

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): January 27, 2005

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.)
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The Forum, Suite 1000 1675 Palm Beach Lakes Boulevard, West Palm Beach, Florida (Address of principal executive office)	33401 (Zip Code)
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Registrant's telephone number, including area code: (561) 682-8000

N/A
(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))

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Item 8.01 Other Events

The news release of the Registrant dated January 27, 2005,
announcing its fourth quarter and year 2004 results is
attached hereto and filed herewith as Exhibit 99.1.

Item 9.01 Financial Statements 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
January 27, 2005.

SIGNATURES

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

OCWEN FINANCIAL CORPORATION
(Registrant)

By: /s/ MARK S. ZEIDMAN

Mark S. Zeidman
Senior Vice President and Chief
Financial Officer

Date: January 31, 2005

INDEX TO EXHIBIT

Exhibit No. -----	Description -----	Page ----
99.1	News release of Ocwen Financial Corporation, dated January 27, 2005, announcing its fourth quarter and year 2004 results and certain other information.	5

[GRAPHIC OMITTED]

OCWEN

Ocwen Financial Corporation(R)

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION CONTACT:

Robert J. Leist, Jr.

Vice President & Chief Accounting Officer

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OCWEN FINANCIAL CORPORATION ANNOUNCES
FOURTH QUARTER AND 2004 NET INCOME

West Palm Beach, FL - (January 27, 2005) Ocwen Financial Corporation (NYSE:OCN) today reported net income for the fourth quarter of 2004 of \$4.1 million or \$0.07 per share compared to net income of \$4.5 million or \$0.07 per share for the fourth quarter of 2003. For the year ended December 31, 2004 the Company reported net income of \$59.2 million or \$0.90 per share as compared to \$4.8 million or \$0.07 per share in the same period in 2003. Net income for 2004 includes a net tax benefit of \$30.8 million, primarily reflecting the partial reversal of the deferred tax asset valuation allowance that was established in prior years. Pre-tax income in 2004 was \$28.2 million as compared to \$5.0 million last year.

Chairman and CEO William C. Erbey stated, "We are pleased to report pre-tax operating income in 2004 of \$28.2 million, a \$23.2 million increase over our results in 2003. Our results are particularly gratifying because we succeeded in diversifying our sources of income through the growth of our smaller core businesses, partially offsetting a decrease in earnings from our Residential Loan Servicing business, which faced substantial challenges from low interest rates and very high prepayment speeds during 2004. We also achieved pre-tax income in our non-core and corporate segments as compared to losses in these segments last year. Among the highlights worthy of note in 2004 are the following:

- o Aggregate pre-tax income in our core businesses was \$25.1 million in 2004 as compared to \$27.9 million in 2003, a decline of only 10%, notwithstanding a 49% decline in 2004 pre-tax income in Residential Loan Servicing.
- o Our Commercial Servicing business, which includes of our GSS joint venture with Merrill Lynch that commenced in 2003, reported pre-tax income of \$0.6 million in 2004 as compared to a loss of \$(4.2) million last year.
- o Our non-core businesses reported aggregate pre-tax income of \$2.3 million as compared to a loss of \$(10.1) million in 2003
- o Our Corporate sector reflected pre-tax income of \$0.8 million as compared to a loss of \$(12.8) million in 2003.

We continued to reduce our exposure to non-core assets, which stood at \$67.7 million as of December 31, 2004 as compared to \$182.3 million last year, a decline of 63%. This reduction includes the sale in the fourth quarter of our largest commercial asset, which had a book value of \$44 million. Of the remaining balance, \$39.5 million or 58% consists of our subprime residual securities trading portfolio, which continues to generate positive cash flow and interest earnings.

As we previously announced, we have filed an application with the OTS to turn in the thrift charter of Ocwen Federal Bank ("OFB"). This change, if approved, will remove certain limits on our ability to grow our Residential Servicing business. As an integral part of this change, we are continuing our efforts to secure new sources of financing to replace the deposits that would be sold in connection with turning in the thrift charter.

We are also pleased at the progress we are making in expanding the range and scope of our mortgage origination services. On December 31, 2004, we enhanced our ability to provide mortgage fulfillment and due diligence services through the purchase of a due diligence operation, including staff, facilities and systems, from a major Wall Street mortgage conduit, and simultaneously entered into a one year renewable contract to provide them these services. We believe this acquisition, together with our existing origination services capabilities, will provide meaningful growth opportunities in the future.

Overall we have achieved positive results in 2004 in the face of significant external challenges, and we believe we are well positioned to benefit from increases in interest rates, and from an eventual decrease in mortgage pre-payment speeds."

