EXHIBIT 99.2

Flagstar Bancorp, Inc

3rd Quarter 2014 Earnings Presentation

October 22, 2014

Cautionary Statement

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, but are not limited to the following items:

1. 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 activity and the change in asset values in certain geographic markets, that affect us or our counterparties;
2. Volatile interest rates, and our ability to effectively hedge against them, which could affect, among other things, (i) the overall mortgage business, (ii) our ability to originate or acquire loans and to sell assets at a profit, (iii) prepayment speeds, (iv) our cost of funds and (v) investments in mortgage servicing rights;
3. The adequacy of our allowance for loan losses and our representation and warranty reserves;
4. Changes in accounting standards generally applicable to us and our application of such standards, including in the calculation of the fair value of our assets and liabilities;
5. Our ability to borrow funds, maintain or increase deposits or raise capital on commercially reasonable terms or at all and our ability to achieve or maintain desired capital ratios;
6. Changes in material factors affecting our loan portfolio, particularly our residential mortgage loans, and the market areas where our business is geographically concentrated or further loan portfolio or geographic concentration;
7. Changes in, or expansion of, the regulation of financial services companies and government-sponsored housing enterprises, including new legislation, regulations, rulemaking and interpretive guidance, enforcement actions, the imposition of fines and other penalties by our regulators, the impact of existing laws and regulations, new or changed roles or guidelines of government-sponsored entities, changes in regulatory capital ratios, and increases in deposit insurance premiums and special assessments of the Federal Deposit Insurance Corporation;
8. Our ability to comply with the terms and conditions of the Supervisory Agreement with the Board of Governors of the Federal Reserve and the Bank's ability to comply with the Consent Order with the Office of Comptroller of the Currency and the Consent Order of the Consumer Financial Protection Bureau and our ability to address any further matters raised by these regulators, and other regulators or government bodies;
9. Our compliance with the terms and conditions of the agreement with the U.S. Department of Justice and the impact of compliance with that agreement and our ability to accurately estimate the financial impact of that agreement, including the fair value and timing of the future payments;
10. The Bank's ability to make capital distributions and our ability to pay dividends on our capital stock or interest on our trust preferred securities;
11. Our ability to attract and retain senior management and other qualified personnel to execute our business strategy, including our entry into new lines of business, our introduction of new products and services and management of risks relating thereto, and our competing in the mortgage loan originations, mortgage servicing and community banking lines of business;
12. Our ability to satisfy our servicing and sub-servicing obligations and manage repurchases and indemnity demands by mortgage loan purchasers, guarantors and insurers;
13. The outcome and cost of defending current and future legal or regulatory litigation, proceedings or investigations;
14. Our ability to create and maintain an effective risk management framework and effectively manage risk, including, among other things, market, interest rate, credit and liquidity risk, including risks relating to the cyclicality and seasonality of our mortgage banking business, litigation and regulatory risk, operational risk, counterparty risk and reputational risk;
15. The control by, and influence of, our majority stockholder;
16. A failure of, interruption in or cybersecurity attack on our network or computer systems, which could impact our ability to properly collect, process and maintain personal data, ensure ongoing mortgage and banking operations, or maintain system integrity with respect to funds settlement; and
17. Our ability to meet our forecasted earnings such that we would need to establish a valuation allowance against our deferred tax asset;

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.

Although we believe that these forward-looking statements are based on reasonable estimates and assumptions, they are not guaranties of future performance and are subject to known and unknown risks, uncertainties, contingencies and other factors. Accordingly, we cannot give you any assurance that our expectations will in fact occur or that actual results will not differ materially from those expressed or implied by such forward-looking statements. In light of the significant uncertainties inherent in forward-looking statements, 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.

Executive Overview

Sandro DiNello, CEO

Key Highlights

3rd Quarter 2014

(as of September 30, 2014)

Leveraging strong core franchises	• Largest bank headquartered in Michigan, with \$9.6 billion of assets, \$7.2 billion of deposits and 106 branches
	• Mortgage origination and servicing franchises have national scale
	  • 9th largest mortgage origination
	  • 17th largest service of residential mortgages

Enhancing asset quality	• NPAs/assets down to 1.4% • Charge-offs of 1.36% as a percentage of average loans • Reserves cover 7.60% of loans held for investment and 295% of NPLs
Fortifying capital and liquidity	• Consolidated Tier 1 Common Equity of 12.7% and Tier 1 Leverage of 12.5% • Long-term objective of maintaining strong capital ratios
Improving risk management	• Appointed new Chief Risk Officer; continuing to build Risk and Compliance functions • Resolved CFPB civil investigative demands
Increasing performance	• Core operating revenue increase of 3% • Core operating expense increase of 10%

*See Non-GAAP reconciliation.

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3rd Quarter Highlights

- **New Executive Management Team Members:**
  - CFO: Jim Ciroli
  - CRO: Steve Figliuolo
- **Mortgage Originations:**
  - Fallout - adjusted lock volume declined 6% sequentially to $6.3 billion in the 3rd quarter from $6.7 billion
  - Gain on loan sale margin increased 1 basis point sequentially to 83 bps on fallout - adjusted locks in the 3rd quarter
- **Community Banking Growth:**
  - Average commercial loan portfolio increased 10% sequentially to $903 million in the third quarter
  - Average deposits increased 8% sequentially to $7.0 billion
- **Non-Interest Expense Containment:**
  - Remain committed to manage and control operating expenses to generate operating profits
  - Core operating expense up 10%; consistent with and on track to achieve upper end of $535 - $540 million in previous guidance
- **Core Credit Cost Stability**:
  - Provision, operating R&W, and Asset Resolution decreased 18.3% sequentially to $23.9 million
  - $3.4 million pre-tax charge and $7.0 million increase in R&W reserve related to FHA indemnifications
  - Adjusted for loan sales, net charge-offs were 69 basis points
- **CFPB Settlement:**
  - $27.5 million borrower remediation
  - $10.0 million civil money penalties

Financial Overview

Jim Ciroli, CFO

Quarterly Income Comparison

(in millions)

	Q3 2014	Q2 2014	Variance
Net interest income	$ 64.4	$ 62.4	$ 2.0
Provision for loan losses	(8.1)	(6.2)	(1.9)
Net interest income after provision for loan losses	$ 56.3	$ 56.2	$ 0.1
Net gain on loans sales	52.2	54.8	$ (2.6)
Loan fees and charges	18.7	15.3	3.4
Loan administration income	5.6	6.2	(0.6)
Other noninterest income	19.1	16.2	2.9
Noninterest income	95.6	92.5	$ 3.1
Compensation and benefits	53.5	55.2	$ (1.7)
Commissions	10.3	8.5	1.8
Other noninterest expenses	77.0	64.7	12.3
Noninterest expense	140.8	128.5	12.3
Core operating income before taxes	$ 11.1	$ 20.3	(9.2)
Income tax (benefit) expense	(3.3)	(5.9)	2.6
Core operating net income (Non-GAAP)	**$ 7.7**	**$ 14.4**	**$ (6.7)**
Adjustments, net of tax (1)			
CFPB settlement (2)	$ (28.6)	$ (1.9)	$ (26.7)
Government insured loan expense	(6.7)	—	(6.7)
Contract renegotiation	—	6.5	(6.5)
DOJ settlement fair value adjustment	—	6.5	(6.5)
Reported net income	**$ (27.6)**	**$ 25.5**	**$ (53.1)**

(1) Marginal tax rate of 35% used to tax effect significant items which were excluded from core operating net income.
(2) Includes non-deductible penalty of $10.0 million.

- Net interest income up 3% over prior quarter
  - Earning assets grew 5% over prior quarter on balanced growth in consumer loans, commercial loans and securities
  - NIM declined to 2.91%
  - Average deposits up 8%
- Operating noninterest income up 3% in the current quarter
  - Net gain on loans sales fell 5% in the current quarter on lower lock volume; margin increased 1 bps to 0.83%
  - Loan fees and charges rose 22%
  - Other noninterest income up 18%
- Operating noninterest expenses up 10% over prior quarter
  - Asset resolution costs up 24%
  - Legal and professional fees rose 31%
  - Other noninterest expense increased from litigation costs, the normal accretion of our DOJ liability and a provision for unfunded loan commitments

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Key Operating Statistics

3rd Quarter 2014

	Q3 2014	Q2 2014
Profitability		
Net interest margin	2.91%	2.98%
Mortgage rate lock commitments, in millions (1)	$ 6,304	$ 6,693
Gain on loan sale margin (1)	0.83%	0.82%
Asset Quality		
Nonperforming loans / Total assets (2)	1.40%	1.54%
Allowance for loan losses / Nonperforming loans (2)	295.4%	263.1%
Allowance for loan losses / Loans held for investment (2)	7.60%	7.41%
Charge-off to average loans held for investments (2)	136 bps	78 bps
Capital		
Tier 1 leverage to adjusted assets (3)	12.4%	12.5%
Total risk based capital (3)	24.1%	25.1%
MSR to tier 1 capital ratio (4)	25.2%	24.3%
Book value per common share	$ 19.28	$ 19.90

- Core operating leverage of negative 7% (4)
  - Core operating revenue growth of 3% (4)
  - Core operating expense increase of 10% (4)
  - Adjusted efficiency ratio of 86.8% from 80.2% (4)
- Strengthened asset quality
  - ALLL/LHFI loans increased to 7.6%
  - NPLs lowest level since the third quarter of 2006
  - Adjusted for loans sales, net charge-offs were 69 bps of related loans
- Capital ratios remain high
  - All ratios exceed regulatory minimums and peer medians
  - MSR to tier 1 capital ratio increased despite sales as net loss reduced capital

(1) Fallout adjusted.
(2) Excludes loans carried under the fair value option.
(3) Bank capital ratios.
(4) See Non-GAAP reconciliation.

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Balance Sheet Highlights

3rd Quarter 2014

(in millions)

	9/30/14	6/30/14	Variance
Total Assets	**$ 9,625**	**$ 9,933**	**$ (308)**
Cash and interest earning deposits	$ 107	$ 203	$ (96)
Investments securities available-for-sale	1,378	1,606	(228)
Liquid assets	$ 1,485	$ 1,809	$ (324)
Residential first mortgages	$ 2,225	$ 2,353	$ (128)
Consumer loans (1)	447	460	(13)
Warehouse loans	595	683	(88)
Commercial loans	918	863	55
Loans, held for investment	$ 4,185	$ 4,359	$ (174)
Loan held for sale	1,469	1,343	126
Loans repurchased with government guarantees	1,192	1,218	(26)
Total loans	$ 6,846	$ 6,920	$ (74)
Mortgage servicing rights	$ 285	$ 289	$ (4)
Gross HFI loans / deposits ratio	57.8%	65.6%	(7.8)%
Wholesale funding ratio	42.7%	31.7%	11.0 %
MSR to tier 1 capital ratio	25.2%	24.3%	0.9 %

- Total assets below $10 billion for 4th consecutive quarter
    - Results in lower FDIC costs
    - Benefits from Durbin relief
    - Do not intend to be under $10 billion long-term
- Continually strengthening balance sheet
    - Deposits growth of 9% in Q3
    - Equity/Assets of 14%
    - Core deposits 58.3% of total deposits
- Liquidity remains enviable
    - Loans held for sale / deposits 20%
    - Cash + GSE investment securities 15% of total assets
    - Borrowing capacity with FHLB at 29% of total assets

(1) Consumer loans includes HELOCs, 2nd mortgages and other consumer loans.

