

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 7, 2023**

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

Florida
(State or other jurisdiction
of incorporation)

1-13219
(Commission
File Number)

65-0039856
(IRS Employer
Identification No.)

1661 Worthington Road, Suite 100
West Palm Beach, Florida 33409
(Address of principal executive offices)

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

Not applicable.
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 Par Value	OCN	New York Stock Exchange (NYSE)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On November 7, 2023, Ocwen Financial Corporation issued a press release announcing results for the third quarter ended September 30, 2023 and providing a business update. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02 and the information in the related exhibit attached hereto shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release of Ocwen Financial Corporation dated November 7, 2023 announcing financial results for the third quarter ended September 30, 2023
104	Cover Page Interactive Data File formatted in online XBRL (included as Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

OCWEN FINANCIAL CORPORATION
(Registrant)

Date: November 7, 2023

By: /s/ Sean B. O'Neil
Sean B. O'Neil
Chief Financial Officer



OCWEN FINANCIAL ANNOUNCES THIRD QUARTER 2023 RESULTS

- Net income of \$8 million and earnings per share of \$1.10; annualized return on equity of 8%
- Adjusted pre-tax income of \$10 million, driven by servicing segment; achieved 9% annualized adjusted pre-tax return on equity
- Total servicing UPB of \$296 billion and total subservicing UPB of \$167 billion, up 2% and 6%, respectively, compared to Q2'23
- Repurchased \$14 million in PHH senior secured notes below par

West Palm Beach, FL – (November 7, 2023) – Ocwen Financial Corporation (NYSE: OCN) (“Ocwen” or the “Company”), a leading non-bank mortgage servicer and originator, today announced its third quarter 2023 results and provided a business update.

The Company reported GAAP net income of \$8 million for the third quarter with an adjusted pre-tax income of \$10 million (see “Note Regarding Non-GAAP Financial Measures” below).

Glen A. Messina, Chair, President and CEO of Ocwen, said, “I am very pleased with our performance this quarter. The strength of our balanced business has enabled us to operate profitably in the current industry environment and perform in line with our return on equity guidance. Our low-cost, diversified servicing platform continues to drive strong earnings results, and we delivered positive earnings in originations despite industry headwinds. Additionally, we are pleased to announce that we have agreed with Oaktree to extend the investment period for our MSR Asset Vehicle, and we have renewed our subservicing relationship with Rithm. We thank Oaktree and Rithm for their ongoing trust in us and look forward to continuing our partnerships with them.”

Messina continued, “We believe our performance in 2023 thus far demonstrates the resilience of our balanced business and that we are one of the strongest mortgage operators in the industry. We will continue to focus on sustaining financial performance, increasing return on equity, and capitalizing on market-cycle opportunities to deliver shareholder value.”

Additional Third Quarter 2023 Operating and Business Highlights

- Added \$15 billion from subservicing additions and MSR capital partner sales in Q3'23, an increase of nearly \$5 billion from Q2'23
- Portfolio with MSR capital partners at \$89 billion, up 12% compared to Q2'23
- On November 1, 2023, Ocwen and Oaktree agreed to extend the investment period for capital contributions to MAV through May 2, 2025
- On November 1, 2023, Ocwen and Rithm renewed their subservicing agreements through December 31, 2024
- Maintained mix of higher-margin products while increasing volume of these products to \$3 billion of owned MSR originations compared to \$2 billion in Q2'23
- Continued to control enterprise costs with an annualized cost reduction of \$137 million compared to Q2'22 (\$147 million, excluding Expense Notables)
- Book value per share of \$58 as of September 30, 2023, up 3% compared to June 30, 2023

Webcast and Conference Call

Ocwen will hold a conference call on Tuesday, November 7, 2023, at 8:30 a.m. (ET) to review the Company's third quarter 2023 operating results and to provide a business update. A live audio webcast and slide presentation for the call will be available by visiting the Shareholder Relations page at www.ocwen.com. Participants can access the conference call by dialing (888) 886-7786 or (416) 764-8658 approximately 10 minutes prior to the call. A replay of the conference call will be available via the website approximately two hours after the conclusion of the call and will remain available for approximately 15 days.

About Ocwen Financial Corporation

Ocwen Financial Corporation (NYSE: OCN) is a leading non-bank mortgage servicer and originator providing solutions through its primary brands, PHH Mortgage and Liberty Reverse Mortgage. PHH Mortgage is one of the largest servicers in the country, focused on delivering a variety of servicing and lending programs. Liberty is one of the nation's largest reverse mortgage lenders dedicated to education and providing loans that help customers meet their personal and financial needs. We are headquartered in West Palm Beach, Florida, with offices and operations in the United States, the U.S. Virgin Islands, India and the Philippines, and have been serving our customers since 1988. For additional information, please visit our website (www.ocwen.com).

