

OCWEN FINANCIAL CORP  
Form DEF 14A  
March 31, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to ss.240.14a-12

**OCWEN FINANCIAL CORPORATION**

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(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No Fee Required
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11
- 1) Title of each class of securities to which transaction applies: N/A
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  - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined.): N/A
  - 4) Proposed maximum aggregate value of transaction: N/A
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    - Fee paid previously with preliminary materials.
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- 2) Form, Schedule or Registration Statement No.: N/A
  - 3) Filing Party: N/A
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March 31, 2008

Dear Fellow Shareholder:

On behalf of the Board of Directors, I cordially invite you to attend the Annual Meeting of Shareholders of Ocwen Financial Corporation which will be held at the offices of the company located at 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409, on Thursday, May 8, 2008, at 9:00 a.m. Eastern Daylight Time. The matters to be considered by shareholders at the Annual Meeting are described in detail in the accompanying materials.

It is very important that you be represented at the Annual Meeting regardless of the number of shares you own or whether you are able to attend the Annual Meeting in person. Let me urge you to mark, sign and date your proxy card today and return it in the envelope provided, even if you plan to attend the Annual Meeting. This will not prevent you from voting in person, but will ensure that your vote is counted if you are unable to attend.

Two of our directors, W. Michael Linn and W.C. Martin, will not stand for re-election at the Annual Meeting as they plan to retire from the Board upon the expiration of their terms in May 2008. We are immensely grateful for their many valuable contributions to the company over the years, and we wish them well in their retirements.

Your continued support of and interest in Ocwen Financial Corporation are sincerely appreciated.

Sincerely,

/s/ William C. Erbey

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William C. Erbey  
Chairman and Chief Executive Officer

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**OCWEN FINANCIAL CORPORATION**  
**1661 Worthington Road, Suite 100**  
**West Palm Beach, Florida 33409**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**  
**AND**  
**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS**  
**FOR THE SHAREHOLDER MEETING TO BE HELD ON MAY 8, 2008**

**NOTICE**

Our Annual Meeting of Shareholders will be held:

**Date:** Thursday, May 8, 2008  
**Time:** 9:00 a.m. Eastern Daylight Time  
**Location:** Ocwen Financial Corporation  
1661 Worthington Road, Suite 100  
West Palm Beach, Florida 33409

**PURPOSE**

- To elect six Directors for a one-year term and/or until their successors are elected and qualified;
- To ratify the appointment by the Audit Committee of our Board of Directors of PricewaterhouseCoopers LLP as the independent registered certified public accounting firm of Ocwen Financial Corporation for the fiscal year ending December 31, 2008; and
- To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting. Management is not aware of any such other business at this time.

**PROCEDURES**

- Our Board of Directors fixed Monday, March 10, 2008 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. Only shareholders of record at the close of business on the record date will be entitled to vote at the Annual Meeting.
- The proxy statement for our 2008 Annual Meeting of Shareholders and our annual report to shareholders on Form 10-K for the year ended December 31, 2007 are available on our website at [www.ocwen.com](http://www.ocwen.com) under Shareholder Relations. Additionally, and in accordance with new Securities and Exchange Commission rules, you may access our proxy statement at <http://www.cfnews.ocn>, a website that does not identify or track visitors of the site.

By Order of the Board of Directors,

/s/ Kevin J. Wilcox

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Kevin J. Wilcox  
Secretary

March 31, 2008  
West Palm Beach, Florida

**OCWEN FINANCIAL CORPORATION**

**PROXY STATEMENT**

**ANNUAL MEETING OF SHAREHOLDERS**

**General Information**

We have sent you this proxy statement on or about March 31, 2008 as a holder of common stock, because our Board of Directors is soliciting your proxy to be used at our Annual Meeting of Shareholders and at any adjournment of this meeting. The meeting will be held at our offices located at 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409, on Thursday, May 8, 2008, at 9:00 a.m. Eastern Daylight Time for the purposes listed in the Notice of Annual Meeting of Shareholders.

**How a Proxy Works**

If you properly complete, sign and return your proxy to Ocwen and do not revoke it prior to its use, it will be voted at the meeting in accordance with your instructions. If no contrary instructions are given, each proxy received will be voted:

- for each of the nominees for Director;
- for ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for 2008; and
- with regard to any other business that properly comes before the meeting, in accordance with the best judgment of the persons appointed as proxies.

**How to Revoke a Proxy**

Your proxy may be used only at the Annual Meeting and any adjournment or postponement of this meeting and will not be used for any other meeting. You have the power to revoke your proxy at any time before it is exercised by:

- filing written notice with our Secretary at the following address:  
  
Kevin J. Wilcox, Secretary  
Ocwen Financial Corporation  
1661 Worthington Road, Suite 100  
West Palm Beach, Florida 33409
- submitting a properly executed proxy bearing a later date; or
- appearing at the Annual Meeting and giving the Secretary notice of your intention to vote in person.

