January 24, 2013

Earnings Presentation
Fourth Quarter 2012

Flagstar Bancorp

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements, by their nature, involve estimates, projections, goals, forecasts, assumptions, risks and uncertainties that could cause actual results or outcomes to differ materially from those expressed in a forward-looking statement. Examples of forward-looking statements include statements regarding our expectations, beliefs, plans, goals, objectives and future financial or other performance. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and variations of such words and similar expressions are intended to identify such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Except to fulfill our obligations under the U.S. securities laws, we undertake no obligation to update any such statement to reflect events or circumstances after the date on which it is made.

There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include:

(1) Volatile interest rates that impact, amongst other things, (i) the mortgage banking business, (ii) our ability to originate loans and sell assets at a profit, (iii) prepayment speeds and (iv) our cost of funds, could adversely affect earnings, growth opportunities and our ability to pay dividends to stockholders;
(2) Competitive factors for loans could negatively impact gain on loan sale margins;
(3) Competition from banking and non-banking companies for deposits and loans can affect our growth opportunities, earnings, gain on sale margins, market share and ability to transform business model;
(4) Changes in the regulation of financial services companies and government-sponsored housing enterprises, and in particular, declines in the liquidity of the residential mortgage loan secondary market, could adversely affect our business;
(5) Changes in regulatory capital requirements or an inability to achieve or maintain desired capital ratios could adversely affect our growth and earnings opportunities and our ability to originate certain types of loans, as well as our ability to sell certain types of assets for fair market value or to transform our business model;
(6) General business and economic conditions, including unemployment rates, movements in interest rates, the slope of the yield curve, any increase in mortgage fraud and other related criminal activity and the further decline of asset values in certain geographic markets, may significantly affect our business activities, loan losses, reserves, earnings and business prospects;
(7) Factors concerning the implementation of proposed refinements and transformation of our business model could result in slower implementation times than we anticipate and negate any competitive advantage that we may enjoy;
(8) Actions of mortgage loan purchasers, guarantors and insurers regarding repurchases and indemnity demands and uncertainty related to foreclosure procedures could adversely affect our business activities and earnings;
(9) The Dodd-Frank Wall Street Reform and Consumer Protection Act has resulted in the elimination of the Office of Thrift Supervision (the “OTS”), tightening of capital standards, and the creation of a new Consumer Financial Protection Bureau ("CFPB") and has resulted, or will result, in new laws, regulations and regulatory supervisors that are expected to increase our costs of operations. In addition, the change to the Board of Governors of the Federal Reserve System (the “Federal Reserve”) as our primary federal regulator and to the Office of the Comptroller of the Currency ("OCC") as Flagstar Bank, FSB’s primary federal regulator may result in interpretations affecting our operations different than those of the Office of Thrift Supervision ("OTS");
(10) Both the volume and the nature of consumer actions and other forms of litigation against financial institutions have increased and to the extent that such actions are brought against us or threatened, the cost of defending such suits as well as potential exposure could increase our costs of operations;
(11) Our compliance with the terms and conditions of the agreement with the U.S. Department of Justice, the impact of performance and enforcement of commitments under, and provisions contained in the agreement, and our accuracy and ability to estimate the financial impact of that agreement, including the fair value of the future payments required, could accelerate our litigation settlement expenses relating thereto;
(12) Our compliance with the terms and conditions of the Supervisory Agreement with the Federal Reserve and the Consent Order with the OCC;
(13) The sale of a substantial portion of our commercial loan portfolio is subject to the satisfaction of settlement conditions and certain post-closing indemnification obligations. Because of business, economic or market conditions or for any other reasons within or outside of our discretion, the sale may not have the projected impact or be consummated in a timely manner; and
(14) The downgrade by Standards & Poor's of the long-term credit rating of the U.S. could materially affect global and domestic financial markets and economic conditions, which may affect our business activities, financial condition, and liquidity.

All of the above factors are difficult to predict, contain uncertainties that may materially affect actual results, and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each such factor on our business.

Please also refer to Item 1A to Part I of our Annual Report on Form 10-K, which is incorporated by reference herein, for further information on these and other factors affecting us. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore any of these statements included herein may prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

- Financial performance:
  - Net loss applicable to common stockholders of ($94.2) million, or ($1.75) per diluted share.
  - Return on average assets of (2.51)% and return on average equity of (29.26)%.
  - Gain on loan sale income of $239.0 million.
  - Stable net interest income despite a smaller balance sheet.
  - Total provisions related to the representation and warranty reserve decreased by 75.2 percent from the prior quarter to $32.5 million.
- Strengthened and de-risked the balance sheet:
  - Total repurchase pipeline decreased by $201.4 million from the prior quarter to $224.2 million, as the Company continued to work through the existing population of repurchase requests.
  - Continued to add reserves for pending and threatened litigation.
  - Entered into a definitive agreement to sell a substantial portion of Northeast-based commercial loan portfolio, which is expected to be capital accretive.
- Non-performing loans were flat from prior quarter, but declined significantly from December 31, 2011:
  - Consumer non-performing loans increased by 13.4 percent from the prior quarter, driven primarily by an increase in performing nonaccrual TDRs, but declined by 19.1 percent from December 31, 2011.
  - Commercial non-performing loans declined by 29.5 percent from the prior quarter and 14.5 percent from December 31, 2011.

(1) See Non-GAAP reconciliation.

($ in millions, except per share data)

	Q4 2012	Q3 2012	Q42011	For the Year Ended Dec. 31, 2012	For the Year Ended Dec. 31, 2011
Net interest income	$73.9	$73.1	$75.9	$297.2	$245.4
Provision for loan losses	50.4	52.6	63.5	276.0	176.9
Net interest income after provision for loan losses	23.6	20.5	12.3	21.2	68.4
Non-interest income	285.8	273.7	118.6	1,021.2	385.5
Non-Interest expense	398.0	233.5	205.8	990.0	634.7
Income (loss) before federal income taxes	(88.6)	60.7	(74.9)	52.7	(180.7)
Provision (Benefit) for federal income taxes	4.2	(20.4)	0.3	(15.6)	1.1
Net income (loss)	(92.8)	81.1	(75.2)	68.4	(181.8)
Preferred stock dividend/accretion [1]	(1.4)	(1.4)	(3.0)	(5.7)	(17.2)
Net income (loss) applicable to common stockholders	**($94.2)**	**$79.7**	**($78.2)**	**$62.7**	**($198.9)**
Diluted Earnings (loss) per Share [2]	($1.75)	$1.36	($1.41)	$0.87	($3.62)

(1) The preferred stock dividend/accretion for the three months ended December 31, 2012 and September 30, 2012 and the year ended December 31, 2012, respectively, represents only the accretion. On January 27, 2012, the Company elected to defer payment of dividends and interest on the preferred stock.

(2) The three months and year ended December 31, 2011 have been restated for a one-for-ten reverse stock split announced September 27, 2012 and began trading on October 11, 2012.

Totals may not foot due to rounding

Summary of Financial Results

($ in millions, except per share data)				For the Year Ended	
	Q4 2012	**Q3 2012**	**Q4 2011**	**Dec. 31, 2012**	**Dec. 31, 2011**
Net Interest Income	$73.9	$73.1	$75.9	$297.2	$245.4
Provision	$50.4	$52.6	$63.5	$276.0	$176.9
Gain on Loan Sale	$238.9	$334.4	$106.9	$990.9	$300.8
Net Servicing Revenue (1)	$25.0	$11.3	$29.0	$98.0	$115.7
Net Income (Loss) Applicable to Common Shareholders	**($94.2)**	**$79.7**	**($78.2)**	**$62.7**	**($198.9)**
Diluted Earnings / (Loss) per Share	($1.75)	$1.36	($1.41)	$0.87	($3.62)
Total Assets	$14,082.0	$14,899.2	$13,637.5	$14,082.0	$13,637.5
Total Stockholders' Equity	$1,159.4	$1,250.6	$1,079.7	$1,159.4	$1,079.7
Book Value per Common Share	**$16.12**	**$17.76**	**$14.80**	**$16.12**	**$14.80**
NPLs / Gross Loans HFI	7.16%	6.09%	6.94%	7.16%	6.94%
NPAs / Total Assets (Bank)	**3.70%**	**3.48%**	**4.43%**	**3.70%**	**4.43%**
ALLL / NPLs	**76.28%**	**76.45%**	**65.11%**	**76.28%**	**65.11%**
ALLL / Gross Loans HFI	5.46%	4.65%	4.52%	5.46%	4.52%
NPAs / Tier 1 Capital + Allowance for Loan Losses (2)	32.52%	30.77%	39.33%	32.52%	39.33%
NPAs/ Loans HFI and Reposssed Assets	9.12%	7.77%	8.43%	9.12%	8.43%
Tier 1 Capital to Adjusted Total Assets Ratio	**9.26%**	**9.31%**	**8.95%**	**9.26%**	**8.95%**
Total Risk Based Capital Ratio	17.18%	17.58%	16.64%	17.18%	16.64%
Total Equity / Total Assets	8.23%	8.39%	7.92%	8.23%	7.92%

(1) Net servicing revenue includes net loan administration income and net gain (loss) on trading securities.
(2) See Non-GAAP reconciliation.

($ in millions)	As of Dec 31, 2012	As of Sep 30, 2012	As of Dec 31, 2011
Total assets	$14,082.0	$14,899.2	$13,637.5
Cash and interest earning deposits	$952.8	$1,003.4	$731.1
Residential first mortgage loans	3,009.2	3,086.1	3,749.8
Second mortgage loans	114.9	122.3	138.9
Commercial real estate loans	689.4	1,005.5	1,243.0
Warehouse loans	1,347.7	1,307.3	1,173.9
Consumer lending (including HELOC and other)	229.1	245.3	289.6
Other commercial loans	196.3	785.9	443.4
Investment loan portfolio	$5,586.6	$6,552.4	$7,038.6
Mortgage Loans held for sale	$3,012.1	$3,251.9	$1,800.9
Commercial Loans held for sale (1)	$779.1	$0.0	$0.0
Loans repurchased with government guarantees	1,841.3	1,931.2	1,899.3
Securities classified as trading	170.1	170.1	313.4
Securities classified as available for sale	184.4	198.9	481.4
Mortgage servicing rights	710.8	686.8	510.5

(1) The loans involved in the Northeast loan sale were transferred from held for investment to held for sale.

