



Changing the Way We Service Loans

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Advances in Cost of Data Storage

Cost of storing one megabit of data:

1970	\$23,331.00
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2000	\$0.17
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1970 cost number adjusted for inflation

Advances in Cost of Data Storage

1970 Adjusted Cost Comparison:

Cost of Storing 12 Terabytes of Data \$280 Billion

Cost of data storage adjusted for inflation

Changing the Way We Service Loans




- Reduction of costs
- Improved capital efficiency/better securitization execution
- Cross-sell opportunities

Ocwen's Perspective

- Highly rated residential and commercial servicer
- Experienced rapid growth
- Reasons for building a state-of-the-art servicing platform
- Ocwen's solution

Ocwen's Perspective

Highly Rated Residential & Commercial Servicer

Rating Agency	Residential Only	Residential and Commercial
Rating Agency	Approved Subprime Servicer	Approved Special Servicer
 (1)	✓	✓
 Moody's Investors Service	✓	✓
 (2)	✓	✓



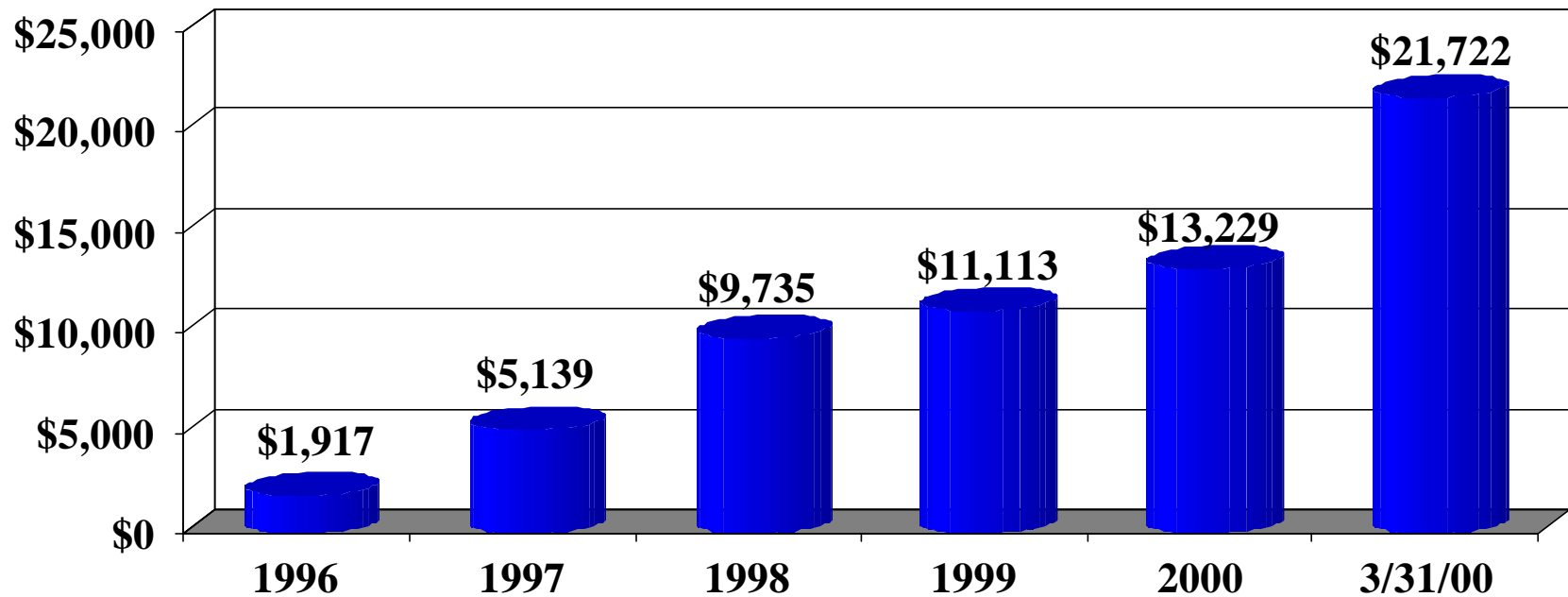
First Special Servicer for Residential MBS

- (1) Moody's does not rate mortgage servicers; however, Ocwen is recognized by Moody's as a highly qualified Subprime and Special Servicer.
- (2) Duff & Phelps also rated Ocwen an Approved Subprime Servicer and Special Servicer prior to its merger with Fitch IBCA.