**Who May Vote**

You are entitled to vote at the Annual Meeting or any adjournment of this meeting if you are a holder of record of our common stock at the close of business on March 10, 2008. At the close of business on March 10, 2008, there were 62,649,110 shares of common stock issued and outstanding and no other class of equity securities outstanding. Each share of our common stock is entitled to one vote at the Annual Meeting on all matters properly presented.

**Quorum and Voting Information**

The presence at the Annual Meeting of a majority of the votes of our common stock entitled to be cast, represented in person or by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Assuming a quorum, the six persons receiving the greatest number of votes for Director will be elected as Directors of Ocwen. You may vote in favor of or withhold authority to vote for one or more nominees for Director. The proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered certified public accounting firm for 2008 and any other matter properly submitted for your consideration at the Annual Meeting (other than the election of Directors), will be approved if the votes cast in favor of the action exceed the votes cast opposing the action.

Abstentions and broker non-votes will not be counted in determining the votes cast in connection with the foregoing matters. A broker non-vote occurs when a shareholder has not provided voting instructions to the broker on a non-routine item. In such cases, the New York Stock Exchange precludes brokers from giving a proxy to vote on non-routine items.

If the shares you own are held in street name by a bank or brokerage firm, your bank or brokerage firm, as the record holder of your shares, is required to vote your shares according to your instructions. To vote your shares, you will need to follow the directions your bank or brokerage firm provides you. Many banks and brokerage firms offer the option of voting over the Internet or by telephone. Please contact your bank or brokerage firm for further information.

**ELECTION OF DIRECTORS**

(Proposal One)

Our Bylaws provide that our Board of Directors shall consist of no less than three and no more than eight members, with the exact number to be fixed by our Board of Directors. Directors are elected annually and hold office until the earlier of the election and qualification of their successors or their resignation and removal.

We will propose the six nominees listed below for election as Directors at the Annual Meeting. All six nominees are currently our Directors. Our Board of Directors knows of no reason why any of the six nominees would not be able or willing to serve as director if elected. There are no arrangements or understandings between any nominee and any other person for selection as a nominee.

W. Michael Linn and W. C. Martin have announced that they will not run for re-election to and will retire from our Board of Directors effective as of the Annual Meeting.

**Nominees for Director**

The following table sets forth certain information concerning our Directors:

Name	Age <sup>(1)</sup>	Director Since	Executive Committee	Audit Committee	Compensation Committee	Nomination/Governance Committee
William C. Erbey	58	1988	X <sup>(2)</sup>			
Ronald M. Faris	45	2003	X			
Martha C. Goss	58	2005		X		
Ronald J. Korn	67	2003		X <sup>(2)</sup>	X	
William H. Lacy	63	2002		X <sup>(3)</sup>		X
W. Michael Linn <sup>(4)</sup>	59	2002				
W. C. Martin <sup>(4)</sup>	59	1996			X <sup>(2)</sup>	X
Barry N. Wish	66	1988	X	X <sup>(3)</sup>	X	X <sup>(2)</sup>
<b>Number of Meetings in 2007</b>			0	9	3	4

<sup>(1)</sup> As of March 31, 2008

<sup>(2)</sup> Committee Chairman

<sup>(3)</sup> On May 10, 2007, Mr. Lacy resigned from the Audit Committee, and the Board of Directors appointed Mr. Wish to fill Mr. Lacy's vacated seat on the Audit Committee.

<sup>(4)</sup> Retiring as a director at the 2008 Annual Meeting

The principal occupation for the last five years and additional biographical information of each Director of Ocwen is set forth below.

**William C. Erbey.** Mr. Erbey has served as the Chairman of the Board of Directors of Ocwen since September 1996, as the Chief Executive Officer of Ocwen since January 1988 and as the President of Ocwen from January 1988 to May 1998. From 1983 to 1995, Mr. Erbey served as a Managing General Partner of The Oxford Financial Group, a private investment partnership that was the predecessor of Ocwen. From 1975 to 1983, Mr. Erbey served at General Electric Capital Corporation in various capacities, most recently as the President and Chief Operating Officer of General Electric Mortgage Insurance Corporation. Mr. Erbey also served as the Program General Manager of GECC's Commercial Financial Services Department and as the President of Acquisition Funding Corporation. He holds a Bachelor of Arts in Economics from Allegheny College and a Masters of Business Administration from Harvard University.

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**Ronald M. Faris.** Mr. Faris has served as a Director of Ocwen since May 2003 and as the President of Ocwen since March 2001. Mr. Faris served as Executive Vice President of Ocwen from May 1998 to March 2001 and as Vice President and Chief Accounting Officer of Ocwen from June 1995 to May 1997. From March 1991 to July 1994, he served as Controller for a subsidiary of Ocwen. From 1986 to 1991, Mr. Faris was a Vice President with Kidder, Peabody & Co., Inc. and from 1984 to 1986 worked in the General Audit Department of PricewaterhouseCoopers LLP. He holds a Bachelor of Science in Accounting from The Pennsylvania State University.