Totals may not foot due to rounding

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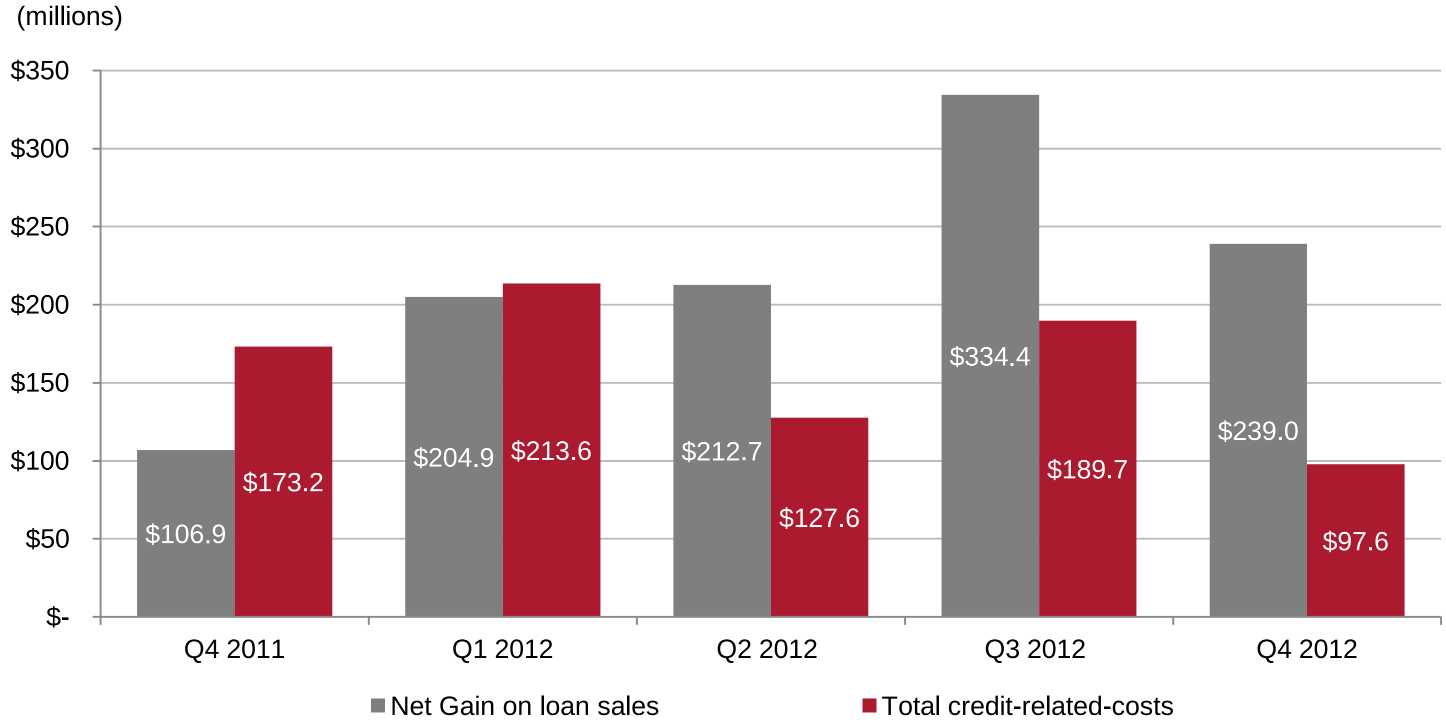
-- Gain on loan sale income continues to offset or exceed total credit-related costs…



	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Mortgage Locks (billions)	$11.2	$14.9	$17.5	$18.1	$16.2
Mortgage Originations (billions)	$10.2	$11.2	$12.5	$14.5	$15.4

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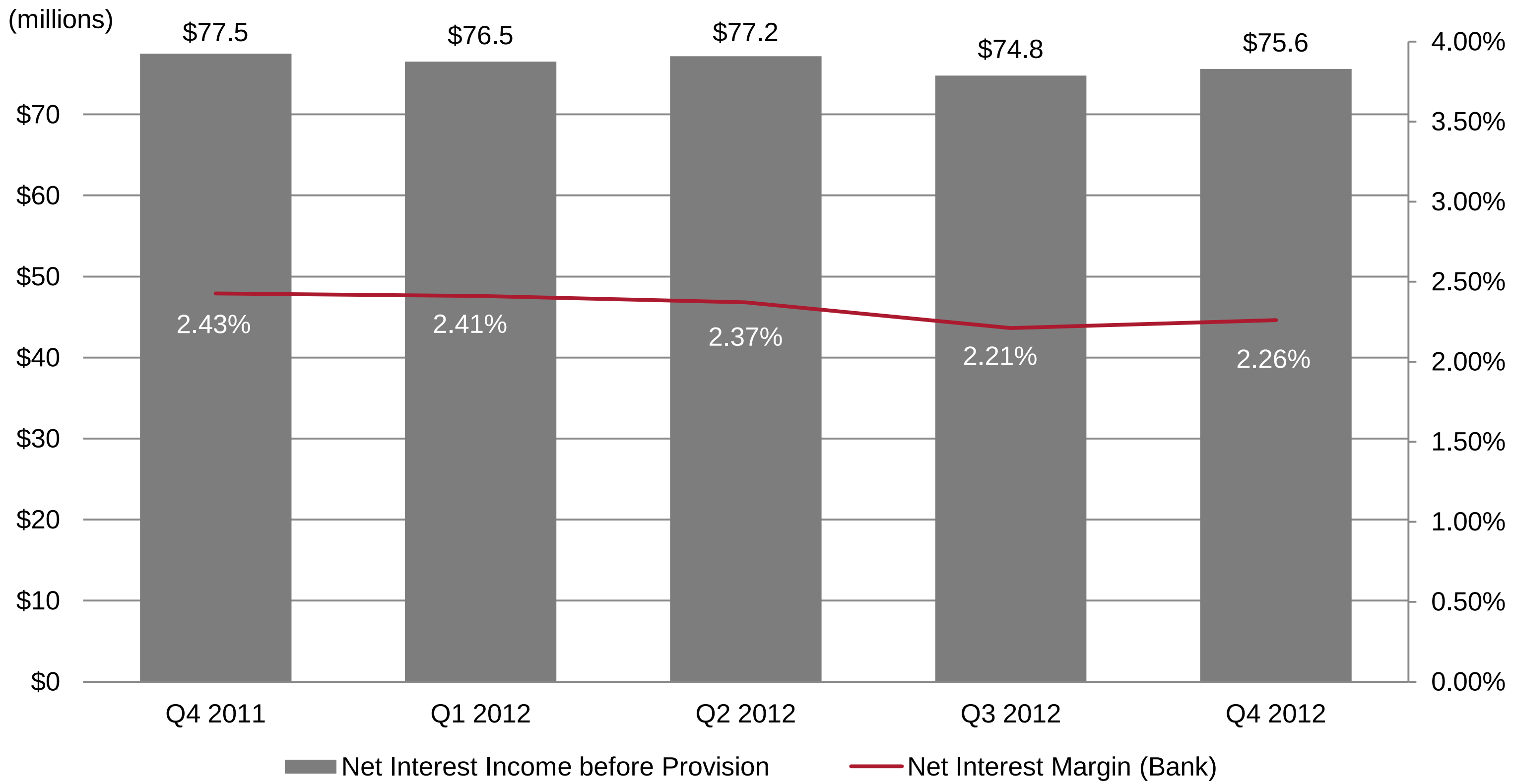
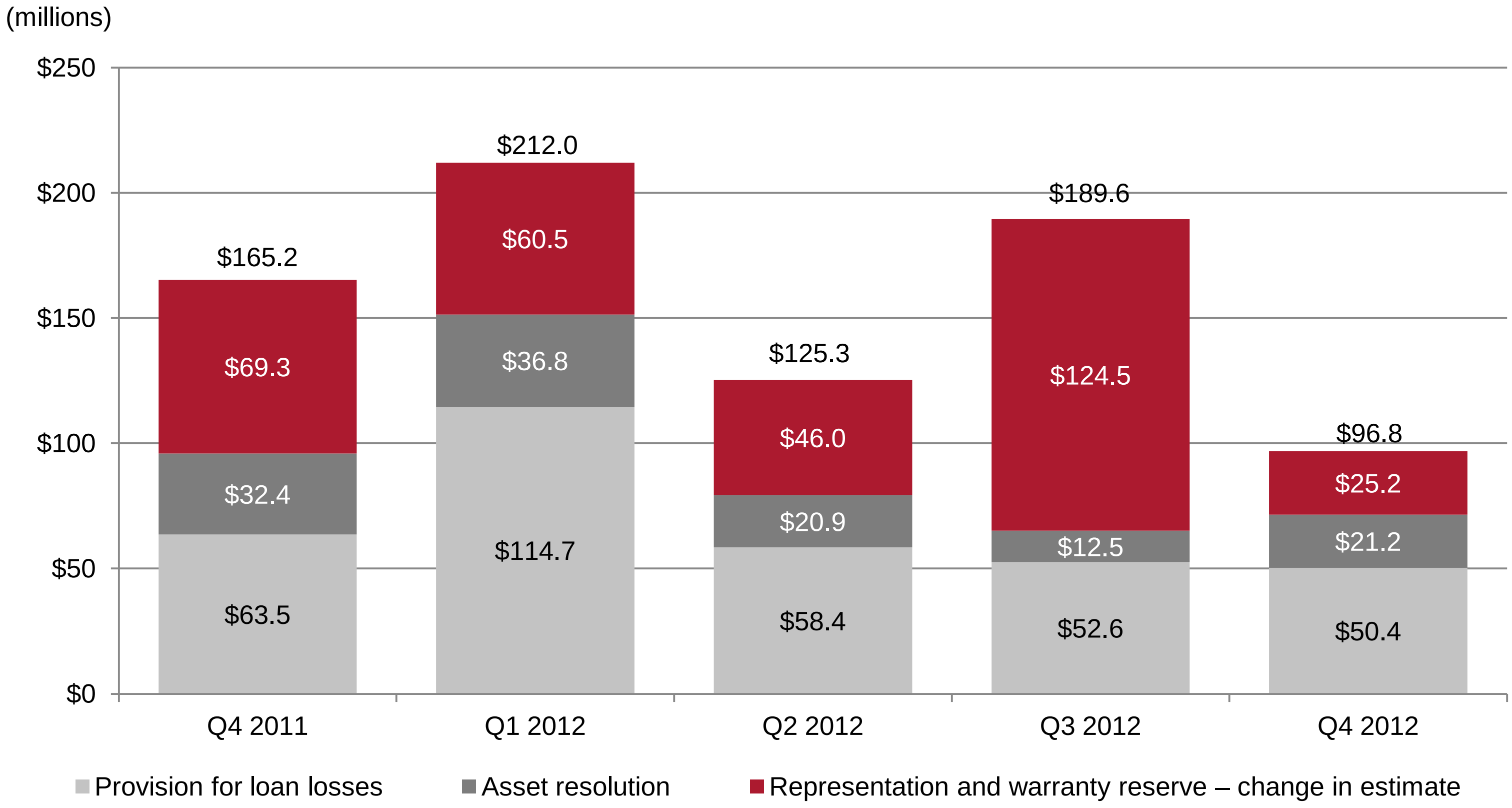
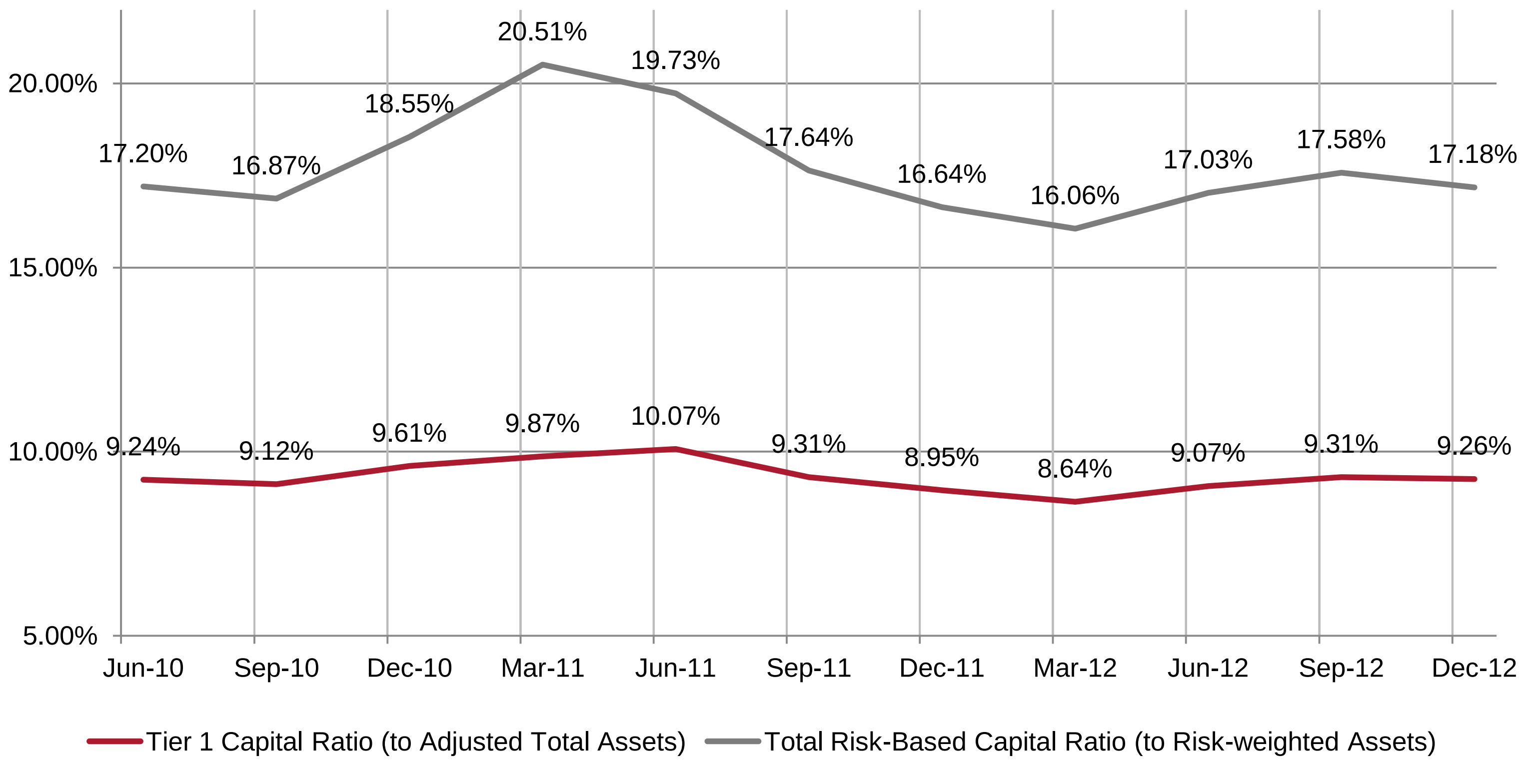
-- Net interest income, and margin, improved slightly from the previous quarter as reductions in interest expense driven by a lower cost of deposits and an improved mix of deposits outpaced a decline in interest income…