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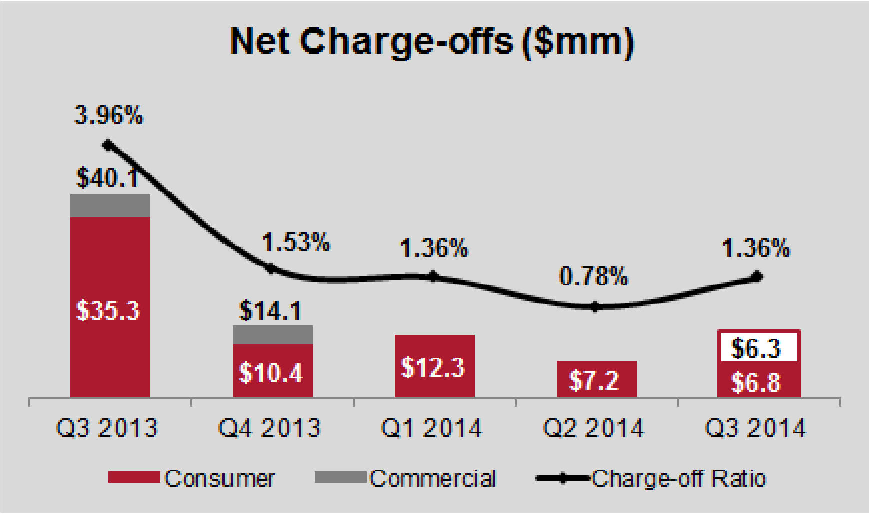
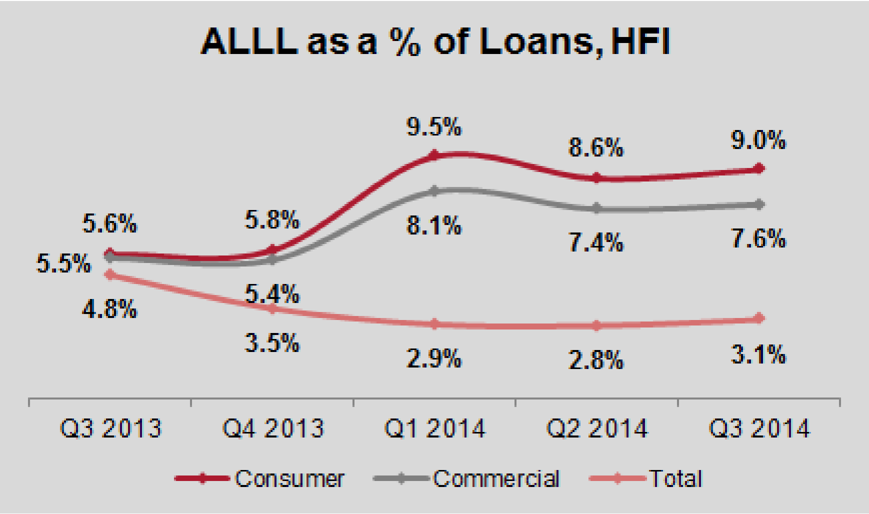
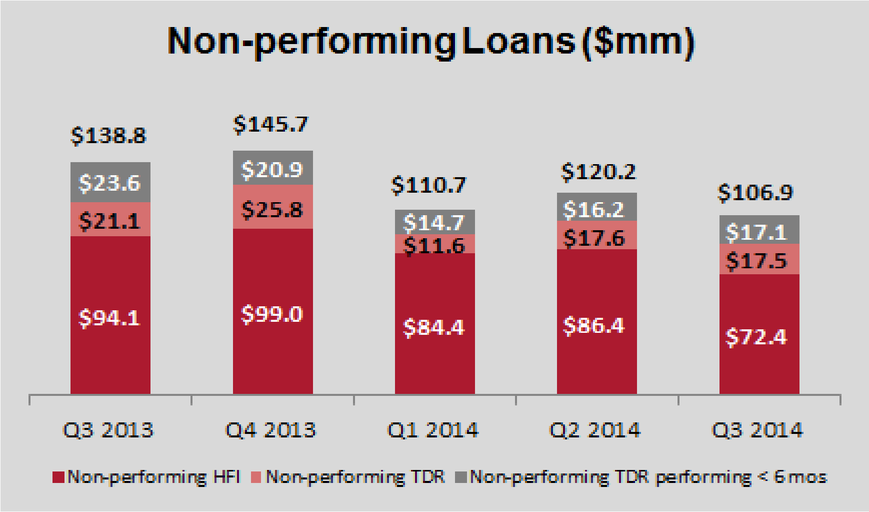
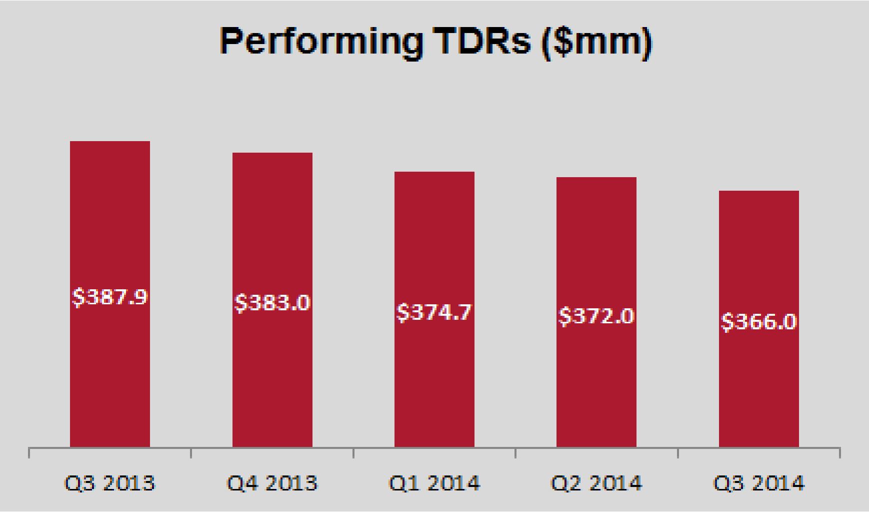
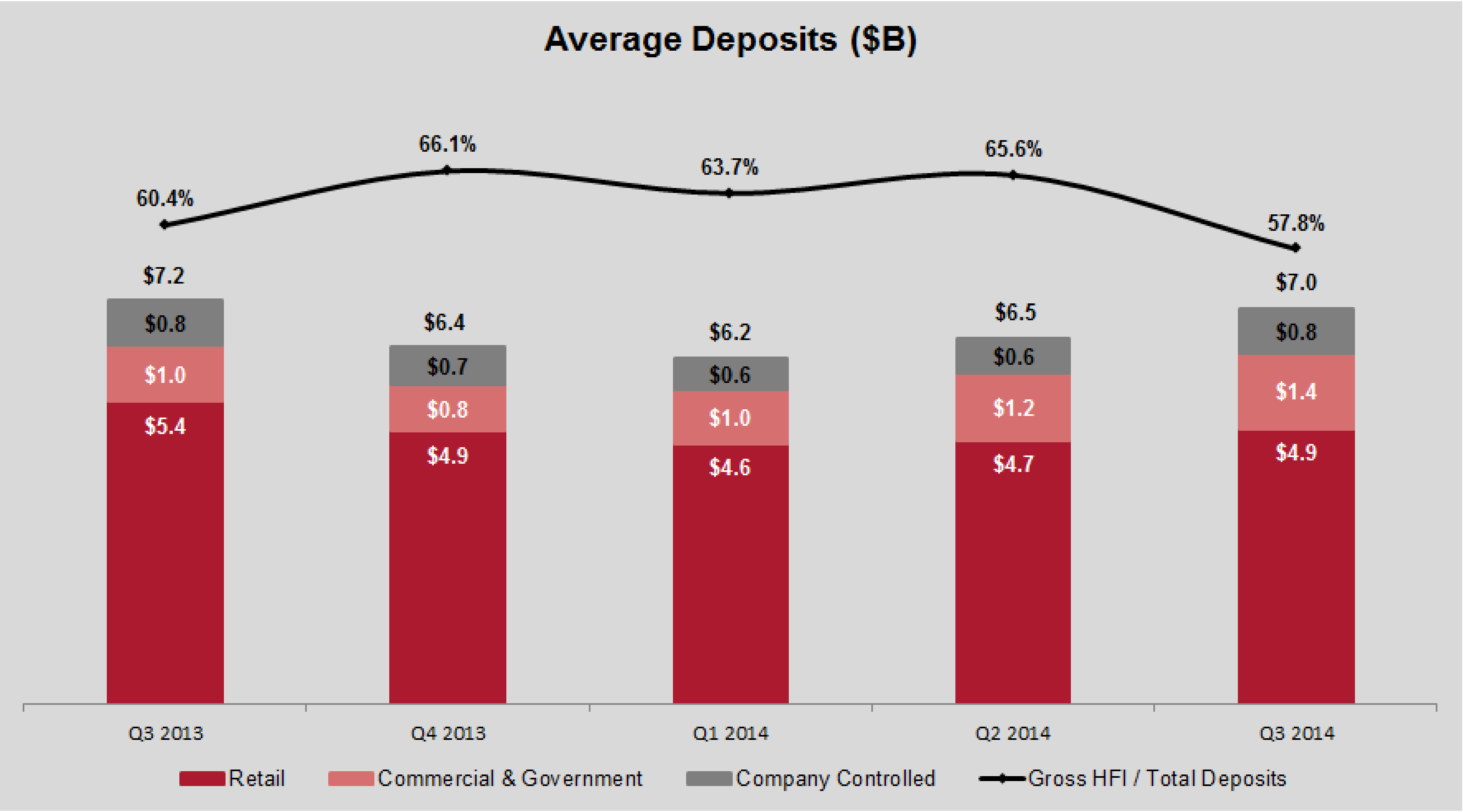

Net Charge-offs ($mm)
3.96%
$40.1
$35.3
1.53%
$14.1
$10.4
1.36%
$12.3
0.78%
$7.2
1.36%
$6.3
$6.8
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Consumer
Commercial
Charge-off Ratio


ALLL as a % of Loans, HFI
5.6%
5.5%
4.8%
5.8%
5.4%
3.5%
9.5%
8.1%
2.9%
8.6%
7.4%
2.8%
9.0%
7.6%
3.1%
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Consumer
Commercial
Total

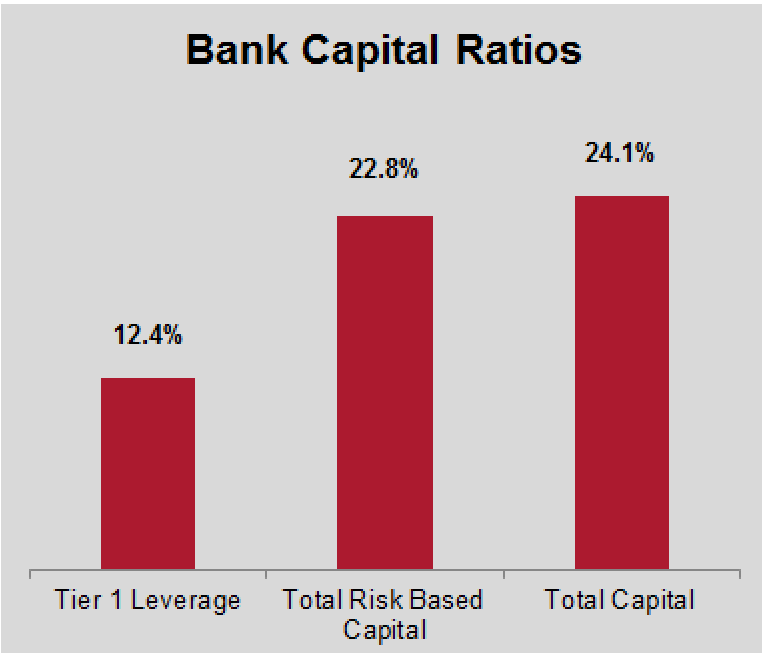

Non-performing Loans ($mm)
$138.8
$23.6
$21.1
$94.1
$145.7
$20.9
$25.8
$99.0
$110.7
$14.7
$11.6
$84.4
$120.2
$16.2
$17.6
$86.4
$106.9
$17.1
$17.5
$72.4
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014
Non-performing HFI
Non-performing TDR
Non-performing TDR performing < 6 mos

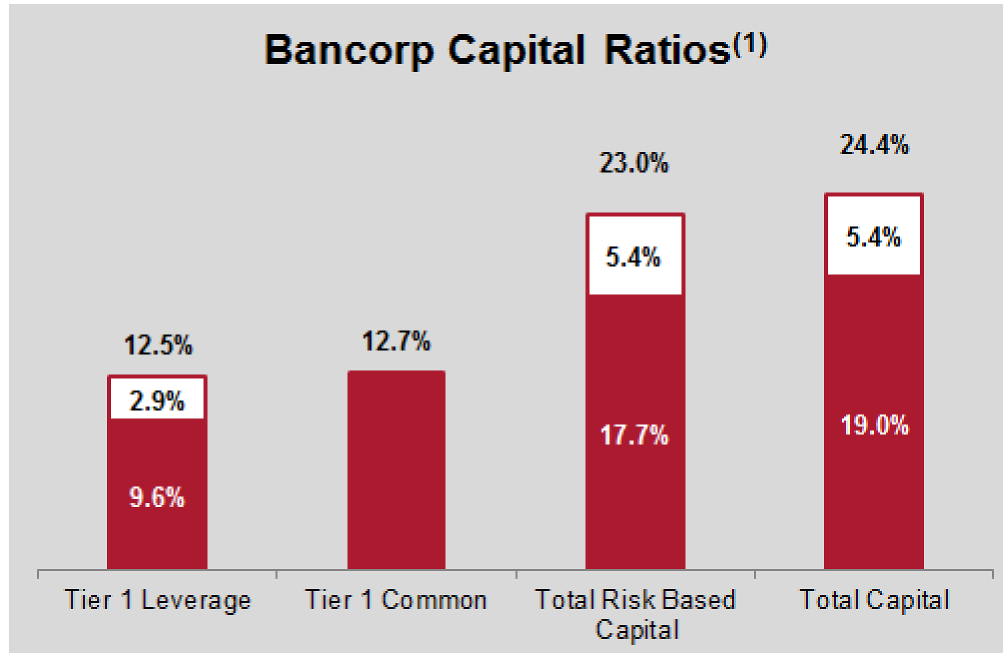

Performing TDRs ($mm)
$387.9
$383.0
$374.7
$372.0
$366.0
Q3 2013
Q4 2013
Q1 2014
Q2 2014
Q3 2014

