



2003 ANNUAL REPORT



FLAGSTAR BANCORP

COMPANY PROFILE

Flagstar Bancorp (NYSE: FBC) is the holding company for Flagstar Bank, fsb, a federally chartered stock savings bank. Since its founding in 1987, Flagstar has experienced exceptional growth, and today it is the second largest banking institution headquartered in Michigan. We also are one of the nation's leading mortgage lenders.

We serve our customers through our banking centers in Michigan and Indiana and our Internet branch at www.flagstar.com. We attract deposits through these channels and acquire funds through the secondary market. We use these funds, along with advances from the Federal Home Loan Bank, to invest in residential loans that we originate and purchase nationwide.

Our leadership in the mortgage industry also involves managing a large volume of mortgages as a loan servicer. In addition, we provide warehouse lines of credit to mortgage companies across the country and originate consumer and commercial loans in Michigan and Indiana and second mortgages nationally.

Community Bank

Flagstar is a growth-oriented community bank with 99 banking centers in Michigan and Indiana at December 31, 2003.

Home Lender

Flagstar is one of the nation's largest single-family residential mortgage originators.

Mortgage Servicer

Flagstar collects mortgage payments and services the loans of more than 319,000 homeowners across the nation.

LETTER TO SHAREHOLDERS

When 2003 came to a close, Flagstar had set new milestones in earnings, return on equity and mortgage production. We also grew deposits substantially and expanded our banking network significantly. Our shareholders participated in our success, benefiting from a 98.3 percent increase in our stock price, a stock split and two dividend increases.

We posted net earnings of \$254.4 million — a 96.8 percent increase over our previous record in 2002 of \$129.3 million. We also continued our record of standout performances in return on equity. In 2001 and 2002, Flagstar led publicly traded banking companies in core ROE, and in 2003 we bettered our own record, achieving an astounding 47.6 percent return on equity. Our mortgage production also set a new record — \$56.4 billion, easily surpassing the \$43.2 billion we originated in 2002.

At the end of 2003, we were planning an important milestone in banking — the opening of our 100th banking center. In 1996, when the company adopted the Flagstar name, we had just 14 locations. Since then, we've expanded throughout our home state and into Indiana, opening both traditional and in-store branches located in select Wal-Mart stores. In 2003, we opened 12 new banking centers in our Michigan/Indiana markets and identified up to 25 new sites for 2004. We look forward to future contributions to earnings from our new offices.

During the year, our assets increased from \$8.2 billion at year-end 2002 to \$10.6 billion at December 31, 2003. Most of this growth was in residential first mortgages. We also experienced gains in our commercial and consumer loan portfolios.

Shareholders benefited as we approved a two-for-one stock split in the form of a stock dividend in April, a 100.0 percent quarterly cash dividend increase to \$0.10 in May and a 50.0 percent quarterly cash dividend increase to \$0.15 in September. We also continued to offer shareholders the convenience of dividend reinvestment and direct deposit of dividends.

LOOKING AHEAD

Banking

In the next four years, we plan to more than double our assets, deposits, banking centers and banking market share. We anticipate that the majority of our asset growth will be in our investment loan portfolio, which will largely consist of residential first mortgages, in addition to commercial real estate loans and consumer loans. As more banking centers come onstream and contribute to earnings, they should provide a relatively stable source of revenue and additional outlets to cross sell our lending products.

Home Lending

We've recently experienced banner years in residential mortgage originations and are optimistic about the long-term outlook of the mortgage industry. We are a leader in the U.S. mortgage market — a market that is predicted to more than double over the next 10 years. Recent statistics show that the equity consumers have in their homes increased nationally 8.4 percent in 2003 compared to 7.6 percent in 2002.

We have had a large presence in the mortgage industry since our founding and have managed successfully through numerous new home purchase and refinancing cycles. We have created a business plan and follow a strategy that anticipates the volatility in interest rates. We believe that our balance sheet and our pipeline are well hedged against future swings in rates.

Should interest rates decline, we have demonstrated the ability to gear up operations with modest increases in staff to take advantage of refinancing opportunities. Should interest rates rise due to an improving economy, we expect to benefit from higher earnings on our servicing portfolio.

ACCOLADES

During 2003 Flagstar received recognitions both for its financial performance and its performance as an employer. Our recent accolades include the following:

4

- **U.S. Banker** magazine named Flagstar number one of the top 100 publicly traded bank and savings and loan companies based on return on average equity.
- **Fortune** magazine ranked Flagstar 21st on its list of the 100 fastest-growing U.S. companies.
- Flagstar topped the list of the Michigan Superstar 10 compiled by *Crain's Detroit Business* based on financial performance criteria.
- In its first-ever survey of women in leadership positions in Michigan public companies, the Center for the Education of Women at the University of Michigan and the Women's Leadership Forum ranked Flagstar Bank fourth out of the 100 companies surveyed.
- Flagstar ranked 11th in the country in terms of minority lending in 2002 based on figures compiled under the Home Mortgage Disclosure Act and reported in 2003.
- In January 2004, **Forbes** rated Flagstar a best buy in the finance sector, citing the 298 percent rise in its stock since **Forbes** first recommended Flagstar in June 2001.

