

**FLAGSTAR BANCORP, INC.**  
**RISK COMMITTEE OF THE BOARD OF DIRECTORS**  
**CHARTER**

**January 18, 2017**

**Purpose**

The purpose of the Risk Committee (the “Committee”) is to assist the Board in (a) discharging its oversight duties with respect to: (1) the risks inherent in the business of Flagstar Bancorp, Inc. (the “Company”), and its subsidiaries (collectively, “Flagstar”) in the following risk categories: strategic, reputational, credit, interest rate, liquidity, price, operational and compliance risks; and (2) the process by which risk based capital requirements are determined, including the Company’s internal capital adequacy assessment process; and (b) promoting a culture that encourages ethical conduct and compliance with applicable rules and standards.

**Committee Membership**

The Committee shall consist of at least four directors, three of which are non-executive members. The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

Unless a Chairman is elected by the Board, the members of the Committee shall designate a Chairman by majority vote of the full Committee membership. The Chairman will chair all regular sessions of the Committee and set the agenda for Committee meetings and will provide periodic reports to the full Board.

**Meetings**

The Committee shall meet in person or by telephone conference, video conference or other means of communications permitted under applicable laws as often as it determines is appropriate, but not less frequently than quarterly. Additional meetings may be held, or actions may be taken by unanimous written consent, as deemed necessary or appropriate by the Committee Chairman or by any other member of the Committee. Minutes of each meeting shall be prepared by the Board Secretary or such other person designated by the Committee Chairman as Acting Secretary of the Committee and, when approved, shall be available to all Board members.

**Resources**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. In particular, the Committee shall have direct and unrestricted access to the Company’s management and non-management personnel and all corporate records; it shall have authority to select, retain and terminate the engagement of any consultant in connection with the performance of its duties and to approve the terms of the engagement, including the fees paid to the consultant; and it shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

## **Delegation of Authority**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee. In addition, the Committee may, in its discretion and subject to the requirements of applicable law, authorize one or more officers of the Company, including but not limited to the CEO and the Chief Risk Officer of the Company, to take certain actions on its behalf.

## **Duties and Responsibilities**

The Committee's responsibility is one of oversight. The responsibility for regulatory compliance and for management of other risks in Flagstar's businesses rests with management. In fulfilling their responsibilities hereunder, it is recognized that members of the Committee understand the enterprise-wide risk management policies and framework, and have a general understanding of the risk management practices of the Bank holding company. Each member of the Committee shall be entitled to rely in good faith on (1) the integrity of those persons and organizations within and outside Flagstar from which he or she receives information, and (2) the accuracy of the information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

The Committee shall perform the following oversight functions for the Company and such duties and responsibilities as are delegated to it by the Board:

- 1) Approve and oversee the operation of, on an enterprise-wide basis, an appropriate risk management framework commensurate with the company's capital structure, risk appetite, risk profile, complexity, activities, size and other appropriate risk-related factors.
- 2) Approve the appointment of the Chief Risk Officer, provide feedback on the Chief Risk Officer's performance, and if necessary, approve the removal of the Chief Risk Officer.
- 3) Ensure that the Chief Risk Officer reports to both the Committee and the Chief Executive Officer of the Company.
- 4) At least annually, review and approve the charters of the Asset/Liability Management Committee ("ALCO"), and that of the Enterprise Risk Management Committee ("ERMC").
- 5) Review and approve the Company's Compliance Risk Assessment, other significant risk assessments and risk management policies. In addition, the Committee retains the ability to authorize management to develop and implement any additional policies relating to risk assessment and risk management.
- 6) Receive information from the Chief Risk Officer regarding the activities of any Risk Management Committees and discuss matters related to the Company's aggregate risk profile, as appropriate.
- 7) Review any significant issues raised by regulatory agencies relating to risk management activities and management's response to issues identified in regulatory examination reports, supervisory letters or other supervisory or administrative agreements or actions.
- 8) Perform other activities related to this Charter as requested by the Board of Directors.
- 9) Review and assess the adequacy of the Committee Charter, at least annually, requesting Board approval for proposed changes, and ensuring appropriate disclosure as may be required by law or regulation.
- 10) Annually review the Committee's own performance.

- 11) Review and affirm Management's recommendations for credit approvals in accordance with the Bank's lending and credit policies.

The Board of Directors readily acknowledges that information and reports with respect to risk assessments and risk management reviewed by the Committee and the Audit Committee may each be of interest to the other and authorizes that such information be provided to the other as such.