Ocwen's Perspective

Ocwen's Rapid Growth Loans Serviced for Third Parties

(UPB \$ in millions)



Ocwen's Perspective

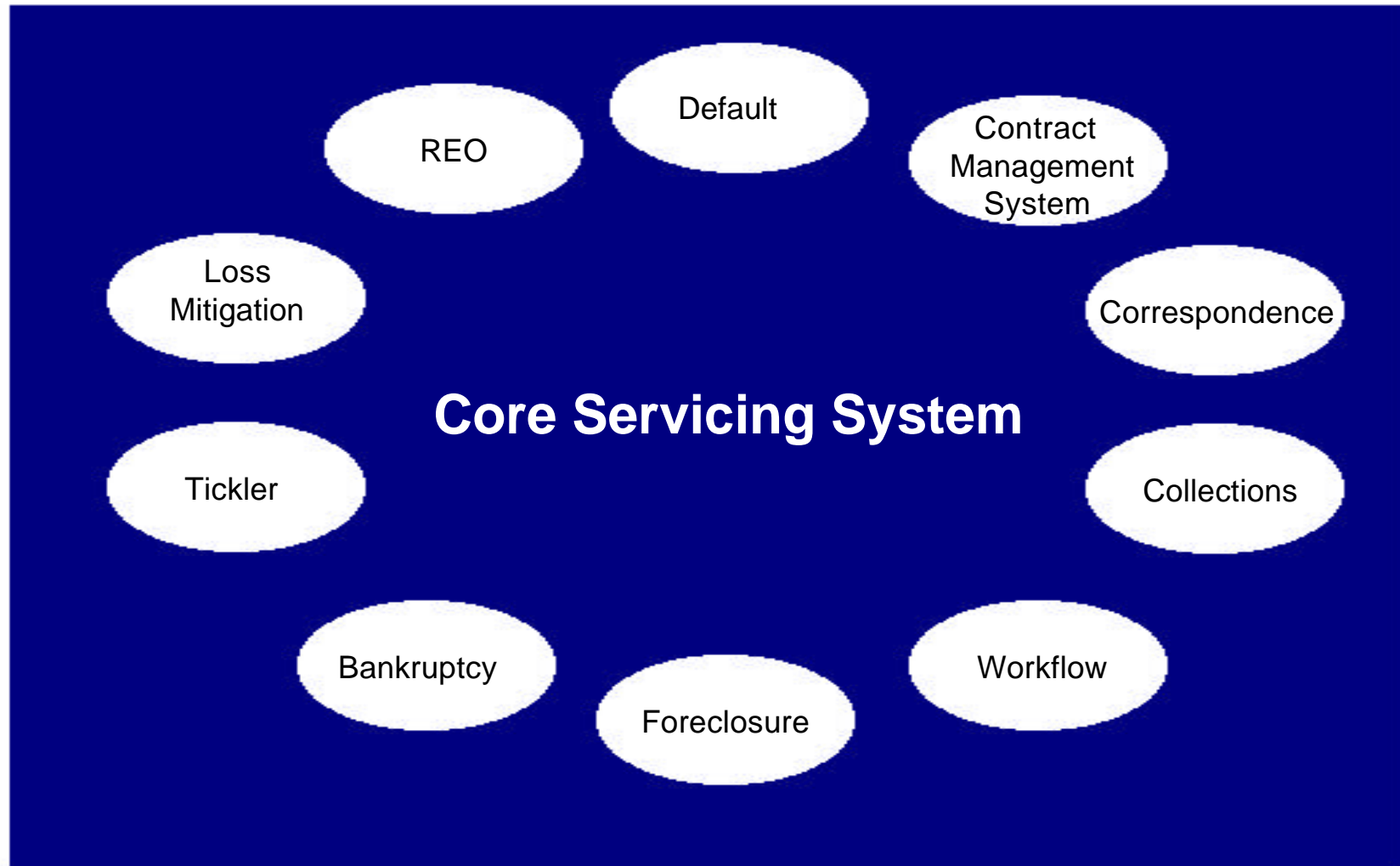
- Ocwen's reason for building a state-of-the-art servicing platform was that existing systems:
 - Lacked functionality
 - Lacked adequate data
 - Generated higher servicing cost
 - Delivered lower effectiveness in resolving nonperforming and subperforming loans