**Martha Clark Goss.** Ms. Goss has served as a Director of Ocwen since July 2005. Ms. Goss has served as Chief Operating and Financial Officer of Amwell Holdings, LLC and Hopewell Holdings LLC since 2003. She previously served as Chief Financial Officer for The Capital Markets Company, a provider of e-based solutions to the global financial services and capital markets industry, and for Booz Allen & Hamilton Inc., a management consulting firm. Ms. Goss has held various senior executive positions with Prudential Insurance Company of America and Chase Manhattan Bank, N.A. Ms. Goss currently serves on the Boards of American Water, Channel Reinsurance Holding, Ltd., Neuberger Berman Mutual Funds Company and Allianz Life Insurance Company of New York. She has previously served on the Boards of Claire's Stores, Inc., Foster Wheeler Ltd., Dexter Corporation, IBJ Whitehall Business Credit Corporation, Bank Leumi, USA, the Metropolitan Regional Advisory Board of Chase Manhattan Bank and the Advisory Boards of Attensity and the McLean Group as well as the boards of various subsidiaries of The Prudential Insurance Company of America. Ms. Goss holds a Bachelor of Arts from Brown University and a Masters of Business Administration from Harvard University.

**Ronald J. Korn.** Mr. Korn has served as a Director of Ocwen since May 2003. Mr. Korn is currently the President of Ronald Korn Consulting, which provides business and marketing services to a limited number of clients. Mr. Korn has been Director and Chairman of the Audit Committee of PetMed Express, Inc. since 2002. He has also served as a Director and Chairman of the Audit Committee of comScore, Inc. since October 2005. He was a partner and employee of KPMG, LLP from 1961 to 1991, where his client responsibilities included a number of large financial institutions and various public corporations. He was admitted as a Certified Public Accountant in New York, Michigan and Florida, with licenses currently inactive. He was also admitted to the New York Bar in 1966, but has never practiced law. Mr. Korn holds a Bachelor of Science in Economics from the University of Pennsylvania, Wharton School and a Juris Doctorate from New York University Law School.

**William H. Lacy.** Mr. Lacy has served as a Director of Ocwen since May 2002. Mr. Lacy was formerly Chairman of Mortgage Guaranty Insurance Corporation and Chairman and Chief Executive Officer of MGIC Investment Corporation, Milwaukee, Wisconsin. Both corporations are providers of private mortgage guaranty insurance and other mortgage-related services. Mr. Lacy is also a Director of ACA Capital Holdings, Inc. and of Johnson Controls, Inc. Mr. Lacy is Chairman of Johnson Controls' Finance Committee and serves on Johnson Controls' Compensation Committee. He is also a member of ACA Capital's Risk Management and Audit Committees. Mr. Lacy holds a Bachelor of Arts from the School of Business at the University of Wisconsin.

**Barry N. Wish.** Mr. Wish has served as Chairman Emeritus of the Board of Directors of Ocwen since September 1996. He previously served as Chairman of the Board of Ocwen from January 1988 to September 1996. From 1983 to 1995, he served as a Managing General Partner of The Oxford Financial Group, which he founded. From 1979 to 1983, he was a Managing General Partner of Walsh, Greenwood, Wish & Co., a member firm of the New York Stock Exchange. Prior to founding that firm, Mr. Wish was a Vice President and shareholder of Kidder, Peabody & Co., Inc. He holds a Bachelor of Science in Political Science from Bowdoin College.

**OUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS  
THAT YOU VOTE FOR EACH OF THE NOMINEES FOR DIRECTOR.**



**BOARD OF DIRECTORS AND CORPORATE GOVERNANCE**

**Meetings of the Board of Directors**

The Board of Directors plays an active role in overseeing management and representing the interests of the shareholders. Directors are expected to attend all Board meetings, the meetings of committees on which they serve and the Annual Meeting of Shareholders. Directors are also consulted for advice and counsel between formal meetings.

In 2007, our Board of Directors met 21 times. All of our Directors attended at least 75% of the Board meetings and meetings held by committees on which they served during the period. On March 11, 2008, the Board of Directors set the size of our Board of Directors at six directors, effective as of the Annual Meeting. All eight members of our Board of Directors attended our 2007 Annual Meeting.

**Independence of Directors**

Our Corporate Governance Guidelines provide that our Board of Directors must be comprised of a majority of Directors who qualify as independent directors under the listing standards of the New York Stock Exchange and applicable law.