The credit and thanks for these outstanding recognitions belong to all our employees and associates whose relentless efforts to satisfy our customers and serve our communities have made these achievements possible.

We also want to thank our board of directors for their dedication, time and service to our company, and thank our shareholders for the confidence they have placed in us. We are extremely proud of our accomplishments in 2003. Going forward, we reaffirm our commitment to executing a growth-oriented business plan that focuses on profitability, superior customer service and ever-increasing shareholder value.



MARK T. HAMMOND
PRESIDENT, CHIEF EXECUTIVE OFFICER



THOMAS J. HAMMOND
CHAIRMAN OF THE BOARD



FINANCIAL HIGHLIGHTS

5

THREE CONSECUTIVE YEARS OF SOLID GROWTH IN RETURN ON EQUITY AND RETURN ON ASSETS.

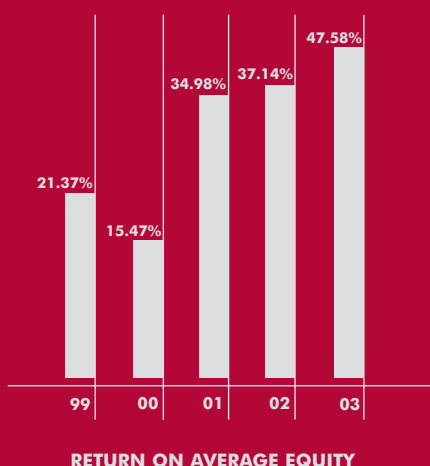
In 2003, we produced strong gains across a number of fronts, including net earnings, where we recorded \$3.99 per diluted share* versus \$2.09 per diluted share in 2002, a 90.9 percent increase.

We posted our third consecutive year of growth in return on average equity and return on assets, achieving 47.6 percent and 2.52 percent, respectively, in these key measures of profitability.

Annual dividends per share* rose from \$0.03 to \$0.15 during the year, and shareholder's equity increased 56.3 percent to \$654.7 million, giving us an equity-to-assets ratio of 5.30 percent at year-end 2003.

Asset quality improved during the year with nonperforming loans falling to \$58.3 million at year-end 2003, down \$9.7 million from December 31, 2002. Even though our investment loans grew significantly, total delinquencies as a percentage of our investment portfolio declined to 0.85 percent at December 31, 2003, compared to 1.71 percent at December 31, 2002. Consistent with our business model, 94.7 percent of nonperforming loans are backed by single-family homes. Additionally, our real estate owned portfolio comprises single-family homes acquired in foreclosure.

*All statistics that relate to share data have been restated for a 2-for-1 stock dividend on May 15, 2003.

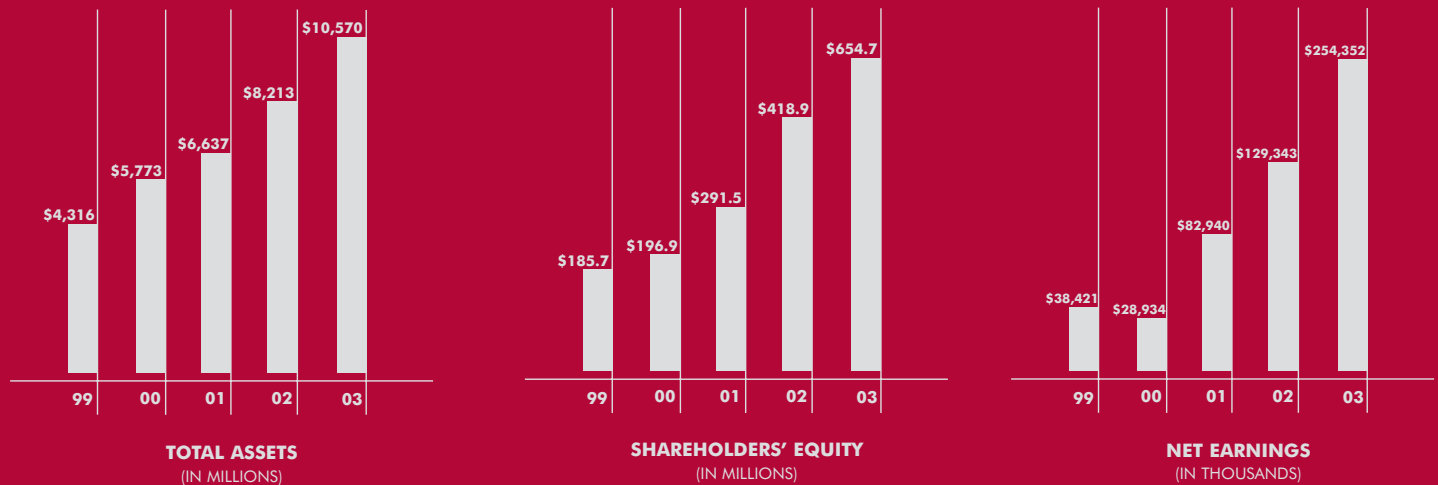


NET EARNINGS HIT
A NEW HIGH IN 2003.