Ocwen's Perspective

- Ocwen's Initial Servicing Platform
 - Core functionality provided by a commercial servicing system
 - Default/REO Management functionality provided by a series of custom developed modules

Ocwen's Perspective

Ocwen's Initial Servicing Platform

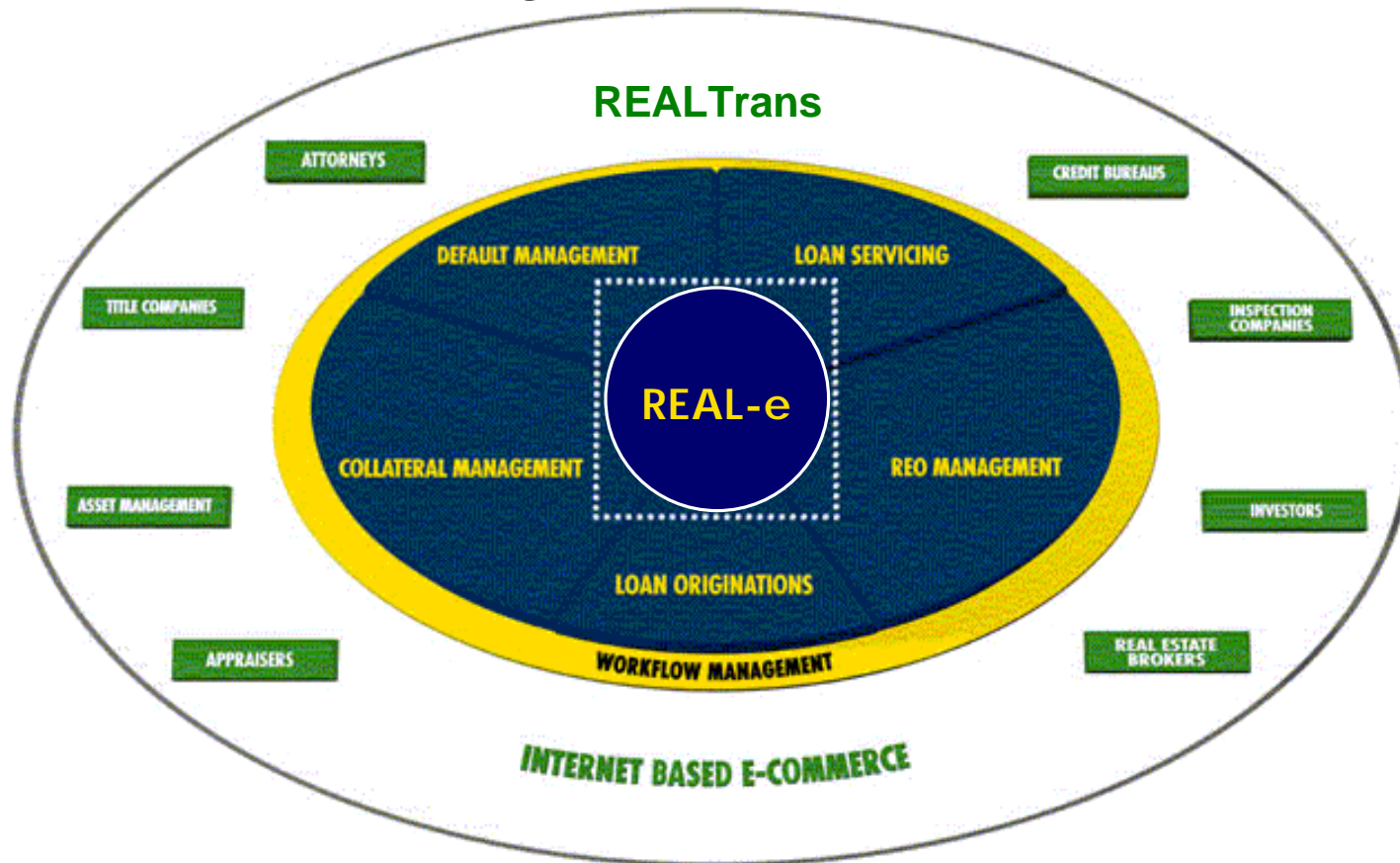


Ocwen's Perspective

- Ocwen's Next Generation Solution incorporates the following functionality:
 - Loan Servicing
 - Loss Mitigation
 - REO Management
 - Rules based workflow
 - Bi-directional, electronic interfaces
 - Expansive data capability
 - Real-time data availability (24 X 7 access)

Ocwen's Perspective

- REAL-e Servicing Platform



Ocwen's Perspective