Forward Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements may be identified by a reference to a future period or by the use of forward-looking terminology. Forward-looking statements are typically identified by words such as "expect", "believe", "foresee", "anticipate", "intend", "estimate", "goal", "strategy", "plan", "target" and "project" or conditional verbs such as "will", "may", "should", "could" or "would" or the negative of these terms, although not all forward-looking statements contain these words, and includes statements in this press release regarding our growth opportunities. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Readers should bear these factors in mind when considering such statements and should not place undue reliance on such statements.

Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially. In the past, actual results have differed from those suggested by forward looking statements and this may happen again. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the potential for ongoing disruption in the financial markets and in commercial activity generally as a result of geopolitical events, changes in monetary and fiscal policy, and other sources of instability; the impacts of inflation, employment disruption, and other financial difficulties facing our borrowers; the impact of recent failures and re-organization of banking institutions and continued uncertainty in the banking industry; our ability to timely reduce operating costs, or generate offsetting revenue, in proportion to the industry-wide decrease in originations activity; the impact of cost-reduction initiatives on our business and operations; the extent to which MAV, other transactions and our enterprise sales initiatives will generate additional subservicing volume, and result in increased profitability; MAV's continued ownership of its MSR portfolio after May 2024, and any impact on our subservicing income as a result of the sale of MAV's MSRs; the future of our long-term relationship with Rithm Capital Corp. (Rithm); the timing and amount of presently anticipated forward and reverse loan boarding; our ability to close acquisitions of MSRs and other transactions, including the ability to obtain regulatory approvals; our ability to grow our reverse servicing business; our ability to retain clients and employees of acquired businesses, and the extent to which acquisitions and our other strategic initiatives will contribute to achieving our growth objectives; the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover servicing advances, forward and reverse whole loans, future draws on existing reverse loans, and HECM and forward loan buyouts and put backs, as well as repay, renew and extend borrowings, borrow additional amounts as and when required, meet our MSR or other asset investment objectives and comply with our debt agreements, including the financial and other covenants contained in them; increased servicing costs based on increased borrower delinquency levels or other factors; uncertainty related to past, present or future claims, litigation, cease and desist orders and investigations regarding our servicing, foreclosure, modification, origination and other practices brought by government agencies and private parties, including state regulators, the Consumer Financial Protection Bureau (CFPB), State Attorneys General, the Securities and Exchange Commission (SEC), the Department of Justice or the Department of Housing and Urban Development (HUD); scrutiny of our compliance with COVID-19-related rules and regulations, including requirements instituted by state governments, the Federal National Mortgage Association (Fannie Mae), and Federal Home Loan Mortgage Corporation (Freddie Mac) (together, the GSEs), the Government National Mortgage Association (Ginnie Mae) and regulators; the reactions of key counterparties, including lenders, the GSEs and Ginnie Mae, to our regulatory engagements and litigation matters; increased regulatory scrutiny and media attention; any adverse developments in existing legal proceedings or the initiation of new legal proceedings; our ability to effectively manage our regulatory and contractual compliance obligations; our ability to interpret correctly and comply with liquidity, net worth and other financial and other requirements of regulators, the GSEs and Ginnie Mae, as well as those set forth in our debt and other agreements, including our ability to identify and implement a cost-effective response to Ginnie Mae's risk-based capital requirements that take effect in late 2024; our ability to comply with our servicing agreements, including our ability to comply with the requirements of the GSEs and Ginnie Mae and maintain our seller/servicer and other statuses with them; our ability to fund future draws on existing loans in our reverse mortgage portfolio; our servicer and credit ratings as well as other actions from various rating agencies, including any future downgrades; as well as other risks and uncertainties detailed in our reports and filings with the SEC, including our annual report on Form 10-K for the year ended December 31, 2022. Anyone wishing to understand Ocwen's business should review our SEC filings. Our forward-looking statements speak only as of the date they are made and, we disclaim any obligation to update or revise forward-looking statements whether as a result of new information, future events or otherwise.

Note Regarding Non-GAAP Financial Measures

This press release contains references to adjusted pre-tax income (loss), a non-GAAP financial measure.