in thousands, (except per share data)

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|------------------------------------|--------------|--------------|--------------|-------------|--------------|
| NET EARNINGS | \$254,352 | \$129,343 | \$82,940 | \$28,934 | \$38,421 |
| *EARNINGS PER SHARE — BASIC | \$4.25 | \$2.22 | \$1.50 | \$0.53 | \$0.63 |
| *EARNINGS PER SHARE — DILUTED | \$3.99 | \$2.09 | \$1.39 | \$0.53 | \$0.61 |
| TOTAL ASSETS | \$10,570,193 | \$8,212,786 | \$6,636,797 | \$5,772,623 | \$4,316,201 |
| TOTAL DEPOSITS | \$5,680,167 | \$4,373,889 | \$3,608,103 | \$3,407,965 | \$2,260,963 |
| SHAREHOLDERS' EQUITY | \$654,683 | \$418,946 | \$291,488 | \$196,830 | \$185,714 |
| MORTGAGE LOAN ORIGINATIONS | \$56,378,151 | \$43,192,312 | \$32,996,998 | \$9,865,152 | \$14,550,258 |
| MORTGAGE LOANS SERVICED FOR OTHERS | \$30,395,079 | \$21,586,797 | \$14,222,802 | \$6,644,482 | \$9,519,926 |
| RETURN ON AVERAGE ASSETS | 2.52% | 1.79% | 1.31% | 0.56% | 1.05% |
| RETURN ON AVERAGE EQUITY | 47.58% | 37.14% | 34.98% | 15.47% | 21.37% |

*All statistics that relate to share data have been restated for a 2-for-1 stock dividend on May 15, 2003.





FLAGSTAR GIVES YOU THE FREEDOM

BANKING

Growth in banking continued in 2003 with the opening of 12 new banking centers, including our first traditional office in Indiana. Four of the new branches opened in 2003 were in Indiana, with the balance in metropolitan Detroit. Plans for 2004 call for up to 25 new offices, largely in our Michigan market.

Retail deposits showed impressive growth, advancing 33.3 percent to \$3.6 billion, with the number of accounts rising almost 25 percent to 197,000. Our performance was particularly strong in savings and investment accounts where our competitive rates and exceptional customer service were successful in earning new business.

Our public funds deposits also showed strong growth, advancing \$91.4 million to \$899.1 million.

We continue to differentiate ourselves in the marketplace with our convenient 7:30 a.m. to 7:30 p.m. hours and our signature sit-down banking, which allows customers to conduct their business in private surroundings. Our high-touch service has helped us attract customers disenfranchised by industry consolidations.

To meet the needs of our customers, we have entered an agreement with IFMG Securities, Inc., to offer investments and insurance through licensed brokers in our banking centers in 2004. We expect the program, which will be called Investment and Insurance Services at Flagstar Bank, to be up and running in all banking centers by mid-2004.

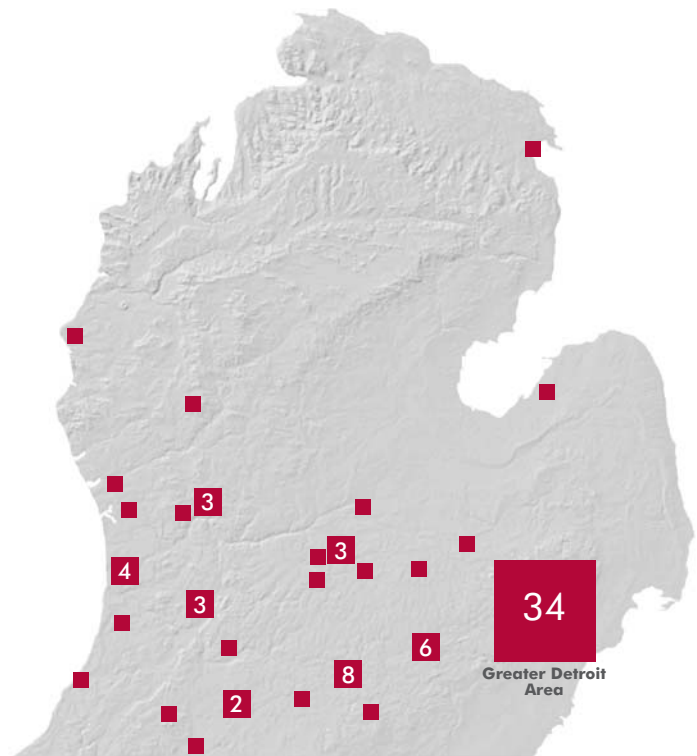
BANKING CENTER LOCATIONS — MICHIGAN

9

Michigan and Greater Detroit Banking Centers

ALPENA
ANN ARBOR (6)
BATTLE CREEK
BIG RAPIDS
CARO
CHARLOTTE
COLDWATER (2)
COMSTOCK PARK
EAST LANSING
FENTON
GRAND HAVEN
GRAND LEDGE
GRAND RAPIDS (3)
HILLSDALE
HOLLAND (4)
HOWELL
JACKSON (8)
KALAMAZOO (3)
LANSING (3)
LUDINGTON
MUSKEGON
OKEMOS
SOUTH HAVEN
ST. JOSEPH
STURGIS
THREE RIVERS

