



PHH Mortgage Announces Initial Results of New Subservicing Relationship With Sierra Pacific

April 18, 2023

Achieving substantial improvements in customer experience and servicing oversight costs

WEST PALM BEACH, Fla., April 18, 2023 (GLOBE NEWSWIRE) -- [PHH Mortgage Corporation](#) ("PHH" or the "Company"), a subsidiary of Ocwen Financial Corporation (NYSE: OCN) and a leading non-bank mortgage servicer and originator, today announced key servicing performance results of its subservicing relationship with Sierra Pacific Mortgage Company ("Sierra Pacific"), a nationwide direct lender.

In the third quarter of 2021, Sierra Pacific selected PHH as its mortgage subservicer, following a rigorous selection process, and transferred a portfolio of approximately 54,000 loans with a UPB of \$15 billion to PHH in December of 2021. Through the first six months following the transfer, Sierra Pacific realized significant gains across the board, including:

- 75% reduction in customer complaint volume
- 70% reduction in the number of calls requiring customer service escalation (average calls are being answered by PHH in less than 18 seconds)
- 18% decline in one-time payments and a 22% increase in scheduled ACH payments
- 60% savings in Sierra Pacific's servicing oversight costs, as fewer resources are required to handle overflow complaints and manage the PHH subservicing relationship

Additionally, PHH expects its deep experience in special servicing and loss mitigation could reduce loss severity on Sierra Pacific's portfolio by as much as \$2 million annually.¹ This level of cost savings is based on the Company's strong operational performance in managing defaulted loans versus Moody's and MBA benchmarks. PHH's proven special servicing capabilities and track record of helping distressed customers is creating opportunities to support its clients through a difficult mortgage cycle and possible recession.

Curtis Dair, Chief Financial Officer at Sierra Pacific, said, "PHH has shown an unwavering commitment to providing the highest levels of customer service. We have been very pleased with their early results and their ability to meet our expectations. Their dedication to their customers is exceptional, and they have met the high standards that Sierra Pacific has for its servicing partners."

Scott Anderson, Executive Vice President and Chief Servicing Officer at PHH, said, "What sets PHH's subservicing platform apart is our ability to really understand our clients' business needs and pain points to then work together to provide a solution that achieves their objectives. By delivering on our commitments for valued partners like Sierra Pacific, we've been able to not only offer improved servicing performance, but also enhance their business in multiple areas. Mortgage originators are realizing immediate cost savings and performance gains when switching to the PHH servicing platform. We believe our ability to deliver best-in-class servicing, recapture, and capital markets performance is solidifying our position as the premier subservicer in the industry."

As of the fourth quarter of 2022, the Company has added more than \$110 billion of new subservicing UPB over the past twenty-four months and is scheduled to onboard another \$18 billion of subservicing UPB in the first half of 2023. Earlier this year, PHH was recognized for servicing excellence for the third consecutive year through Freddie Mac's Servicer Honors and Rewards Program (SHARP)SM in the top-tier servicing group and for the second consecutive year through Fannie Mae's Servicer Total Achievement and Rewards (STAR)TM performer recognition. The Company also achieved HUD's Tier 1 servicer ranking. No other servicer in the U.S. has been more highly decorated with these top awards from all three agencies over the past two years.

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).

About Sierra Pacific Mortgage

Sierra Pacific Mortgage Company, Inc. is a leading national independent mortgage lending company based in Folsom, California. Sierra Pacific serves the retail and wholesale mortgage banking markets in 49 states through three regional fulfillment centers. Our mission is to deliver consistent, competitive pricing and to provide our customers the finest experience through streamlined systems, the best industry tools, effective communication, and superior customer service with every branch, every day. To learn more, visit www.spmc.com or call (916) 932-1700.

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 the ability of PHH to provide future cost savings and performance improvements to Sierra Pacific and other PHH subservicing clients.

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, changes in the business condition of Sierra Pacific, changes in market conditions, the industry in which we operate, and our business, the actions of governmental entities and regulators, developments in our litigation matters, and 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 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.

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¹ Estimated loss severity calculation of Sierra Pacific's subserviced portfolio represents losses avoided when comparing PHH to other servicers and is derived from an internal PHH model based on total UPB serviced, total loans serviced, overall portfolio delinquency, loss severity percentage, and other assumptions.