Blue Sky Committee

- Blue Sky's purpose is to describe a concept which would meet current and future servicing needs for mortgage companies.
- Ocwen's findings and concept closely mirror those of the Blue Sky recommendations.

Ocwen's Perspective

Blue Sky

Generic Functionality challenges include:

- System speed and real time processing, 24 x 7
- Event and table-driven workflow
- On-line task queuing
- Third party interfaces
- Imaging
- Exception management
- Internet enablement

Ocwen's Perspective

Blue Sky

Process challenges include:

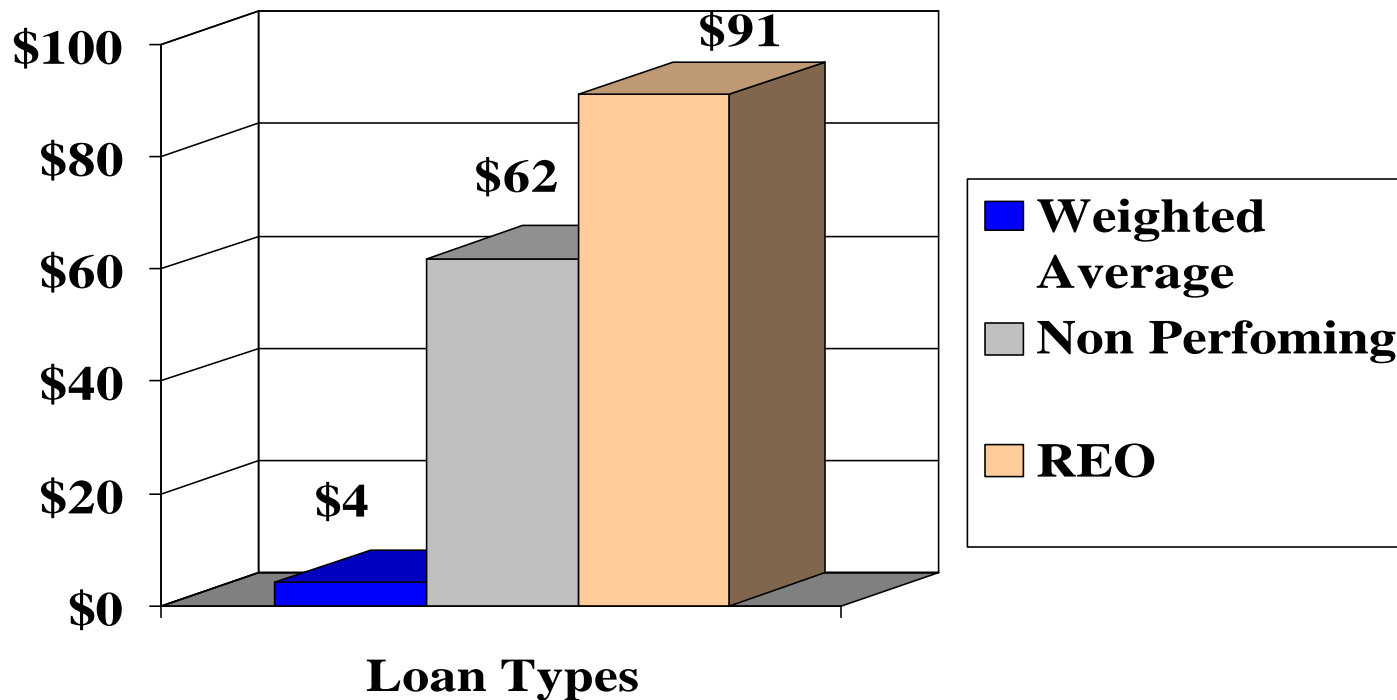
- Collection/Call Center
- Workout
- Foreclosure
- Bankruptcy
- Claims/Claim Audit
- REO/Credit Loss Analysis

