

---

**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): May 3, 2017**

---

**OCWEN FINANCIAL CORPORATION**

**(Exact name of registrant as specified in its charter)**

**Florida**

**1-13219**

**65-0039856**

**(State or other jurisdiction of incorporation)**

**(Commission File Number)**

**(IRS Employer Identification No.)**

---

**1661 Worthington Road, Suite 100  
West Palm Beach, Florida 33409  
(Address of principal executive offices)**

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

**Not applicable.  
(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))
-

**Item 2.02      Results of Operations and Financial Condition.**

On May 3, 2017, Ocwen Financial Corporation issued a press release announcing its preliminary results for the first quarter ended March 31, 2017. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information in this Item 2.02 and the information in the related exhibit attached hereto shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

---

**Item 9.01      Financial Statements and Exhibits.**

(d)      Exhibits

| <b>Exhibit<br/>Number</b> | <b>Description</b>  |
|---------------------------|---|
| Exhibit 99.1              | Press Release of Ocwen Financial Corporation dated May 3, 2017, announcing preliminary financial results for the first quarter ended March 31, 2017 |

---

## 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)

Date: May 3, 2017

By: /s/ Michael R. Bourque, Jr.  
Michael R. Bourque, Jr.  
Chief Financial Officer  
(On behalf of the Registrant and as its principal financial officer)

---

**Ocwen Financial Corporation®**

FOR IMMEDIATE RELEASE

**OCWEN FINANCIAL ANNOUNCES PRELIMINARY OPERATING RESULTS  
FOR FIRST QUARTER 2017**

- **Generated \$86 million of Cash from Operating Activities; Ended quarter with \$268 million of cash**
- **California and New York monitorships ended**
- **Helped over 18,000 struggling families through loan modifications**

**West Palm Beach, FL – (May 3, 2017)** Ocwen Financial Corporation, (NYSE:OCN) (“Ocwen” or the “Company”), a leading financial services holding company, today announced preliminary operating results for the first quarter of 2017. Ocwen incurred a GAAP net loss of \$(32.6) million, or \$(0.26) per share, for the three months ended March 31, 2017 compared to a net loss of \$(111.2) million for the three months ended March 31, 2016. Ocwen generated revenue of \$321.9 million, down 2.7% compared to the first quarter of the prior year, primarily driven by the impact of portfolio run-off offset by mortgage lending growth. Cash Flows from Operating Activities were \$85.7 million for the three months ended March 31, 2017, compared to \$140.9 million during the first quarter of last year.

“I am pleased that our servicing business had its third consecutive profitable quarter and that our origination business returned to profitability this quarter,” commented Ron Faris, President and CEO.

Mr. Faris continued “One area where we continue to invest is in strengthening our risk and compliance infrastructure. Numerous external and internal compliance reviews over the past year show the strength of our control structure. For example, each of the last four quarters of testing in 2016 by our independent internal review group confirmed that none of the tested National Mortgage Settlement metrics were out of tolerance. Despite recent regulatory allegations, which we believe unfairly characterize our progress and current performance, our recent reviews have not identified past or present systematic issues with our foreclosure sale processes, which is always a last resort for us. I am especially proud of the strong modification results during the quarter which helped over 18,000 struggling families. The financial crisis has not ended for many families in this country, and the Ocwen team continues to provide caring solutions that work.”

**First Quarter 2017 Results**

Pre-tax loss for the first quarter of 2017 was \$(30.5) million, a \$71.6 million improvement from the first quarter of 2016. Pre-tax results for the quarter include a number of significant items: \$(8.0) million in litigation reserves, \$(4.4) million of regulatory monitor costs and \$(1.0) million in severance and other items. Excluding these significant items, the Company had an adjusted pre-tax loss of \$(17.1) million.

The Servicing segment recorded \$3.1 million of pre-tax income, a \$68.8 million improvement versus the first quarter of 2016, driven by a \$31.8 million improvement in MSR Fair Value, \$16.9 million in lower legal fees, the non-repeat of \$6.2 million in S&P-downgrade related indemnification payments made in 2016, and other expense savings.