GREATER DETROIT AREA
BEVERLY HILLS
BLOOMFIELD HILLS
CANTON (2)
CHESTERFIELD TOWNSHIP (2)
CLINTON TOWNSHIP (2)
DETROIT
FARMINGTON HILLS (2)
LIVONIA
MADISON HEIGHTS (2)
NOVI
PONTIAC
ROCHESTER (2)
ROSEVILLE
SHELBY TOWNSHIP (2)
STERLING HEIGHTS (3)
TAYLOR
TROY (4)
WARREN (2)
WATERFORD
WEST BLOOMFIELD
WESTLAND



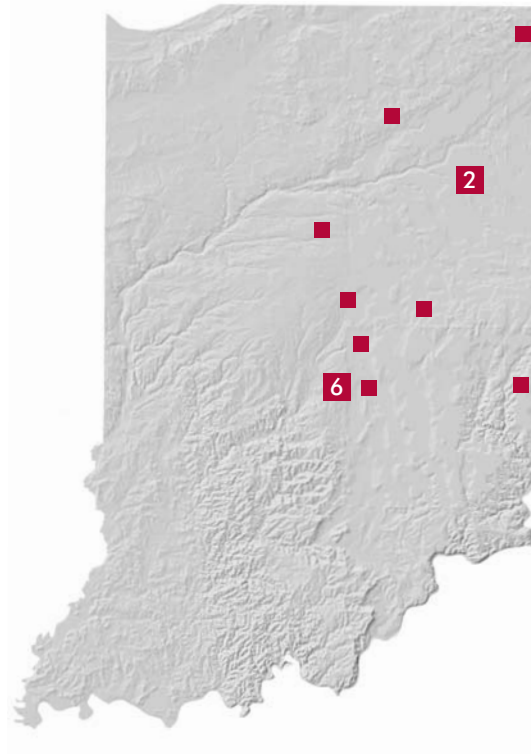
WE PLAN TO OPEN UP TO 25 NEW BANKING CENTERS IN
2004, WITH THE GOAL OF REACHING 200 IN 2007.



BANKING CENTER LOCATIONS — INDIANA

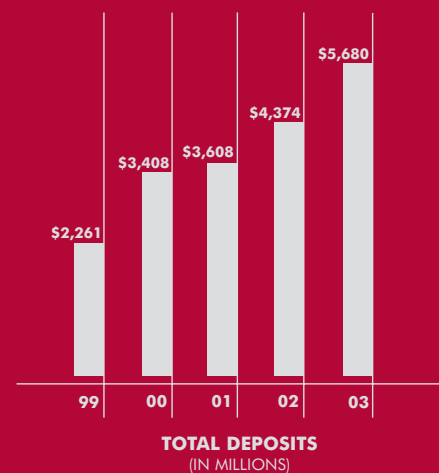
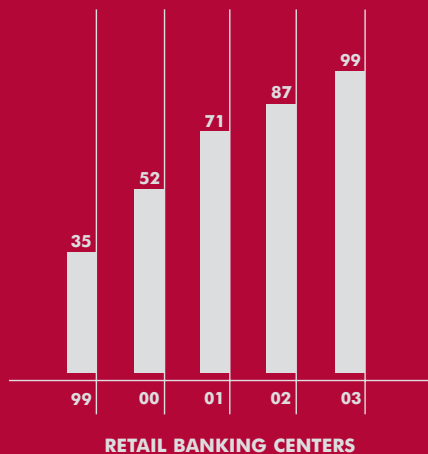
Indiana Banking Centers

ANGOLA
FISHERS
FORT WAYNE (2)
GREENFIELD
INDIANAPOLIS (6)
KOKOMO
LAWRENCE
MUNCIE
RICHMOND
WARSAW



10

WE CONTINUE TO DIFFERENTIATE OURSELVES IN THE
MARKETPLACE WITH OUR CONVENIENT 7:30 A.M. TO 7:30 P.M.
HOURS AND OUR SIGNATURE SIT-DOWN BANKING.



MAKING HOMEOWNERSHIP OUR BUSINESS

WE ORIGINATED \$56.4 BILLION IN MORTGAGES IN 2003 FROM OUR THREE CHANNELS OF HOME LENDING, DIRECT LENDING AND WHOLESALE LENDING.

HOME LENDING

Our home lending division posted strong returns in 2003, originating \$6.1 billion in mortgage loans — an increase of 48.8 percent over 2002 results. As part of our strategy to create a national network of home loan centers, we opened 36 home loan centers last year, versus 23 in 2002, and expanded our presence to 128 locations in 25 states.

In 2003, we launched a new initiative to support the Flagstar brand and provide our sales force with additional leverage in attracting mortgage customers. Through our Brand Marketing Alliance we work with real estate companies and builders nationally in a mutually beneficial relationship to develop mortgage lending opportunities.