Our Board of Directors annually reviews the direct and indirect relationships that we have with each Director. Only those Directors who are determined by our Board of Directors to have no material relationship with Ocwen are considered independent directors. This determination is based in part on analysis of categorical questionnaire responses that follow the independence standards established by the New York Stock Exchange and is subject to additional qualifications prescribed under its listing standards and applicable law. Our current Board of Directors has determined that Ms. Goss and Messrs. Korn, Lacy, Martin and Wish are independent Directors. Specifically with regard to Mr. Wish, our Board of Directors considered his previous service as the managing General Partner of The Oxford Financial Group, the predecessor of Ocwen, and determined that such service has not impaired his independence from Ocwen and our management. The Board of Directors also considered shares of our common stock beneficially owned by each of the Directors, as set forth under Security Ownership of Certain Beneficial Owners and Related Shareholder Matters, although our Board of Directors generally believes that stock ownership further aligns a director's interests with those of our other shareholders. The purpose of this review was to determine whether any such transactions or relationships were inconsistent with a determination that the Director is independent.

**Committees of the Board of Directors**

Our Board of Directors has established an Executive Committee, an Audit Committee, a Compensation Committee and a Nomination/Governance Committee. A brief description of these Committees is provided below.

**Executive Committee.** Our Executive Committee is generally responsible to act on behalf of our Board of Directors during the intervals between meetings of our Board of Directors. On March 25, 2003, our Board of Directors authorized the Chairman and Chief Executive Officer to approve and/or to designate in writing certain individuals to approve actions that are required to be documented by counter parties, but do not require action by the Board of Directors. Such actions would include approving, signing and executing checks and electronic funds transmissions, dissolving or merging our wholly-owned subsidiaries and performing such other ministerial actions on such terms, conditions and limits as the Chairman deems appropriate in his sole discretion. In 2007, the Chairman approved 23 transactions in this manner on behalf of the Board of Directors. All such approvals and designations by the Chairman were provided to the Board of Directors at or before their next meeting and ratified by the Board of Directors at the next meeting.

**Audit Committee.** The Audit Committee of our Board of Directors oversees the relationship with our independent registered certified public accounting firm, reviews and advises our Board of Directors with respect to reports by our independent registered certified public accounting firm and monitors our compliance with laws and regulations applicable to our operations, including the evaluation of significant matters relating to the financial reporting process and our system of internal accounting controls and the review of the scope and results of the annual audit conducted by the independent registered certified public accounting firm. Each member of our Audit Committee is

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independent as defined in regulations adopted by the Securities and Exchange Commission and the listing standards of the New York Stock Exchange. Our Board of Directors has determined that all members of our Audit Committee are financially literate. Further, our Board of Directors has determined that Ronald J. Korn and Martha C. Goss possess accounting or related financial management expertise within the meaning of the listing standards of the New York Stock Exchange and that each qualifies as an audit committee financial expert, as that term is defined in Securities and Exchange Commission rules implementing requirements of the Sarbanes-Oxley Act of 2002. Our Audit Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.ocwen.com](http://www.ocwen.com) and is available in print to any shareholder who requests it.

**Compensation Committee.** The Compensation Committee of our Board of Directors oversees our compensation and employee benefit plans and practices. Our Compensation Committee also evaluates and makes recommendations to our Board of Directors for human resource and compensation matters relating to our executive officers. The Compensation Committee reviews with the Chief Executive Officer and subsequently approves all executive compensation plans, any severance or termination arrangement and any equity compensation plans that are not subject to shareholder approval. The Compensation Committee also has the power to review our other compensation plans, including the goals and objectives thereof and to recommend changes to these plans to our Board of Directors. The Committee shared jurisdiction with our full Board of Directors over the administration of and grants under the 1991 Equity Incentive Plan and shares jurisdiction with our full Board of Directors over the administration of the 2007 Equity Incentive Plan. Our Compensation Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.ocwen.com](http://www.ocwen.com) and is available in print to any shareholder who requests it.

The Compensation Committee has the authority, at our expense, to retain independent counsel or other advisers as it deems necessary in connection with its responsibilities; however, the Compensation Committee did not engage an outside compensation consultant in 2007. Certain executives are involved in the design and implementation of our executive compensation programs, including the Chief Executive Officer and Senior Vice President of Human Resources, who are typically present at Compensation Committee meetings. These executives annually review the performance of each executive officer (other than the Chief Executive Officer whose performance is reviewed by the Compensation Committee) and present their conclusions and recommendations regarding incentive award amounts to the Compensation Committee for its consideration and approval. The Committee can exercise its discretion in accepting, rejecting and/or modifying any such executive compensation recommendations; however, executive compensation matters are generally delegated to the Chief Executive Officer and Senior Vice President of Human Resources for development and execution.

**Nomination/Governance Committee.** The Nomination/Governance Committee of our Board of Directors makes recommendations to our Board of Directors of individuals qualified to serve as directors and committee members for our Board of Directors; advises our Board of Directors with respect to Board of Directors composition, procedures and committees; develops and presents our Board of Directors with a set of corporate governance principles; and oversees the evaluation of our Board of Directors and our management. Each member of our Nomination/Governance Committee is independent as defined in the listing standards of the New York Stock Exchange. Our Nomination/Governance Committee operates under a written charter approved by our Board of Directors, a copy of which is available on our website at [www.ocwen.com](http://www.ocwen.com) and is available in print to any shareholder who requests it.