The Lending segment recorded \$1.1 million of pre-tax income for the first quarter of 2017, a \$1.7 million improvement versus the first quarter of 2016. Total mortgage lending volume grew 13.7% driven by a 127% increase in the forward lending retail channel versus the first quarter of 2016.

#### **Additional Business Highlights**

- Appointed Robert J. Lipstein as an additional independent director to Ocwen's Board of Directors.
- Completed 18,395 modifications in the quarter, 49% of which were HAMP modifications.
- Delinquencies decreased from 11.2% at December 31, 2016 to 10.7% at March 31, 2017, primarily driven by loss mitigation efforts.
- The constant pre-payment rate (CPR) decreased from 15.1% in the fourth quarter of 2016 to 14.0% in the first quarter of 2017. In the first quarter of 2017, prime CPR was 17.0%, and non-prime CPR was 12.2%.
- In the first quarter of 2017, Ocwen originated forward and reverse mortgage loans with unpaid principal balance of \$840.5 million and \$273.1 million, respectively.
- Our reverse mortgage portfolio ended the quarter with an estimated \$104.3 million in undiscounted future gains from future draws on existing loans. Neither the anticipated future gains nor the future funding liability are included in the Company's financial statements.
- Partnered with NID Housing Counseling Agency and NAACP to assist borrowers in California.

#### **Webcast and Conference Call**

Ocwen will host a webcast and conference call on Wednesday, May 3, 2017, at 8:30 a.m., Eastern Time, to discuss its financial results for the first quarter of 2017. The conference call will be webcast live over the internet from the Company's website at [www.Ocwen.com](http://www.Ocwen.com), click on the "Shareholders" section. A replay of the conference call will be available via the website approximately two hours after the conclusion of the call and will remain available for approximately 30 days.

#### **About Ocwen Financial Corporation**

Ocwen Financial Corporation is a financial services holding company which, through its subsidiaries, originates and services loans. We are headquartered in West Palm Beach, Florida, with offices throughout the United States and in the U.S. Virgin Islands and operations in India and the Philippines. We have been serving our customers since 1988. We may post information that is important to investors on our website ([www.Ocwen.com](http://www.Ocwen.com)).

#### **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 by their nature address matters that are, to different degrees, uncertain. Our business has been undergoing substantial change 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 following: uncertainty related to claims, litigation, cease and desist orders and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification, origination and other practices, including uncertainty related to past, present or future investigations, litigation, cease and desist orders and settlements with 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) and actions brought under the False Claims Act by private parties on behalf of the United States of America regarding incentive and other payments made by governmental entities; adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements; reactions to the announcement of such investigations, litigation, cease and desist orders or settlements by key counterparties, including lenders; 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 contain and reduce our operating costs, including our ability to successfully execute on our cost improvement initiative; the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover advances, repay borrowings and comply with our debt agreements, including the financial and other covenants contained in them; our servicer and credit ratings as well as other actions from various rating agencies, including the impact of prior or future downgrades of our servicer and credit ratings; volatility in our stock price; the characteristics of our servicing portfolio, including prepayment speeds along with delinquency and advance rates; our ability to successfully modify delinquent loans, manage foreclosures and sell foreclosed properties; uncertainty related to legislation, regulations, regulatory agency actions, government programs and policies, industry initiatives and evolving best servicing practices; as well as other risks detailed in Ocwen's reports and filings with the SEC, including its annual report on Form 10-K for the year ended December 31, 2016 and any current and quarterly reports since such date. Ocwen's 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.*

### **Non-GAAP Financial Measures**

This press release contains certain non-GAAP financial measures, such as our reference to adjusted pre-tax loss. We believe these non-GAAP financial measures provide a useful supplement to discussions and analysis of our financial condition. We believe these non-GAAP financial measures provide an alternative way to view certain aspects of our business that is instructive. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, Ocwen's reported results under accounting principles generally accepted in the United States. Other companies may use non-GAAP financial measures with the same or similar titles that are calculated differently to our non-GAAP financial measures. As a result, comparability may be limited. Further information may be found on Ocwen's website.