-- Credit-related costs declined from the prior quarter, driven by lower provisions related to the representation and warranty reserve.



-- Regulatory capital ratios decreased slightly from the prior quarter…



Asset Divestiture Summary

- **Divestiture of $785 million in Northeast-based commercial loans.**
- **Sale intended to strengthen the balance sheet, decrease Company's risk profile and renew focus on core businesses.**

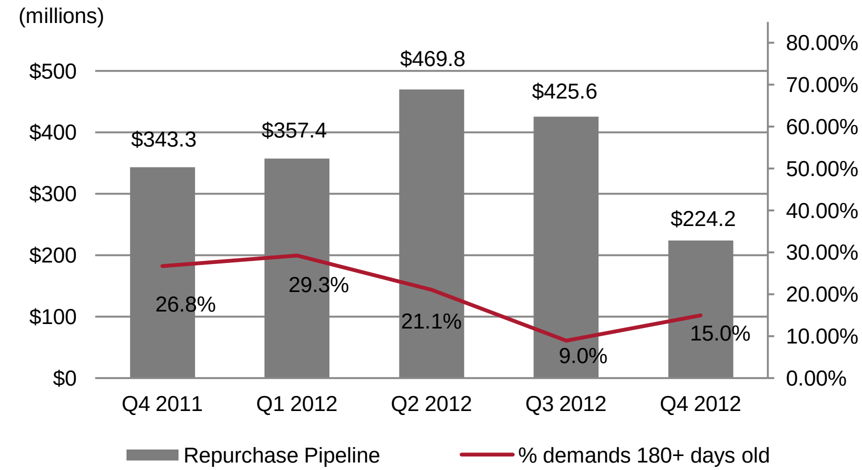
Summary Select Financial Results 12/31/2012		**Estimated Pro Forma Financial Results Post Completion of Sale***		**Change**
($ in millions, except per share data)	**Q4 2012**	*($ in millions, except per share data)*	**2013**	
Total Assets	$14,082.0	Total Assets	$13,302.2	$(779.8)
Total Stockholders' Equity	$1,320.4	Total Stockholders' Equity	$1,320.4	$0.0
Book Value per Common Share	**$18.97**	**Book Value per Common Share**	**$18.97**	**$0.00**
Tier 1 Capital to Adjusted Total Assets Ratio	**10.41%**	**Tier 1 Capital Ratio**	**11.02%**	**0.61%**
Total Risk Based Capital Ratio	17.88%	Total Risk Based Capital Ratio	19.77%	1.89%
Total Equity / Total Assets	9.38%	Total Equity / Total Assets	9.93%	0.55%

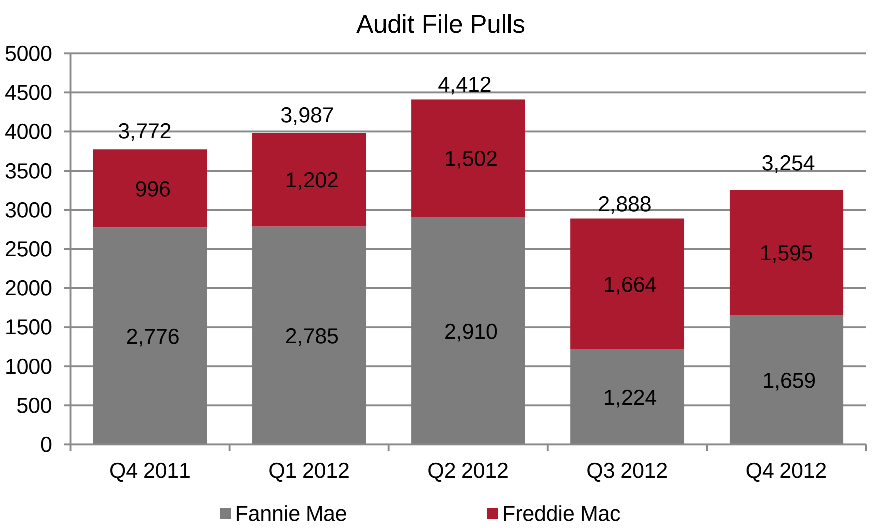
* Pro forma financials are reflective of the Northeast based loan sales, and based on financial information as of December 31, 2012.

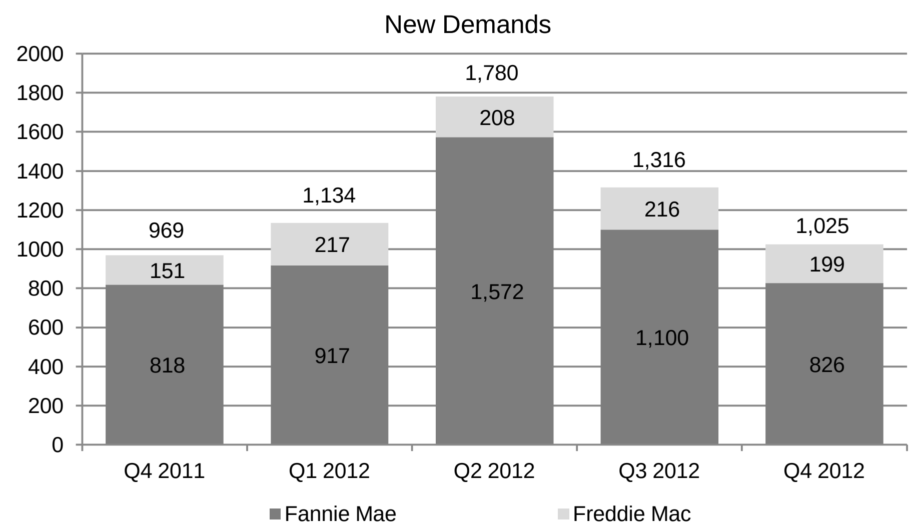
Representation and Warranty Reserve

($ in millions)	4Q11	1Q12	2Q12	3Q12	4Q12
Beginning balance	$85.0	$120.0	$142.0	$161.0	$202.0
Additions	$72.8	$65.6	$51.7	$130.9	$32.5
Net charge-offs	($37.8)	($43.6)	($32.7)	($89.9)	($41.5)
Ending Balance	**$120.0**	**$142.0**	**$161.0**	**$202.0**	**$193.0** (1)

(1) Representation and warranty reserve would have increased by $2 million from the prior quarter, after adjusting for an $11.0 million reclassification of reserves associated with loans insured by the MBIA Insurance Corporation.







Totals may not foot due to rounding

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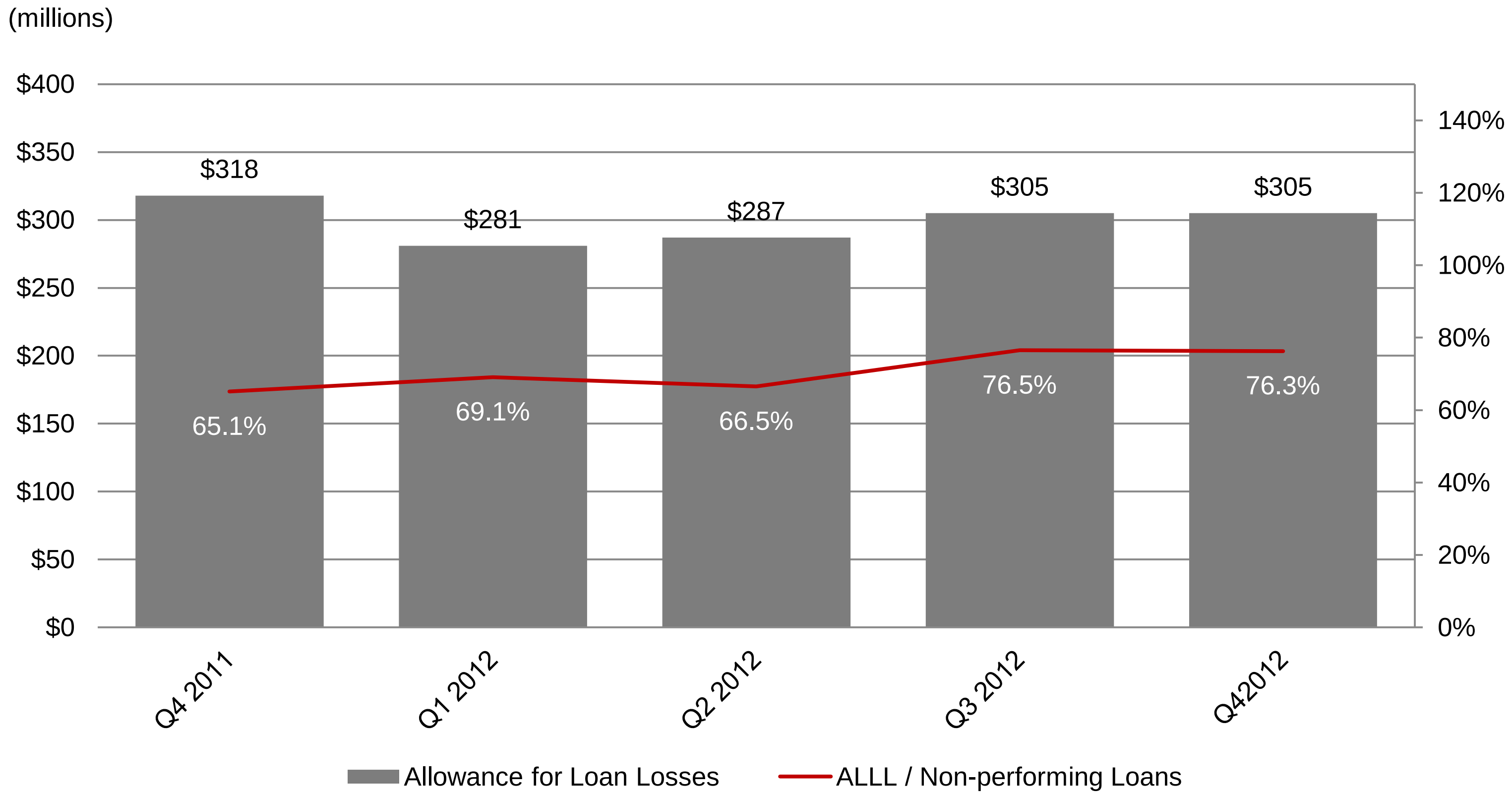
-- Loan loss reserves remained unchanged from the prior quarter…