It is the policy of our Nomination/Governance Committee to consider candidates for Director recommended by you, our shareholders. In evaluating all nominees for director, our Nomination/Governance Committee takes into account the applicable requirements for directors under the Securities Exchange Act of 1934, as amended, and the listing standards of the New York Stock Exchange. In addition, our Nomination/Governance Committee takes into account our best interests, as well as such factors as knowledge, experience, skills, expertise, diversity and the interplay of the candidate's experience with the background of other members of our Board of Directors. The Nomination/Governance Committee regularly assesses the appropriate size of the Board of Directors and whether any vacancies on the Board of Directors are anticipated. Various potential candidates for director are then identified. Candidates may come to the attention of the Nomination/Governance Committee through current Board of Directors members, professional search firms, shareholders or industry sources. In evaluating the candidate, the Nomination/Governance Committee will consider factors other than the candidate's qualifications, including the current composition of the Board of Directors, the balance of management and independent directors, the need for

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Audit Committee expertise and the evaluations of other prospective nominees. In connection with this evaluation, the Nomination/Governance Committee determines whether to interview the prospective nominee, and if warranted, one or more members of the Nomination/Governance Committee, and others as appropriate, interview prospective nominees. After completing this evaluation and interview, the Nomination/Governance Committee makes a recommendation to the full Board of Directors as to the persons who should be nominated by the Board of Directors. The Board of Directors determines the nominees after considering the recommendation and report of the Nomination/Governance Committee. Should you recommend a candidate for Director, our Nomination/Governance Committee would evaluate such candidate in the same manner that it evaluates any other nominee. To date, no shareholder or group of shareholders owning more than 5% of our common stock has put forth any director nominees.

If you want to recommend persons for consideration by our Nomination/Governance Committee as nominees for election to our Board of Directors, you can do so by writing to our Secretary at Ocwen Financial Corporation, 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409. You should provide each proposed nominee's name, biographical data and qualifications. Your recommendation should also include a written statement from the proposed nominee consenting to be named as a nominee and, if nominated and elected, to serve as a Director. For consideration at the 2009 Annual Meeting, we must receive your recommendations by November 1, 2008.

### **Corporate Governance Guidelines**

The Corporate Governance Guidelines adopted by our Board of Directors provide guidelines for us and our Board of Directors to ensure effective corporate governance. The Corporate Governance Guidelines cover topics such as: Director qualification standards, Board of Directors and committee composition, Director responsibilities, Director access to management and independent advisors, Director compensation, Director orientation and continuing education, management succession and annual performance evaluation of the Board of Directors.

Our Nomination/Governance Committee reviews our Corporate Governance Guidelines at least once a year and, if necessary, recommends changes to the Guidelines to our Board of Directors. Our Corporate Governance Guidelines are available on our website at [www.ocwen.com](http://www.ocwen.com) and are available in print to any shareholder who requests them by writing to our Secretary at Ocwen Financial Corporation, 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409.

### **Executive Sessions of Non-Management Directors**

Non-management Directors met in executive session without management four times during 2007. A non-management Director presides on a rotational basis as determined by our Board of Directors at each executive session.

### **Communications with Directors**

If you desire to contact our Board of Directors or any individual Director regarding Ocwen, you may do so by mail addressed to our Secretary at Ocwen Financial Corporation, 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409. Communications received in writing are distributed to our Board of Directors or to individual Directors, as appropriate, depending on the facts and circumstances outlined in the communication received.

### **Code of Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to our Directors, officers and employees, as required by the New York Stock Exchange rules. Any waivers from the Code of Business Conduct and Ethics for Directors or executive officers must be approved by our Board of Directors or a Board committee and must be promptly disclosed to you. We have also adopted a Code of Ethics for Senior Financial Officers that applies to our Chief Executive Officer, our Chief Financial Officer and our Chief Accounting Officer. The Code of Business Conduct and Ethics and the Code of Ethics for Senior Financial Officers are available on our website at [www.ocwen.com](http://www.ocwen.com) and are available in print to any shareholder who requests a copy by writing to our Secretary at 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409. Any amendments to the Code of Business Conduct and Ethics or the Code of Ethics for Senior Financial Officers, as well as any waivers that are required to be disclosed under the rules of the Securities and Exchange Commission or the New York Stock Exchange, will be posted on our website.

**BOARD OF DIRECTORS COMPENSATION**

The following table discloses compensation received by each non-management member of our Board of Directors who served as a Director during 2007. Our management Directors do not receive an annual retainer or any other compensation for their service on the Board of Directors.