Continued Improvement in Funding Mix



Regulatory Capital Ratios



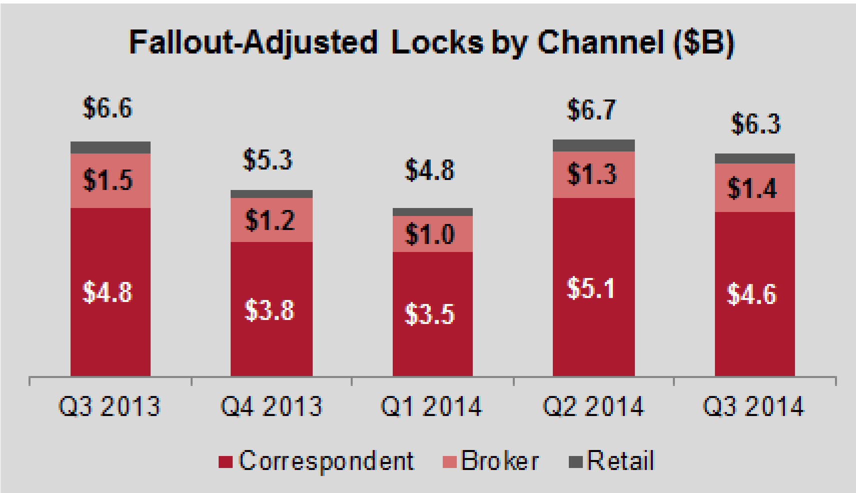


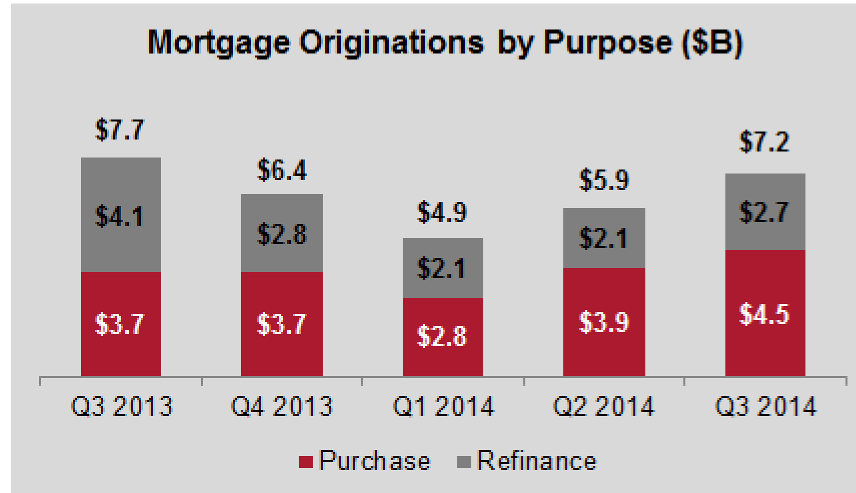
(1) Bancorp regulatory capital ratios indicate, where appropriate, the portion of each ratio comprised by TARP preferred stock.