Changing the Way We Service Loans

- Reduction of costs
- Improved capital efficiency/better securitization execution
- Cross-sell opportunities

Reduction of Costs

Monthly Cost of Servicing Performing Loans, Non Performing Loans and REOs



Reduction of Costs

Reduction of Personnel Costs

- Personnel can effectively manage more loans
 - Exception management
 - Table-driven workflow

Reduction of Costs

Reduction of Personnel Costs

- Windows based -- reduced training time
- Web enablement reduces customer service and investor reporting FTE
- Automated loan boarding

Reduction of Costs

Reduction of Costs through Workflow

- System delivers real, enterprise-wide workflow
 - REAL-e workflow is automatic/auto-populates
 - REAL-e workflow is multi-tiered and passes from function to function

Reduction of Costs

Reduction of System Costs

- Table-driven architecture -- not hard coded
 - Facilitates easy changes to data fields without programmer involvement
 - Amount of available data can be increased as needs change

Improved Capital Efficiency

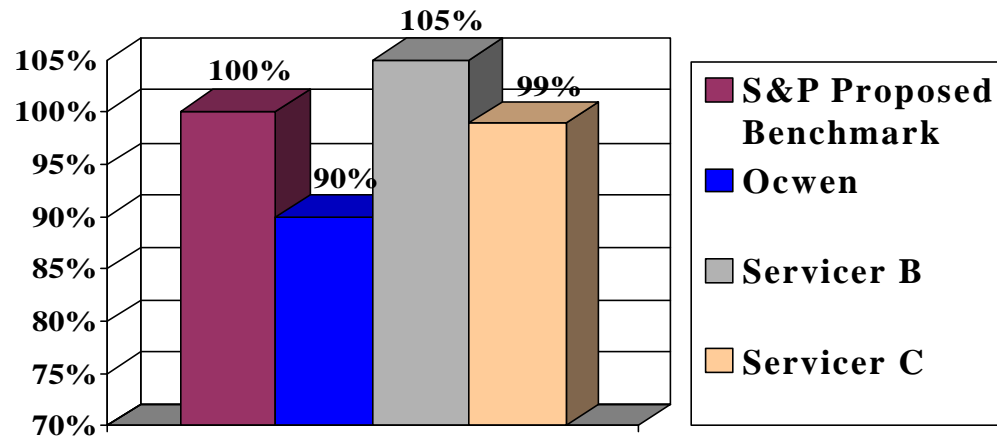
Improved Securitization Execution

- Blue sky functionality reduces severity
- Workflow reduces timelines
- Expansive data improves collections