Ocwen Financial Corporation
Fourth Quarter Results
January 27, 2005

The Residential Loan Servicing business reported pre-tax income of \$2.1 million in the fourth quarter of 2004 vs. \$5.2 million in the 2003 fourth quarter. For 2004, pre-tax income was \$15.8 million as compared to \$31.0 million in 2003. These results reflect the continuing pressures from low interest rates and rising prepayment speeds in our portfolio. Operating expenses increased in 2004 as compared to 2003, reflecting costs associated with our property management contract with the United States Department of Veteran's Affairs and as a result of reassuming, in the fourth quarter of 2003, certain collection activities that had been performed by outside parties. As a result of high prepayment rates, as

well as reduced purchases of servicing rights, our servicing portfolio has declined somewhat since the end of 2003. As of December 31, 2004, we were the servicer of approximately 320 thousand loans with an unpaid principal balance (UPB) of \$34.5 billion, as compared to approximately 360 thousand loans and \$37.7 billion of UPB at December 31, 2003.

Our other core businesses reported aggregate pre-tax income of \$1.8 million in the fourth quarter of 2004 as compared to pre-tax income of \$0.3 million in the fourth quarter of 2003. For the year ended December 31, 2004, these businesses reported aggregate pre-tax income of \$9.3 million as compared to a loss of \$(3.1) million in the same period of 2003. These improvements primarily reflect improvements in the results of OTX and Commercial Servicing.

Our non-core businesses recorded aggregate pre-tax income of \$2.0 million for the fourth quarter as compared to pre-tax income of \$2.2 million in the same period last year. In 2004, these businesses reported aggregate pre-tax income of \$2.3 million as compared to a pre-tax loss of \$(10.1) million in 2003.

The Corporate Segment reported a pre-tax loss of \$(1.0) million in the fourth quarter of 2004 as compared to a loss of \$(3.3) million in the same period last year. For the year, Corporate generated pre-tax income of \$0.8 million as compared to a loss of \$(12.8) million last year. Corporate results for 2004 include interest income on federal income tax return claims of \$0.4 million and \$6.9 million for the quarter and year to date periods, respectively.

Results for 2004 include a net income tax benefit of \$30.8 million. This benefit is primarily due to the reversal of \$37.0 million of the valuation allowance on deferred tax assets that had been provided in prior years. This allowance was reduced as a result of refund claims of \$37.0 million filed with the IRS that reduced our deferred tax asset as of December 31, 2004 and increased our receivable balances by the same amount. The tax benefit is net of \$6.2 million of tax expense; primarily representing estimated federal taxes on 2004 earnings.

In summary, pre-tax income in 2004 increased by \$23.2 million as compared to 2003, and non-core assets were reduced by 63% during the year.

Ocwen Financial Corporation is a diversified financial services holding company with headquarters in West Palm Beach, Florida and operations in Canada, China, Germany, India, Japan and Taiwan. Ocwen Financial Corporation is engaged in a variety of businesses related to residential and commercial mortgage servicing, real estate asset management, asset recovery, business process outsourcing and the marketing and sales of technology solutions to third parties. Ocwen Financial Corporation is a global leader in customer service excellence as a result of our company-wide commitment to quality, integrity and accountability. Additional information about Ocwen Financial Corporation is available at www.ocwen.com.

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, but not limited to, interest rates and the impact of changes in interest rates and prepayment speeds on our Residential Loan Servicing business, the impact of actions that may result in our no longer being a thrift holding company, the adequacy of our liquidity position and the outlook on reduction in non-core assets. 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, federal income tax rates, recognition of deferred tax credits 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, 2003 and its reports on Form 10-Q for the periods ended March 31, 2004, June 30, 2004 and September 30, 2004. 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.

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

	Three Months		Twelve Months	
For the periods ended December 31,	2004	2003	2004	2003
Revenue				
Servicing and related fees	\$ 37,072	\$ 38,041	\$ 152,382	\$ 139,744
Vendor management fees	14,225	8,121	54,666	29,842
Gain (loss) on trading and match funded securities, net	(2,226)	420	(537)	3,344
Valuation gains (losses) on real estate	(1,120)	(734)	(5,110)	(7,430)
Gain (loss) on sales of real estate	1,705	57	1,556	466
Operating income (loss) from real estate	(412)	1,666	605	5,128
Gain (loss) on debt repurchases	--	--	--	(445)
Other income	2,865	1,300	19,465	6,848
Non-interest revenue	52,109	48,871	223,027	177,497
Interest income	8,121	6,296	23,676	24,122
Interest expense	8,325	9,162	30,364	38,716
Net interest income (expense) before provision for loan losses ..	(204)	(2,866)	(6,688)	(14,594)
Provision for loan losses	(969)	(14)	(1,881)	(2,684)
Net interest income (expense) after provision for loan losses ..	765	(2,852)	(4,807)	(11,910)
Total revenue	52,874	46,019	218,220	165,587
Non-interest expense				
Compensation and employee benefits	23,054	19,716	87,284	72,221
Occupancy and equipment	3,934	4,391	15,933	13,159
Technology and communication costs	6,574	6,544	26,049	21,121
Loan expenses	6,739	3,416	27,313	14,252
Loss (gain) on investments in affordable housing properties	(76)	(34)	(255)	285
Professional services and regulatory fees	5,563	4,200	23,589	26,054
Other operating expenses	2,178	3,386	10,069	10,409
Non-interest expense	47,966	41,619	189,982	157,501
Distributions on Capital Securities	--	--	--	3,058
Income (loss) before minority interest and income taxes	4,908	4,400	28,238	5,028
Minority interest in net income (loss) of subsidiaries	(112)	(184)	(162)	(492)
Income tax expense (benefit)	938	130	(30,841)	748
Net income (loss)	\$ 4,082	\$ 4,454	\$ 59,241	\$ 4,772
Earnings (loss) per share				
Basic	\$ 0.07	\$ 0.07	\$ 0.90	\$ 0.07
Diluted	\$ 0.06	\$ 0.07	\$ 0.84	\$ 0.07
Weighted average common shares outstanding				
Basic	62,733,630	67,222,211	65,811,697	67,166,888
Diluted	63,879,194	68,446,366	73,197,255	68,063,873

