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**FOR IMMEDIATE RELEASE****Morningstar Credit Ratings Places Operational Risk Assessment Rankings for Ocwen on Alert**

NEW YORK, JAN. 16, 2014--Morningstar Credit Ratings, LLC (Morningstar) today placed three operational risk assessment rankings for Ocwen on Alert, including the "MOR RS1" Residential Non-Prime and Residential Special Servicer rankings for Ocwen Loan Servicing LLC and the "MOR RV1" Residential Vendor ranking for Ocwen Financial Solutions Pvt. Ltd. (Ocwen India).. Morningstar is placing these rankings on Alert as a result of the recent announcement by the Consumer Financial Protection Bureau (CFPB) that Ocwen and its parent corporation, Ocwen Financial Corporation (OFC), have entered into a \$2.1 billion proposed settlement arising from alleged improper servicing practices involving Ocwen and predecessor mortgage servicing businesses it acquired, including Litton Loan Servicing, LP (Litton) and Homeward Residential, Inc. (Homeward), formerly American Home Mortgage Servicing, Inc..

The announced settlement derives from examinations conducted by the Multistate Mortgage Committee and the Federal Trade Commission prior to and during 2012. The resulting settlement is a joint collaboration between the CFPB, state attorneys general, and state regulators. Under the terms of the proposed settlement, OFC and Ocwen would be required to provide \$2 billion in relief to borrowers in the form of principal reduction loan modifications to "underwater" borrowers over a three-year period. In addition, they would be required to provide \$125 million in refunds to an estimated 185,000 borrowers who lost their homes to foreclosure and whose home loans were serviced by Ocwen, Litton, or Homeward between January 1, 2009 and December 31, 2012. Ocwen informed Morningstar that the \$125 million in refunds will be jointly paid by OFC, Litton, and Homeward. Lastly, in addition to the new consumer mortgage servicing rules that were effective January 10, 2014, Ocwen would be subject to the servicing standards established under the 2012 National Mortgage Settlement and other consumer protections set forth in the consent order, including requirements on how it manages transferred loans.

As part of Morningstar's annual operational risk assessment of servicers, it collects servicer performance data at least twice annually and conducts on-site meetings with loan servicing management and staff. A review of Ocwen's June 30, 2013 performance data indicates continuing satisfactory performance over a wide range of performance metrics. Similarly, Morningstar's proprietary servicer score analysis conducted on Ocwen during the third quarter of 2013 revealed better than average performance in key performance metrics. Accordingly, Morningstar is placing the company's rankings on Alert and plans to analyze Ocwen's year-end 2013 performance data when it becomes available during the first quarter of 2014. Additionally, Morningstar will be reviewing Ocwen's audit and quality control reports conducted during the latter half of 2013. Morningstar will also conduct an independent analysis of Ocwen's performance versus peers in key performance categories by determining Ocwen's updated servicer score. Morningstar expects to update and publish its servicer rankings for Ocwen and Ocwen India by the close of first quarter 2014.

As of June 30, 2013, Ocwen serviced a portfolio of approximately 768,439 non-prime loans with an aggregate unpaid principal balance of \$115 billion and a portfolio of special servicing assets consisting of 271,118 loans with an aggregate unpaid principal balance of \$58 billion. Ocwen is headquartered in Atlanta, Georgia, with loan servicing locations in FL, TX, IA, and PA, as well as international locations in India and Uruguay.

To access Morningstar's operational risk assessment methodology and all published reports, please visit <https://ratingagency.morningstar.com>. For more information regarding Morningstar's proprietary servicer score, please see its May 2012 Research Alert, "Servicer Performance Scoring: Using Cash Flow to Measure Servicer Success" under the "Operational Risk" tab in the "Research Reports" section of its website.

#### **About Morningstar Credit Ratings, LLC and Morningstar, Inc.**

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Morningstar Credit Ratings' rankings, forecasts, and assessments contained in this press release are evaluations and opinions of non-credit 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

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