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$ in millions

	Q4 2012	Q3 2012	Q4 2011
Consumer [1]	$66.7	$53.9	$83.7
Commercial [1]	$7.0	$9.6	$7.5
Total 30 - 59 Days Past Due	$73.7	$63.5	$91.1
Consumer [1]	$18.6	$26.7	$41.6
Commercial [1]	$7.0	$0.4	$12.4
Total 60 - 89 Days Past Due	$25.6	$27.1	$54.0
Consumer [1]	$313.4	$276.3	$387.4
Commercial [1]	$86.4	$122.6	$101.0
Total Greater than 90 days Past Due	$399.8	$398.9	$488.4
Non-performing Assets [2]	$522.4	$520.5	$607.7
To Total Assets (Bank only)	3.70%	3.48%	4.43%
Provision for Loan Losses	$50.4	$52.6	$63.5
Charge-offs, Net of Recoveries	$50.4	$34.6	$27.6
Allowance for Loan Losses	$305.0	$305.0	$318.0
To Loans Held for Investment	5.46%	4.65%	4.52%
To Non-performing Loans	76.3%	76.5%	65.1%
Real Estate Owned	$120.7	$119.5	$114.7

(1) Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans

(2) Includes non-performing loans available-for-sale.

Totals may not foot due to rounding

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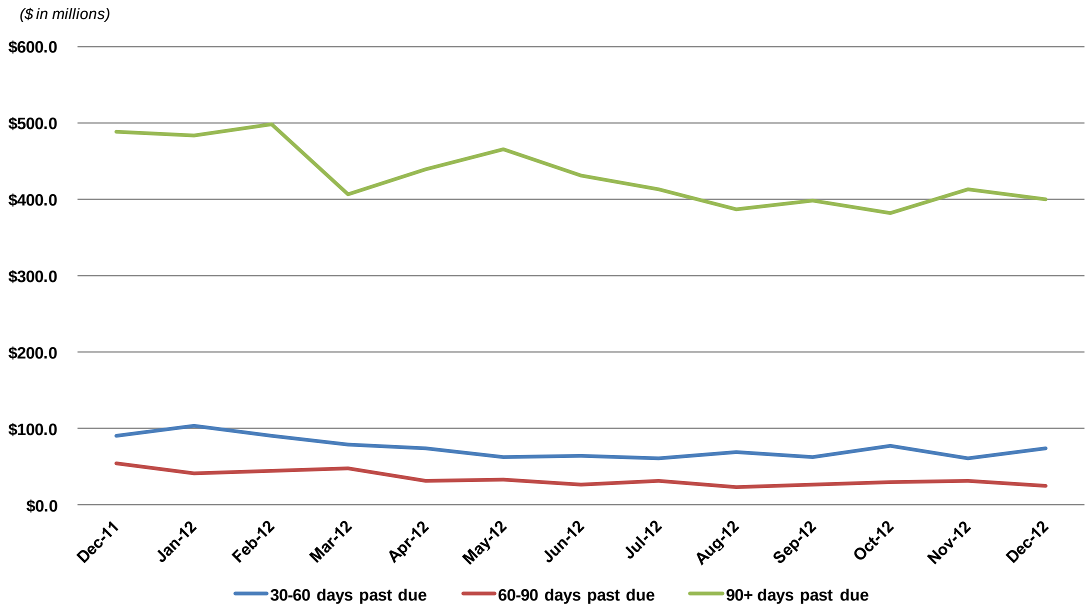
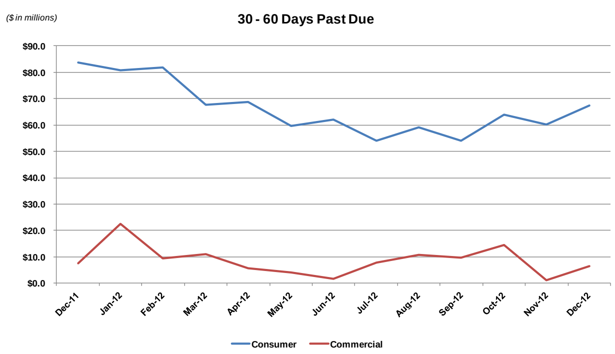
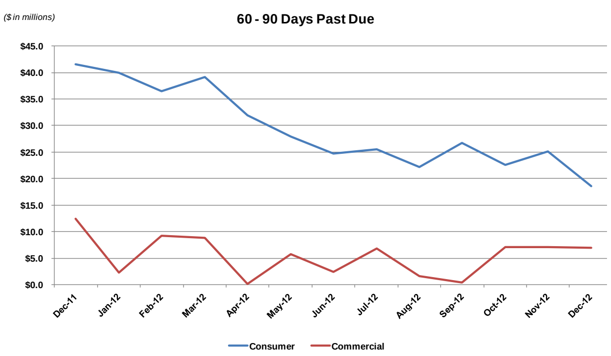
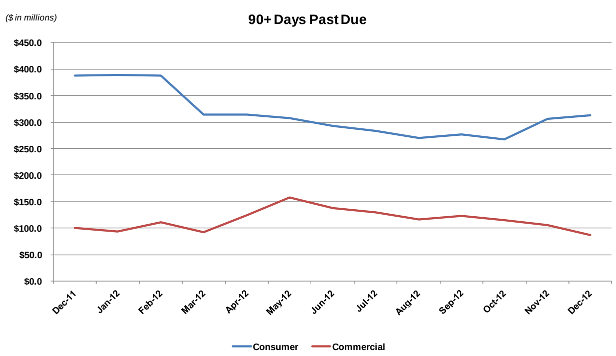
-- Non-performing loans (i.e., 90+ days past due) remained essentially unchanged from the prior quarter…









Note: Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial, and commercial lease financing loans.

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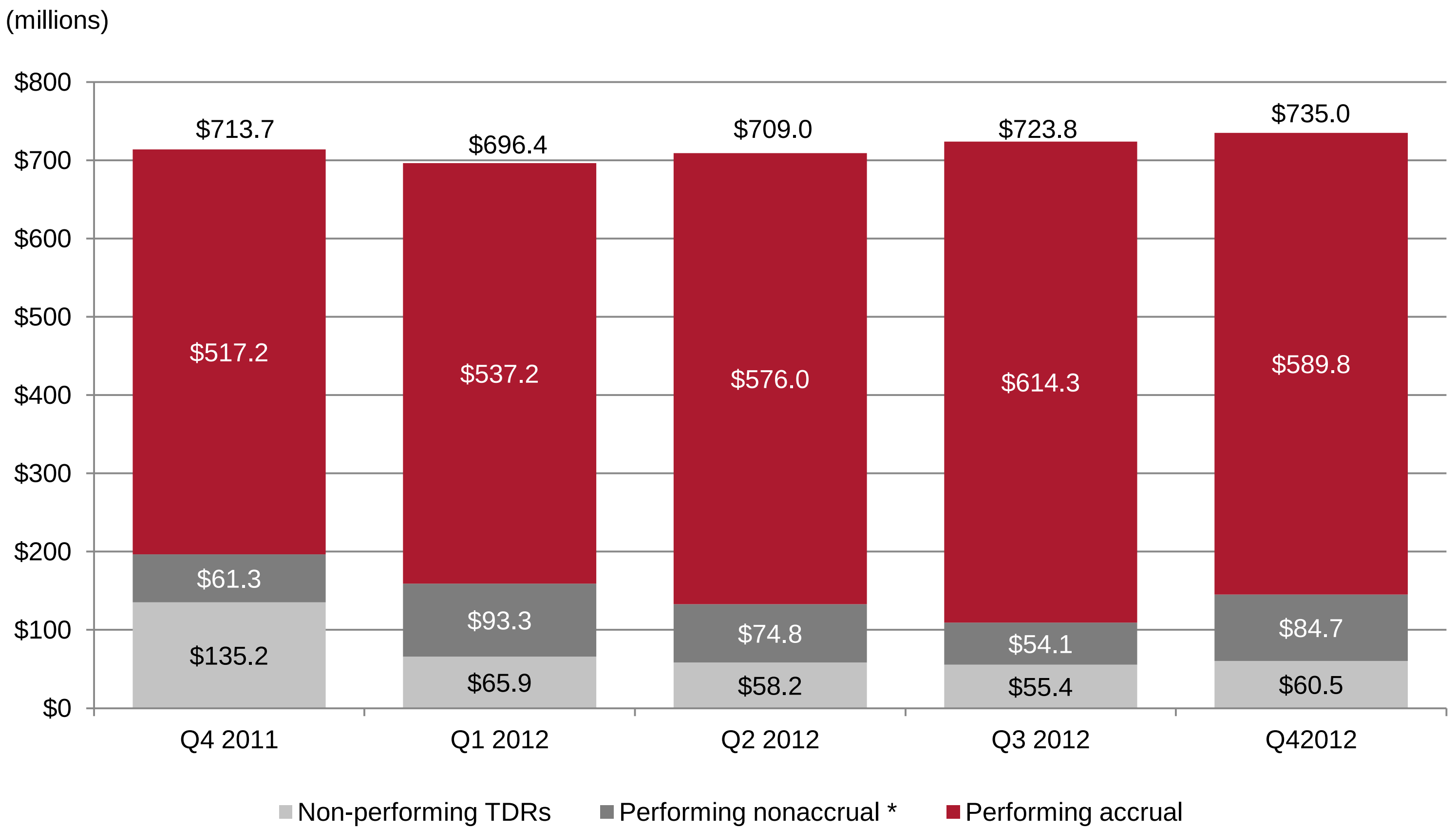
-- Performing nonaccrual TDRs increased from the prior quarter, as a result of the implementation of the OCC guidance on bankruptcies…



* Q4 2012 includes $25.0 million of performing nonaccruals TDRs as a result of the implementation of the Office of the Comptroller of the Currency guidance on bankruptcies.

