

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

FORM 8-K

CURRENT REPORT

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

Date of report  
(Date of earliest event reported): May 1, 2003

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  
(I.R.S. Employer  
Identification No.)

The Forum, Suite 1000  
1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida 33401  
(Address of principal executive office)(Zip Code)

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

N/A  
(Former name or former address, if changed since last report)

Item 5. Other Events

The news release of the Registrant dated May 1, 2003, announcing its first quarter 2003 results is attached hereto and filed herewith as Exhibit 99.1.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) - (b) Not applicable.

(c) Exhibits

The following exhibits are filed as part of this report:

99.1 Text of a press release by the Registrant dated May 1, 2003.

SIGNATURES

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

OCWEN FINANCIAL CORPORATION  
(Registrant)

By: /s/ MARK S. ZEIDMAN

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Mark S. Zeidman  
Senior Vice President and  
Chief Financial Officer

Date: May 5, 2003

INDEX TO EXHIBIT

Exhibit No.	Description	Page
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99.1	News release of Ocwen Financial Corporation, dated May 1, 2003, announcing its first quarter 2003 results and certain other information.	5

[GRAPHIC LOGO OMITTED]

OCWEN

Ocwen Financial Corporation(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

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OCWEN FINANCIAL CORPORATION ANNOUNCES  
 FIRST QUARTER 2003 RESULTS

West Palm Beach, FL - (May 1, 2003) Ocwen Financial Corporation (NYSE: OCN) today reported a net loss of \$(8.4) million in the first quarter of 2003 or \$(0.13) per share compared to a net loss of \$(4.5) million or \$(0.07) per share in the first quarter of 2002.

Chairman and CEO William C. Erbey stated, "Our operations reported pre-tax income of \$1.6 million in the first quarter, exclusive of a charge of \$10 million related to the previously announced resolution of the Admiral Home Loan arbitration. This compares favorably to a pre-tax loss of \$(19.5) million in the first quarter of 2002. We are encouraged by our progress towards achieving profitability despite this one time charge. The fundamentals of our core business units are sound.

Our core businesses reported aggregate pre-tax income of \$7.2 million as compared to \$4.2 million in the first quarter of 2002. This continues our trend of improving quarterly core earnings, as shown below:

## Quarterly Average Core Pre-Tax Income (Loss)

Year	\$ in Millions
2000 .....	(7.4)
2001 .....	(1.7)
2002 .....	3.4
2003 .....	7.2

Our non-core businesses reported an aggregate pre-tax loss of \$(12.4) million in the first quarter of 2003, or \$(2.4) million excluding the arbitration settlement charge, as compared to a pre-tax loss of \$(16.8) million in the 2002 first quarter, largely due to reduced provisions and loan loss reserves in 2003. The pre-tax loss in our Corporate segment was \$(3.2) million in 2003 as compared to \$(6.9) in 2002.

- o On April 25 we announced the resolution of the arbitration process initiated by the former owners of Admiral Home Loan. As disclosed in our annual report, the claimants sought damages in excess of \$75 million. In a 2-1 decision, an arbitration panel awarded them \$6 million plus interest and costs. In the first quarter we established a reserve of \$10 million including attorney's fees as a result of this award.
- o We are particularly pleased to note that for the second consecutive quarter our Residential Loan Servicing business reported record pre-tax income of \$9.2 million as compared to \$7.5 million in the first quarter of 2002, despite the continuing challenge of the current low interest rate environment.
- o At OTX our first quarter loss was reduced to \$(3.3) million as compared to \$(5.3) million in 2002, due to increased revenues and reduced expenses.
- o The reduction of \$3.8 million in our pre-tax loss in the Corporate Items and Other segment is primarily due to two factors - lower net interest expense of \$2.0 million largely as a result of our debt redemption initiative last quarter and a reduction of approximately \$2.1 million in corporate expenses as a result of the cost savings initiatives that we completed in the fourth quarter of 2002.

This quarter, we are reporting two new core businesses for the first time. Through Global Outsourcing we offer business process outsourcing services to third parties, leveraging our established capabilities in India. Our International business in 2003 reflects the initial results of Global Servicing Solutions, our joint servicing venture with Merrill Lynch for the servicing of assets in various countries. While still very new, we are optimistic that these businesses will provide meaningful earnings over time.

