

Part II Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attached](#)

18 Can any resulting loss be recognized? ▶ [See attached](#)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [This transaction will be effective calendar year 2020.](#)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 9/22/2020
Print your name ▶ June C. Campbell Title ▶ Chief Financial Officer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

Ocwen Financial Corporation
FEIN: 65-0039856
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: The information contained in Form 8937 and this attachment does not constitute tax advice and does not purport to consider any shareholder's or note holder's specific circumstances. Shareholders are urged to consult their own tax advisors regarding U.S. tax consequences of the transaction described herein and the impact to tax basis resulting from the transaction.

Ocwen Financial Corporation
FEIN: 65-0039856
Attachment to Form 8937
Report of Organizational Actions Affecting Basis of Securities

Form 8937, Part I, Line 10

Pre-Reverse Split Shares CUSIP: 675746309
Post-Reverse Split Shares CUSIP: 675746606

Form 8937, Part II, Line 14

On August 13, 2020, effective at 5:00 p.m. Eastern Standard Time, Ocwen Financial Corporation (the "Company") executed a 1-for-15 share reverse stock split of all Company common stock outstanding. No fractional shares were issued. Shareholders who would otherwise have been entitled to a fractional share of common stock received one (1) whole share in lieu of such fractional share (*i.e.*, the "rounded-up share"). No cash was paid in lieu of fractional shares.

Form 8937, Part II, Line 15

The Reverse Stock Split is intended to qualify as a reorganization under Section 368(a)(1)(E). Accordingly, the aggregate tax basis of the post-Reverse Stock Split shares received by a shareholder will be equal to the aggregate tax basis of its pre-Reverse Stock Split. The holding period of the post-Reverse Stock Split shares received by a shareholder will include the holding period of the pre-Reverse Stock Split shares exchanged by such shareholder.

The federal income tax consequences of the rounded-up share are unclear. A holder of the pre-Reverse Stock Split shares may recognize income or gain to the extent of the value of the rounded-up share exceeds the tax basis of the post-Reverse Stock Split fractional share so "rounded-up." Each shareholder should consult with their tax advisor with respect to the computation of gain or loss and adjusted tax basis in the shares issued in the transaction (including the rounded-up shares) based on their specific facts.

Since each shareholder of shares received fewer shares of that class of shares than were surrendered, the basis in the surrendered shares must be allocated in a manner that reflects, to the greatest extent possible, that a share of stock received is received in respect of shares of stock that were acquired on the same date and at the same price. To the extent that it is not possible to allocate in this manner, the basis of the shares surrendered must be allocated to the shares of stock received in a manner that minimizes the disparity in the holding periods of the surrendered shares whose basis is allocated to any particular share received. This could result in a particular share having a split basis and a split holding period. Each shareholder should consult with their tax advisor with respect to the computation of basis in this transaction based on their specific facts.

Form 8937, Part II, Line 16

Upon the effective date of the reverse stock split, every fifteen (15) shares of common stock of the Company automatically converted into one (1) share of common stock. As a result, shareholders must allocate the aggregate tax basis in their shares held immediately prior to the reverse stock split among the shares held immediately after the reverse stock split. Shareholders that have acquired different blocks of common stock at different times or at different prices are urged to consult their own tax advisors regarding the allocation of their aggregated adjusted basis among, and the holding period of, that common stock.

Form 8937, Part II, Line 17

Sections 354(a), 358, 368(a)(1)(E)

Form 8937, Part II, Line 18

The Reverse Stock Split is intended to be treated as a reorganization under Section 368(a)(1)(E). Thus, shareholders will generally not recognize gain or loss as a result of the reverse stock split. The federal income tax consequences of the rounded-up shares are unclear. A holder of the pre-Reverse Stock Split shares may recognize income or gain to extent the value of the rounded-up share exceeds the tax basis of the post-Reverse Stock Split fractional share so “rounded-up.” Each shareholder should consult with their tax advisor with respect to the computation of gain or loss and basis in transaction based on their specific facts.