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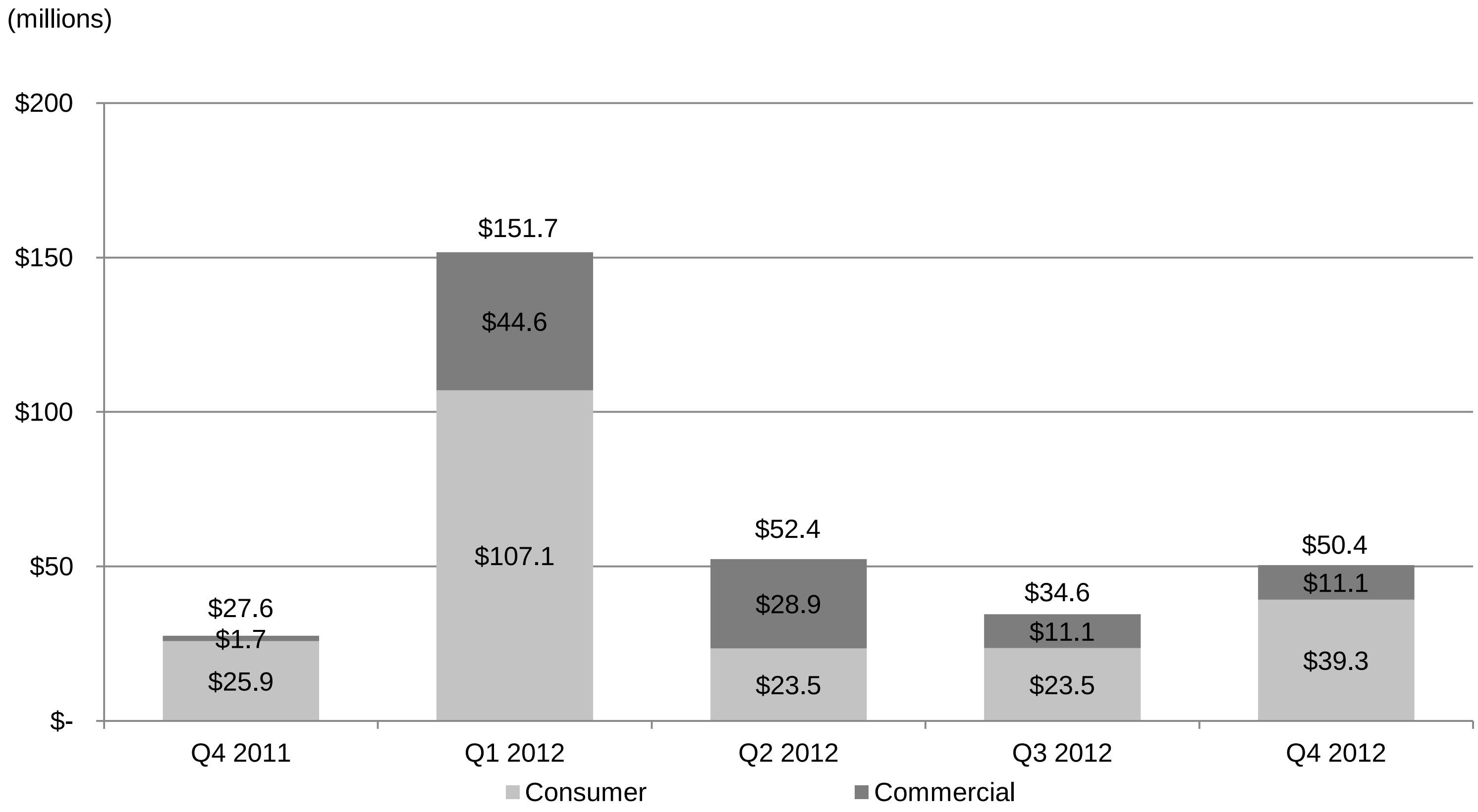
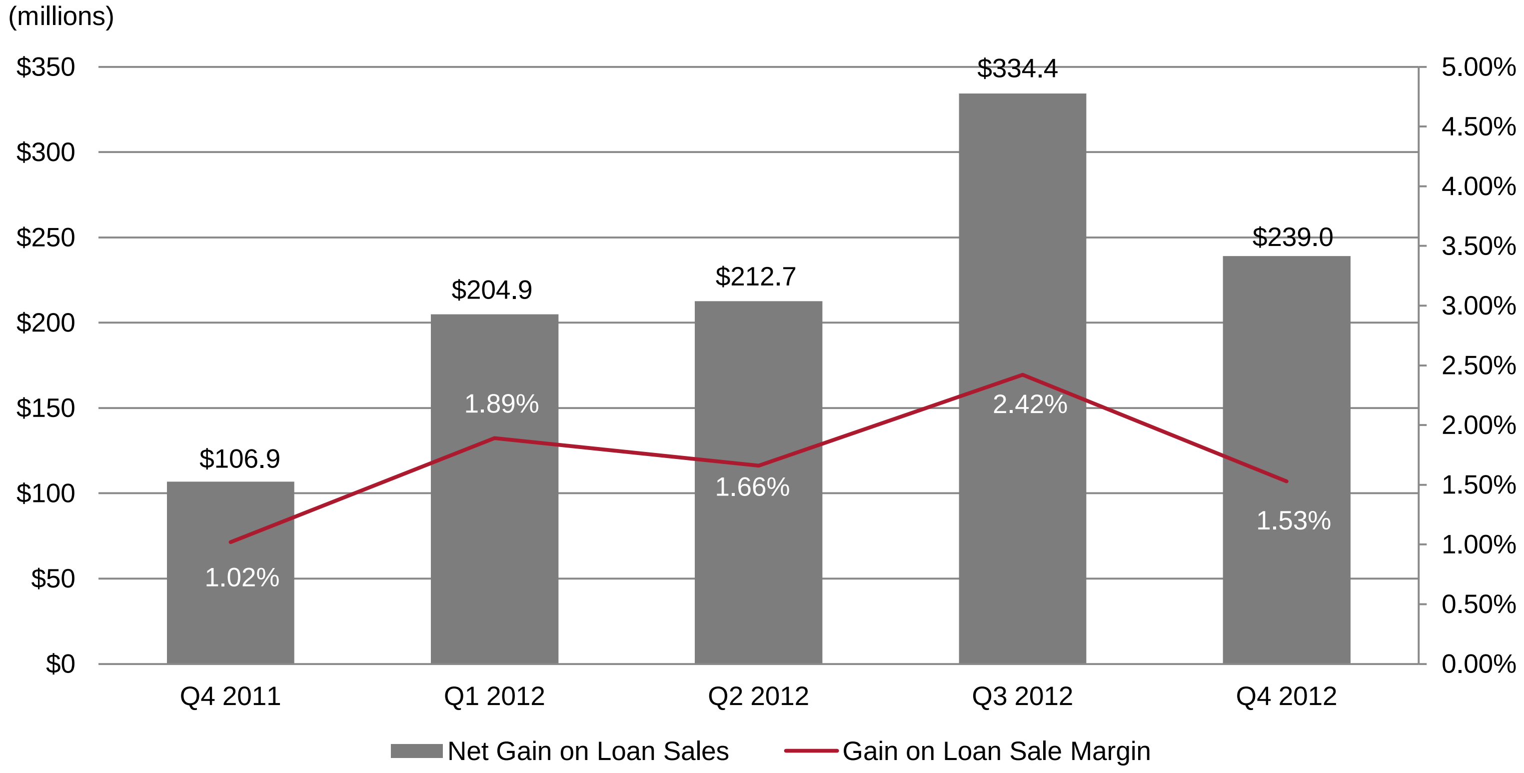
-- Net charge-offs increased from the prior quarter, as we continue to work through non-performing loans associated with our HFI residential first mortgage loan portfolio …



Note: Consumer loans include: residential first mortgage, second mortgage, construction, warehouse lending, HELOC, and other consumer loans. Commercial loans include: commercial real estate, commercial and industrial , and commercial lease financing loans.

-- Net gain on loan sales declined from the prior quarter, but remains strong compared to historical levels…



	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012
Mortgage Loan Sales (billions)	$10.5	$10.8	$12.8	$13.9	$15.6