Our liquidity remains strong, with cash and cash equivalents of \$216.8 million as of March 31, 2003 as compared to \$192.2 million at December 31, 2002."

The Servicing business reported record pre-tax income of \$9.2 million in the first quarter of 2003 vs. \$7.5 million in the 2002 first quarter, despite the continuing earnings pressure from the current low interest rate environment. Our Servicing business volume remained largely unchanged during the first quarter. As of March 31, 2003 we were the servicer of approximately 325 thousand loans with an unpaid principal balance (UPB) of \$30.2 billion, as compared to approximately 336 thousand loans and \$30.7 billion of UPB at December 31, 2002, a decrease of 1.6% in UPB.

Pre-tax losses at OTX were \$(3.3) million in the 2003 first quarter compared to \$(5.3) million in the same period of 2002, an improvement of \$2.0 million or 37.7%. OTX revenues in the 2003 first quarter were \$2.5 million as compared to \$1.5 million in 2002, of which REALTrans revenues in 2003 were \$0.9 million as compared to \$0.3 million in 2002.

ORA reported pre-tax income of \$1.0 million in the first quarter of 2003 as compared to \$0.5 million in the first quarter of 2002 due to an improvement in margin from 12.6% in 2002 to 26.6% in 2003. This improvement was attained in part through our full implementation of REALTrans as the vendor management platform for ORA, as well as reduced costs from the utilization of our India location.

The Unsecured Collections business posted pre-tax income of \$1.3 million in the first quarter of 2003 vs. income of \$0.9 million in the 2002 first quarter, reflecting reductions in operating costs as well as continued success in attracting new fee-based collection contracts.

Global Outsourcing, a new business segment that began operations in December 2002 recorded pre-tax income of \$0.08 million in the first quarter of 2003. Global Outsourcing provides business process outsourcing services to third parties and leverages the operational capability of our facilities in India.

International Operations, which is being reported as a business segment for the first time this quarter, recorded a pre-tax loss of \$(1.2) million in the first quarter of 2003. In the first quarter of 2002, International Operations reported pre-tax income of \$0.5 million. In 2003, this segment primarily represents the results of operations of Global Servicing Solutions, LLC, our new joint venture with Merrill Lynch. Results for 2002 primarily reflect a one time consulting project for the government of Jamaica.

Pre-tax losses for the first quarter of 2003 in the Commercial Finance business amounted to \$(2.7) million as compared to a pre-tax loss of \$(4.4) million in the 2002 first quarter. The improvement in 2003 is primarily due to loan loss provisions in 2002 not required in 2003. Total commercial loans, investments in real estate and REO, consisting of 18 assets, had a book value of \$187.1 million at March 31, 2003, with reserves on the remaining commercial loan and REO assets of 24.1% of book value, all consistent with December 31, 2002 levels.

The Affordable Housing business posted a pre-tax loss of \$(2.3) million in the 2003 first quarter compared to a pre-tax loss of \$(18.0) million in the 2002 first quarter. First quarter 2003 results include \$0.6 million of provisions for losses on Affordable Housing properties and loans as compared to \$15.5 million of such provisions in the 2002 first quarter. As of March 31, 2003, reserves on Affordable Housing properties and loans were 49% of remaining book value, approximately equal to the levels as of December 31, 2002. There are \$19.3 million of Affordable Housing properties and loans remaining as of March 31, 2003 of which \$6.0 million are loans, \$2.9 million are properties subject to sales contracts that have not yet satisfied all of the accounting criteria for sales treatment and \$10.4 million are properties that remain to be sold.

Results in the Subprime Finance business reflected a pre-tax loss of \$(7.5) million for the 2003 first quarter as compared to pre-tax income of \$4.7 million in the 2002 first quarter. Results in 2003 include a charge of \$10 million related to the Admiral Home Loan arbitration, and also reflect a trading loss of \$(0.6) million in 2003 as compared to trading gains of \$3.4 million in the first quarter of 2002. The Company's total portfolio of non-investment grade securities, which consists largely of subprime residuals, was \$35.7 million at March 31, 2003 as compared to \$37.3 million at December 31, 2002, primarily as a result of principal repayments.