<b>Name</b>	<b>Fees Earned Or Paid in Cash</b>	<b>Stock Awards<sup>(1)(2)</sup></b>	<b>All Other Compensation</b>	<b>Total</b>
Martha C. Goss	\$ 38,750	\$ 30,000		\$ 68,750
Ronald J. Korn	\$ 46,250	\$ 30,000		\$ 76,250
William H. Lacy	\$ 36,250	\$ 30,000		\$ 66,250
W. Michael Linn	\$ 17,500	\$ 30,000		\$ 47,500
W. C. Martin	\$ 40,000	\$ 30,000		\$ 70,000
Barry N. Wish	\$ 42,500	\$ 30,000		\$ 72,500

(1) The number of shares issued pursuant to the Directors' Stock Plan is based on the fair market value of our common stock on the date of election (or re-election) of such Director to our Board of Directors. The term fair market value is defined in the Directors' Stock Plan to mean the average of the high and low prices of our common stock as reported on the New York Stock Exchange on the relevant date. Shares issued pursuant to the Directors' Stock Plan vest immediately but are subject to forfeiture during the 12 full calendar months following election or appointment to the Board of Directors or a committee thereof, if the Director does not attend an aggregate of at least 75% of all meetings of the Board of Directors and committees of which the Director is a member during such period.

(2) In March 2005, the Board of Directors adopted a Deferral Plan for Directors, pursuant to which Directors are permitted to defer receipt of all or a portion of their equity compensation granted under the Directors' Stock Plan. During 2007, Messrs. Lacy, Linn and Martin elected to defer their \$30,000 in equity compensation pursuant to the terms of the Deferral Plan for Directors.

**Cash Compensation**

We provide the following cash compensation to our non-management Directors:

- an annual retainer of \$35,000 paid in quarterly installments;
- an additional \$12,500 to the Audit Committee chairperson;
- an additional \$5,000 to all committee chairpersons (other than the Audit Committee chairperson); and
- an additional \$5,000 to all Audit Committee members.

**Equity Compensation**

We provide our non-management Directors an annual award of restricted shares of common stock with a fair market value of \$30,000 pursuant to our 1996 Stock Plan for Directors adopted by our Board of Directors and our shareholders in July 1996. Equity compensation is paid after the annual organizational meeting of the Board of Directors, which immediately follows the annual meeting of our shareholders.

**Directors Deferral Plan**

The purpose of Deferral Plan for Directors is to provide non-management Directors with the opportunity to defer the receipt of all or a portion of their equity compensation earned for their service as Directors. The plan is administered by the Compensation Committee, and all non-management Directors are eligible to participate. Before the end of each calendar year, the non-management Directors make an election to either receive the equity portion of their annual compensation in restricted stock or to obtain a credit to their deferral account for the number of share units equal to the number of shares of restricted stock granted to such Director. A Director will become vested in the share units and will receive dividend equivalents to the same extent as such Director would if the original award of restricted stock was not deferred.

Each Director electing deferral must specify the payment date at the time of election as (i) the six-month anniversary of the Director's termination date or (ii) any other date elected by the Director which is at least two years after the last day of the year of service for which the compensation was awarded. At least 30 days prior to payment of deferred compensation, a Director must elect to receive such payment in the form of either (i) cash in an amount equal to the fair market value of the number of whole and fractional share units credited to the deferral account, or (ii) whole shares of common stock equal to the number of whole share units credited to the deferral account with fractional share units to be paid in cash.

**Other Compensation Issues**

Any Director compensation may be prorated for a Director serving less than a full one-year term, as in the case of a Director joining the Board of Directors after an annual meeting of shareholders. Directors are reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board of Directors and its committees. Directors' compensation is subject to review and adjustment by the Board of Directors from time to time.

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### EXECUTIVE OFFICERS WHO ARE NOT DIRECTORS

The following table sets forth certain information with respect to each person who currently serves as one of our executive officers but does not serve on our Board of Directors. Our executive officers are elected annually by our Board of Directors and generally serve at the discretion of our Board of Directors. There are no arrangements or understandings between us and any person for election as our executive officer. None of our Directors and/or executive officers are related to any other Directors and/or executive officer of Ocwen or any of its subsidiaries by blood, marriage or adoption.

Name	Age <sup>(1)</sup>	Position
David J. Gunter	49	Senior Vice President, Chief Financial Officer and Treasurer
Paul A. Koches	54	Senior Vice President and General Counsel
Daniel C. O Keefe	41	Vice President and Chief Accounting Officer
William B. Shepro	39	President of Global Servicing Solutions LLC and Senior Vice President

<sup>(1)</sup> As of March 31, 2008

The principal occupation for the last five years, as well as certain other biographical information, for each of our executive officers that is not a Director is set forth below.

