

Smith Lee Matthew
 Form 4
 March 22, 2018

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Smith Lee Matthew

2. Issuer Name and Ticker or Trading Symbol
 FLAGSTAR BANCORP INC
 [(NYSE:FBC)]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O FLAGSTAR BANCORP
 INC., 5151 CORPORATE DRIVE
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 03/20/2018

____ Director
 ___X___ Officer (give title below) _____ 10% Owner
 _____ Other (specify below)
 Executive Vice President & COO

TROY, MI 48098

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ Form filed by One Reporting Person
 ___ Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Flagstar Bancorp, Inc. Common Stock				(A) or (D)	72,835	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Restricted Stock Units (XLPII32018)	<u>(1)</u>	03/20/2018		A	56,818	<u>(2)</u> 03/20/2028	Flagstar Bancorp, Inc. Common Stock 56,818
Restricted Stock Units (XLPII32018)	<u>(1)</u>	03/20/2018		A	56,818	<u>(3)</u> 03/20/2028	Flagstar Bancorp, Inc. Common Stock 56,818
Restricted Stock Unit (LTP32018)	<u>(1)</u>	03/20/2018		A	20,455	<u>(4)</u> <u>(4)</u>	Flagstar Bancorp, Inc. Common Stock 20,455
Restricted Stock Units (TB32018)	<u>(1)</u>	03/20/2018		A	68,182	<u>(5)</u> <u>(5)</u>	Flagstar Bancorp, Inc. Common Stock 68,182

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith Lee Matthew C/O FLAGSTAR BANCORP INC. 5151 CORPORATE DRIVE TROY, MI 48098			Executive Vice President & COO	

Signatures

Jan M. Klym, by Power of Attorney for Mr. Smith 03/22/2018

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Each restricted stock unit represents a contingent right to receive one share of Flagstar Bancorp, Inc. Common Stock.

50 percent of these Restricted Stock Units will vest if, for ninety consecutive days, the volume-weighted average price per share of Flagstar Bancorp common stock is \$40.00 or more (the "Performance Hurdle"). The Performance Hurdle must be achieved within ten

(2) years of the grant date. The vested RSUs will pay out on the fourth anniversary of the grant date. The remaining 50 percent is subject to annual quality review results. If quality review results are attained the shares will vest on the fourth anniversary of the grant date. Vesting, payout and other adjustments for certain triggering events are more fully described in the Form 8-K to be filed by Issuer on March 23, 2018.

50 percent of these Restricted Stock Units will vest if, for ninety consecutive days, the volume-weighted average price per share of Flagstar Bancorp common stock is \$44.00 or more (the "Performance Hurdle"). The Performance Hurdle must be achieved within ten

(3) years of the grant date. The vested RSUs will pay out on the fourth anniversary of the grant date. The remaining 50 percent is subject to annual quality review results. If quality review results are attained the shares will vest on the fourth anniversary of the grant date. Vesting, payout and other adjustments for certain triggering events are more fully described in the Form 8-K to be filed by Issuer on March 23, 2018.

(4) The restricted stock units were granted on March 20, 2018, and will vest 25 percent on both the first and second anniversary of the grant date, and the remaining 50 percent on the third anniversary of the grant date.

(5) These Restricted Stock Units were granted on March 20, 2018, and will vest 25 percent each on the last business day of 2018, 2019, 2020 and 2021 calendar years.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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