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Flagstar Bank Acquires Default Servicing Operation in Jacksonville, Fla.

Growth of subservicing, strength of Flagstar operation prompt move

TROY, Mich., June 24, 2019—Flagstar Bank today announced that it is acquiring the default servicing operations of a vendor supporting its serviced loan portfolio. Flagstar anticipates continuing operations at the vendor's Jacksonville, Fla., facility and making offers of employment to the vendor's Jacksonville staff.

The transition is expected to be seamless for both customers and employees, as there are no planned system changes, no loan or data transfers, and borrowers' points of contact will remain the same. Following the closing of the transaction, Flagstar will maintain default servicing operations in Jacksonville, at its headquarters in Troy, Mich., and in Bellevue, Wash.

Flagstar ranks as the fifth largest and one of the fastest-growing subservicers in the country, with a combined servicing and subservicing book approaching one million loans and capacity for additional growth. In 2018, Flagstar was recognized by Fannie Mae as a STAR servicer in the general servicing category for the fourth consecutive year.

"Default Servicing is a critically important service we provide to our mortgage servicing and subservicing clients," said Lee Smith, chief operating officer at Flagstar. "With the rapid growth of our subservicing portfolio, it makes sense to strengthen our capabilities on the default side. This acquisition further leverages our industry-leading oversight and monitoring, while providing clients the compliance infrastructure and other benefits that Flagstar, as the nation's third largest federal savings bank, can offer."

The transaction is subject to customary closing conditions and is expected to close Sept. 27, 2019.

About Flagstar Bank

Flagstar Bancorp, Inc. (NYSE: FBC) is a \$19.4 billion savings and loan holding company headquartered in Troy, Mich. Flagstar Bank, FSB, provides commercial, small business, and consumer banking services through 160 branches in Michigan, Indiana, California, Wisconsin, and Ohio. It also provides home loans through a wholesale network of brokers and correspondents in all 50 states, as well as 72 retail locations in 22 states, representing the combined retail branches of Flagstar and its Opes Advisors mortgage division. Flagstar is a leading national originator and servicer of mortgage and other consumer loans, handling payments and record keeping for \$200 billion of loans representing 962,000 borrowers. For more information, please visit flagstar.com.

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