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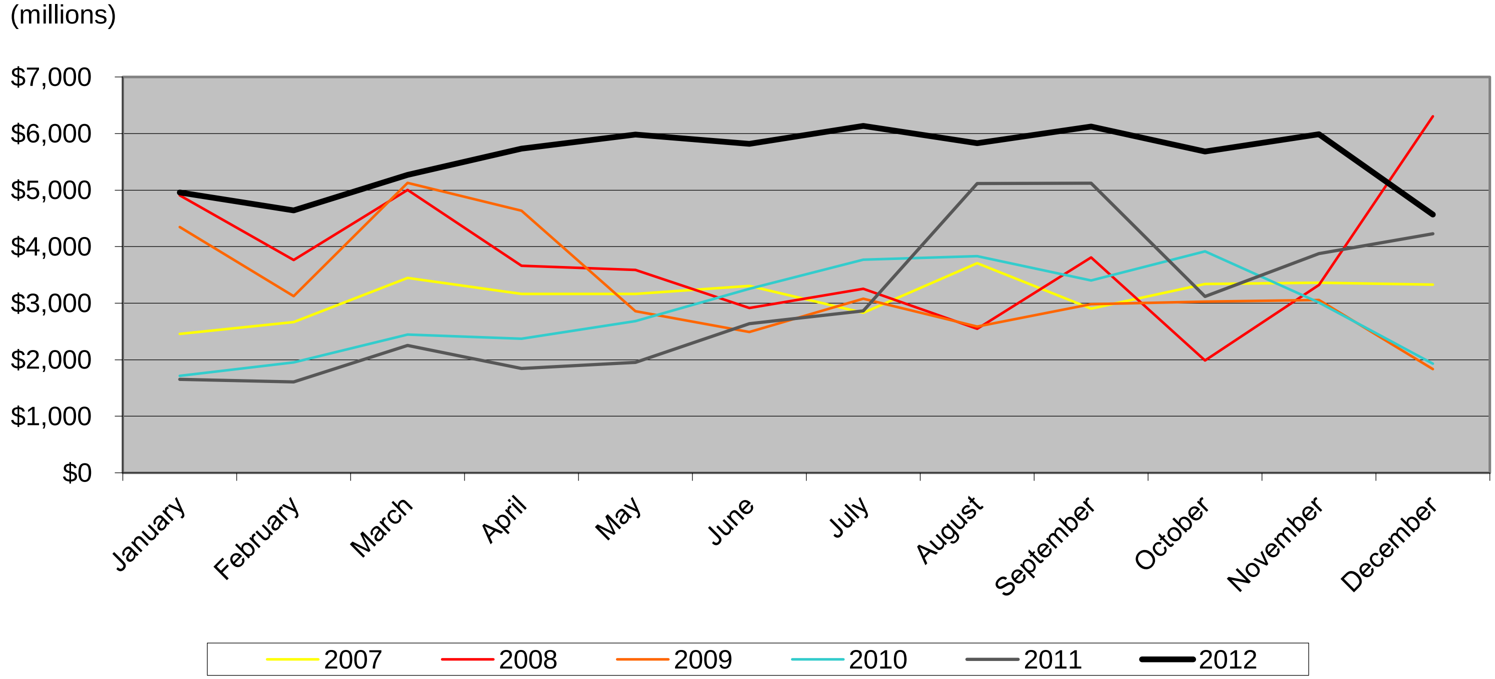
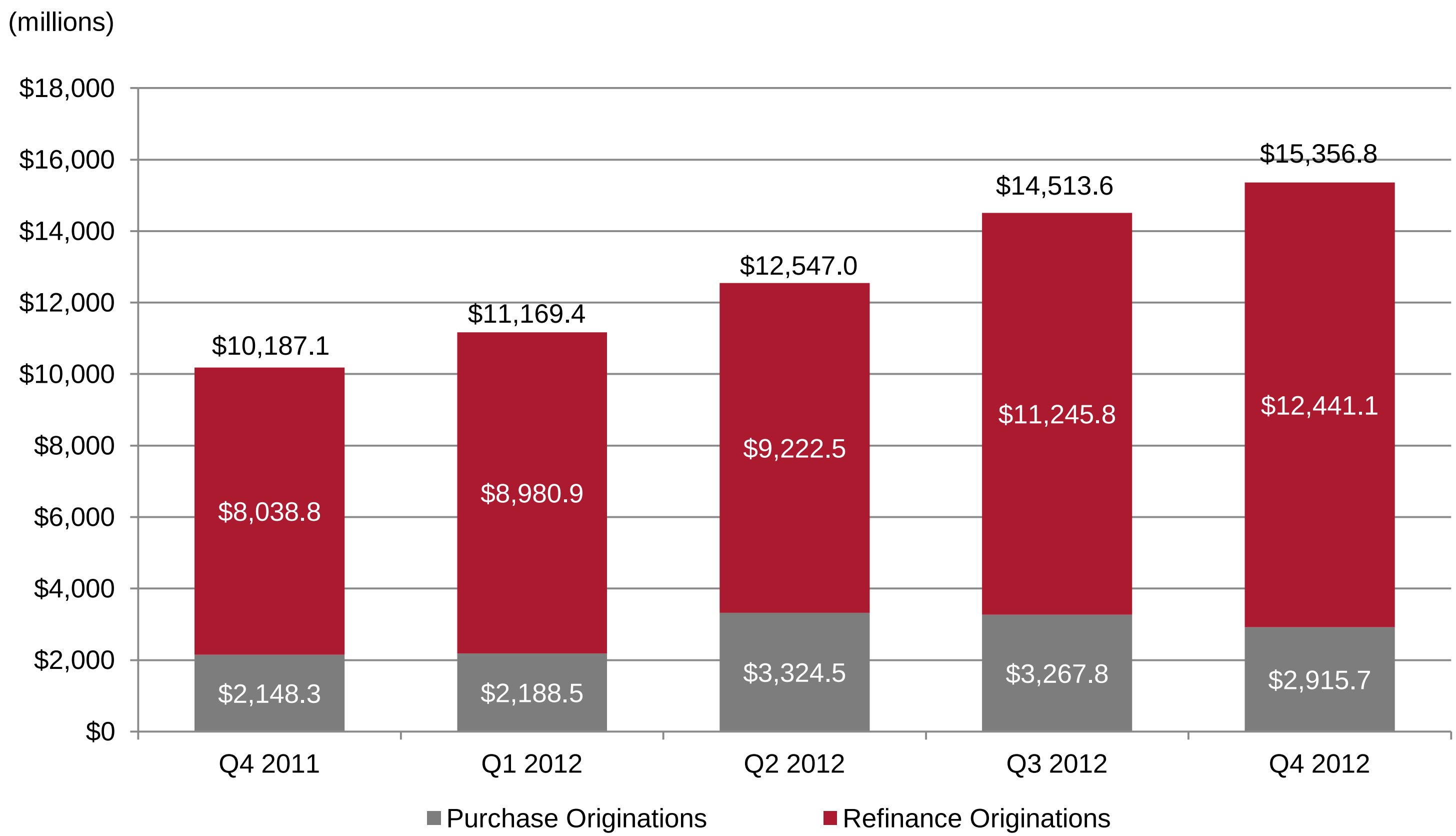
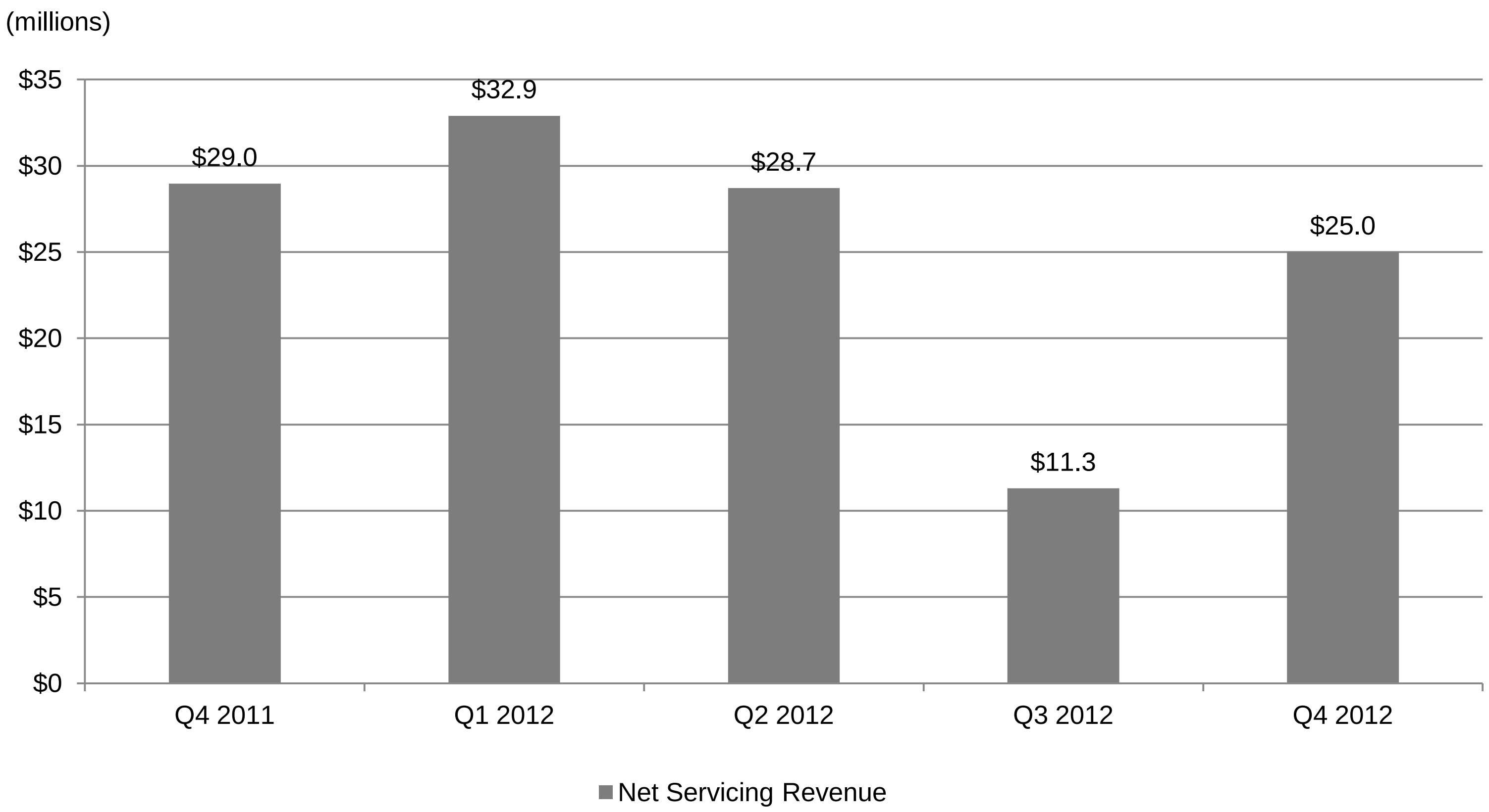
-- Mortgage rate lock volume (see thick black line) declined in December…



-- Mortgage originations increased slightly from the prior quarter, reflecting strong consumer demand for refinance activity…

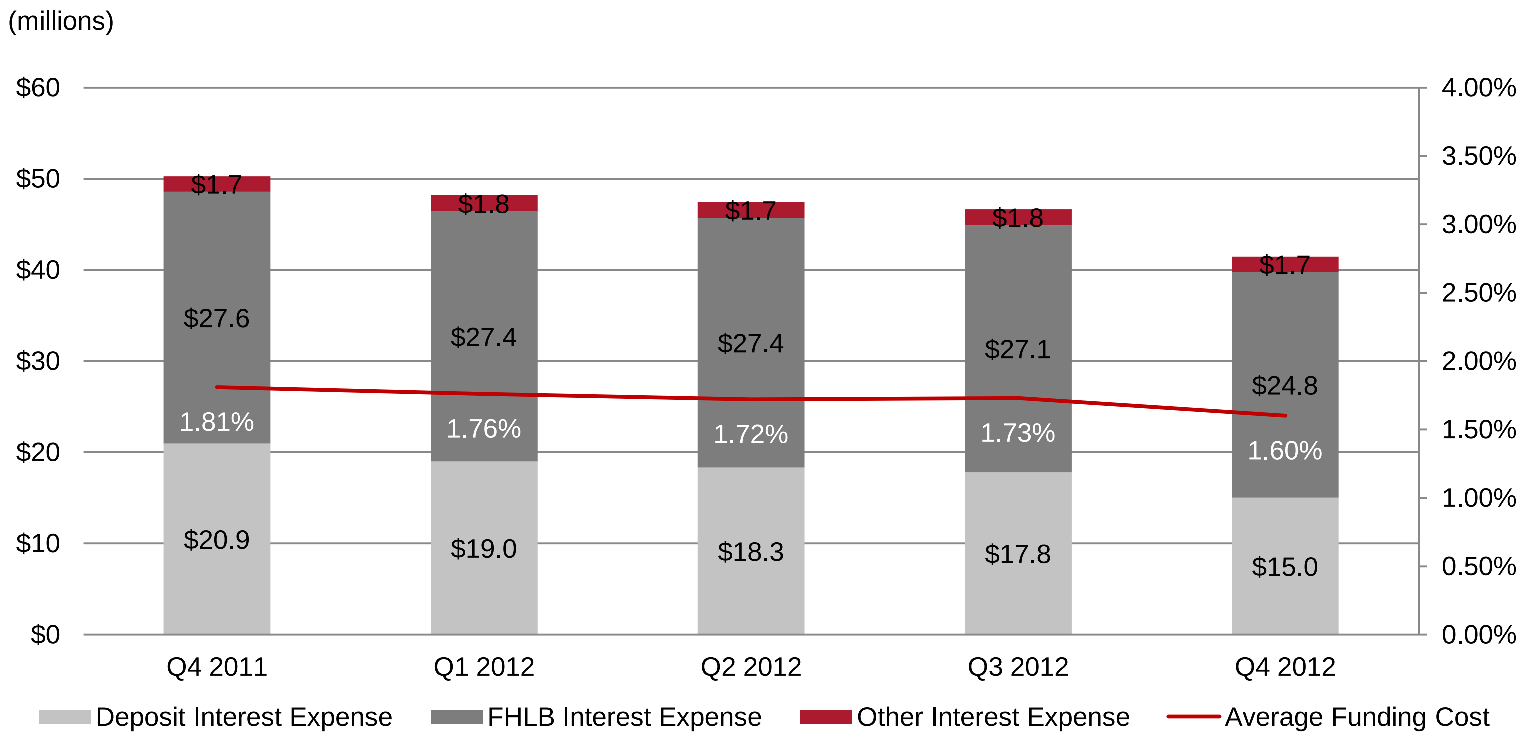


-- Net servicing revenue, which is income arising from mortgage servicing rights plus hedges, continues to be positive…



Note: Net servicing revenue includes net loan administration income and net gain (loss) on trading securities.