With our time- and money-saving mortgage technologies and creative marketing tools, we continue to attract top mortgage producers. Ultimately, we anticipate operating home loan centers in all major U.S. metropolitan markets.

DIRECT LENDING

In 2004, we will be dedicating more resources to our direct lending channel, which delivers mortgages and home equity products via the Web and telephone. In 2003, we closed \$246 million in mortgages and \$46 million in home equity loans through this channel.

Our direct-to-consumer loans are an efficient way to reach customers looking for quick decisions and easy access to mortgage professionals. Going forward, we see direct lending as a fast-growing segment of our business that we will support with innovative technology and process enhancements.



WHOLESALE LENDING

13

Flagstar Bank is a leading mortgage wholesaler, funding mortgages for more than 4,500 mortgage companies nationwide. In addition, we purchase loans from a network of approximately 1,000 correspondent mortgage lenders, including banks and credit unions with whom we have a business relationship. We rank nationally as the eighth largest wholesaler and the 13th largest correspondent lender in the country.

In 2003, Flagstar Bank posted record mortgage volume of \$56.4 billion, with \$32.0 billion generated through our wholesale network of mortgage brokers and \$18.3 billion attributable to our correspondent partners for a total increase of 28.6 percent over 2002. Technological advancements allowed us to capitalize on the interest rate environment to achieve record production while still providing superior customer service.

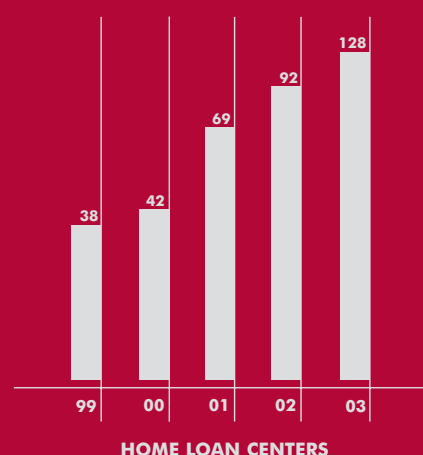
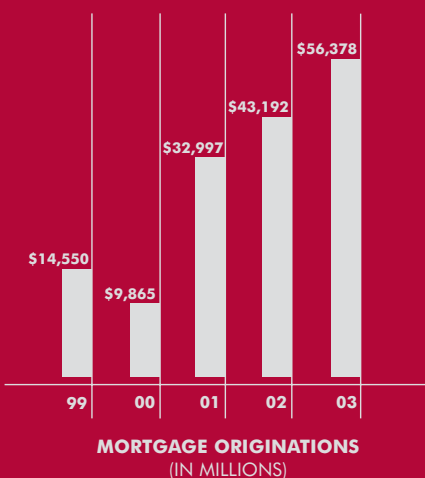
We made significant strides toward achieving a paperless environment in the past year. Currently, we have paperless underwriting in all Flagstar and contract partner offices, with 99 percent of our customers using electronic appraisals. In 2003 we also introduced a way for customers to electronically transfer and view images on our Web site. In addition, providing online access to lock and request funding for loans has allowed us to reduce errors, gain speed and efficiencies and achieve record volumes with minimal additions to staff.

Looking ahead, we are dedicated to improving processes and automating work flows to make it easier for our customers to do business. We also expect to hire more wholesale representatives to increase our penetration in smaller locations and gain market share.

WAREHOUSE LENDING

In order to close mortgage transactions, mortgage companies at times borrow the required funds from a warehouse lender, such as Flagstar Bank. Our ability to provide this specialized financing has strengthened our relationships with our correspondent lending customers. In 2003, we extended \$2.0 billion in credit to 328 customers, almost doubling both the dollars extended and the number of customers recorded in 2002. At year-end 2003, we had \$346.8 million in credit drawn and outstanding.

TECHNOLOGICAL ADVANCEMENTS ALLOWED US TO CAPITALIZE ON THE INTEREST RATE ENVIRONMENT TO ACHIEVE RECORD PRODUCTION WHILE STILL PROVIDING SUPERIOR CUSTOMER SERVICE.



HOME LENDING AND WHOLESALE LOCATIONS

HOME LOAN CENTERS

SCOTTSDALE, AZ
TUCSON, AZ
GREENBRAE, CA
HERCULES, CA
LAGUNA NIGUEL, CA
DENVER, CO
DANBURY, CT
SOUTH WINDSOR, CT
WINDSOR LOCKS, CT
CLEARWATER, FL
CORAL SPRINGS, FL
HUDSON, FL
KENDALL, FL
PEMBROKE PINES, FL
PLANTATION, FL