We believe this non-GAAP financial measure provides a useful supplement to discussions and analysis of our financial condition, because it is a measure that management uses to assess the financial performance of our operations and allocate resources. In addition, management believes that this presentation may assist investors with understanding and evaluating our initiatives to drive improved financial performance. Management believes, specifically, that the removal of fair value changes of our net MSR exposure due to changes in market interest rates and assumptions provides a useful, supplemental financial measure as it enables an assessment of our ability to generate earnings regardless of market conditions and the trends in our underlying businesses by removing the impact of fair value changes due to market interest rates and assumptions, which can vary significantly between periods. However, this measure should not be analyzed in isolation or as a substitute to analysis of our GAAP pre-tax income (loss) nor a substitute for cash flows from operations. There are certain limitations to the analytical usefulness of the adjustments we make to GAAP pre-tax income (loss) and, accordingly, we use these adjustments only for purposes of supplemental analysis. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Ocwen's reported results under accounting principles generally accepted in the United States. Other companies may use non-GAAP financial measures with the same or similar titles that are calculated differently to our non-GAAP financial measures. As a result, comparability may be limited. Readers are cautioned not to place undue reliance on analysis of the adjustments we make to GAAP pre-tax income (loss).

Notables

Beginning with the three months ended March 31, 2023, for purposes of calculating Income Statement Notables and Adjusted Pre-Tax Income, we changed the methodology used to calculate MSR Valuation Adjustments due to rates and assumption changes to use a runoff calculation that reflects the actual runoff of the fair value of the MSR instead of the realization of expected cash flows (the prior methodology). We made this change because reporting on the actual runoff of the MSR fair value provides an additional supplemental piece of information for investors to assess this fair value runoff in addition to realization of expected cash flows (which are still provided in the financial statements), and this supplemental piece of information mirrors the way that management assesses the performance of our Servicing segment and the owned MSR portfolio.

In the table below, we adjust GAAP pre-tax income (loss) for the following factors: MSR valuation adjustments, expense notables, and other income statement notables. MSR valuation adjustments are comprised of changes to Forward MSR and Reverse mortgage valuations due to rates and assumption changes. Expense notables include significant legal and regulatory settlement expenses, expense recoveries, severance and retention costs, LTIP stock price changes, consolidation of office facilities and other expenses (such as costs associated with strategic transactions). Other income statement notables include non-routine transactions that are not categorized in the above.

Beginning with Q2'23, Expense Notables and Income Statement Notables, previously presented in separate tables, are presented in a single table for ease of reading; there were no changes to the categories or calculation of Notables presented.

(Dollars in millions)		Q3'23	Q2'23	Q3'22
I	Reported Net Income (Loss)	8	15	37
	Income Tax Benefit (Expense)	(1)	(1)	4
II	Reported Pre-Tax Income (Loss)	10	16	33
	Forward MSR Valuation Adjustments due to rates and assumption changes, net ^{(a)(b)(c)}	13	(23)	63
	Reverse Mortgage Fair Value Change due to rates and assumption changes ^{(b)(d)}	(12)	(10)	(10)
	Total MSR Valuation Adjustments due to rates and assumption changes, net	0	(33)	54
III	Significant legal and regulatory settlement expenses	(3)	28	(3)
	Expense recoveries	-	-	(0)
	Severance and retention ^(e)	(0)	(1)	(8)
	LTIP stock price changes ^(f)	2	(1)	2
	Office facilities consolidation	0	0	(3)
	Other expense notables ^(g)	1	0	1
A	Total Expense Notables	(1)	28	(11)
B	Other Income Statement Notables^(h)	0	(1)	(2)
IV	Total Other Notables [A + B]	(0)	27	(13)
V	Total Notables⁽ⁱ⁾ [III + IV]	(0)	(6)	40
VI	Adjusted Pre-tax Income (Loss) [II – V]	10	23	(7)

(a) MSR Valuation Adjustments that are due to changes in market interest rates, valuation inputs or other assumptions, net of overall fair value gains / (losses) on MSR hedge, including FV changes of Pledged MSR liabilities associated with MSR transferred to MAV, RITM and others and ESS financing liabilities that are due to changes in market interest rates, valuation inputs or other assumptions, a component of MSR valuation adjustment, net. The adjustment does not include revaluation gains on MSR purchases of \$3.6M for Q3'22. Effective in the fourth quarter of 2022, in our consolidated statements of operations we now present all fair value gains and losses of Other financing liabilities, at fair value in MSR valuation adjustments, net (previously reported in Pledged MSR liability expense); other financing liabilities, at fair value include the financing liabilities recognized upon transfers of MSRs that do not meet the requirements for sale accounting treatment (also referred as Pledged MSR liability) and the ESS financing liabilities for which we elected the fair value option - refer to Note 1 to the consolidated financial statements in Ocwen's Q3'23 Form 10-Q; the presentation of past periods has been conformed to the current presentation

(b) The changes in fair value due to market interest rates were measured by isolating the impact of market interest rate changes on the valuation model output as provided by our third-party valuation expert

