CAPITAL PURCHASE PROGRAM (CPP) LENDING REPORT

Name of institution: Flagstar Bancorp/ Flagstar Bank
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Submission date: May 8, 2009

RSSD (for Bank Holding Companies): N/A
Holding Company Docket Number (for Thrift Holding Companies):H2224
FDIC Certificate Number (for depository institutions): 32541

LENDING ACTIVITY (Thousands $)	2009 FEB	2009 MAR	Key	Comments
1. Loan Balances				
a. Average Consumer Loans	$9,883,271	$9,001,273	Includes single family residential mortgage loans, second mortgage loans, home equity loans, other types of consumer loans, and single family residential construction loans.	
b. Average Commercial Loans	$2,449,335	$2,354,537	Includes commerical real estate, commerical non-real estate loans and lines to mortgage brokers to make signle family residential mortgage loans.	
c. Total Loans (sum of lines a and b)	$12,332,606	$11,355,810		

2. General Market Commentary (optional)

Flagstar Bank's primary business is to originate agency-conforming prime one-to-four family residential first mortgage loans, either for our own investment portfolio or to sell or securitize loans for Fannie Mae/ Freddie Mac and Ginne Mae. The sales and securitization process allows us to sell our current residential mortgage loan production to Fannie Mae/ Freddie Mac or Ginne Mae and use the proceeds to originate additional residential mortgage loans. We have included our reidential mortgage loan prodcution for the months of February 2009 and March 2009 since the average loan balance will not properly reflect the origination and sales cycle of our loans. Our February 2009 conventional first residential mortgage originations totaled $1.9 billion, which is an increaseof $308 million over January 2009 and the conventional first residential mortgage originations remained at the increased level of $1.9 billion for March 2009. On a quarter comparision our total loan production for the 1st quarter of 2009 totaled $9.5 billion as compared to the 4th quarter of 2008's total production of $5.4 billion.