-- Average cost of funds improved by 13 basis points from the prior quarter, driven by a decrease in the average rate paid on retail certificates of deposits…



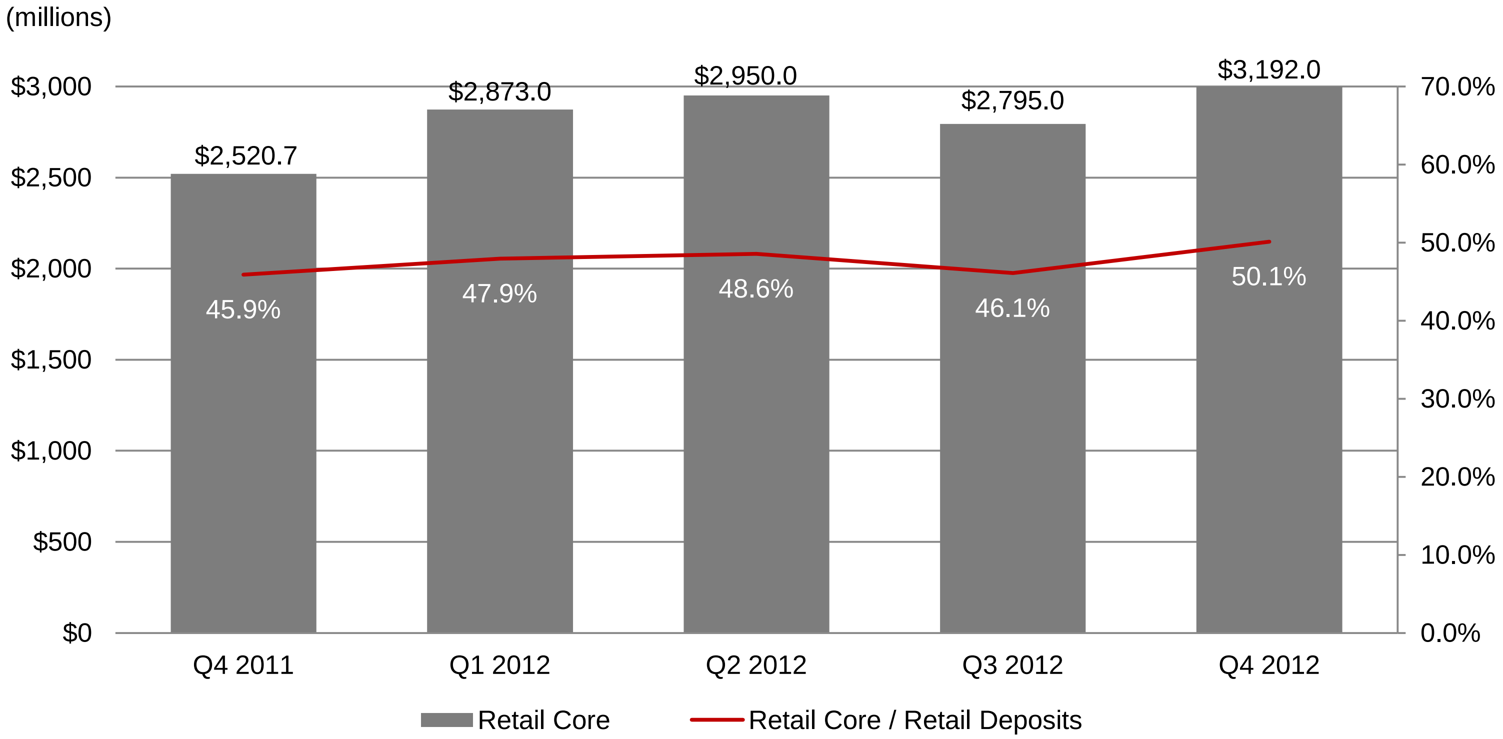
-- Total deposits decreased from the prior quarter primarily attributable to a $1.2 billion reduction in principal and interest custodian accounts serviced for the GSEs…

(millions)	As of Dec 31, 2012		As of Sep 30, 2012		As of Dec 31, 2011	
	Balance	Rate	Balance	Rate	Balance	Rate
Retail Deposits:						
Demand deposits	$ 682	0.16%	$ 650	0.16%	$ 567	0.17%
Savings deposits	2,108	0.72%	1,710	0.62%	1,462	0.87%
Money market deposits	402	0.41%	435	0.45%	492	0.59%
Certificates of deposit	3,175	0.93%	3,272	1.14%	2,972	1.39%
Total retail deposits	6,367	0.74%	6,067	0.84%	5,493	1.05%
Core retail deposits / retail deposits	**50.13%**		**46.08%**		**45.89%**	
Government Banking Deposits:						
Demand deposits	99	0.38%	103	0.36%	103	0.44%
Savings deposits	264	0.53%	353	0.51%	206	0.60%
Certificates of deposit	456	0.57%	450	0.60%	402	0.66%
Total government banking deposits	819	0.53%	906		711	0.61%
Company controlled deposits	1,008	0.00%	2,201	0.00%	1,101	0.00%
Wholesale deposits	99	4.41%	315	3.43%	385	3.45%
Total deposits	$ 8,294	0.68%	$ 9,489	0.70%	$ 7,690	0.98%
Number of banking branches	111		111		113	

Note: Represents the ending balance and rate for period noted. Retail core deposits include demand, savings and money market accounts.

Totals may not foot due to rounding

-- Core deposits increased significantly from the previous quarter…



Note: Retail core deposits include checking accounts, savings accounts, and money market accounts.

Appendix

$ in thousands

	New Commercial RE					Legacy Commercial RE				
Property Type	Balance	30 - 59 Days Past Due	60 - 89 Days Past Due	90+ Days Past Due [(1)]	Total Reserves	Balance	30 - 59 Days Past Due	60 - 89 Days Past Due	90+ Days Past Due [(1)]	Total Reserves
Construction one-to-four family	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Land	149	-	-	-	3	4,802	-	-	1,745	276
Services	-	-	-	-	-	-	-	-	-	-
Commercial & Industrial Loans	767	-	-	-	14	-	-	-	-	-
One-to-four family conventional	1,645	-	-	-	31	756	102	141	62	74
One-to-four family closed end mortgage	-	-	-	-	-	-	-	-	-	-
Mult-family conventional	10,829	-	-	-	201	41,484	-	6,411	3,022	3,387
Commercial non-owner occupied	127,877	6,603	-	-	2,379	412,323	-	438	77,114	31,393
Secured by non-farm, non-residential	42,096	-	-	-	783	32,535	274	-	4,424	2,476
Other	15,729	-	-	-	293	-	-	-	-	-
Negative Escrow	(3)	-	-	-	-	1,613	-	-	-	-
Net deferred fees and other	(1,941)	-	-	-	-	(1,237)	-	-	-	-
Total:	**$197,148**	**$6,603**	**$0**	**$0**	**$3,704**	**$492,276**	**$376**	**$6,990**	**$86,367**	**$37,606**

Note: “Legacy CRE” consists of loans originated prior to 2011, including those refinanced during 2009 and 2010, while “New CRE” consists of loans originated during 2011 and 2012.

Totals may not foot due to rounding

Flagstar Bancorp

$ in thousands

State	Construction One-to-Four Family	Land	Services	Commercial and Industrial Loans	One-to-Four Family Conventional	One-to-Four Family Closed End Mortgage	Multi-Family Conventional	Commercial Non-Owner Occupied	Secured by Non-farm, Non-residential	Other	Total
MI	$0	$215	$0	$0	$2,402	$0	$51,213	$319,783	$53,797	$0	**$427,409**
IN	-	4,737	-	-	-	-	-	34,862	6,064	-	**45,663**
GA	-	-	-	-	-	-	-	37,881	2,903	-	**40,783**
VA	-	-	-	-	-	-	-	33,867	-	-	**33,867**
CT	-	-	-	-	-	-	-	24,583	-	-	**24,583**
FL	-	-	-	-	-	-	-	10,365	-	12,154	**22,519**
MA	-	-	-	767	-	-	-	9,818	4,385	-	**14,969**
KY	-	-	-	-	-	-	-	10,838	-	-	**10,838**
RI	-	-	-	-	-	-	-	5,549	-	3,575	**9,124**
IL	-	-	-	-	-	-	-	7,756	1,301	-	**9,057**
NC	-	-	-	-	-	-	-	4,560	3,828	-	**8,388**
TX	-	-	-	-	-	-	-	8,179	-	-	**8,179**
OH	-	-	-	-	-	-	-	6,151	1,338	-	**7,489**
TN	-	-	-	-	-	-	-	7,335	-	-	**7,335**
OK	-	-	-	-	-	-	-	6,155	-	-	**6,155**
Other	-	-	-	-	-	-	1,099	12,519	1,016	(1,567)	**13,067**
Total	**$0**	**$4,952**	**$0**	**$767**	**$2,402**	**$0**	**$52,312**	**$540,200**	**$74,631**	**$14,162**	**$689,424**

Note: Excludes commercial letters of credit

Totals may not foot due to rounding

$ in thousands

Vintage	Construction One-to-Four Family	Land	Services	Commercial and Industrial Loans	One-to-Four Family Conventional	One-to-Four Family Closed End Mortgage	Multi-Family Conventional	Commercial Non-Owner Occupied	Secured by Non-farm, Non-residential	Other	Total
Older	$0	$0	$0	$0	$215	$0	$8,958	$18,556	$1,560	$0	**$29,289**
2003	-	-	-	-	-	-	3,322	13,830	1,874	-	**19,026**
2004	-	-	-	-	-	-	4,158	56,259	2,398	-	**62,814**
2005	-	-	-	-	-	-	15,484	33,993	1,188	-	**50,665**
2006	-	-	-	-	-	-	3,436	71,611	4,908	-	**79,955**
2007	-	1,679	-	-	71	-	2,384	91,991	17,846	-	**113,972**
2008	-	-	-	-	122	-	3,742	97,210	2,760	-	**103,833**
2009	-	66	-	-	348	-	-	7,105	-	-	**7,519**
2010	-	-	-	-	-	-	-	8,039	-	-	**8,038**
2011	-	3,207	-	767	13	-	-	53,801	9,269	-	**67,056**
2012	-	-	-	-	1,632	-	10,829	87,806	32,828	14,162	**147,255**
Total	**$0**	**$4,952**	**$0**	**$767**	**$2,402**	**$0**	**$52,312**	**$540,200**	**$74,631**	**$14,162**	**$689,424**

Note: Excludes commercial letters of credit

Totals may not foot due to rounding

First Mortgage Portfolio – by State

$ in thousands

State	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
CA	$ 14,746	$ 1,077,451	$ -	$ 1,092,197	**38.9%**	$ 544,658	$ 335,113	$ 30,183	$ 909,954	**30.7%**
FL	2,396	187,475	-	189,871	**6.8%**	268,879	135,879	7,789	412,548	**13.9%**
MI	1,839	140,324	-	142,164	**5.1%**	236,684	47,343	9,324	293,351	**9.9%**
WA	2,322	103,366	-	105,688	**3.8%**	91,715	38,259	7,005	136,979	**4.6%**
AZ	642	71,878	-	72,520	**2.6%**	81,904	39,306	2,219	123,429	**4.2%**
CO	1,558	69,919	-	71,477	**2.5%**	58,002	17,803	5,262	81,067	**2.7%**
MD	3,251	78,008	-	81,259	**2.9%**	49,013	26,913	5,978	81,904	**2.8%**
NY	1,660	82,511	-	84,171	**3.0%**	37,743	33,203	2,042	72,988	**2.5%**
VA	415	75,005	-	75,420	**2.7%**	49,414	18,608	2,899	70,920	**2.4%**
TX	2,209	130,770	-	132,979	**4.7%**	29,441	34,049	2,442	65,932	**2.2%**
NJ	1,220	50,427	-	51,647	**1.8%**	32,540	23,572	3,940	60,051	**2.0%**
NV	-	17,721	-	17,721	**0.6%**	40,428	16,091	1,078	57,597	**1.9%**
IL	1,489	57,613	-	59,102	**2.1%**	33,633	22,986	2,276	58,894	**2.0%**
GA	168	48,203	-	48,371	**1.7%**	34,087	21,322	3,336	58,745	**2.0%**
OH	-	26,329	-	26,329	**0.9%**	35,570	9,296	882	45,748	**1.5%**
Other	11,787	542,443	357	554,587	**19.8%**	263,630	154,094	16,792	434,515	**14.7%**
Total :	**$ 45,702**	**$ 2,759,446**	**$ 357**	**$ 2,805,504**	**100%**	**$ 1,887,338**	**$ 973,836**	**$ 103,448**	**$ 2,964,622**	**100%**

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools.

