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FOR IMMEDIATE RELEASE

Morningstar Credit Ratings, LLC Removes Ocwen Financial Corporation from Alert and Lowers Operational Risk Assessment Rankings

NEW YORK, Feb. 6, 2015—Morningstar Credit Ratings, LLC today removed Ocwen Financial Corporation (OFC) from Alert and lowered its four operational risk assessment rankings as a result of continuing regulatory scrutiny and allegations of improper servicing practices. Morningstar lowered its residential non-prime servicer, residential prime servicer, and residential special servicer rankings for Ocwen Loan Servicing, LLC to 'MOR RS3' from 'MOR RS2' and lowered its residential vendor ranking for Ocwen Financial Solutions Pvt. Ltd. to 'MOR RV3' from 'MOR RV2.'

Morningstar placed these rankings on Alert in December 2014 following an announcement that OFC reached a $150 million settlement with the New York State Department of Financial Services (NYDFS) related to deficient mortgage servicing practices and corporate governance issues. As part of the settlement, OFC Executive Chairman William C. Erbey agreed to step down effective Jan. 16, 2015.

In October 2014, the California Department of Business Oversight (DBO) accused OFC of ignoring repeated requests for information under the state's 2012 Homeowner Bill of Rights and threatened to suspend OFC's business license in California. On Jan. 23, 2015, OFC agreed to pay the DBO $2.5 million to settle these claims. As part of the settlement, OFC is subject to compliance review by a third-party auditor, which will assess OFC's loan servicing procedures, processes, and staffing and report its findings to the DBO. OFC must develop an action plan to address any deficiencies noted in the report. In addition to covering the cost of recent settlements with the NYDFS and DBO as well as legacy settlements with the national Consumer Financial Protection Bureau, OFC will incur significant expenses for enhancing its internal compliance mechanisms for human resources and technology and compensating the third-party auditors mandated by the aforementioned settlements. OFC is also prohibited from acquiring additional mortgage servicing rights for loans in California without prior regulatory approval, a provision similar to the terms of OFC's settlement with the NYDFS.

On Jan. 23, 2015, news outlets reported that OFC allegedly failed to comply with various mortgage-backed securitization agreements with affiliate Home Loan Servicing Solutions, Ltd. (HLSS), constituting an alleged event of default. OFC is a subservicer on HLSS servicer advance securitizations and a servicer on 119 HLSS private-label mortgage-backed securitizations. In this scenario, HLSS would face substantial liquidity pressure as the primary advance-funding source for OFC, and OFC could be terminated as a servicer.

The forecast for all four rankings is Negative. Morningstar believes continuing regulatory scrutiny, litigation by mortgage bond investors, the increasing cost and associated liquidity pressures of servicing loans amid several regulatory settlements, and management and staff departures could have further negative consequences for OFC's residential mortgage servicing business. Morningstar will continue to monitor developments as they occur.

As of June 30, 2014, OFC serviced a portfolio of approximately 972,331 non-prime residential mortgage loans with an aggregate unpaid principal balance (UPB) of approximately $167 billion. Its residential mortgage special servicing portfolio consisted of 4,613 loans with an aggregate UPB of approximately $1.1 billion, and its prime residential mortgage servicing portfolio consisted of nearly 1.1 million loans with an aggregate UPB of approximately $191 billion.

To access Morningstar's operational risk assessment methodology and all published reports, please visit https://ratingagency.morningstar.com.

About Morningstar Credit Ratings, LLC and Morningstar, Inc.

Morningstar Credit Ratings, LLC is a Nationally Recognized Statistical Rating Organization (NRSRO) that specializes in structured credit research and ratings and offers a wide array of services including new-issue ratings and analysis, operational risk assessments, surveillance services, data, and technology solutions.

Morningstar Credit Ratings' rankings, forecasts, and assessments contained in this press release are evaluations and opinions of noncredit related risks, and therefore, are not credit ratings within the meaning of Section 3 of the Securities Exchange Act of 1934 ("Exchange Act") or credit ratings subject to the

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