**David J. Gunter.** Mr. Gunter has served as Ocwen's Senior Vice President and Chief Financial Officer since May 2006 and additionally as Treasurer since May 2007. From 2002 until joining Ocwen, he held the position of Senior Vice President, Corporate Finance at Equifax Inc., where he was responsible for managing Securities and Exchange Commission reporting, Sarbanes-Oxley Section 404 implementation, planning, analysis, real estate and procurement. Mr. Gunter served as Chief Financial Officer for Cingular Wireless East Region from 2001 to 2002. Mr. Gunter holds a Bachelor of Science in Accounting from Concord University and a Masters of Professional Accountancy from West Virginia University.

**Paul A. Koches.** Mr. Koches has served as Senior Vice President and General Counsel of Ocwen since August 2002. Prior to joining Ocwen, Mr. Koches was a Partner with Arent Fox, LLP in Washington, D.C. Mr. Koches holds a Bachelor of Arts from the University of Connecticut and a Juris Doctorate from the University of Miami Law School.

**Daniel C. O Keefe.** Mr. O Keefe has served as Vice President and Chief Accounting Officer of Ocwen since November 2006. Prior to joining Ocwen, Mr. O Keefe held the position of Vice President, Business Management at RBS Lynk from February 2005 to October 2006. Mr. O Keefe worked for Beazer Homes USA, Inc. as Assistant Controller, External Reporting from November 2002 to February 2005. Mr. O Keefe holds a Bachelor of Business Administration in Accounting and a Masters of Professional Accountancy from Georgia State University. Mr. O Keefe has resigned as Vice President and Chief Accounting Officer effective as of April 4, 2008.

**William B. Shepro.** Mr. Shepro has served as President of Global Servicing Solutions, LLC, a joint venture between Ocwen Financial Corporation and Merrill Lynch, since 2003. In addition, since January 2008, Mr. Shepro has served as Senior Vice President of Ocwen Solutions which includes Ocwen Recovery Group, the fee-based businesses that are part of the Residential Origination Services segment, the technology platforms and Ocwen's interest in Bankruptcy Management Solutions. Prior to becoming Senior Vice President of Ocwen Solutions, Mr. Shepro held the positions of Senior Vice President of Ocwen Recovery Group and Senior Vice President, Director and Senior Manager of Commercial Servicing. He holds a Bachelor of Science in Business from Skidmore College and a Juris Doctorate from the Florida State University College of Law.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND RELATED SHAREHOLDER MATTERS**

**Beneficial Ownership of Common Stock**

The following table sets forth certain information regarding the beneficial ownership of our common stock as of the record date by:

- each Director and executive officer of Ocwen;
- all Directors and executive officers of Ocwen as a group; and
- all persons known by Ocwen to own beneficially 5% or more of our outstanding common stock or to have a Schedule 13D or Schedule 13G on file with the Securities and Exchange Commission.

The table is based upon information supplied to us by Directors, executive officers and principal shareholders and filings under the Securities Exchange Act of 1934, as amended.

**Shares Beneficially Owned as of March 10, 2008 <sup>(1)</sup>**

Name of Beneficial Owner:	Amount	Percent
Altus Capital, Inc. <sup>(2)</sup> 6120 Parkland Blvd, Suite 303, Mayfield Heights, Ohio 44124	6,551,711	10.48%
Angelo, Gordon & Co, L.P. <sup>(3)</sup> 245 Park Avenue, New York, New York 10167	2,150,000	3.44%
Dimensional Fund Advisors LP <sup>(4)</sup> 1299 Ocean Avenue, 11th Floor, Santa Monica, CA 90401	3,121,891	4.99%
Greenwood Investments, Inc. <sup>(5)</sup> 420 Boylston Street, 5 <sup>th</sup> Floor, Boston, MA 02116	3,454,800	5.5%
Perry Corp. <sup>(6)</sup> 767 Fifth Avenue, New York, New York 10153	3,613,888	5.74%
<b>Directors and Executive Officers:</b>	<b>Amount</b>	<b>Percent</b>
William C. Erbey <sup>(7)</sup>	19,389,792	30.6%
Ronald M. Faris <sup>(8)</sup>	936,316	1.5%
Martha C. Goss	6,601	*
Ronald J. Korn	7,237	*
William H. Lacy	12,579	*
W. Michael Linn <sup>(9)</sup>	342,540	*
W. C. Martin <sup>(10)</sup>	20,603	*
Barry N. Wish <sup>(11)</sup>	6,061,237	9.7%
David J. Gunter <sup>(12)</sup>	8,674	*
Paul A. Koches	2,105	*
Daniel C. O'Keefe <sup>(13)</sup>	2,636	*
William B. Shepro <sup>(14)</sup>	299,203	*
All Directors and Executive Officers as a Group (12 persons)	27,089,523	41.94%