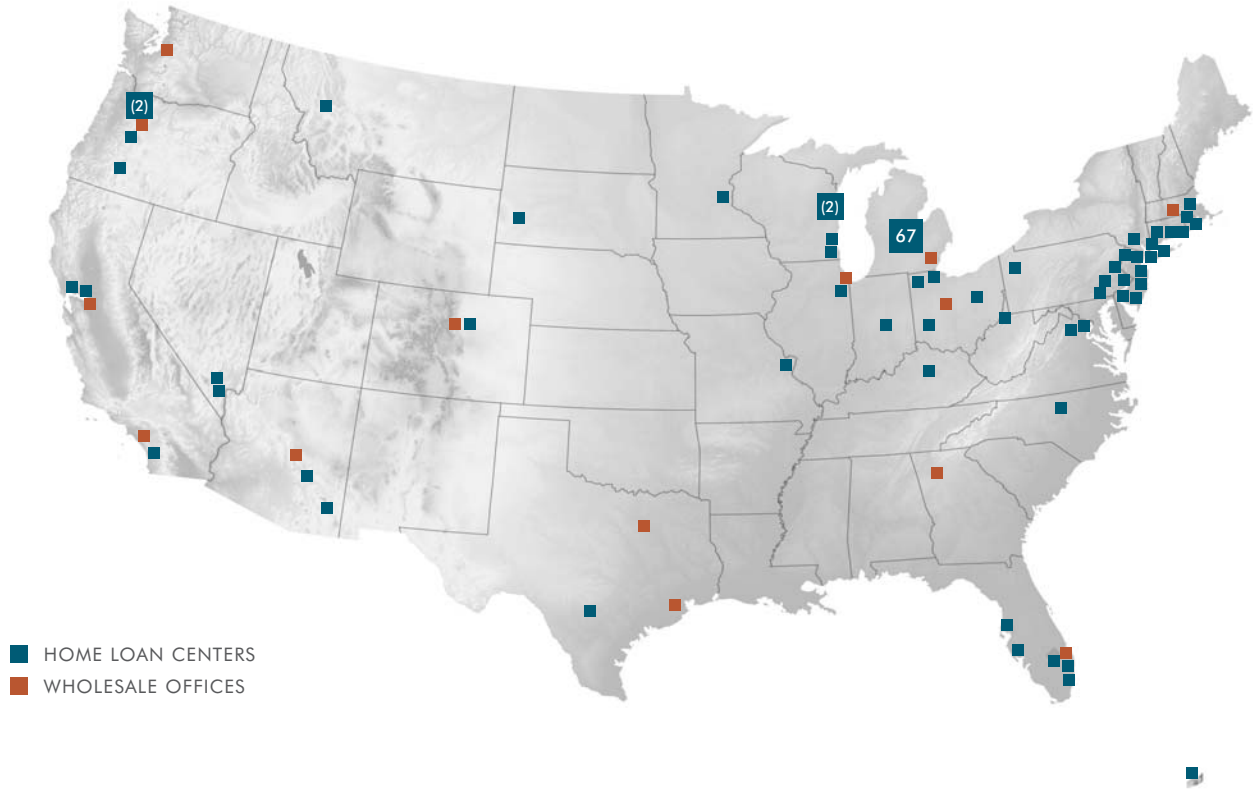
TINLEY PARK, IL
INDIANAPOLIS, IN
LEXINGTON, KY
DANVERS, MA
GLOUCESTER, MA
PLAINVILLE, MA
MICHIGAN - 67
(SEE MAP BELOW)
ST. LOUIS, MO
BLOOMINGTON, MN
SEELEY LAKE, MT
RALEIGH, NC
HACKENSACK, NJ
HAMBURG, NJ
MARLTON, NJ

MORRISTOWN, NJ
SPARTA, NJ
TOMS RIVER, NJ
GARDEN CITY, NY
SMITHTOWN, NY
VALHALLA, NY
WHITE PLAINS, NY
HENDERSON, NV
PAHRUMP, NV
BRYAN, OH
DAYTON, OH
TOLEDO, OH
VERMILLION, OH
LAKE OSWEGO, OR
PORTLAND, OR (2)

ROSEBURG, OR
DRESHER, PA
NEW CASTLE, PA
PHILADELPHIA, PA
PROVIDENCE, RI
RAPID CITY, SD
SAN ANTONIO, TX
U.S. VIRGIN ISLANDS
VIENNA, VA
WARRENTON, VA
GREEN BAY, WI (2)
KENOSHA, WI
RACINE, WI
PARKERSBURG, WV

WHOLESALE OFFICES

PHOENIX, AZ
COSTA MESA, CA
WALNUT CREEK, CA
DENVER, CO
BOCA RATON, FL
ATLANTA, GA
CHICAGO, IL
WAKEFIELD, MA
TROY, MI
BUCYRUS, OH
LAKE OSWEGO, OR
DALLAS, TX
HOUSTON, TX
BELLEVUE, WA