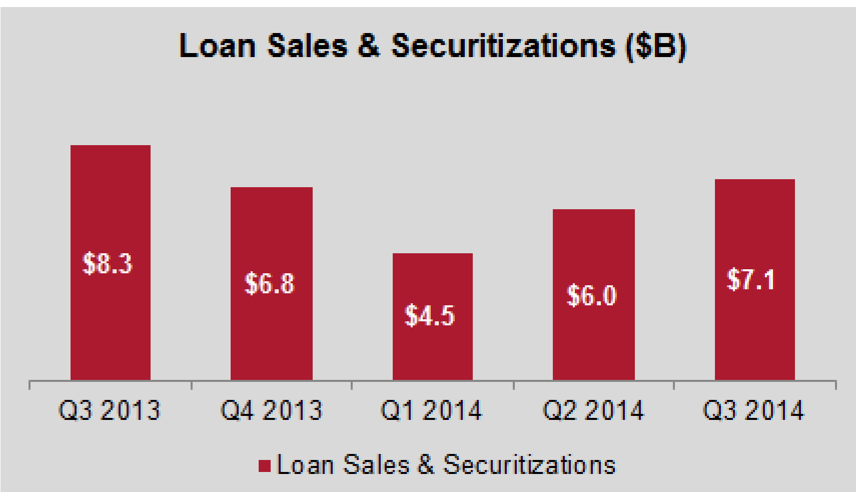
Business Segment Overview

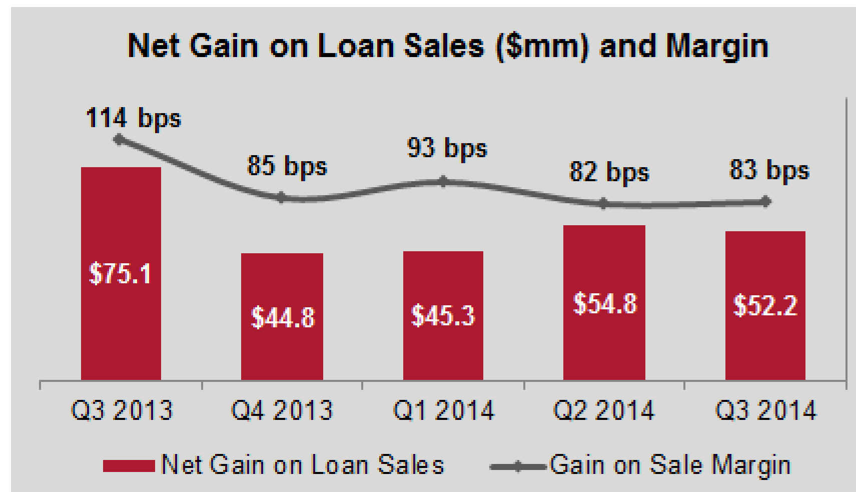
Lee Smith, COO

Mortgage Originations

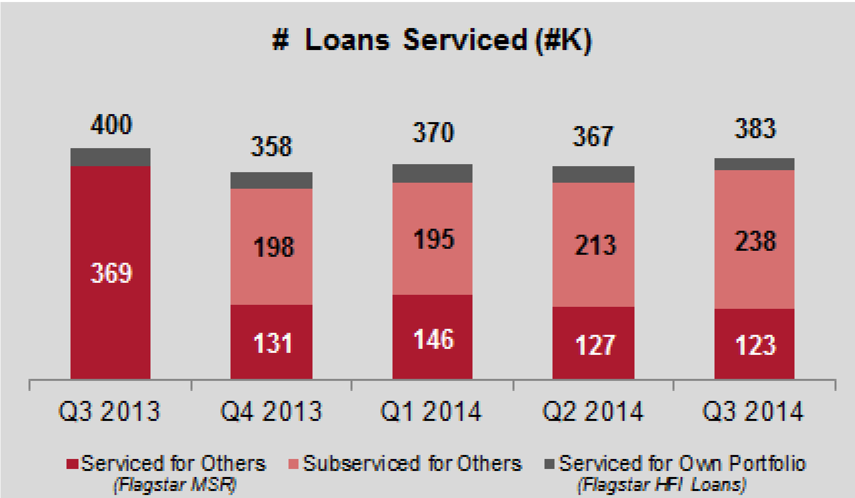


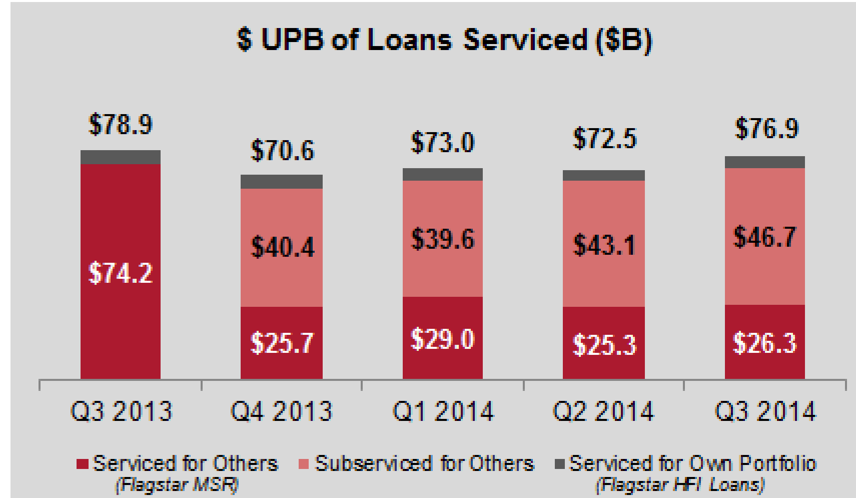


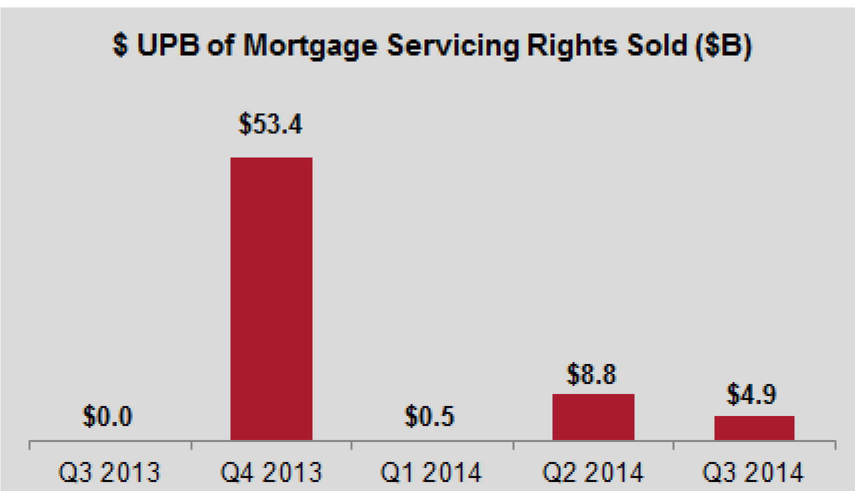


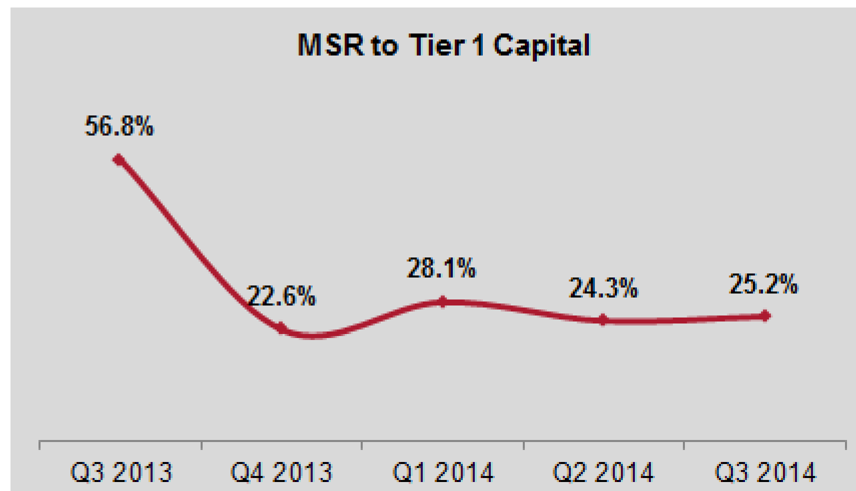


Mortgage Servicing - Overview









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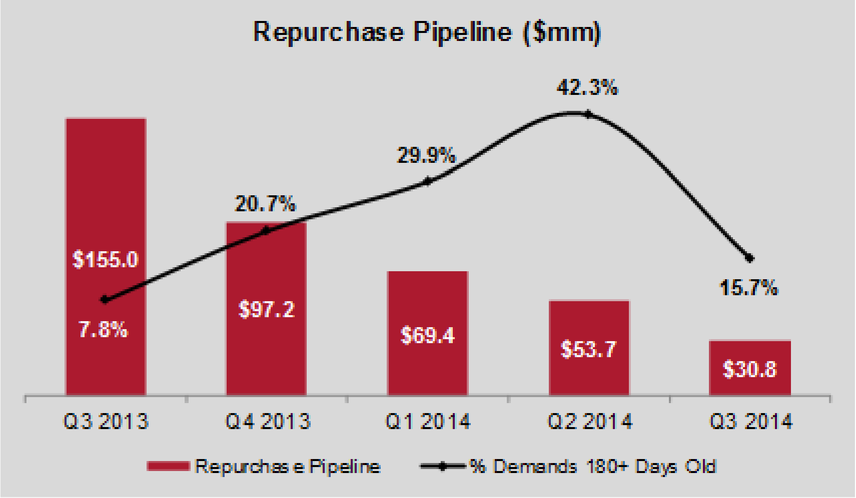
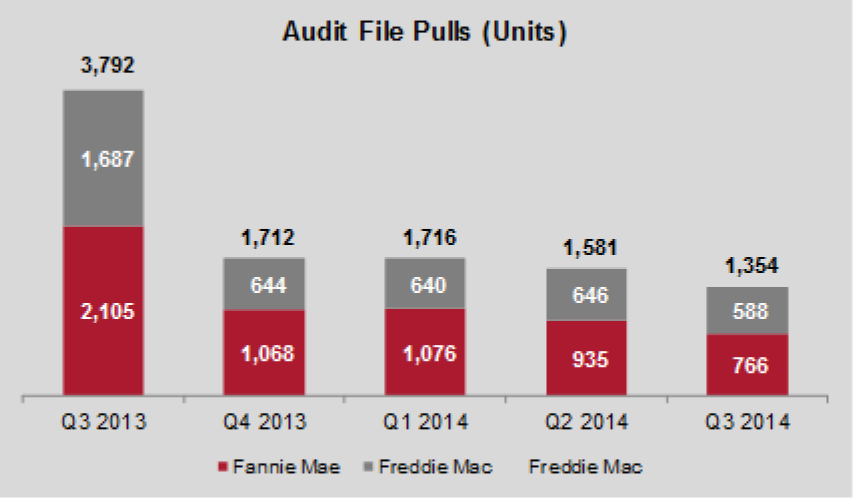
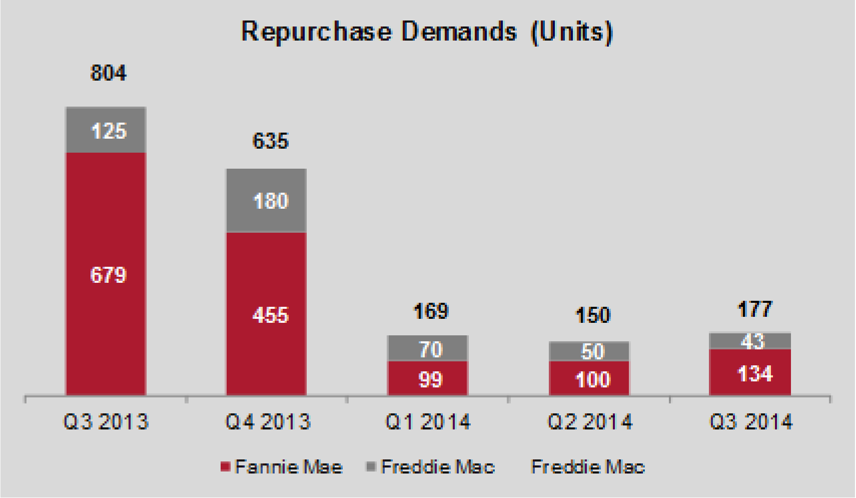
Representation and Warranty Reserve Details

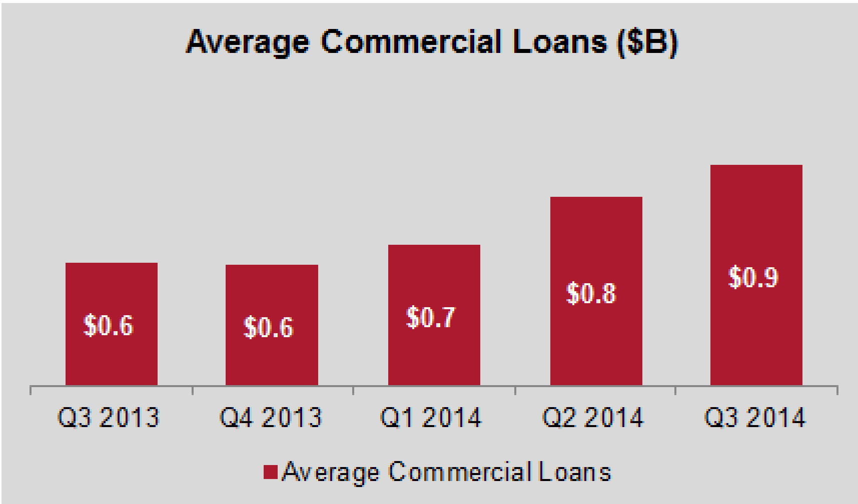
($mm)	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Beginning balance	$185.0	$174.0	$54.0	$48.0	$50.0
Additions	8.9	(12.4)	(0.4)	7.0	14.5
Net charge-offs	(19.9)	(107.6)	(5.6)	(5.0)	(7.5)
Ending balance	$174.0	$54.0	$48.0	$50.0	$57.0

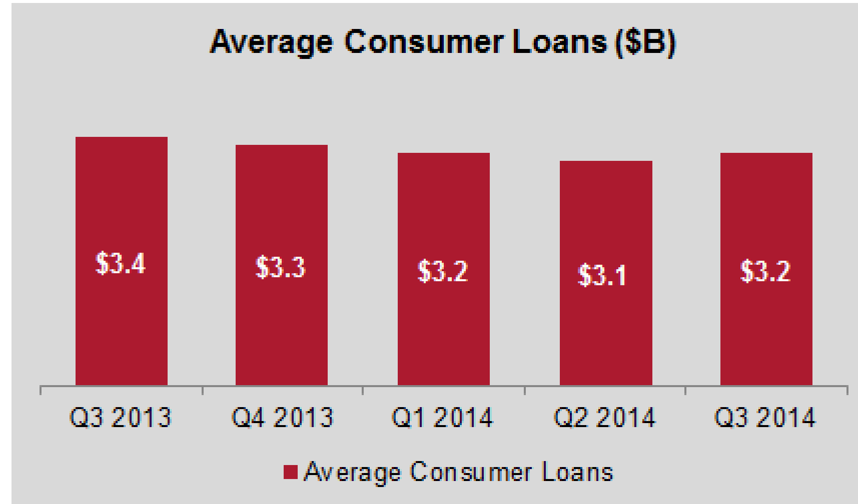


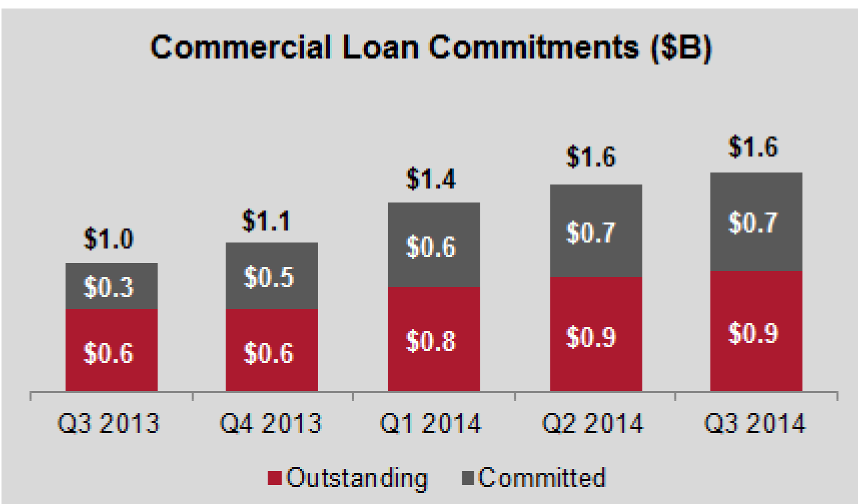


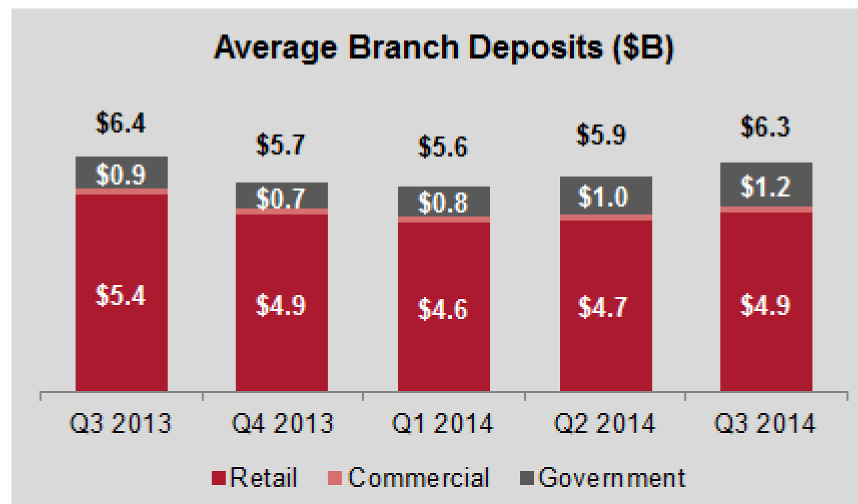


Commercial Loan Portfolio Trends





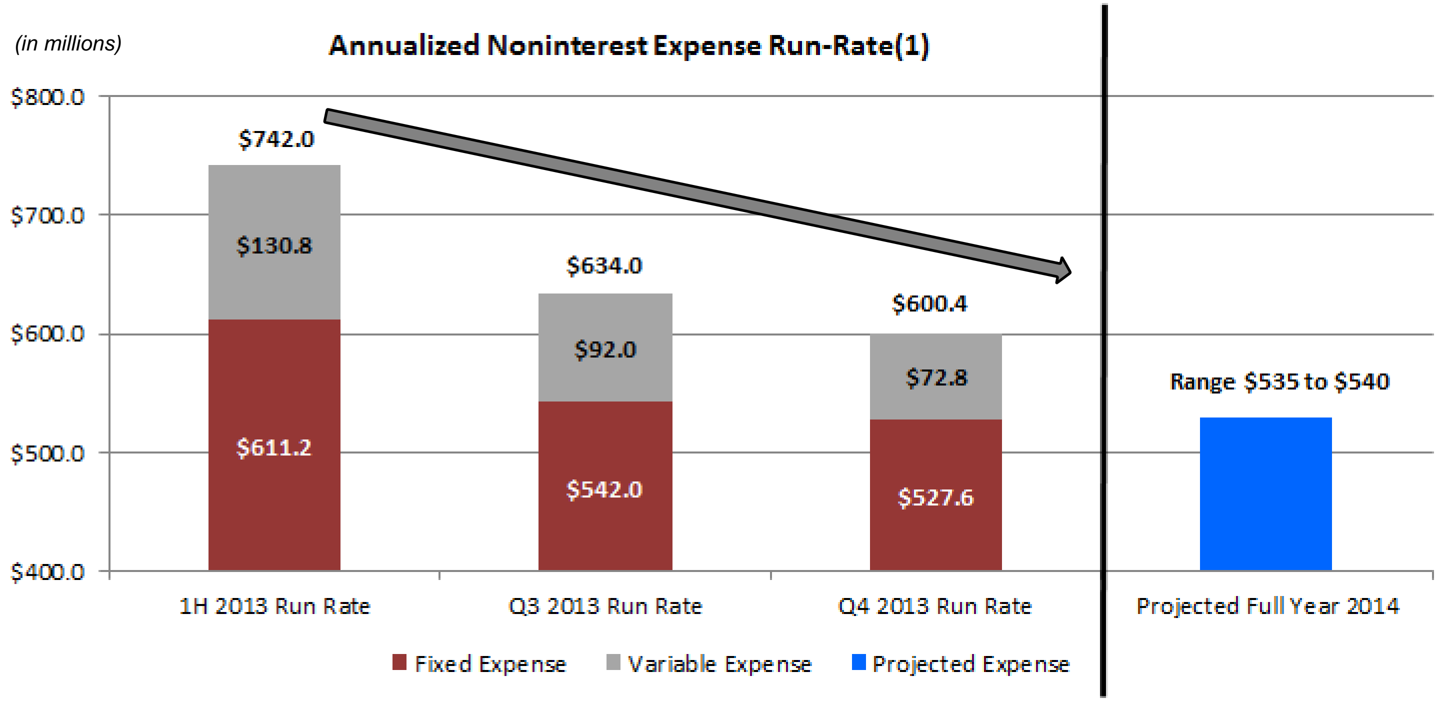




Note: Reflects unpaid principal balance, net of write downs, does not include premiums or discounts.