Totals may not foot due to rounding

$ in thousands

Year	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
Older	$ 634	$ 515	$ -	$ 1,149	**0.0%**	$ 50,126	$ 24,538	$ 789	$ 75,453	**2.5%**
2003	509	255	-	763	**0.0%**	164,522	18,800	6,299	189,620	**6.4%**
2004	6,055	-	-	6,055	**0.2%**	514,171	35,152	9,316	558,639	**18.8%**
2005	3,204	791	-	3,995	**0.1%**	538,388	66,313	3,360	608,061	**20.5%**
2006	838	2,395	89	3,321	**0.1%**	142,263	127,166	15,725	285,153	**9.6%**
2007	5,709	15,890	268	21,868	**0.8%**	390,428	483,756	65,394	939,577	**31.7%**
2008	526	10,936	-	11,462	**0.4%**	26,497	93,314	2,565	122,376	**4.1%**
2009	-	10,070	-	10,070	**0.4%**	11,251	51,180	-	62,432	**2.1%**
2010	4,587	3,272	-	7,859	**0.3%**	8,038	29,176	-	37,214	**1.3%**
2011	1,193	633	-	1,826	**0.1%**	20,935	26,523	-	47,458	**1.6%**
2012	22,448	2,714,688	-	2,737,137	**97.6%**	20,720	17,919	-	38,639	**1.3%**
Total :	**$ 45,702**	**$ 2,759,446**	**$ 357**	**$ 2,805,504**	**100%**	**$ 1,887,338**	**$ 973,836**	**$ 103,448**	**$ 2,964,622**	**100%**

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools.

Totals may not foot due to rounding

First Mortgage Portfolio – by Original FICO

$ in thousands

FICO	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 580	$ -	$ 8,039	$ -	$ 8,039	**0.3%**	$ 36,080	$ 39,964	$ 773	$ 76,818	**2.6%**
580 - 619	-	12,822	-	12,822	**0.5%**	28,803	42,548	1,438	72,789	**2.5%**
620 - 659	830	131,122	-	131,952	**4.7%**	119,438	97,898	4,906	222,243	**7.5%**
660 - 699	6,881	303,235	-	310,116	**11.1%**	503,885	254,895	37,175	795,955	**26.8%**
> 699	37,991	2,304,227	357	2,342,575	**83.5%**	1,199,131	538,531	59,156	1,796,818	**60.6%**
Total :	**$ 45,702**	**$ 2,759,446**	**$ 357**	**$ 2,805,504**	**100%**	**$ 1,887,338**	**$ 973,836**	**$ 103,448**	**$ 2,964,622**	**100%**

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools.

Totals may not foot due to rounding

Flagstar Bancorp

$ in thousands

Original LTV	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 70	$ 26,836	$ 880,985	$ -	$ 907,821	**32.4%**	$ 491,769	$ 254,682	$ 22,874	$ 769,325	**26.0%**
70 - 79.99	14,883	684,762	-	699,645	**24.9%**	1,150,941	504,215	60,347	1,715,503	**57.9%**
80 - 89.99	2,276	248,779	89	251,144	**9.0%**	122,310	79,506	13,686	215,502	**7.3%**
90 - 99.99	1,707	733,943	268	735,918	**26.2%**	116,442	123,418	6,273	246,133	**8.3%**
100 - 109.99	-	121,226	-	121,226	**4.3%**	5,637	9,760	149	15,546	**0.5%**
110 - 124.99	-	39,774	-	39,774	**1.4%**	240	1,866	-	2,106	**0.1%**
> 124.99	-	49,978	-	49,978	**1.8%**	-	388	119	507	**0.0%**
Total:	**$ 45,702**	**$ 2,759,446**	**$ 357**	**$ 2,805,504**	**100%**	**$ 1,887,338**	**$ 973,836**	**$ 103,448**	**$ 2,964,622**	**100%**

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools.

Totals may not foot due to rounding

$ in thousands

HPI Adjusted LTV	AFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 70	$ 27,660	$ 890,610	$ -	$ 918,271	**32.7%**	$ 405,209	$ 112,272	$ 8,316	$ 525,797	**17.7%**
70 - 79.99	11,749	670,411	89	682,249	**24.3%**	322,830	105,649	10,055	438,534	**14.8%**
80 - 89.99	2,321	246,933	-	249,254	**8.9%**	302,919	140,746	16,251	459,917	**15.5%**
90 - 99.99	3,971	727,599	-	731,570	**26.1%**	241,665	157,291	20,233	419,189	**14.1%**
100 - 109.99	-	115,611	268	115,879	**4.1%**	200,895	152,341	15,373	368,609	**12.4%**
110 - 124.99	-	49,859	-	49,859	**1.8%**	237,275	168,906	20,042	426,223	**14.4%**
> 124.99	-	58,423	-	58,423	**2.1%**	176,544	136,631	13,178	326,353	**11.0%**
Total :	**$ 45,702**	**$ 2,759,446**	**$ 357**	**$ 2,805,504**	**100%**	**$ 1,887,338**	**$ 973,836**	**$ 103,448**	**$ 2,964,622**	**100%**

Note: Reflects unpaid principal balance of underlying loans before accounting adjustments for discounts and other items. Also excludes loans eligible for repurchase from Ginnie Mae pools. The housing price index (HPI adjusted) LTV is updated from the original LTV based on Metropolitan Statistical Area-level Office of Federal Housing Enterprise Oversight (OFHEO) data.

Totals may not foot due to rounding

Real Estate Owned Portfolio

$ in thousands

	Commercial	%	Receivership	%	Construction	%	Manufactured Homes	%	Single Family Homes	%	Multi Family Dwelling	%	Total	%
Current Month	$10,899	24.4%	$0	0.0%	$215	8.4%	$0	0.0%	$7,479	13.2%	$0	0.0%	$18,594	15.4%
30 days	2,367	5.3%	-	0.0%	161	6.3%	36	15.2%	3,302	5.8%	125	83.9%	5,991	5.0%
60 days	3,527	7.9%	-	0.0%	443	17.4%	51	21.7%	10,366	18.3%	-	0.0%	14,387	11.9%
90 days	1,466	3.3%	-	0.0%	591	23.2%	53	22.8%	3,027	5.3%	-	0.0%	5,138	4.3%
91 - 180 days	16,688	37.3%	4,960	63.0%	484	19.0%	21	9.1%	10,846	19.1%	24	16.1%	33,024	27.4%
181 - 365 days	4,969	11.1%	-	0.0%	347	13.6%	8	3.2%	12,119	21.4%	-	0.0%	17,443	14.4%
1 - 2 years	2,961	6.6%	2,915	37.0%	309	12.1%	32	13.8%	6,897	12.2%	-	0.0%	13,114	10.9%
2 - 3 years	1,734	3.9%	-	0.0%	-	0.0%	33	14.2%	1,653	2.9%	-	0.0%	3,421	2.8%
3 - 4 years	111	0.2%	-	0.0%	-	0.0%	-	0.0%	672	1.2%	-	0.0%	784	0.6%
4 - 5 years	-	0.0%	-	0.0%	-	0.0%	-	0.0%	292	0.5%	-	0.0%	292	0.2%
Loans to Facilitate	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	8,546	7.1%
Total	**$44,723**	**100.0%**	**$7,875**	**100.0%**	**$2,550**	**100.0%**	**$234**	**100.0%**	**$56,655**	**100.0%**	**$149**	**100.0%**	**$120,732**	**100.0%**

Totals may not foot due to rounding

$ in thousands

Loan Type	Balance	Non-performing Loans	% of Balance	% of Overall NPLs	Q4 '12 Charge Offs, Net of Recoveries	Collectively Evaluated Reserves (1)	Individually Evaluated Reserves (2)	Total Reserves
Residential first mortgage	$3,009,252	$385,624	12.81%	77.27%	$28,271	$68,685	$150,545	$219,230
Second mortgage	114,884	5,621	4.89%	1.13%	5,227	13,173	7,028	20,201
Warehouse	1,347,727	-	-	-	-	899	-	899
HELOC	179,447	6,420	3.58%	1.29%	4,933	15,274	3,074	18,348
Consumer	49,611	1,018	2.05%	0.20%	882	2,040	-	2,040
Commercial RE	689,424	100,336	14.55%	20.10%	6,843	38,772	2,538	41,310
Commercial NRE	196,288	41	0.02%	0.01%	4,194	2,962	10	2,971
Total:	**$5,586,633**	**$499,060**	**8.93%**	**100.00%**	**$50,350**	**$ 139,305**	**$165,695**	**$305,000**

(1) Represents loans collectively evaluated for impairment in accordance with ASC 450-20, Loss Contingencies (formerly FAS 5), and pursuant to amendments by ASU 2010-20 regarding allowance for unimpaired loans

(2) Represents loans individually evaluated for impairment in accordance with ASC 310-10, Receivables (formerly FAS 114), and pursuant to amendments by ASU 2010-20 regarding allowance for impaired loans.

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals.

Totals may not foot due to rounding

Flagstar Bancorp

Non-performing Loans HFI – by State

$ in thousands

State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Consumer	Total	Percent of Total
CA	$71,737	23.4%	$936	$817	$8,999	$0	$0	$82,489	20.6%
FL	61,648	20.1%	203	61	1,715	-	-	63,627	15.9%
MI	15,735	5.1%	468	1,215	26,196	41	178	43,833	11.0%
VA	6,763	2.2%	12	-	33,867	-	-	40,642	10.2%
NY	13,324	4.3%	86	-	-	-	-	13,410	3.4%
WA	12,155	4.0%	309	352	-	-	-	12,816	3.2%
GA	4,434	1.4%	-	-	8,273	-	2	12,709	3.2%
NJ	12,194	4.0%	-	-	-	-	-	12,194	3.0%
IL	9,439	3.1%	147	3	1,935	-	-	11,524	2.9%
MD	9,849	3.2%	187	41	-	-	-	10,077	2.5%
TX	8,687	2.8%	85	-	-	-	-	8,772	2.2%
AZ	7,944	2.6%	214	93	-	-	-	8,251	2.1%
NV	5,601	1.8%	23	101	-	-	-	5,725	1.4%
CO	4,395	1.4%	-	-	-	-	-	4,395	1.1%
OH	3,287	1.1%	-	42	1,244	-	-	4,573	1.1%
Other	59,255	19.3%	1,053	340	4,138	-	2	64,788	16.2%
Total	**$306,447**	**100.0%**	**$3,723**	**$3,065**	**$86,367**	**$41**	**$183**	**$399,826**	**100.0%**

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals. Excludes participations and first mortgage repurchases.

Totals may not foot due to rounding

Flagstar Bancorp

$ in thousands

Vintage	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Commercial Real Estate	Commercial	Consumer	Total	Percent of Total
Older	$17,032	**5.6%**	$242	$1,140	$3,346	$0	$9	$21,769	**5.4%**
2004	25,548	**8.3%**	156	185	2,415	-	7	28,310	**7.1%**
2005	35,706	**11.7%**	207	69	5,170	-	2	41,154	**10.3%**
2006	31,206	**10.2%**	215	-	22,972	-	1	54,394	**13.6%**
2007	124,681	**40.7%**	2,665	1,632	33,027	-	23	162,029	**40.5%**
2008	47,700	**15.6%**	219	-	3,814	3	18	51,754	**12.9%**
2009	15,139	**4.9%**	19	-	569	-	-	15,728	**3.9%**
2010	4,272	**1.4%**	-	-	2,538	-	45	6,855	**1.7%**
2011	5,202	**1.7%**	-	-	12,515	38	4	17,760	**4.4%**
2012	-	**0.0%**	-	-	-	-	73	73	**0.0%**
Total	**$306,486**	**100.0%**	**$3,724**	**$3,025**	**$86,367**	**$41**	**$183**	**$399,825**	**100%**

Note: Non-performing loans include 90+ days delinquent and matured, and performing non-accruals. Excludes participations and first mortgage repurchases.

Totals may not foot due to rounding

Flagstar Bancorp

$ in millions	Dec 31, 2012	Sep 30, 2012	Dec 31, 2011
Non-performing assets	$520.6	$518.4	$603.1
Tier 1 Capital	1,295.8	1,379.7	1,215.2
Allowance for Loan Losses	305.0	305.0	318.0
Tier 1 Capital + Allowance for Loan Losses	**$1,600.8**	**$1,684.7**	**$1,533.2**
Non-performing assets/ Tier 1 Capital + Allowance for Loan Losses	**32.52%**	**30.77%**	**39.33%**

Totals may not foot due to rounding

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