(c) Beginning with the three months ended March 31, 2023, for purposes of calculating Income Statement Notables and Adjusted Pre-Tax Income, we changed the methodology used to calculate MSR Valuation Adjustments due to rates and assumption changes; the presentation of past periods has been conformed to the current presentation; if we had used the methodology employed prior to Q1'23, Forward MSR Valuation Adjustments due to rates and assumption changes, net for Q3'22, Q2'23 and Q3'23 would have been \$64M, \$(14)M and \$16M and Adjusted Pre-tax Income (Loss) for Q3'22, Q2'23 and Q3'23 would have been \$(8)M, \$13M and \$7M; see Note regarding Non-GAAP Financial Measures for more information

- (d) FV changes of loans HFI and HMBS related borrowings due to market interest rates and assumptions, a component of gain on reverse loans held for investment and HMBS-related borrowings, net
- (e) Severance and retention due to organizational rightsizing or reorganization
- (f) Long-term incentive program (LTIP) compensation expense changes attributable to stock price changes during the period
- (g) Includes costs associated with strategic transactions including but not limited to transaction costs related to the reverse subservicing acquisition from MAM(RMS), rebranding, MAV upside
- (h) Contains non-routine transactions including but not limited to gain on debt extinguishment, early asset retirement, and fair value assumption changes on other investments recorded in other income/expense
- (i) Certain previously presented notable categories with nil numbers for each quarter shown have been omitted; prior periods have been adjusted to conform with current period information

Condensed Consolidated Balance Sheet

Assets (\$ in millions)	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Cash and cash equivalents	\$ 194.0	\$ 213.4	\$ 226.6
Restricted cash	71.8	119.1	45.3
Mortgage servicing rights (MSRs), at fair value	2,859.8	2,675.7	2,714.2
Advances, net	564.6	602.7	642.5
Loans held for sale	948.3	1,356.5	729.6
Loans held for investment, at fair value	7,783.5	7,680.7	7,402.3
Receivables, net	164.7	188.6	170.8
Investment in equity method investee	39.5	34.6	38.7
Premises and equipment, net	16.1	16.9	18.8
Other assets	369.3	327.6	371.3
Total Assets	\$ 13,011.7	\$ 13,216.0	\$ 12,360.1
Liabilities & Stockholders' Equity (\$ in millions)	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Home Equity Conversion Mortgage-Backed Securities (HMBS) related borrowings, at fair value	\$ 7,613.6	\$ 7,486.4	\$ 7,208.4
Other financing liabilities, at fair value	1,380.3	1,274.0	989.7
Advance match funded liabilities	403.0	430.4	457.5
Mortgage loan financing facilities	1,034.7	1,515.0	819.6
MSR financing facilities, net	901.7	864.8	1,020.6
Senior notes, net	594.1	605.0	597.1
Other liabilities	639.2	606.6	721.1
Total Liabilities	\$ 12,566.6	\$ 12,782.2	\$ 11,814.0
Total Stockholders' Equity	\$ 445.1	\$ 433.8	\$ 546.1
Total Liabilities and Stockholders' Equity	\$ 13,011.7	\$ 13,216.0	\$ 12,360.1

Condensed Consolidated Statement of Operations

(\$ in millions)	Sep 30, 2023	Jun 30, 2023	Sep 30, 2022
Revenue			
Servicing and subservicing fees	\$ 237.8	\$ 237.6	\$ 215.6
Gain (loss) on reverse loans held for investment and HMBS-related borrowings, net	(0.4)	0.7	6.9
Gain on loans held for sale, net	8.2	25.3	18.9
Other revenue, net	10.0	8.5	8.3
Total Revenue	255.5	272.0	249.7
MSR Valuation Adjustments, net	(16.4)	(48.9)	27.9
Operating Expenses			
Compensation and benefits	55.7	57.7	71.3
Servicing and origination	15.5	17.6	19.0
Technology and communication	13.1	13.0	14.4
Professional services	13.5	(16.9)	17.2
Occupancy and equipment	7.7	7.7	12.4
Other expenses	4.6	5.1	7.1
Total Operating Expenses	110.0	84.3	141.4
Other Income (Expense)			
Interest income	25.9	20.3	13.7
Interest expense	(74.3)	(68.3)	(50.4)
Pledged MSR liability expense	(76.5)	(73.0)	(65.6)
Earnings of equity method investee	2.8	2.9	3.3
Gain on extinguishment of debt	1.2	—	—
Other, net	1.3	(4.4)	(4.3)
Total Other Income (Expense), net	(119.7)	(122.5)	(103.2)
Income (loss) before income taxes	9.5	16.3	33.0
Income tax expense (benefit)	1.0	0.9	(4.0)
Net Income (loss)	\$ 8.5	\$ 15.5	\$ 36.9
Basic EPS	\$ 1.10	\$ 2.02	\$ 4.33
Diluted EPS	\$ 1.05	\$ 1.95	\$ 4.17

For Further Information Contact:

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