Non Interest Expense

Flagstar continues to carefully manage its overhead expense base:

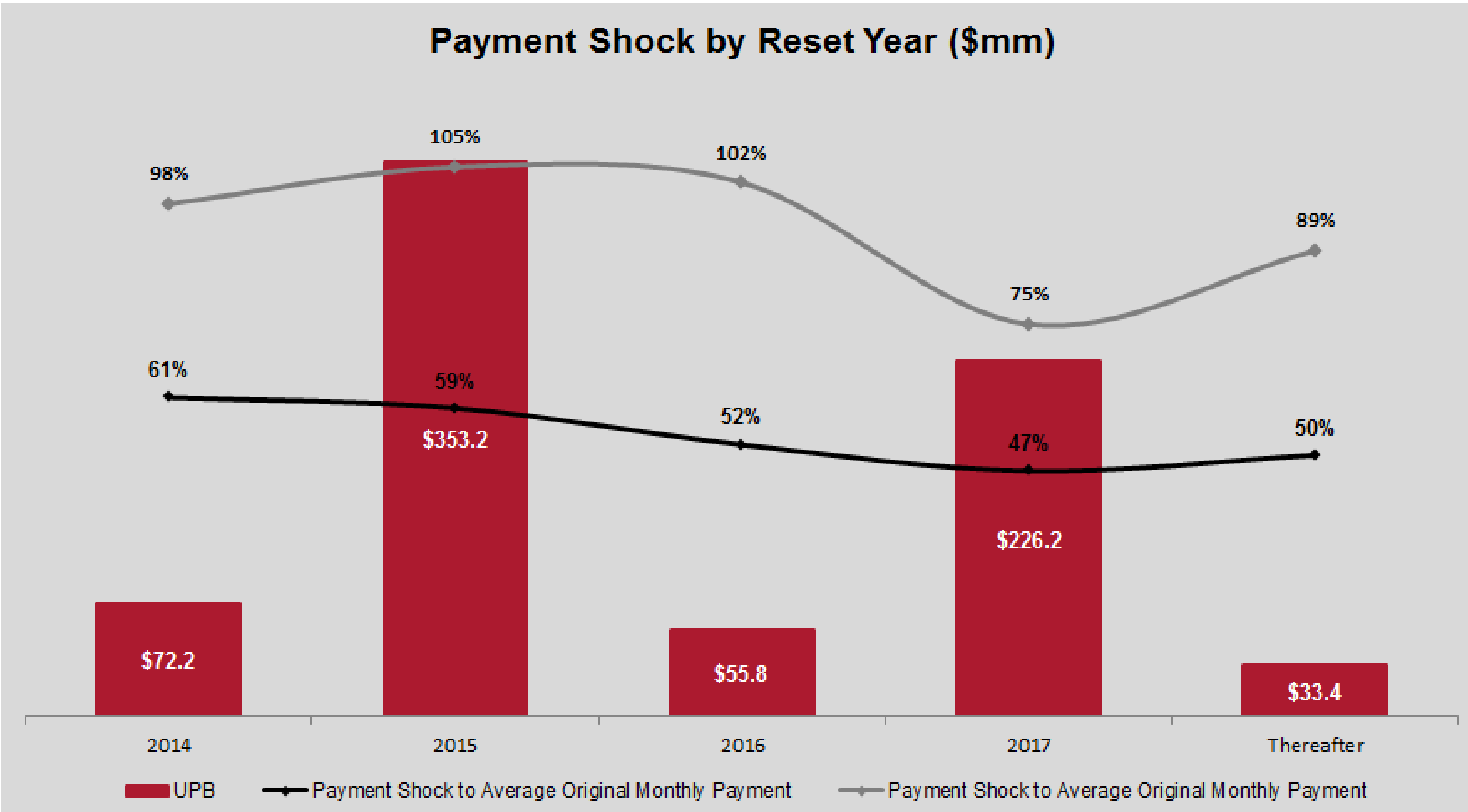


(1) See Non-GAAP reconciliation.

Note:
- Fixed expenses include compensation and benefits, occupancy and equipment, FDIC premiums, asset resolution, legal and professional expense, and other non-interest expense.
- Variable expenses include commissions and loan processing expense.

Current Interest Only Loans – Payment Shock vs. Current and Original Monthly Payments

- There are $741 million of unpaid principal balance interest only loans due to reset.



Interest-only Mortgage Loans - Reset Statistics

- Contact rates have been successful:
  - Overall contact rate of third quarter 2014 resets is 100.0 percent
  - Overall contact rate of fourth quarter 2014 resets is 96.3 percent
- Resets of interest-only mortgage loans January 1, 2013 through September 30, 2014 are:

	UPB	Percent	Quantity	Percent
Resolutions:	(in thousands)			
Paid in full	$ 71,541	25.5%	196	23.2%
Cash flow reset	116,537	41.5%	378	44.7%
Loans sales and modifications	54,643	19.4%	148	17.5%
Charge-off / foreclosure	18,959	6.7%	57	6.7%
Default servicing	9,755	3.5%	29	3.4%
Total resolutions	$ 271,435	96.6%	808	95.5%
In process	9,603	3.4%	38	4.5%
Total resets through September 30, 2014	$ 281,038	100.0%	846	100.0%

Interest-only Mortgage Loans by Geography

3rd Quarter 2014

Geographic mix by amortization date and payment shock year

($ in millions)

	2014		2015		2016		2017		Thereafter		Total		
State	Number of Loans	UPB	Number of Loans	UPB	Number of Loans	UPB	Number of Loans	UPB	Number of Loans	UPB	Number of Loans	UPB	Percent
CA	66	$26.0	246	$96.2	34	$13.7	166	$95.4	9	$3.9	521	$235.1	31.7%
FL	42	8.6	299	70.8	48	12.3	52	22.0	8	2.2	449	116.0	15.7%
MI	20	5.1	91	19.5	10	2.5	18	5.9	393	21.2	532	54.1	7.3%
WA	8	2.6	62	16.3	17	4.7	37	17.0	5	1.5	129	42.0	5.7%
AZ	9	3.0	89	21.4	13	3.2	31	15.3	2	0.5	144	43.4	5.9%
CO	14	3.0	39	8.0	7	1.7	13	6.5	1	0.2	74	19.3	2.6%
MD	3	0.9	37	12.6	10	3.3	20	10.0	2	0.6	72	27.3	3.7%
NY	5	2.1	17	6.3	4	1.4	6	2.3	1	0.3	33	12.4	1.7%
VA	13	3.4	43	15.0	3	1.0	12	6.5	—	—	71	25.9	3.5%
TX	3	0.4	10	1.5	—	—	4	2.6	1	0.9	18	5.3	0.7%
NJ	4	1.1	18	5.5	3	1.1	4	1.8	1	0.2	30	9.7	1.3%
NV	8	2.3	40	9.8	—	—	9	3.1	—	—	57	15.2	2.1%
Other	58	13.7	285	70.6	49	11.0	87	37.8	9	2.0	488	135.2	18.2%
Total	253	$72.2	1,276	$353.5	198	$55.9	459	$226.2	432	$33.5	2,618	$740.9	100.0%

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items. Population is fixed as of 12/31/11. Excludes any resolutions.

House Price Appreciation by State

State	1 year	National Rank
CA	11.38%	2
FL	8.32%	6
All	5.25%	N/A

Source: FHFA Q2 2014 HPI Index

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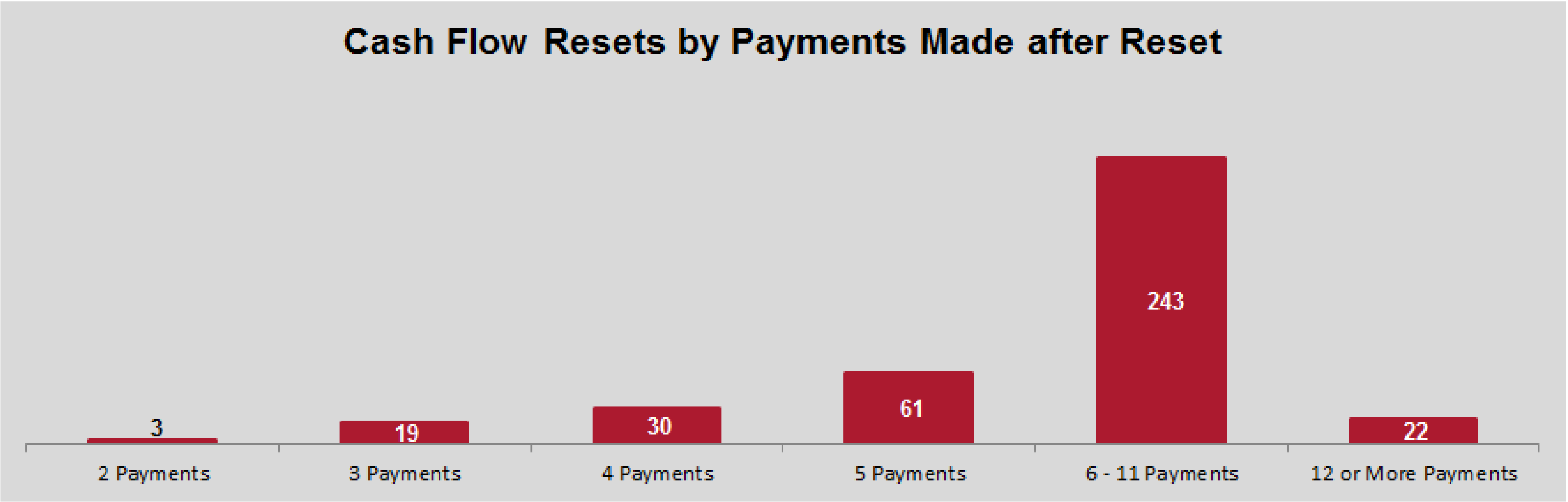
Interest-only Mortgage Loans
Aging of Cash Flow Resets

3rd Quarter 2014



- Aging of cash flow resets of interest-only mortgage loans January 1, 2013 through September 30, 2014 is:

	Number of Loans	Percent
2 Payments	3	0.9%
3 Payments	19	5.0%
4 Payments	30	7.9%
5 Payments	61	16.1%
6-11 Payments	243	64.3%
More than 12 Payments	22	5.8%
Total	378	100.0%

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Interest-Only Mortgage Loans by FICO & LTV

- For the future resets due to occur in interest-only mortgage loans
  - 83.3 percent have current FICO's that are 660 or greater
  - 65.1 percent have current LTV's less than 100 percent

Amortizing date and payment shock

($ in millions)

		Current LTVs					
		<70	**70-89**	**80-89**	**90-99**	**100+**	**Total**
Current FICOs	**740+**	$ 82.0	$ 86.2	$ 81.0	$ 75.9	$ 51.2	$ 376.3
	700-739	28.2	30.9	35.0	25.5	25.7	145.3
	660-699	24.7	13.9	20.3	17.4	19.0	95.3
	620-659	13.2	13.3	12.8	15.5	11.8	66.6
	<620	16.3	12.6	11.7	9.7	6.9	57.3
	Total	$ 164.4	$ 156.9	$ 160.9	$ 143.9	$ 114.6	$ 740.8

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items.

Closing Remarks / Q&A

Sandro DiNello, CEO

Guidance[1][2]

4th Quarter Outlook

Net Interest Income and Margin	- Net interest income to increase slightly as we continue to grow earning assets - Net interest margin is expected to be relatively stable
Mortgage Originations	- Mortgage locks to decline with normal seasonal fluctuations. Strong October volumes and the favorable rate environment could favorably impact volumes
Gain on Loan Sales	- Modest improvement in gain on loan sale margin
Net Servicing Revenue	- Loan administration income and the net return on the mortgage servicing asset to be consistent with third quarter performance
MSR to Tier 1 Capital Ratio	- Continue sales of the MSR asset in the normal course and retain subservicing where it makes economic sense to do so - Ratio of our MSR to Tier 1 capital to be slightly below current levels
Credit Costs	- Total credit costs including provision for loan losses, representation & warranty and asset resolution to be between \$20 - \$25 million
Noninterest Expenses	- Noninterest expenses to total between \$135 - \$140 million for the fourth quarter

(1) See cautionary statement on slide 2
(2) All assumptions and estimates are subject to change and may impact 4th quarter outlook.