HOME LOAN CENTERS — MICHIGAN

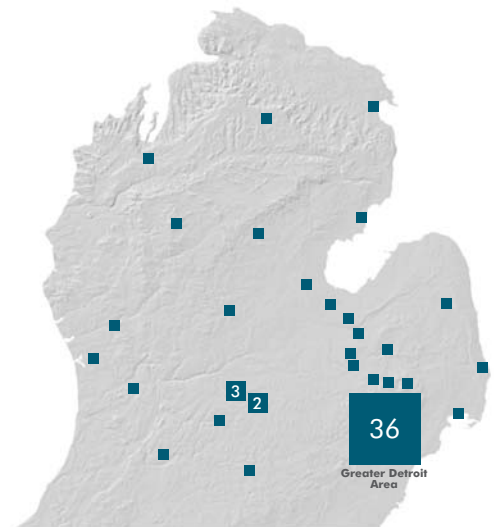
ALPENA
BATTLE CREEK
CADILLAC
CHARLOTTE
FLINT
FORT GRATIOT
FRANKENMUTH
FREMONT
GAYLORD
GRAND BLANC
GRAND HAVEN
HOUGHTON LAKE
JACKSON
KENTWOOD
LANSING (3)
LAPEER
MIDLAND
MILLINGTON
MOUNT PLEASANT
NEW BALTIMORE

OKEMOS (2)
ORTONVILLE
OSCODA
OXFORD
ROMEO
SAGINAW
SANDUSKY
TRAVERSE CITY

GREATER DETROIT AREA

ALLEN PARK
ANN ARBOR
BINGHAM FARMS
BIRMINGHAM
BLOOMFIELD HILLS
BRUCE TOWNSHIP
CLINTON TOWNSHIP (2)
COMMERCE TOWNSHIP
DEARBORN
DETROIT

FARMINGTON HILLS (2)
FERNDALE
HARPER WOODS
LAKE ORION
MADISON HEIGHTS
NORTHVILLE
OAK PARK
OAKLAND TOWNSHIP
PLYMOUTH (2)
ROYAL OAK
SHELBY TOWNSHIP
SOUTHFIELD
STERLING HEIGHTS (3)
TAYLOR
TROY (2)
UTICA (2)
WASHINGTON TOWNSHIP
WATERFORD
WESTLAND



CONSUMER LENDING

In 2003, total consumer loans, including home equity, auto, boat and recreational vehicle loans, grew to \$259.7 million, an increase of 108.1 percent from December 31, 2002. We also expanded our home equity lines of credit beyond our traditional markets of Michigan and Indiana to 38 additional states. In 2004, we plan to roll out home equity lines of credit to our wholesale lending customers.

Our business development efforts in 2003 targeted indirect lending customers, a segment we will continue to pursue in 2004. Going forward, we hope to increase originations through improved technology and refocused customer service to cross sell consumer loans in our banking centers.

COMMERCIAL LENDING

The primary focus of our commercial lending is to help businesses build, buy or refinance property in our banking markets. In 2003, we expanded staff both in Michigan and Indiana to meet the commercial real estate needs generated by our growing banking network.

We closed \$239.5 million in commercial real estate loans in 2003, bringing our portfolio to \$548.4 million, an increase of 23.2 percent from December 31, 2002. We had \$7.8 million in non-real estate commercial loans at December 31, 2003.

CONSTRUCTION LENDING

Our leadership in the mortgage business has naturally led us to develop strong relationships with the leading builders in our retail markets. In 2003, we expanded our construction loan capabilities to all 48 contiguous states.

AT HEART WE'RE A COMMUNITY BANK,
DEDICATED TO THE COMMUNITIES WE SERVE.







LOAN SALES AND SERVICING

MANAGING OUR MORTGAGE BUSINESS

Flagstar originates and purchases large volumes of residential mortgages, investing in some and packaging the remainder into mortgage-backed securities. We retain the servicing rights on the loans we sell, collecting homeowners' mortgage payments, property taxes and hazard insurance premiums monthly and distributing payments to investors, all for a fee.

The fee revenue from servicing loans acts, in most cases, as a natural hedge against an upturn in interest rates, providing a source of revenue in a rising interest rate environment when loan origination income may decline.

During 2003, we serviced more than 583,000 loans and closed the year with a mortgage servicing portfolio for other investors of \$30.4 billion, an increase of 40.7 percent from December 31, 2002.

Our servicing area successfully handled record volumes in 2003, thanks to gains in paperless processing. Customers can currently make mortgage payments; order payoff letters; view and print statements, tax and insurance payments and 1098s all online. We also now accept scanned insurance and tax bills from customers, and are offering Web access to statements in lieu of monthly mailings.

CONNECTING WITH OUR COMMUNITIES

19

COMMUNITY LEADERSHIP

Flagstar Bank has a long tradition of community involvement. For example, several years ago we became concerned about the high number of lives lost annually from home fires, so we launched a program to promote fire safety, especially during the holidays.

Flagstar's Safety First program features an advertising campaign encouraging people to buy smoke detectors before plugging in their Christmas trees. We support the campaign by distributing thousands of smoke detectors to residents of Detroit, Lansing and Pontiac, Michigan. Going a step further, we also sponsored a series of six bills now pending in the Michigan legislature to require fire alarm systems and fire suppression equipment in all apartment buildings in the state.

Flagstar also is a long-time supporter of organizations such as the United Way, Habitat for Humanity, Toys for Tots and the Fanclub Arts Foundation, which creates arts programs in low- and middle-income areas in metropolitan Detroit.