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

	December 31, 2004	December 31, 2003
	-----	-----
Assets		
Cash and amounts due from depository institutions	\$ 171,645	\$ 229,606
Interest earning deposits	116,206	324
Trading securities, at fair value:		
Investment grade	86,215	6,679
Subordinates and residuals	39,527	42,841
Real estate	18,732	103,943
Affordable housing properties	5,641	7,410
Loans, net	3,792	28,098
Match funded assets	280,760	130,087
Premises and equipment, net	37,440	41,943
Advances on loans and loans serviced for others	240,430	374,769
Mortgage servicing rights	131,409	166,495
Receivables	122,069	74,315
Other assets	72,144	33,608
	-----	-----
Total assets	\$ 1,326,010	\$ 1,240,118
	=====	=====
Liabilities and Stockholders' Equity		
Liabilities		
Deposits	\$ 301,299	\$ 446,388
Escrow deposits	125,977	116,444
Match funded liabilities	244,327	115,394
Lines of credit and other secured borrowings	50,612	150,384
Debt securities	231,249	56,249
Accrued interest payable	6,173	4,789
Accrued expenses, payables and other liabilities	33,218	31,926
	-----	-----
Total liabilities	992,855	921,574
	-----	-----
Minority interest in subsidiaries	1,530	1,286
Stockholders' Equity		
Common stock, \$.01 par value; 200,000,000 shares authorized: 62,739,478 and 67,467,220 shares issued and outstanding at December 31, 2004 and December 31, 2003, respectively	627	675
Additional paid-in capital	181,336	225,559
Retained earnings	149,650	90,409
Accumulated other comprehensive income (loss), net of taxes	12	615
	-----	-----
Total stockholders' equity	331,625	317,258
	-----	-----
Total liabilities and stockholders' equity	\$ 1,326,010	\$ 1,240,118
	=====	=====

Pre-Tax Income (Loss) by Business Segment

For the periods ended December 31, ----- (Dollars in thousands)	Three Months		Twelve Months	
	2004	2003	2004	2003

Core businesses				
Residential Loan Servicing	\$ 2,050	\$ 5,235	\$ 15,814	\$ 31,043
OTX	(1,492)	(3,195)	(3,862)	(11,520)
Ocwen Realty Advisors	1,454	1,666	6,466	5,432
Ocwen Recovery Group	918	1,878	3,916	5,300
Business Process Outsourcing	414	886	2,205	1,893
Commercial Servicing	512	(928)	573	(4,204)
	-----	-----	-----	-----
	3,856	5,542	25,112	27,944
	-----	-----	-----	-----
Non-core businesses				
Commercial Assets	(112)	(707)	(5,008)	(9,399)
Affordable Housing	(209)	(1,280)	(3,256)	(4,888)
Subprime Finance	2,325	4,168	10,568	4,188
	-----	-----	-----	-----
	2,004	2,181	2,304	(10,099)
	-----	-----	-----	-----
Corporate Items and Other	(952)	(3,323)	822	(12,817)
	-----	-----	-----	-----
Income (loss) before minority interest and income taxes..	\$ 4,908	\$ 4,400	\$ 28,238	\$ 5,028
	=====	=====	=====	=====

Non-Core Assets

(Dollars in thousands)	December 31,	
	2004	2003

Loans, net		
Affordable housing	\$ 3,198	\$ 6,545
All other	594	21,553
Real estate	18,732	103,943
Subordinates, residuals and other trading securities.....	39,527	42,841
Affordable housing properties	5,641	7,410
	-----	-----
Total non-core assets	\$ 67,692	\$ 182,292
	=====	=====