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FBC

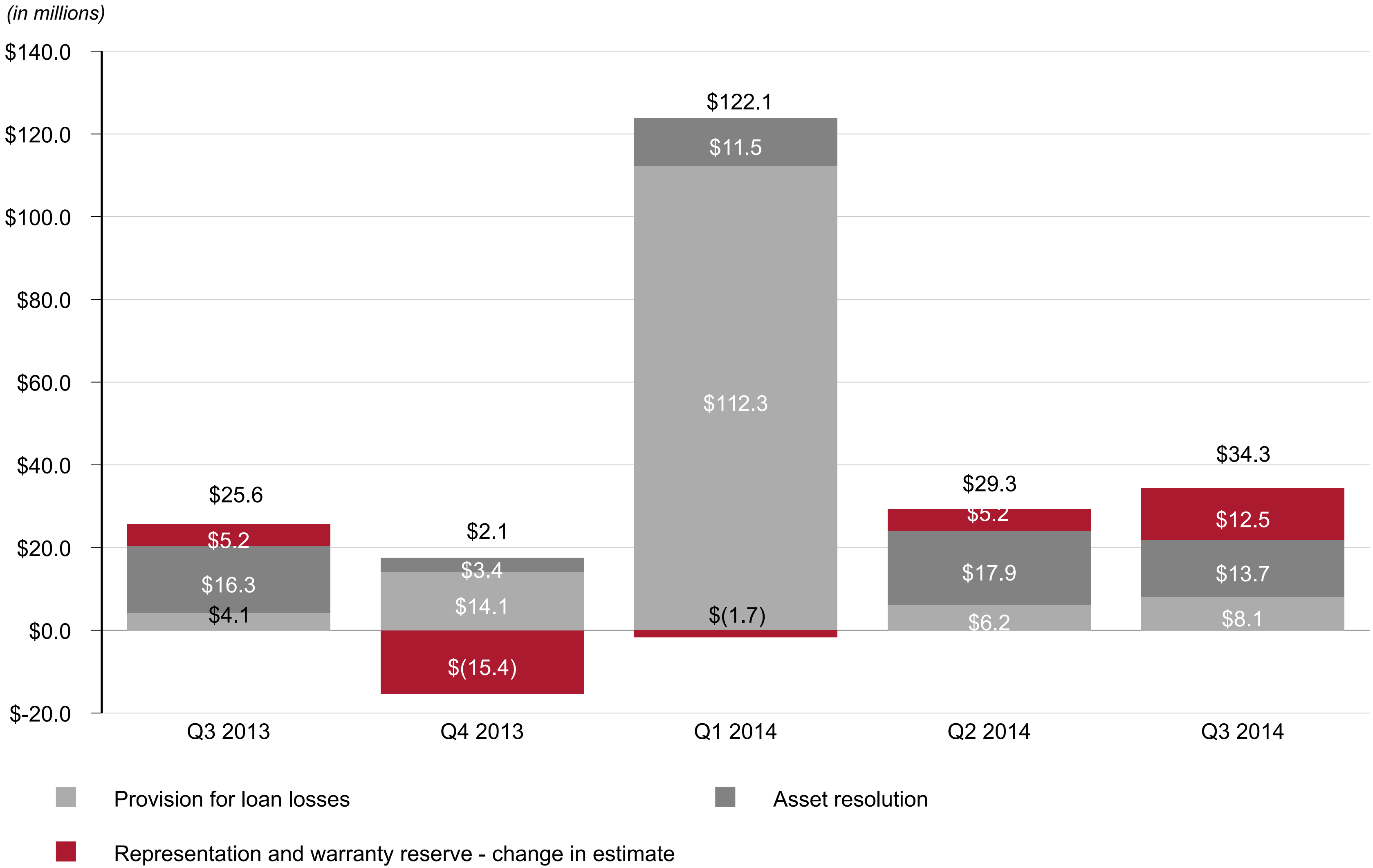
LISTED

NYSE

Appendix

Appendix Index

Primary Credit-Related Costs



Asset Quality by Loan Type - HFI

$ in thousands

Loan Type	Balance	Non-performing Loans	% of Balance	% of Overall NPLs	Q3 '14 Charge Offs, Net of Recoveries	Collectively Evaluated Reserves	Individually Evaluated Reserves	Total Reserves
Residential first mortgage	$ 2,224,734	$ 102,119	4.6%	95.5%	$ (11,053)	$ 157,198	$ 82,858	$ 240,056
Second mortgage	153,891	1,597	1.0%	1.5%	(441)	7,089	5,514	12,603
Warehouse	594,526	—	—%	—%	(16)	2,234	—	2,234
HELOC	261,826	3,169	1.2%	3.0%	(1,310)	17,453	1,179	18,632
Other consumer	31,612	59	0.2%	0.1%	203	1,545	—	1,545
Commercial real estate	566,870	—	—%	—%	(489)	20,584	—	20,584
Commercial and industrial	341,312	—	—%	—%	9	5,202	—	5,202
Commercial lease financing	9,853	—	—%	—%	—	144	—	144
Total:	**$ 4,184,624**	**$ 106,944**	2.6%	**100.0%**	**$ (13,097)**	**$ 211,449**	**$ 89,551**	**$ 301,000**

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

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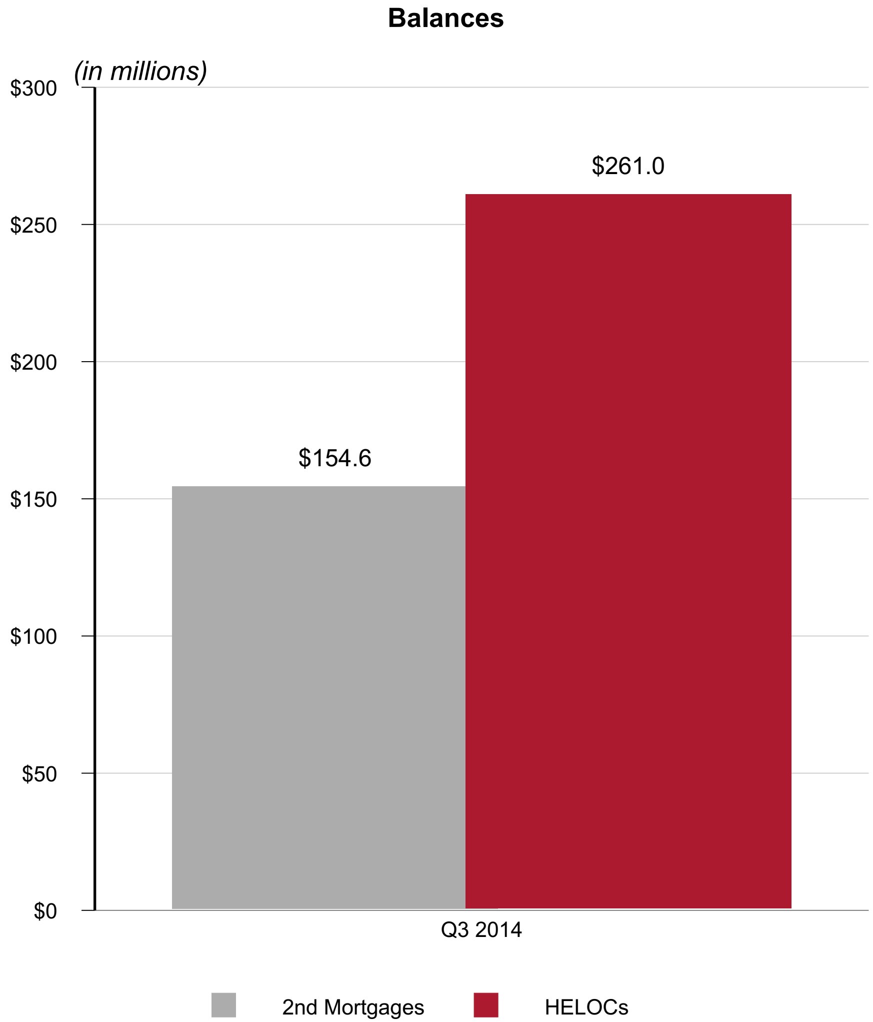
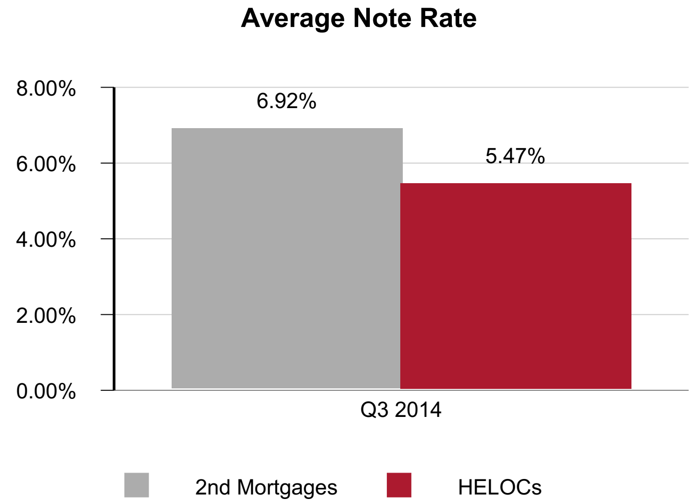
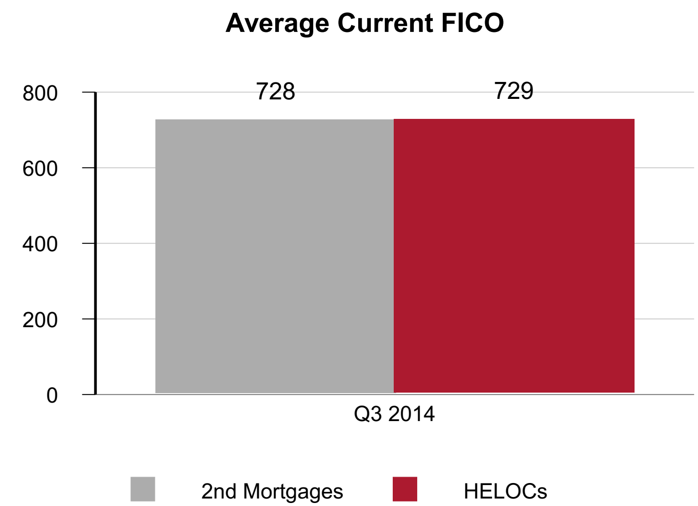
2^{nd} Mortgage and HELOC Portfolio Originated in 2009 and Prior







Commercial Portfolio

3rd Quarter 2014

	Michigan	California	South Carolina	Wisconsin	Minnesota	Other (1)	Total
C&I Loan - All Assets Pledged	$187.7	$15.5	$38.5	$12.4	$0.2	$11.1	$265.3
C&I Loan - Real Estate	145.0	0.5	—	10.0	—	4.4	159.9
C&I Loan - Other	65.2	—	—	—	9.8	10.1	85.1
Total C&I	$397.9	$16.0	$38.5	$22.4	$10.0	$25.5	$510.3
CRE- Office	128.8	9.0	—	—	—	—	137.8
CRE - Retail	102.8	10.6	—	—	—	5.6	119.0
CRE - Industrial	45.1	10.8	—	—	—	9.8	65.7
CRE - Multi Family - Apartments	60.9	—	—	1.0	—	0.4	62.3
CRE - Other	26.5	—	—	—	—	—	26.5
Total CRE	364.1	30.4	—	1.0	—	15.8	411.3
Total Commercial	$762.0	$46.4	$38.5	$23.4	$10.0	$41.3	$921.6 *

Note: Reflects unpaid principal balance, net of write downs, does not include premiums or discounts.

(1) Other is comprised of thirteen states.

First Mortgage Portfolio – by State

3rd Quarter 2014

$ in thousands

State	HFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
CA	$ 88,502	$ 362,447	$ —	$ 450,949	**31.9%**	$ 438,821	$ 177,992	$ 11,050	$ 627,863	**28.1%**
FL	10,499	111,517	—	122,016	**8.6%**	204,162	99,113	5,125	308,400	**13.8%**
MI	6,948	71,501	—	78,449	**5.5%**	200,027	59,151	6,439	265,617	**11.9%**
WA	8,791	43,589	—	52,380	**3.7%**	64,876	34,721	3,462	103,059	**4.6%**
AZ	2,767	40,017	—	42,784	**3.0%**	63,997	26,124	1,530	91,651	**4.1%**
CO	6,456	40,489	197	47,142	**3.3%**	39,822	16,190	1,913	57,925	**2.6%**
MD	3,590	22,545	—	26,135	**1.8%**	40,341	23,903	1,167	65,411	**2.9%**
NY	4,429	49,819	—	54,248	**3.8%**	25,512	29,362	3,549	58,423	**2.6%**
VA	4,534	21,376	—	25,910	**1.8%**	35,519	16,029	3,200	54,748	**2.4%**
TX	10,775	102,405	—	113,180	**8.0%**	25,788	24,224	590	50,602	**2.3%**
NJ	2,019	26,673	—	28,692	**2.0%**	24,737	17,990	2,370	45,097	**2.0%**
NV	785	10,366	—	11,151	**0.8%**	29,653	8,785	1,397	39,835	**1.8%**
IL	4,835	31,568	308	36,711	**2.6%**	30,370	17,022	1,396	48,788	**2.2%**
GA	1,591	23,438	—	25,029	**1.8%**	24,041	18,465	291	42,797	**1.9%**
OH	586	13,712	—	14,298	**1.0%**	25,711	7,393	529	33,633	**1.5%**
Other	30,476	254,705	339	285,520	**20.2%**	205,543	127,258	9,529	342,330	**15.3%**
Total :	**$ 187,583**	**$ 1,226,167**	**$ 844**	**$ 1,414,594**	**100.0 %**	**$ 1,478,920**	**$ 703,722**	**$ 53,537**	**$ 2,236,179**	**100.0 %**

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items.

Flagstar Bancorp

First Mortgage Portfolio – by Vintage

3rd Quarter 2014

$ in thousands

Year	HFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
Older	$ 160	$ 517	$ 197	$ 874	**0.1%**	$ 34,954	$ 17,911	$ 1,627	$ 54,492	**2.4%**
2003	—	—	308	308	**0.0%**	114,846	14,665	2,502	132,013	**5.9%**
2004	555	99	—	654	**0.0%**	372,632	26,504	5,630	404,766	**18.1%**
2005	817	756	—	1,573	**0.1%**	427,093	33,482	9,648	470,223	**21.0%**
2006	—	1,701	—	1,701	**0.1%**	91,413	88,119	8,311	187,843	**8.4%**
2007	235	7,905	339	8,479	**0.6%**	220,942	334,814	24,118	579,874	**25.9%**
2008	—	6,119	—	6,119	**0.4%**	9,650	75,402	1,641	86,693	**3.9%**
2009	—	9,069	—	9,069	**0.6%**	6,237	30,609	—	36,846	**1.6%**
2010	—	2,306	—	2,306	**0.2%**	7,460	10,429	—	17,889	**0.8%**
2011	—	1,622	—	1,622	**0.1%**	13,695	11,990	60	25,745	**1.2%**
2012	—	2,832	—	2,832	**0.2%**	8,101	14,470	—	22,571	**1.0%**
2013	9,179	1,388	—	10,567	**0.7%**	30,064	23,651	—	53,715	**2.4%**
2014	176,637	1,191,853	—	1,368,490	**96.7%**	141,833	21,676	—	163,509	**7.3%**
Total :	**$ 187,583**	**$ 1,226,167**	**$ 844**	**$ 1,414,594**	**100.0 %**	**$ 1,478,920**	**$ 703,722**	**$ 53,537**	**$ 2,236,179**	**100.0 %**

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items.