\* Less than 1%

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- (1) For purposes of this table, an individual is considered the beneficial owner of shares of common stock if he or she directly or indirectly has or shares voting power or investment power, as defined in the rules promulgated under the Securities Exchange Act of 1934, as amended. Unless otherwise indicated, an individual has sole voting power and sole investment power with respect to the indicated shares. No shares have been pledged as security by the named executive officers, directors or director nominees.
- (2) Based on information contained in a Schedule 13G/A filed with the Securities and Exchange Commission on February 6, 2008 by Altus Capital, Inc. Includes 3,690,763 shares as to which sole voting power and sole dispositive power is claimed. Includes 2,860,948 shares as to which shared voting power and shared dispositive power is claimed.
- (3) Based on information contained in a Schedule 13D filed with the Securities and Exchange Commission on January 24, 2008 by Angelo, Gordon & Co., L.P. Angelo, Gordon & Co. may be deemed to have sole voting and sole dispositive power over all 2,150,000 shares. John M. Angelo and Michael L. Gordon also may be deemed to have shared voting and shared dispositive power over all 2,150,000 shares.
- (4) Based on information contained in a Schedule 13G filed with the Securities and Exchange Commission on February 6, 2008 by Dimensional Fund Advisors LP, an investment advisor registered under Section 203 of the Investment Advisors Act of 1940. Includes 3,121,891 shares as to which sole voting power and sole dispositive power is claimed.
- (5) Based on information contained in a Schedule 13D filed with the Securities and Exchange Commission on February 15, 2008, by (1) Steven Tannenbaum, (2) Greenwood Investments, Inc. ( Greenwood ), (3) Greenwood Investors Limited Partnership ( Investors ), (4) Greenwood Capital Limited Partnership ( Capital ), (5) Madaket Limited Partnership ( Madaket ), (6) Seth W. Hamot, (7) Costa Brava Partnership III L.P. ( Costa Brava ) and (8) Roark, Rearden and Hamot, LLC ( RRH ), a Delaware limited liability company. Mr. Tannenbaum is the President of Greenwood, which is the sole general partner of each of Capital, Investors and Madaket. Mr. Hamot is the Managing Member of RRH, which is the sole general partner of Costa Brava. Includes 3,438,300 shares as to which sole voting power is claimed and 3,454,800 as to which sole dispositive power is claimed.
- (6) Based on information contained in a Schedule 13G/A filed with the Securities and Exchange Commission on February 8, 2008, by Perry Corp., an investment advisor registered under Section 203 of the Investment Advisors Act of 1940. Includes 3,613,888 shares as to which sole voting power and sole dispositive power is claimed.
- (7) Includes 13,319,823 shares held by FF Plaza Partners, a Delaware partnership of which the partners are William C. Erbey, his spouse, E. Elaine Erbey and Delaware Permanent Corporation, a corporation wholly-owned by William C. Erbey. Mr. and Mrs. William C. Erbey share voting and dispositive power with respect to the shares owned by FF Plaza Partners. Also includes 5,409,704 shares held by Erbey Holding Corporation, a corporation wholly-owned by William C. Erbey and options to acquire 657,380 shares, which are exercisable on or within 60 days after March 31, 2008.
- (8) Includes 16,260 shares held jointly with Mr. Faris spouse. Also includes options to acquire 760,588 shares, which are exercisable on or within 60 days after March 31, 2008.
- (9) Includes 6,000 shares held by William M. Linn, II Et Al Trust, of which Mr. Linn is the custodian for his minor children and 18,000 shares held by Brown s Valley Development, a company owned by Mr. Linn. Also includes options to acquire 284,842 shares, which are exercisable on or within 60 days after March 31, 2008.
- (10) Includes 5,110 shares held by Martin & Associates Defined Contribution Pension Plan & Trust.
- (11) Includes 5,814,242 shares held by Wishco, Inc., a corporation controlled by Barry N. Wish pursuant to his ownership of 93% of the common stock thereof and 37,000 shares held by the Barry Wish Family Foundation, Inc., a charitable foundation of which Mr. Wish is a director.
- (12) Includes options to acquire 6,744 shares, which are exercisable on or within 60 days after March 31, 2008.
- (13) Includes options to acquire 2,050 shares, which are exercisable on or within 60 days after March 31, 2008.
- (14) Includes options to acquire 228,149 shares, which are exercisable on or within 60 days after March 31, 2008.



**Equity Compensation Plan Information**

The following table sets forth information as of the end of the most recently completed fiscal year with respect to compensation plans under which our equity securities are authorized for issuance. The information is split between all compensation plans previously approved by security holders and all compensation plans not previously approved by security holders.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance</b>
Equity compensation plans approved by security holders	3,230,526	\$ 9.50	18,086,256
Equity compensation plans not approved by security holders			
<b>Total</b>	3,230,526	\$ 9.50	18,086,256

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers, Directors and persons who own more than 10% of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Executive officers, Directors and greater than 10% shareholders are required by Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely upon review of the copies of such reports furnished to us and written representations that no other reports were required, we believe that all of our executive officers, Directors and 10% shareholders complied with all of the filing requirements applicable to them with respect to their reporting obligations under Section 16(a).