of allowances for loan losses, changes in real estate conditions (including liquidity, valuation, revenues, rental rates, occupancy levels and competing properties), adequacy of insurance coverage in the event of a loss, other factors generally understood to affect the real estate acquisition, mortgage, servicing and leasing markets, securities investments and the software and technology industry, and other risks detailed from time to time in the Company's reports and filings with the Commission, including its periodic reports on Forms 10-Q, 8-K and 10-K and Exhibit 99.1, titled Risk Factors, to the Company's Form 10-K for the year ended December 31, 1999. Given these uncertainties, readers are cautioned not to place undue reliance on such statements. The Company does not undertake, and specifically disclaims any obligation, to release publicly the results of any revisions that may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements.

Part II - Other Information

Item 1. Legal Proceedings.

See "Note 7: Commitments and Contingencies" of the Company's Consolidated Financial Statements.

Item 4. Submissions of Matters to a Vote of Security Holders.

Item 6. Exhibits and Reports on Form 8-K.

(a) EXHIBITS.

2.1	Agreement of Merger dated as of July 25, 1999 among Ocwen Financial Corporation, Ocwen Asset Investment Corp. and Ocwen Acquisition Company (1)
3.1	Amended and Restated Articles of Incorporation (2)
3.2	Amended and Restated Bylaws (3)
4.0	Form of Certificate of Common Stock (2)
4.1	Form of Indenture between the Company and Bank One, Columbus, NA as Trustee (2)
4.2	Form of Note due 2003 (included in Exhibit 4.1) (2)
4.3	Certificate of Trust of Ocwen Capital Trust I (4)
4.4	Amended and Restated Declaration of Trust of Ocwen Capital Trust I (4)
4.5	Form of Capital Security of Ocwen Capital Trust I (5)
4.6	Form of Indenture relating to 10.875% Junior Subordinated Debentures due 2027 of the Company (4)
4.7	Form of 10.875% Junior Subordinated Debentures due 2027 of the Company (5)
4.8	Form of Guarantee of the Company relating to the Capital Securities of Ocwen Capital Trust I (4)
4.9	Form of Indenture between the Company and The Bank of New York as Trustee (6)
4.10	Form of Subordinated Debentures due 2005 (6)
4.11	Form of Indenture between OAC and Norwest Bank Minnesota, National Association, as Trustee thereunder for the 11.5% Redeemable Notes due 2005 (7)
10.1	Ocwen Financial Corporation 1996 Stock Plan for Directors, as amended (8)
10.2	Ocwen Financial Corporation 1998 Annual Incentive Plan (9)
10.3	Amended and Restated Loan Agreement, dated as of June 10, 1998, among, inter alia, OAIC California Partnership, L.P., OAIC California Partnership II, L.P., Salomon Brothers Realty Corp. and LaSalle National Bank (10)
10.4	Compensation and Indemnification Agreement, dated as of May 6, 1999, between OAC and the independent committee of the Board of Directors (11)
10.5	Second Amendment to Guarantee of Payment, dated as of July 9, 1999, between Salomon Brothers Realty Corp. and Ocwen Partnership, L.P. (11)
10.6	Indemnity agreement, dated August 24, 1999, among OCN and OAC's Board of directors (12)
10.7	Amended Ocwen Financial Corporation 1991 Non-Qualified Stock Option Plan, dated October 26, 1999 (12)
10.8	First Amendment to Agreement, dated March 30, 2000, between HCT Investments, Inc. and OAIC Partnership I, L. P. (13)
27.1	Financial Data Schedule for the three months ended September 30, 2000 (filed herewith)
99.1	Risk factors (13)

(1) Incorporated by reference from the similarly described exhibit included with the Registrant's Current Report on Form 8-K filed with the Commission on July 26, 1999.

(2) Incorporated by reference from the similarly described exhibit filed in connection with the Registrant's Registration Statement on Form S-1 (File No. 333-5153), as amended, declared effective by the Commission on September 25, 1996.