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First Mortgage Portfolio – by Original FICO

3rd Quarter 2014

$ in thousands

FICO	HFS					HFI				
	ARM	Fixed	Balloon	Total	% of Total	ARM	Fixed	Balloon	Total	% of Total
< 580	$126	$ 2,667	$ —	$ 2,793	**0.2%**	$ 15,402	$ 20,285	$ 328	$ 36,015	**1.6%**
580 - 619	249	21,493	—	21,742	**1.5%**	17,372	36,721	1,504	55,597	**2.5%**
620 - 659	8,262	173,761	505	182,528	**12.9%**	85,188	73,402	3,234	161,824	**7.2%**
660 - 699	20,738	258,846	—	279,584	**19.8%**	354,930	171,909	19,828	546,667	**24.4%**
> 699	158,208	769,400	339	927,947	**65.6%**	1,006,028	401,405	28,643	1,436,076	**64.2%**
Total :	**$187,583**	**$1,226,167**	**$ 844**	**$ 1,414,594**	**100.0 %**	**$ 1,478,920**	**$ 703,722**	**$ 53,537**	**$ 2,236,179**	**100.0 %**

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items.

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First Mortgage Portfolio – by Original LTV

$ in thousands

Original LTV	HFS ARM	HFS Fixed	HFS Balloon	HFS Total	HFS % of Total	HFI ARM	HFI Fixed	HFI Balloon	HFI Total	HFI % of Total
<=70.00%	$ 67,477	$ 218,467	$ —	$ 285,944	**20.2%**	$ 419,295	$ 192,355	$ 13,367	$ 625,017	**28.0%**
>70.00% - 79.99%	69,874	355,980	308	426,162	**30.1%**	889,198	344,990	30,343	1,264,531	**56.5%**
>80.00% - 89.99%	19,195	144,258	339	163,792	**11.6%**	93,926	65,245	6,712	165,883	**7.4%**
>90.00% - 99.99%	28,777	481,938	197	510,912	**36.1%**	75,357	93,168	3,115	171,640	**7.7%**
100.00% -109.99%	1,578	20,961	—	22,539	**1.6%**	775	5,132	—	5,907	**0.3%**
110.00% -124.99%	682	3,659	—	4,341	**0.3%**	369	2,280	—	2,649	**0.1%**
>125.00%	—	904	—	904	**0.1%**	—	552	—	552	**0.0%**
Total:	**$ 187,583**	**$ 1,226,167**	**$ 844**	**$ 1,414,594**	**100.0%**	**$ 1,478,920**	**$ 703,722**	**$ 53,537**	**$ 2,236,179**	**100.0%**

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items.

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First Mortgage Portfolio – by HPI Adjusted LTV

$ in thousands

HPI Adjusted LTV	HFS ARM	HFS Fixed	HFS Balloon	HFS Total	HFS % of Total	HFI ARM	HFI Fixed	HFI Balloon	HFI Total	HFI % of Total
<=70.00%	$ 71,802	$ 225,272	$ 197	$ 297,271	**21.0%**	$ 653,662	$ 220,143	$ 12,427	$ 886,232	**39.6%**
70.00% - 79.99%	66,576	348,655	308	415,539	**29.4%**	335,834	122,708	7,224	465,766	**20.8%**
80.00% - 89.99%	18,110	155,456	339	173,905	**12.3%**	214,928	144,461	9,645	369,034	**16.5%**
90.00% - 99.99%	24,549	404,829	—	429,378	**30.4%**	157,161	105,875	13,816	276,852	**12.4%**
100.00% -109.99%	5,864	81,453	—	87,317	**6.2%**	69,593	56,744	4,813	131,150	**5.9%**
110.00% -124.99%	541	7,387	—	7,928	**0.6%**	36,440	35,596	4,610	76,646	**3.4%**
>=125.00%	141	3,115	—	3,256	**0.2%**	11,302	18,195	1,002	30,499	**1.4%**
Total :	**$ 187,583**	**$ 1,226,167**	**$ 844**	**$ 1,414,594**	**100.0%**	**$ 1,478,920**	**$ 703,722**	**$ 53,537**	**$ 2,236,179**	**100.0%**

Note: Reflects unpaid principal balance, net of write downs, of underlying loans before accounting adjustments for discounts and other items. 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.

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Non-performing Loans HFI – by State

3rd Quarter 2014

$ in thousands							
State	Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Consumer	Total	Percent of Total
FL	$ 20,053	19.6%	$ 71	$ 371	$ —	$ 20,495	19.2%
CA	18,774	18.4%	330	551	—	19,655	18.4%
NY	9,880	9.7%	23	437	—	10,340	9.7%
NJ	6,870	6.7%	—	—	—	6,870	6.4%
MI	4,924	4.8%	485	680	58	6,147	5.7%
WA	4,532	4.4%	24	—	—	4,556	4.3%
MD	3,177	3.1%	50	33	—	3,260	3.0%
IL	3,064	3.0%	9	16	—	3,089	2.9%
TX	2,882	2.8%	41	—	1	2,924	2.7%
HI	2,601	2.5%	—	190	—	2,791	2.6%
SC	1,939	1.9%	28	—	—	1,967	1.8%
PA	1,953	1.9%	—	—	—	1,953	1.8%
OH	1,809	1.8%	8	8	—	1,825	1.7%
NV	1,780	1.7%	—	34	—	1,814	1.7%
GA	1,592	1.6%	42	4	—	1,638	1.5%
Other	16,289	16.0%	486	845	—	17,620	16.5%
Total	$ 102,119	100.0%	$ 1,597	$ 3,169	$ 59	$ 106,944	100.0%

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

Flagstar Bancorp

Non-performing Loans HFI – by Vintage

$ in thousands

Vintage	First Mortgage	Percent of Mortgage	Second Mortgage	HELOC	Other Consumer	Total	Percent of Total
Older	$ 7,357	**7.2%**	$ 138	$ 158	$ 2	$ 7,655	**7.2%**
2004	14,074	**13.8%**	170	600	1	14,845	**13.9%**
2005	10,017	**9.8%**	435	992	—	11,444	**10.7%**
2006	9,965	**9.8%**	40	656	2	10,663	**10.0%**
2007	31,504	**30.9%**	562	763	3	32,832	**30.7%**
2008	19,373	**19.0%**	—	—	1	19,374	**18.1%**
2009	2,828	**2.8%**	41	—	—	2,869	**2.7%**
2010	1,855	**1.8%**	136	—	29	2,020	**1.9%**
2011	1,764	**1.7%**	75	—	10	1,849	**1.7%**
2012	63	**0.1%**	—	—	7	70	**0.1%**
2013	217	**0.2%**	—	—	4	221	**0.2%**
2014	3,102	**3.0%**	—	—	—	3,102	**2.9%**
Total	**$ 102,119**	**100.0%**	**$ 1,597**	**$ 3,169**	**$ 59**	**$ 106,944**	**100.0%**

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

Deposit Mix

(in millions)	September 30, 2014		June 30, 2014		September 30, 2013	
	Balance	Rate	Balance	Rate	Balance	Rate
Branch Retail Deposits:						
Demand deposits	$ 685	0.08%	$ 707	0.08%	$ 628	0.09%
Savings deposits	3,311	0.66%	3,105	0.65%	2,892	0.53%
Money market deposits	220	0.15%	231	0.15%	279	0.14%
Certificates of deposit	854	0.72%	926	0.73%	1,433	0.85%
Total branch deposits	$ 5,070	0.57%	$ 4,969	0.56%	$ 5,232	0.54%
Commercial Retail Deposits:						
Demand deposits	$ 121	0.01%	$ 106	0.01%	$ 93	0.01%
Savings deposits	27	0.47%	33	0.51%	20	0.57%
Money market deposits	37	0.58%	35	0.57%	19	0.48%
Commercial Certificates of deposit	1	0.84%	1	0.84%	3	0.45%
Total commercial deposits	$ 186	0.20%	$ 175	0.22%	$ 135	0.17%
Total Retail deposits	$ 5,256		$ 5,144		$ 5,368	
Government Banking Deposits:						
Demand deposits	$ 292	0.39%	$175	0.38%	$ 161	0.28%
Savings deposits	410	0.53%	300	0.52%	167	0.27%
Certificates of deposit	376	0.42%	340	0.40%	228	0.33%
Total government banking deposits	$ 1,078	0.45%	$ 815	0.44%	$ 556	0.30%
Company controlled deposits	$ 900	0.00%	$ 685	0.00%	$ 670	0.00%
Wholesale deposits	—	0.00%	—	0.00%	56	4.75%
Total deposits	$ 7,234	0.48%	$ 6,644	0.48%	$ 6,650	0.50%
Number of banking branches	106		106		111	

(1) Approximately $254.3 million of retail CDs represent government deposit relationships that have been exchanged for retail CDs as part of our participation in the CDARs program at September 30, 2014.

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

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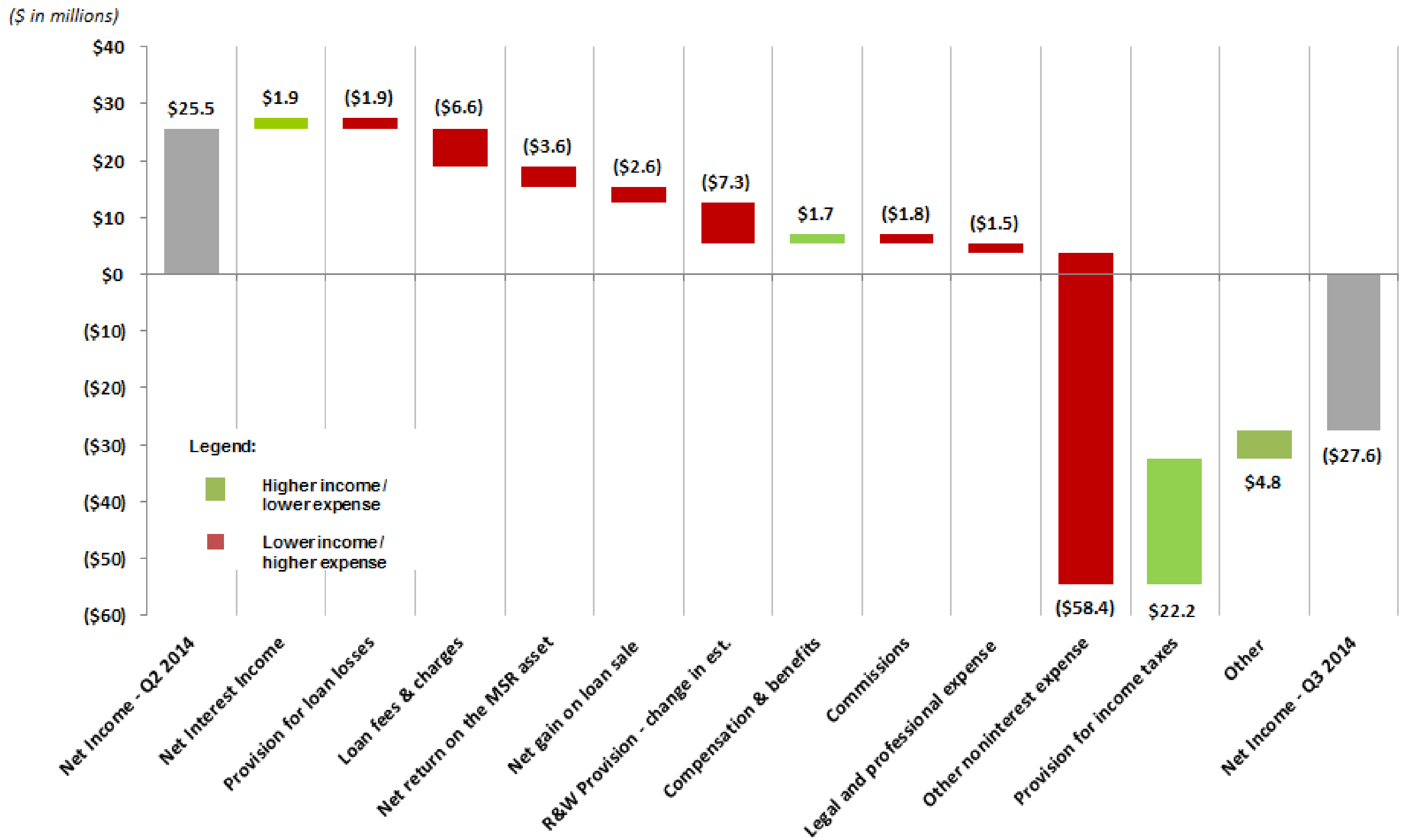
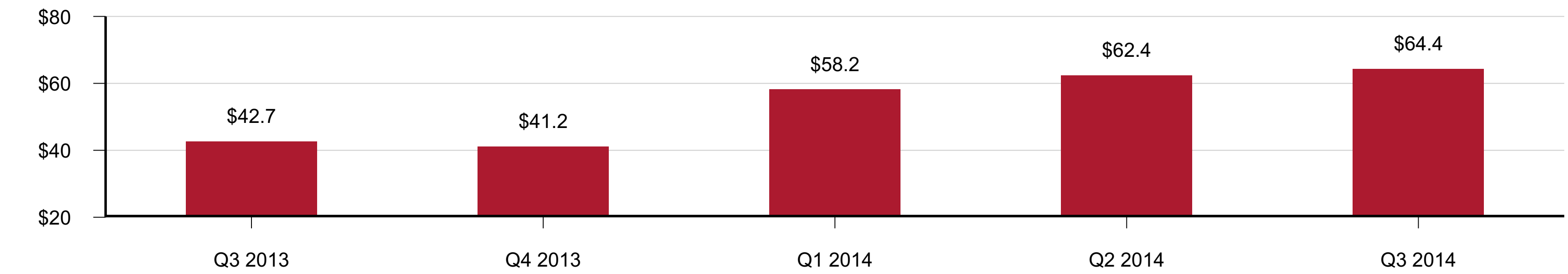
Net Income Bridge – Q2 2014 to Q3 2014