The Company's net effective tax expense in the 2003 first quarter was \$0.3 million, reflecting a tax payment related to an investment in a non-economic residual security with no book value. The Company's tax provision for the first quarter of 2002 reflects an expense of \$1.2 million which offsets the benefit related to the change in accounting for intangible assets.

Ocwen Financial Corporation is a financial services company headquartered in West Palm Beach, Florida. The Company's primary business is the servicing and special servicing of nonconforming, subperforming and nonperforming residential and commercial mortgage loans. Ocwen also specializes in the development of related loan servicing technology and software for the mortgage and real estate industries. Additional information about Ocwen Financial Corporation is available at [www.ocwen.com](http://www.ocwen.com).

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, the soundness of the fundamentals of our core businesses, expectations with regard to new businesses, reduction of losses, earnings improvement trends, and predictions as to future sales. Forward-looking statements are not guarantees of future performance, and involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially.

Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the following: general economic and market conditions, prevailing interest or currency exchange rates, governmental regulations and policies, international political and economic uncertainty, availability of adequate and timely sources of liquidity, uncertainty related to dispute resolution and litigation, and real estate market conditions and trends, as well as other risks detailed in OCN's reports and filings with the Securities and Exchange Commission, including its periodic report on Form 10-K for the year ended December 31, 2002. The forward-looking statements speak only as of the date they are made and should not be relied upon. OCN undertakes no obligation to update or revise the forward-looking statements.

Interest Income and Expense

For the three months ended March 31,

	2003	2002
<hr/>		
(Dollars in thousands)		
Interest income		
Interest earning cash and other .....	\$ 50	\$ 93
Federal funds sold and repurchase agreements .....	318	579
Trading securities .....	4,865	4,358
Loans .....	372	5,435
Match funded loans and securities .....	1,152	2,249
	<hr/>	<hr/>
	6,757	12,714
	<hr/>	<hr/>
Interest expense		
Deposits .....	4,865	8,617
Securities sold under agreements to repurchase .....	3	126
Bonds - match funded agreements .....	1,306	1,910
Obligations outstanding under lines of credit .....	764	1,042
Notes, debentures and other interest bearing obligations .....	2,388	4,701
	<hr/>	<hr/>
	9,326	16,396
	<hr/>	<hr/>
Net interest expense before provision for loan losses .....	\$ (2,569)	\$ (3,682)
	=====	=====

Pre-Tax Income (Loss) by Business Segment

For the three months ended March 31,

	2003	2002
<hr/>		
(Dollars in thousands)		
Core businesses		
Residential Loan Servicing .....	\$ 9,248	\$ 7,548
OTX .....	(3,327)	(5,282)
Ocwen Realty Advisors .....	1,015	520
Unsecured Collections .....	1,317	943
Global Outsourcing .....	81	--
International Operations .....	(1,151)	500
	<hr/>	<hr/>
	7,183	4,229
	<hr/>	<hr/>
Non-core businesses		
Residential Discount Loans .....	--	910
Commercial Finance .....	(2,659)	(4,419)
Affordable Housing .....	(2,280)	(17,983)
Subprime Finance .....	(7,485)	4,693
	<hr/>	<hr/>
	(12,424)	(16,799)
	<hr/>	<hr/>
Corporate Items and Other .....	(3,161)	(6,922)
	<hr/>	<hr/>
	\$ (8,402)	\$ (19,492)
	=====	=====

Non-Core Assets

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

	March 31, 2003	December 31, 2002
<hr/>		
(Dollars in thousands)		
Loans, net		
Affordable housing .....	\$ 5,981	\$ 6,229
All other .....	74,910	70,628
Investments in real estate .....	59,133	58,676
Real estate owned, net .....	55,816	62,039
Subordinates, residuals and other trading securities .....	35,685	37,339
Affordable housing properties .....	10,423	10,861
	<hr/>	<hr/>
Total non-core assets to be sold .....	\$ 241,948	\$ 245,772
	=====	=====