### **Preliminary Results**

The financial results and other financial data presented in this press release are preliminary, based upon the Company's estimates and subject to completion of the Company's financial closing procedures and issuance of its financial statements as of and for the quarter ended March 31, 2017. Moreover, the financial results and other financial data have been prepared on the basis of currently available information. The Company's final financial results and other financial data could differ materially from its preliminary financial results and other financial data. The Company's final financial results will be set forth in the Company's Form 10-Q for the first quarter of 2017.

**FOR FURTHER INFORMATION CONTACT:**

**Investors:**

Stephen Swett

T: (203) 614-0141

E: shareholderrelations@ocwen.com

**Media:**

John Lovallo

T: (917) 612-8419

E: jlovallo@levick.com

Dan Rene

T: (202) 973-1325

E: drene@levick.com

**Residential Servicing Statistics (Preliminary, Unaudited)**

(Dollars in thousands)

|  | At or for the Three Months Ended |                      |                       |                  |                   |
|--|----------------------------------|----------------------|-----------------------|------------------|-------------------|
|  | March 31,<br>2017                | December 31,<br>2016 | September 30,<br>2016 | June 30,<br>2016 | March 31,<br>2016 |
| Total unpaid principal balance of loans and REO serviced                 | \$ 202,369,014                   | \$ 209,092,130       | \$ 216,892,002        | \$ 229,276,001   | \$ 237,081,036    |
| Non-performing loans and REO serviced as a % of total UPB <sup>(1)</sup> | 10.7%                            | 11.2%                | 11.4%                 | 11.9%            | 13.0%             |
| Prepayment speed (average CPR) <sup>(2) (3)</sup>                        | 14.0%                            | 15.1%                | 15.0%                 | 14.2%            | 12.7%             |

(1) Performing loans include those loans that are less than 90 days past due and those loans for which borrowers are making scheduled payments under loan modification, forbearance or bankruptcy plans. We consider all other loans to be non-performing.

(2) Average CPR for the prior three months. CPR measures prepayments as a percentage of the current outstanding loan balance expressed as a compound annual rate.

(3) Average CPR for the three months ended March 31, 2017 includes 17.0% for prime loans and 12.2% for non-prime loans.



**Segment Results (Preliminary, Unaudited)**

(Dollars in thousands)

|                                       | <b>For the Three Months Ended<br/>March 31,</b> |                     |
|---------------------------------------|---|---------------------|
|                                       | <b>2017</b>                                     | <b>2016</b>         |
| <b>Servicing</b>                      |   |                     |
| Revenue                               | \$ 284,019                                      | \$ 307,427          |
| Expenses                              | 216,913   | 274,317             |
| Other expense, net                    | (63,975)  | (98,789)            |
| Income (loss) before income taxes     | <u>3,131</u>                                    | <u>(65,679)</u>     |
| <b>Lending</b>                        |   |                     |
| Revenue                               | 30,746  | 23,285              |
| Expenses                              | 29,332  | 24,378              |
| Other income, net                     | (305)   | 514                 |
| Income (loss) before income taxes     | <u>1,109</u>                                    | <u>(579)</u>        |
| <b>Corporate Items and Other</b>      |   |                     |
| Revenue                               | 7,099   | 45                  |
| Expenses                              | 30,138  | 29,962              |
| Other expense, net                    | (11,699)  | (5,950)             |
| Loss before income taxes              | <u>(34,738)</u>                                 | <u>(35,867)</u>     |
| Consolidated loss before income taxes | <u>\$ (30,498)</u>                              | <u>\$ (102,125)</u> |