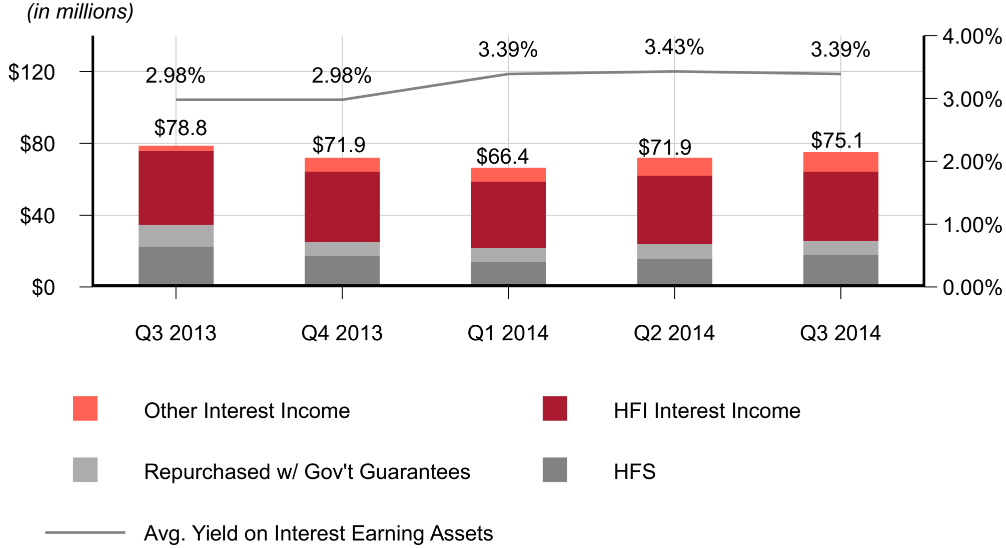


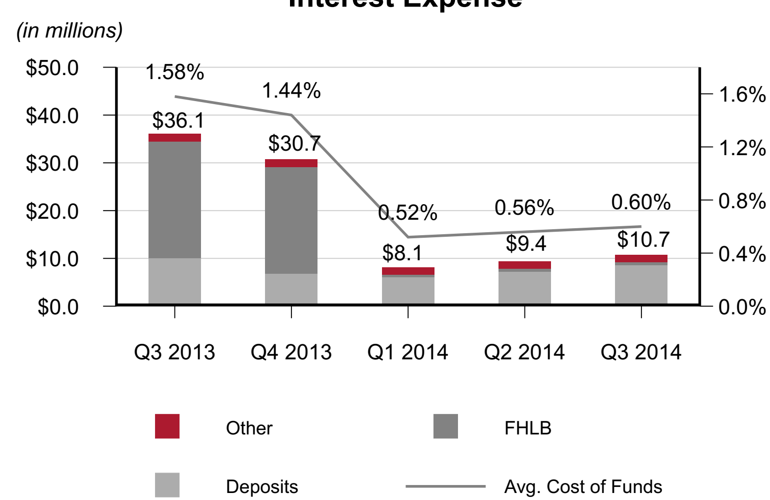
Net Interest Income and Margin Trends

3rd Quarter 2014



	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014
Net interest margin	1.62%	1.73%	2.97%	2.98%	2.91%





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Non – GAAP Reconciliation

(in thousands)

Operating Income / Expense	Quarter ended September 30, 2014 As Reported	Quarter ended September 30, 2014 Significant Items	Quarter ended September 30, 2014 Operating	Quarter ended June 30, 2014 As Reported	Quarter ended June 30, 2014 Significant Items	Quarter ended June 30, 2014 Operating
Net interest income after provision for loan losses	$ 56,266	$ —	$ 56,266	$ 56,275	$ —	$ 56,275
Noninterest Income						
Loan fees and charges (1)	18,661		18,661	25,301	(10,000)	15,301
Representation and warranty reserve - change in estimate (2)	(12,538)	10,375	(2,163)	(5,226)		(5,226)
All other noninterest income	79,065		79,065	82,409		82,409
Total noninterest income	85,188	10,375	95,563	102,484	(10,000)	92,484
Noninterest Expense						
Legal and professional expense (3)	15,044	(1,116)	13,928	13,524	(2,879)	10,645
Other noninterest expense (4)	50,254	(37,500)	12,754	(8,195)	10,000	1,805
All other noninterest expense	114,091		114,091	116,024		116,024
Total noninterest expense	179,389	(38,616)	140,773	121,353	7,121	128,474
(Loss) income before income taxes	(37,935)	48,991	11,056	37,406	(17,121)	20,285
(Benefit) provision for income taxes	(10,303)	13,646	3,343	11,892	(5,992)	5,900
Net (loss) income	(27,632)	35,345	7,713	25,514	(11,129)	14,385
Preferred stock dividend/accretion	—	—	—	—	—	—
Net (loss) income applicable to common stockholders	$ (27,632)	$ 35,345	$ 7,713	$ 25,514	$ (11,129)	$ 14,385
(Loss) income per share						
Basic	$ (0.61)	$ 0.60	$ (0.01)	$ 0.33	$ (0.19)	$ 0.14
Diluted	$ (0.61)	$ 0.60	$ (0.01)	$ 0.33	$ (0.20)	$ 0.13

(1) Significant item for benefit for contract renegotiation for the second quarter 2014 located in loan fees and charges.
(2) Significant item for charge for government loan indemnification for the third quarter 2014 located in representation and warranty reserve-change in estimate.
(3) Significant item for charge for CFPB CID - related costs for the third and second quarter of 2014 located in legal and professional expense.
(4) Significant item for charge for CFPB settlement for the third quarter 2014 located in other noninterest expense.

Non – GAAP Reconciliation (cont'd)

$ in millions

	September 30, 2014	June 30, 2014	December 31, 2013	September 30, 2013
Non-performing assets	$ 134.1	$ 151.7	$ 182.3	$ 205.3
Tier 1 Capital	1,134.4	1,188.9	1,257.6	1,402.4
Allowance for Loan Losses	301.0	306.0	207.0	207.0
Tier 1 Capital + Allowance for Loan Losses	**$ 1,435.4**	**$ 1,494.9**	**$ 1,464.6**	**$ 1,609.4**
Non-performing assets/ Tier 1 Capital + Allowance for Loan Losses	**9.3%**	**10.2%**	**12.4%**	**12.8%**

$ in millions

	September 30, 2014	June 30, 2014	December 31, 2013	September 30, 2013
Mortgage Servicing Rights	$ 285.4	$ 289.2	$ 284.7	$ 797.0
Tier 1 Capital	1,134.4	1,188.9	1,257.6	1,402.4
MSR to Tier 1 ratio	**25.2%**	**24.3%**	**22.6%**	**56.8%**

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Non – GAAP Reconciliation

$ in millions

	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Efficiency ratio (adjusted)					
Net interest income (a)	$ 64.4	$ 62.4	$ 58.2	$ 41.2	$ 42.7
Noninterest income (b)	85.2	102.5	75.0	113.1	134.3
Less provisions:					
Representation and warranty reserve - change in estimate	12.5	5.2	(1.7)	9.5	5.2
Significant one-time items:					
Net impairment loss recognized through earnings	—	—	—	—	—
Representation and warranty reserve – change in estimate (one time)	—	—	—	(24.9)	—
Other noninterest income	—	(10.0)	21.1	—	—
Adjusted income (c)	162.1	160.1	152.6	138.9	182.2
Noninterest expense (d)	179.4	121.4	139.3	388.7	158.4
Significant one-time items:					
Loss on extinguishment of debt	—	—	—	(177.6)	—
Other non interest expense	(38.6)	7.1	—	(61.0)	—
Adjusted noninterest expense (e)	$ 140.8	$ 128.5	$ 139.3	$ 150.1	$ 158.4
Efficiency ratio (d/(a+b))	120.0%	73.6%	104.6%	251.8%	89.5%
Efficiency ratio (adjusted) (e/c)	86.8%	80.2%	91.3%	108.1%	87.0%

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Non – GAAP Reconciliation (cont'd)

$ in millions		
September 30, 2014		
Flagstar Bank (the Bank)	**Common Equity Tier 1 (to Risk Weighted Assets)**	**Tier 1 Leverage (to Adjusted Tangible Assets) (1)**
Regulatory capital – Basel I to Basel III (fully phased-in) (2)		
Basel I capital	$1,134.4	$1,134.4
Increased deductions related to deferred tax assets, mortgage servicing assets, and other capital components	(136.4)	(136.4)
Basel III (fully phased-in) capital (2)	$998.0	$998.0
Risk-weighted assets – Basel I to Basel III (fully phased-in) (2)		
Basel I assets	$4,967.8	$9,162.3
Net change in assets	94.5	491.6
Basel III (fully phased-in) assets (2)	$5,062.3	$9,653.9
Capital ratios		
Basel I (3)	22.84%	12.38%
Basel III (fully phased-in) (2)	19.72%	10.34%
June 30, 2014		
Regulatory capital – Basel I to Basel III (fully phased-in) (2)		
Basel I capital	$1,188.9	$1,188.9
Increased deductions related to deferred tax assets, mortgage servicing assets, and other capital components	(154.9)	(154.9)
Basel III (fully phased-in) capital (2)	$1,034.0	$1,034.0
Risk-weighted assets – Basel I to Basel III (fully phased-in) (2)		
Basel I assets	$5,006.9	$9,493.5
Net change in assets	83.7	(453.2)
Basel III (fully phased-in) assets (2)	$5,090.6	$9,040.3
Capital ratios		
Basel I (3)	23.75%	12.52%
Basel III (fully phased-in) (2)	20.31%	11.44%

(1) The definition of total assets used in the calculation of the Tier 1 Leverage ratio changed from ending total assets under Basel I to quarterly average total assets under Basel III.
(2) Basel III information is considered estimated and not final at this time as the Basel III rules continue to be subject to interpretation by U.S. Banking Regulators. The new capital requirements begin January 1, 2015 and will be fully phased-in on January 1, 2019.
(3) The Bank is currently subject to the requirements of Basel I.

Non – GAAP Reconciliation (cont'd)

3rd Quarter 2014

$ in millions

	1H 2013* Run Rate	Q3 2013 Run Rate	Q4 2013 Run Rate	1H 2014 * Run Rate	Q3 2014 Run Rate
Fixed expenses					
Compensation and benefits	$ 148.2	$ 61.6	$ 69.6	$ 120.8	$ 53.5
Occupancy and equipment	41.6	18.6	19.8	39.8	20.5
Asset resolution	32.3	16.3	3.4	29.4	13.7
Other noninterest expense (1)	83.5	39.0	39.1	39.0	33.4
Total fixed expenses	$ 305.6	$ 135.5	$ 131.9	$ 229.0	$ 121.1
Variable expenses					
Commissions	$ 32.9	$12.1	$ 9.4	$ 15.8	$ 10.3
Loan processing expenses	32.5	10.9	8.8	15.9	10.5
Total variable expenses	$ 65.4	$ 23.0	$ 18.2	$ 31.7	$ 20.8
Non-recurring Items (excluded)					
Loss on extinguishment of debt	$ —	$ —	$ 177.6	$ —	$ —
Incremental expenses (2)	—	—	61.0	—	37.5
Total non-recurring items	$ —	$ —	$ 238.6	$ —	$ 37.5
Total noninterest expense	$ 371.0	$ 158.5	$ 388.7	$ 260.7	$ 179.4
Annualized fixed expenses	$ 611.2	$ 542.0	$ 527.6	$ 458.0	$ 484.4
Annualized variable expenses	$ 130.8	$ 92.0	$ 72.8	$ 63.4	$ 83.2

(1) Other noninterest expense includes Federal insurance premiums, legal and professional expense and other noninterest expense.
(2) Included in other noninterest expense on our consolidated financial statements.

* 1H represents the six months ended June 30.

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