OCWEN

Ocwen Financial Comments On New Financial Eligibility Requirements Announced by FHFA and Ginnie Mae

September 9, 2022

WEST PALM BEACH, Fla. , Sept. 09, 2022 (GLOBE NEWSWIRE) -- Ocwen Financial Corporation (NYSE: OCN) ("Ocwen" or the "Company"), a leading non-bank mortgage servicer and originator, issued the following statement in response to the minimum financial eligibility requirements for enterprise seller/servicers and Ginnie Mae issuers announced by the Federal Housing Finance Agency ("FHFA") and Ginnie Mae ("GNMA").

"We are currently in compliance with the new FHFA and GNMA liquidity and capital standards and expect to be in compliance when they take effect in September 2023, with the exception of the GNMA risk-based capital ratio. We are having discussions with GNMA with respect to their risk-based capital requirements, which take effect at year-end 2023. We are evaluating our alternatives, as well as the costs and benefits of achieving compliance with the GNMA risk-based capital requirements. GNMA forward servicing and originations is not a material portion of our business activities, comprising approximately 4% of our total servicing UPB as of June 30, 2022 and less than 10% of our year-to-date origination volume as of August 31, 2022. The alternatives we are evaluating include but are not limited to external investor solutions, structural solutions or exiting GNMA forward originations and owned servicing. Regardless, we expect we will continue to subservice GNMA forward mortgages and originate, subservice and own GNMA Reverse mortgages (or HECMs), as we do not believe these activities will be impacted by the new regulations. We intend to manage our business appropriately to achieve compliance with the risk-based capital standards when these rules take effect. We expect to continue to repurchase shares under our previously announced share repurchase program."

Earlier this year, Ocwen's mortgage subsidiary, PHH Mortgage, was recognized for servicing excellence through Freddie Mac's Gold Servicer Honors and Rewards Program (SHARP)SM award in the top tier servicing group and Fannie Mae's Servicer Total Achievement and Rewards (STAR) TM performer recognition for General Servicing, Solution Delivery and Timeline Management, and achieved HUD's Tier 1 servicer ranking.

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 presentation 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 assessment of our future ability to comply with the FHFA and GNMA financial eligibility requirements, the impact of these requirements on our business, and the courses of action we are considering in response to these new requirements. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change and we are experiencing significant changes within the mortgage lending and servicing ecosystem which has magnified such uncertainties. 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 international 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; uncertainty relating to the continuing impacts of the COVID-19 pandemic, including the response of the U.S. government, state governments, the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) (together, the GSEs), Ginnie Mae and regulators; our ability to improve our financial performance through cost and productivity improvements; the extent to which our MSR asset vehicle (MAV), other transactions and our enterprise sales initiatives will generate additional subservicing volume, increase market share within the subservicing market, and result in increased profitability; the timing and amount of presently anticipated forward and reverse loan boarding; whether we will increase the total investment commitments in MAV, and if so, when and on what terms; our ability to close acquisitions of MSRs and other transactions, including the ability to obtain regulatory approvals; the quantity, timing and long-term impact of additional stock repurchases; our ability to continue 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 extent to which we will be able to execute call rights transactions, and whether such transactions will generate the returns anticipated; 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, 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; the future of our long-term relationship with Rithm Capital Corp.; the performance of our lending business in a competitive market and uncertain interest rate environment; our ability to execute on identified business development and sales opportunities; 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); adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements and the reactions of key counterparties, including lenders, the GSEs and Ginnie Mae; our ability to comply with the terms of our settlements with regulatory agencies and the costs of doing so; 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; 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, 2021 and any current report or quarterly report filed with the SEC since such date.

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.

FOR FURTHER INFORMATION CONTACT:

Dico Akseraylian
T: (856) 917-0066
E: mediarelations@ocwen.com