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

|  | <b>For the Three Months Ended<br/>March 31,</b> |                     |
|--|---|---------------------|
|  | <b>2017</b>                                     | <b>2016</b>         |
| <b>Revenue</b>   |   |                     |
| Servicing and subservicing fees                          | \$ 272,502                                      | \$ 297,496          |
| Gain on loans held for sale, net                         | 22,944  | 15,572              |
| Other  | 26,418  | 17,689              |
| Total revenue  | <u>321,864</u>                                  | <u>330,757</u>      |
| <b>Expenses</b>  |   |                     |
| Compensation and benefits                                | 91,801  | 96,249              |
| Servicing and origination                                | 67,907  | 95,692              |
| Professional services                                    | 41,829  | 70,907              |
| Technology and communications                            | 27,347  | 26,869              |
| Occupancy and equipment                                  | 17,749  | 24,745              |
| Amortization of mortgage servicing rights                | 12,715  | 12,806              |
| Other  | 17,035  | 1,389               |
| Total expenses   | <u>276,383</u>                                  | <u>328,657</u>      |
| <b>Other income (expense)</b>                            |   |                     |
| Interest income  | 3,763   | 4,190               |
| Interest expense   | (84,062)  | (106,089)           |
| Gain on sale of mortgage servicing rights, net           | 287   | 1,175               |
| Other, net   | 4,033   | (3,501)             |
| Total other expense, net                                 | <u>(75,979)</u>                                 | <u>(104,225)</u>    |
| Loss before income taxes                                 | (30,498)  | (102,125)           |
| Income tax expense                                       | 2,125   | 9,076               |
| <b>Net loss</b>  | <u>(32,623)</u>                                 | <u>(111,201)</u>    |
| Net income attributable to non-controlling interests     | <u>(101)</u>                                    | <u>(130)</u>        |
| <b>Net loss attributable to Ocwen stockholders</b>       | <u>\$ (32,724)</u>                              | <u>\$ (111,331)</u> |
| <b>Loss per share attributable to Ocwen stockholders</b> |   |                     |
| Basic  | \$ (0.26)                                       | \$ (0.90)           |
| Diluted  | \$ (0.26)                                       | \$ (0.90)           |
| <b>Weighted average common shares outstanding</b>        |   |                     |
| Basic  | 124,014,928                                     | 124,093,339         |
| Diluted  | 124,014,928                                     | 124,093,339         |

**OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands, except share data)  
(Preliminary, Unaudited)

|   | March 31,<br>2017   | December 31,<br>2016 |
|---|---------------------|----------------------|
| <b>Assets</b>   |                     |                      |
| Cash  | \$ 268,320          | \$ 256,549           |
| Mortgage servicing rights (\$651,987 and \$679,256 carried at fair value)   | 1,010,518           | 1,042,978            |
| Advances, net   | 234,173             | 257,882              |
| Match funded assets (related to variable interest entities (VIEs))  | 1,392,421           | 1,451,964            |
| Loans held for sale (\$313,558 and \$284,632 carried at fair value)   | 339,153             | 314,006              |
| Loans held for investment, at fair value  | 3,916,387           | 3,565,716            |
| Receivables, net  | 212,781             | 265,720              |
| Premises and equipment, net   | 60,774              | 62,744               |
| Other assets (\$21,066 and \$20,007 carried at fair value) (\$27,141 and \$43,331 related to VIEs)  | 428,617             | 438,104              |
| Total assets  | <u>\$ 7,863,144</u> | <u>\$ 7,655,663</u>  |
| <b>Liabilities and Equity</b>   |                     |                      |
| <b>Liabilities</b>  |                     |                      |
| Financing liabilities (\$4,198,452 and \$3,911,488 carried at fair value)   | \$ 4,295,408        | \$ 4,012,812         |
| Match funded liabilities (related to VIEs)  | 1,215,212           | 1,280,997            |
| Other secured borrowings, net   | 738,447             | 678,543              |
| Senior notes, net   | 346,929             | 346,789              |
| Other liabilities (\$3,868 and \$1,550 carried at fair value)   | 643,714             | 681,239              |
| Total liabilities   | <u>7,239,710</u>    | <u>7,000,380</u>     |
| <b>Equity</b>   |                     |                      |
| Ocwen Financial Corporation (Ocwen) stockholders' equity  |                     |                      |
| Common stock, \$.01 par value; 200,000,000 shares authorized; 124,577,169 and 123,988,160 shares issued and outstanding at March 31, 2017 and December 31, 2016, respectively | 1,246               | 1,240                |
| Additional paid-in capital  | 527,986             | 527,001              |
| Retained earnings   | 93,159              | 126,167              |
| Accumulated other comprehensive loss, net of income taxes   | (1,383)             | (1,450)              |
| Total Ocwen stockholders' equity  | 621,008             | 652,958              |
| Non-controlling interest in subsidiaries  | 2,426               | 2,325                |
| Total equity  | <u>623,434</u>      | <u>655,283</u>       |
| Total liabilities and equity  | <u>\$ 7,863,144</u> | <u>\$ 7,655,663</u>  |

**OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Dollars in thousands)  
(Preliminary, Unaudited)

|   | <b>For the Three Months Ended<br/>March 31,</b> |                  |
|---|---|------------------|
|   | <b>2017</b>                                     | <b>2016</b>      |
| <b>Cash flows from operating activities</b>   |   |                  |
| Net loss  | \$ (32,623)                                     | \$ (111,201)     |
| Adjustments to reconcile net loss to net cash provided by operating activities:         |   |                  |
| Amortization of mortgage servicing rights   | 12,715  | 12,806           |
| Loss on valuation of mortgage servicing rights, at fair value                           | 26,335  | 29,293           |
| Impairment of mortgage servicing rights   | 1,401   | 29,953           |
| Gain on sale of mortgage servicing rights, net  | (287)   | (1,175)          |
| Realized and unrealized (gains) losses on derivative financial instruments              | (359)   | 1,496            |
| Provision for bad debts   | 22,410  | 11,382           |
| Depreciation  | 7,081   | 5,039            |
| Amortization of debt issuance costs   | 673   | 3,277            |
| Equity-based compensation expense   | 2,132   | 1,416            |
| Net gain on valuation of mortgage loans held for investment and HMBS-related borrowings | (5,360)   | (3,667)          |
| Gain on loans held for sale, net  | (15,306)  | (29,584)         |
| Origination and purchase of loans held for sale   | (1,237,535)                                     | (1,211,076)      |
| Proceeds from sale and collections of loans held for sale                               | 1,173,912                                       | 1,165,503        |
| Changes in assets and liabilities:  |   |                  |
| Decrease in advances and match funded assets  | 105,958   | 109,076          |
| Decrease in receivables and other assets, net   | 84,857  | 84,512           |
| Increase (decrease) in other liabilities  | (62,423)  | 21,473           |
| Other, net  | 2,089   | 22,365           |
| Net cash provided by operating activities   | <u>85,670</u>                                   | <u>140,888</u>   |
| <b>Cash flows from investing activities</b>   |   |                  |
| Origination of loans held for investment  | (347,080)                                       | (304,058)        |
| Principal payments received on loans held for investment                                | 80,290  | 87,237           |
| Purchase of mortgage servicing rights   | (1,229)   | (4,263)          |
| Proceeds from sale of mortgage servicing rights   | 729   | 15,305           |
| Proceeds from sale of advances  | 1,115   | 41,003           |
| Issuance of automotive dealer financing notes   | (39,100)  | —                |
| Collections of automotive dealer financing notes  | 37,129  | —                |
| Additions to premises and equipment   | (5,258)   | (19,800)         |
| Other   | (1,644)   | 1,624            |
| Net cash used in investing activities   | <u>(275,048)</u>                                | <u>(182,952)</u> |

**OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS — (continued)**  
(Dollars in thousands)  
(Preliminary, Unaudited)

|   | <b>For the Three Months Ended<br/>March 31,</b> |                   |
|---|---|-------------------|
|   | <b>2017</b>                                     | <b>2016</b>       |
| <b>Cash flows from financing activities</b>   |   |                   |
| Repayment of match funded liabilities   | (65,785)  | (46,953)          |
| Proceeds from mortgage loan warehouse facilities and other secured borrowings                               | 2,224,774                                       | 1,902,472         |
| Repayments of mortgage loan warehouse facilities and other secured borrowings                               | (2,263,685)                                     | (2,014,474)       |
| Payment of debt issuance costs  | (841)   | (2,242)           |
| Proceeds from sale of reverse mortgages (HECM loans) accounted for as a financing (HMBS-related borrowings) | 306,749   | 233,174           |
| Repurchase of common stock  | —   | (5,890)           |
| Other   | (63)  | (782)             |
| Net cash provided by financing activities   | 201,149   | 65,305            |
| Net increase in cash  | 11,771  | 23,241            |
| Cash at beginning of year   | 256,549   | 257,272           |
| Cash at end of period   | <u>\$ 268,320</u>                               | <u>\$ 280,513</u> |