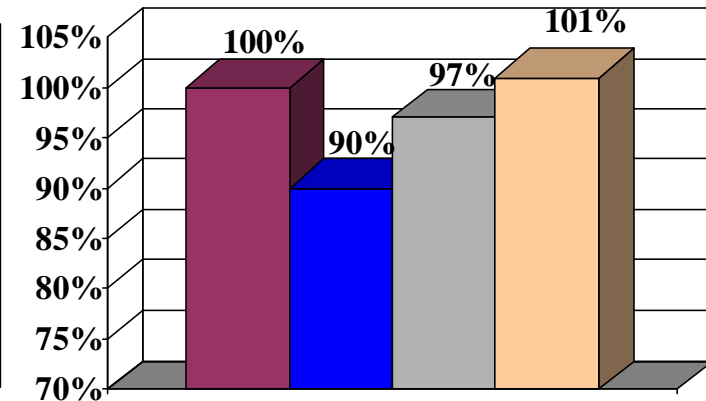
Improved Capital Efficiency

Foreclosure Timeline and Cost Comparison \$300,000 California Prime Loan

Number of Days



Third Party Costs

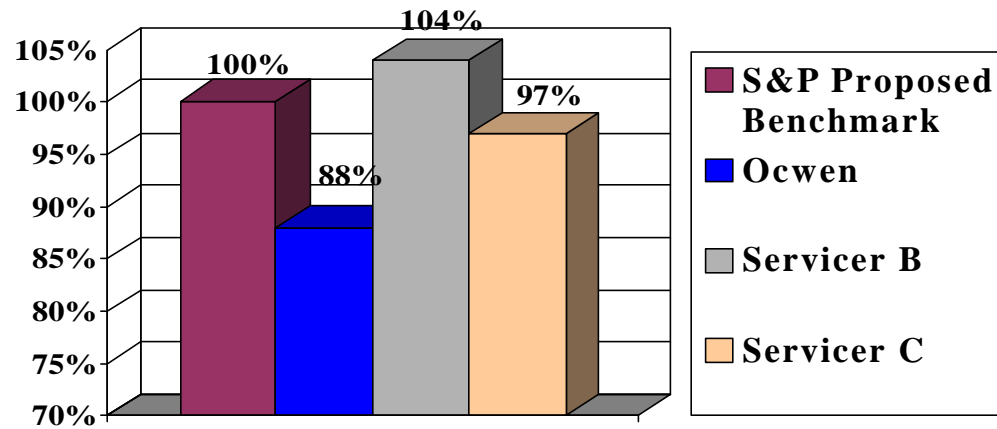


Source: Standards & Poor's Loss Severity Model, January 2001

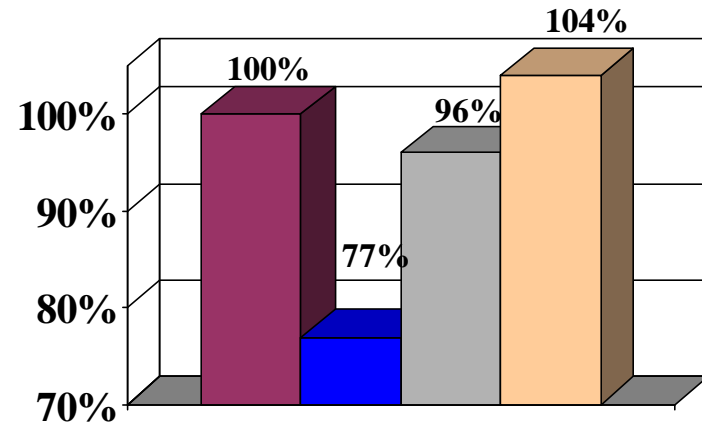
Improved Capital Efficiency

Foreclosure Timeline and Cost Comparison \$95,000 California Subprime Loan

Number of Days



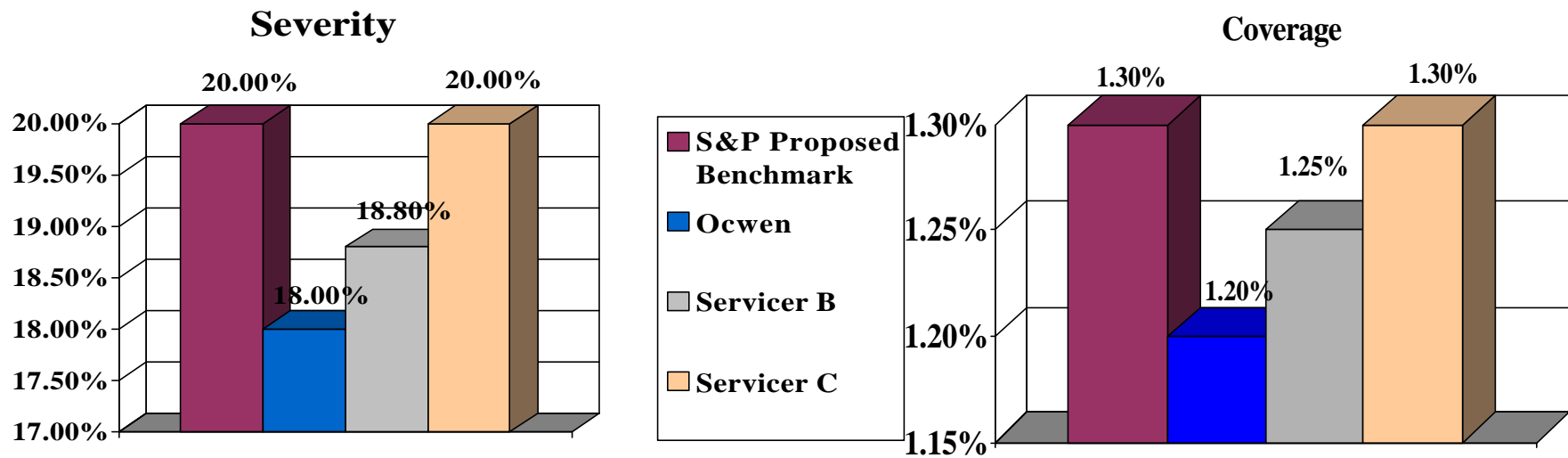
Third Party Costs



Source: Standards & Poor's Loss Severity Model, January 2001

Improved Capital Efficiency

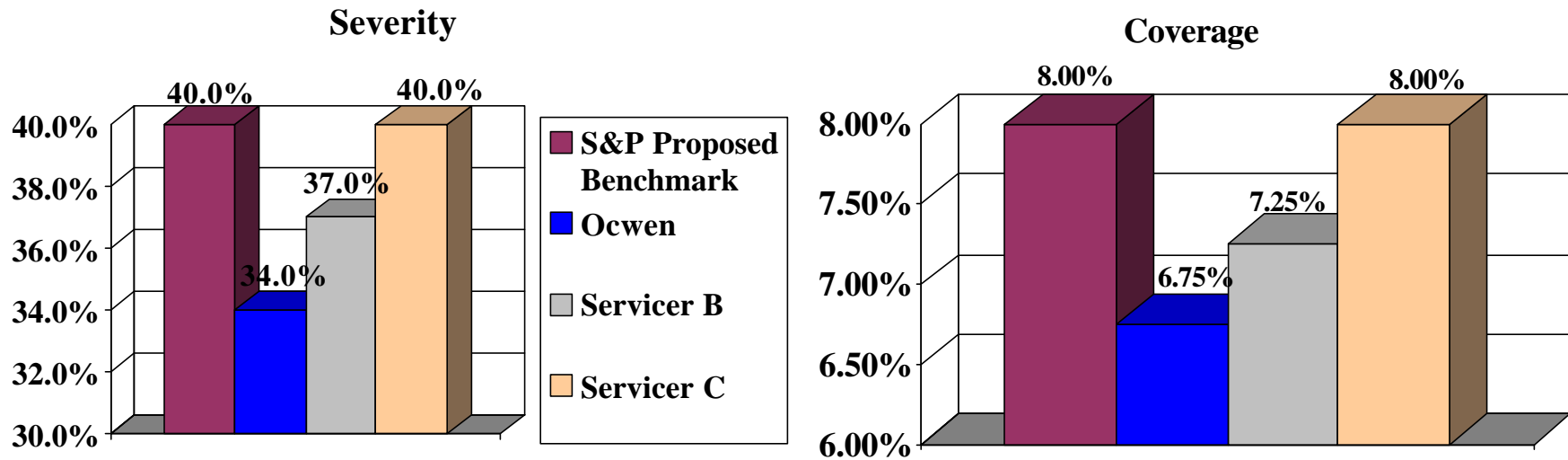
Loss Coverage at BBB Prime Pool



Source: Standards & Poor's Loss Severity Model, January 2001

Improved Capital Efficiency

Loss Coverage at BBB Subprime Pool



Source: Standards & Poor's Loss Severity Model, January 2001

Enhanced Cross-sell Opportunities

Data Management

- Real-e provides 7500 loan level data fields
- Expandable/Customizable data capability

Enhanced Cross-sell Opportunities

Advanced Telephony

- Call scripting
- Call recording
- Data mining
- Right time calling

Enhanced Cross-sell Opportunities

Cross-sell opportunities

- Refinance
- HELOC
- Credit cards
- Insurance
 - Homeowners
 - Auto
 - Life
 - Credit
 - Health
 - Liability
- Deposit accounts
- Others

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