(3) Incorporated by reference from the similarly described exhibit included with the Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.

(4) Incorporated by reference from the similarly described exhibit filed in connection with the Company's Registration Statement on Form S-1 (File No. 333-28889), as amended, declared effective by the Commission on August 6, 1997.

(5) Incorporated by reference from similarly described exhibit included with Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1997.

(6) Incorporated by reference from the similarly described exhibit filed in connection with Amendment No. 2 to Offering Circular on Form OC (on Form S-1) filed on June 7, 1995.

(7) Incorporated by reference from OAC's Registration Statement on Form S-4 (File No. 333-64047), as amended, declared effective by the Commission on February 12, 1999.

(8) Incorporated by reference from the similarly described exhibit filed in connection with the Registrant's Registration Statement on Form S-8 (File No. 333-44999), effective when filed with the Commission on January 28, 1998.

(9) Incorporated by reference from the similarly described exhibit to the Company's Definitive Proxy Statement with respect to the Company's 1998 Annual Meeting of Shareholders filed with the Commission on March 31, 1998.

(10) Incorporated by reference from OAC's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1998.

(11) Incorporated by reference from OAC's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1999.

(12) Incorporated by reference from the similarly described exhibit included with Registrant's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2000.

(13) Incorporated by reference from the similarly described exhibit included with the Registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

(b) REPORTS ON FORM 8-K FILED DURING THE QUARTER ENDED SEPTEMBER 30, 2000.

(1) A Form 8-K was filed by the Company on August 11, 2000 which contained a news release announcing the Company's financial results for the three and six months ended June 30, 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, thereunto duly authorized.

OCWEN FINANCIAL CORPORATION

By: /s/ MARK S. ZEIDMAN

Mark S. Zeidman,
Senior Vice President and
Chief Financial Officer
(On behalf of the Registrant and
as its principal financial officer)

Date: November 14, 2000

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM OCWEN FINANCIAL CORPORATION'S CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AND STATEMENT OF OPERATIONS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS FROM ITS FILING ON FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2000.

0000873860
Ocwen Financial Corporation
1,000
USD

9-MOS
DEC-31-2000
JAN-01-2000
SEP-30-2000
1
31,055
16,422
179,000
532,410
248,390
13,257
13,257
932,683
28,285
2,843,183
1,604,640
256,023
115,808
288,083
0
0
672
493,088
2,843,183
94,394
44,320
5,118
143,832
75,330
133,491
10,341
12,604
(9,128)
138,425
(22,973)
(15,851)
8,674
0
(7,177)
(0.11)
(0.11)
9.31
434,728
0
0
0
28,259
(11,891)
637
28,285
28,285
0
0

Tag 9-03(7) includes Loan Portfolio of $119,974, Discount Loan Portfolio of $724,908 and Match Funded Loans of $87,721.

Tag 9-03(7)(2) includes Allowance for Loan Losses on Loan Portfolio of $4,871, on the Discount Loan Portfolio of $23,047 and on Match funded loans of $367.

Tag 9-03(13) includes Securities sold under agreements to repurchase of $5,692, Obligations outstanding under lines of credit of $135,644 and Bonds - Match funded agreements of $114,687.

Tag 9-04(1) includes Interest Income on Loans Available for Sale of $2,174, Loan Portfolio of $13,956 and Discount Loans of $70,021 and on Match funded loans and securities of $8,243.

Tag 9-04(13) (h)includes gain on sale of securities of $4,874 and impairment charges on securities available for sale of ($11,597) and unrealized losses on trading securities of ($2,406).

Tag 9-04(14) includes Non-interest expense of $124,618 Distributions on Company obligated, Mandatorily Redeemable Securities of Subsidiary Trust Holding Solely Junior Subordinated Debentures of the Company of

$8,842, and Equity in Losses of Investment in Unconsolidated Entities of $4,965.