Because housing is our primary lending activity, many of our community outreach programs focus on affordable housing and housing education. Here are highlights of some of our recent activities:

- In Detroit, Flagstar was a local sponsor and participant in With Ownership, Wealth, a national initiative known as WOW that was started by the Congressional Black Caucus Foundation to increase minority homeownership.
- In Grand Rapids, Michigan, Flagstar was a major sponsor of Raise the Roof day, where volunteers — including Flagstar employees — repaired the homes of low-income, senior and disabled residents.
- In Flint, Michigan, Flagstar regularly participates with the Mission of Peace Community Development Corporation in a loan program to provide affordable housing.
- In Jackson, Michigan, Flagstar contributed to a city program to rehabilitate and sell vacant homes to low-income residents.
- In Indiana, Flagstar has provided grants to a number of organizations including the Indianapolis Neighborhood Housing Partnership, the Local Initiatives Support Corporation, the Fort Wayne Neighborhood Housing Partnership and others.

Flagstar employee contributions also support local organizations in communities where we have a banking presence. In 2003, organizations benefiting from Flagstar's generosity included Youth Haven Michigan Ranch, Hunter's Hope Foundation, the McRee House in Lansing, Michigan, and PALS, Inc. of Dearborn, Michigan.

Employees also supported the American Cancer Society and the March of Dimes by participating in fund-raising walks. In addition, they volunteered their time to Habitat for Humanity and supported needy children through holiday gifts to Oakland Family Services in Oakland County, Michigan.



DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS

FLAGSTAR BANCORP, INC.

| | |
|------------------------|---|
| Thomas J. Hammond | Chairman of the Board |
| Mark T. Hammond | Vice Chairman of the Board, Chief Executive Officer, President |
| Charles Bazy | Director (outside) |
| Michael W. Carrie | Director, Executive Director, Treasurer, Chief Financial Officer |
| James D. Coleman | Director (outside) |
| Richard S. Elsea | Director (outside) |
| Kirstin A. Hammond | Director, Executive Director |
| David V. Johnson | Director (outside) |
| John R. Kersten | Director (outside) |
| C. Michael Kojaian | Director (outside) |
| Robert O. Rondeau, Jr. | Director, Executive Director |

EXECUTIVE OFFICERS

FLAGSTAR BANK, fsb

| | |
|-------------------------|---|
| Thomas J. Hammond | Chairman of the Board |
| Mark T. Hammond | Chief Executive Officer, President |
| Michael W. Carrie | Executive Director, Treasurer, Chief Financial Officer |
| Kirstin A. Hammond | Executive Director |
| Robert O. Rondeau, Jr. | Executive Director |
| Joan H. Anderson | Executive Vice President |
| M. David Bowers | Executive Vice President |
| W. Steven Brooks | Executive Vice President |
| Alessandro P. Dinello | Executive Vice President |
| Charles C. Kirkpatrick | Executive Vice President, Chief Information Officer |
| William M. Robinson III | Executive Vice President |
| Mary Kay Ruedisueli | Executive Vice President |
| Karen Shreve | Executive Vice President |

SHAREHOLDER ASSISTANCE

For help with name, address or stock ownership changes, to report lost or stolen stock certificates or to get assistance with other shareholder issues, please contact our agent directly: **Registrar and Transfer Co., Attention: Investor Relations, 10 Commerce Drive, Cranford, NJ 07016**, (800) 368-5948, e-mail: info@rtco.com, Web site: www.rtco.com.

In all communication with Registrar and Transfer Co., be sure to mention Flagstar Bancorp and provide your name as it appears on your stock certificate, along with your Social Security number, daytime phone number and current address. In addition, individual investors may report a change of address, request a shareholder account transcript, place a stop on a certificate or obtain a variety of forms by logging on to www.rtco.com and clicking Investor Services.

DIVIDEND REINVESTMENT PLAN

Under Flagstar Bancorp's dividend reinvestment plan, registered shareholders may purchase additional shares of Flagstar Bancorp stock by reinvesting their cash dividends. There is no minimum investment required to participate in the plan. For more information, contact Registrar and Transfer Co.

DIRECT DEPOSIT OF DIVIDENDS

Registered shareholders of Flagstar Bancorp common stock can have their dividend payments deposited into their checking, savings or money market account at any financial institution in the United States that accepts electronic deposits. A brochure describing the service and an authorization form are available from the Registrar and Transfer Co.

EQUAL EMPLOYMENT OPPORTUNITY/EQUAL HOUSING LENDER

Flagstar Bancorp does not discriminate against any person on the basis of race, color, religion, national origin, sex, age, handicap, height, weight, familial status, marital status, veteran disability or Vietnam veteran status with respect to recruiting, hiring, promoting, transferring, terminating and other terms and conditions of employment. We also are an equal housing lender.

NATIONAL HEADQUARTERS
5151 CORPORATE DRIVE ■ TROY, MI 48098 ■ (800) 945-7700

MEMBER FDIC



WWW.FLAGSTAR.COM