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

	March 31, 2003	December 31, 2002
	-----	-----
<b>Assets</b>		
Cash and amounts due from depository institutions .....	\$ 65,087	\$ 76,598
Interest earning deposits .....	51,665	30,649
Federal funds sold and repurchase agreements .....	100,000	85,000
Trading securities, at fair value:		
Collateralized mortgage obligations (AAA-rated) .....	10,964	21,556
Subordinates, residuals and other securities .....	35,685	37,339
Investments in real estate .....	59,133	58,676
Affordable housing properties .....	13,311	15,319
Loans, net .....	80,891	76,857
Match funded assets .....	160,371	167,744
Real estate owned, net .....	55,816	62,039
Premises and equipment, net .....	45,281	44,268
Income taxes receivable .....	21,316	20,841
Advances on loans and loans serviced for others .....	281,286	266,356
Mortgage servicing rights .....	166,855	171,611
Other assets .....	94,386	87,389
	-----	-----
	\$ 1,242,047	\$ 1,222,242
	=====	=====
<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
Deposits .....	\$ 428,159	\$ 425,970
Escrow deposits on loans and loans serviced for others .....	89,216	84,986
Bonds - match funded agreements .....	140,569	147,071
Obligations outstanding under lines of credit .....	100,000	78,511
Notes, debentures and other interest bearing obligations .....	81,210	81,210
Accrued interest payable .....	8,139	7,435
Accrued expenses, payables and other liabilities .....	34,487	28,314
	-----	-----
Total liabilities .....	881,780	853,497
	-----	-----
Minority interest in subsidiaries .....	1,515	1,778
Company obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company .....	56,249	56,249
<b>Stockholders' equity</b>		
Preferred stock, \$.01 par value; 20,000,000 shares authorized; 0 shares issued and outstanding .....	--	--
Common stock, \$.01 par value; 200,000,000 shares authorized: 67,339,773 shares issued and outstanding at March 31, 2003 and December 31, 2002 .....	673	673
Additional paid-in capital .....	224,467	224,454
Retained earnings .....	77,191	85,637
Accumulated other comprehensive income (loss), net of taxes:		
Net unrealized foreign currency translation loss .....	172	(46)
	-----	-----
Total stockholders' equity .....	302,503	310,718
	-----	-----
	\$ 1,242,047	\$ 1,222,242
	=====	=====



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

For the three months ended March 31,	2003	2002
Net interest expense		
Income .....	\$ 6,757	\$ 12,714
Expense .....	9,326	16,396
Net interest expense before provision for loan losses .....	(2,569)	(3,682)
Provision for loan losses .....	166	679
Net interest expense after provision for loan losses .....	(2,735)	(4,361)
Non-interest income		
Servicing and other fees .....	37,648	35,725
Gain (loss) on interest earning assets, net .....	--	(1,777)
Gain (loss) on trading and match funded securities, net .....	(423)	2,791
Gain (loss) on real estate owned, net .....	256	(4,112)
Gain (loss) on other non-interest earning assets, net .....	294	(748)
Net operating gains (losses) on investments in real estate .....	893	4,654
Gain (loss) on repurchase of debt .....	--	4
Equity in income (loss) of investment in unconsolidated entities .....	37	(9)
Other income .....	3,965	5,041
	42,670	41,569
Non-interest expense		
Compensation and employee benefits .....	17,708	21,074
Occupancy and equipment .....	2,830	2,714
Technology and communication costs .....	4,497	5,053
Loan expenses .....	3,535	3,935
Net operating losses on investments in affordable housing properties .....	657	15,681
Professional services and regulatory fees .....	15,284	4,596
Other operating expenses .....	2,297	1,984
	46,808	55,037
Distributions on Company-obligated, mandatorily redeemable securities of subsidiary trust holding solely junior subordinated debentures of the Company .....	1,529	1,663
Income (loss) before minority interest, income taxes and effect of change in accounting principle .....	(8,402)	(19,492)
Minority interest in net loss of subsidiaries .....	(263)	--
Income tax expense .....	307	1,166
Net income (loss) before effect of change in accounting principle .....	(8,446)	(20,658)
Effect of change in accounting principle, net of taxes .....	--	16,166
Net income (loss) .....	\$ (8,446)	\$ (4,492)
Earnings (loss) per share		
Basic and Diluted:		
Net income (loss) before effect of change in accounting principle .....	\$ (0.13)	\$ (0.31)
Effect of change in accounting principle, net of taxes .....	--	0.24
Net income (loss) .....	\$ (0.13)	\$ (0.07)
Weighted average common shares outstanding .....	67,339,773	67,294,490