

Borja Paul D
 Form 4
 November 02, 2010

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 *
 Borja Paul D

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)
 5151 CORPORATE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 10/29/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Executive VP and CFO

TROY, MI 48098
 (City) (State) (Zip)

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

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

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)
			Code	V	Amount	(A) or (D)	Price
Flagstar Bancorp, Inc. Common Stock	10/29/2010		A		7,571	A	\$ 0 (1)
Flagstar Bancorp, Inc. Common Stock	10/29/2010		F		2,686	D	\$ 1.27
Flagstar Bancorp,	11/02/2010		P		14,500	A	\$ 1

Inc.
Common
Stock

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

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(9-02)

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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Series D Mandatorily Convertible Preferred Stock	(3)	11/02/2010		P	1,775 (2)	(4) (5)	Common Stock	35,500 (3)

Reporting Owners

Reporting Owner Name / Address	Relationships
Borja Paul D 5151 CORPORATE DRIVE TROY, MI 48098	Director 10% Owner Officer Other Executive VP and CFO

Signatures

/s/ Paul D. Borja 11/02/2010
 **Signature of Date
 Reporting Person

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) Securities are base salary paid to Mr. Borja in the form of shares of the Flagstar Bancorp, Inc. Common Stock.

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- (2) These shares were purchased directly from the underwriters in the Company's public offering, which closed on November 2, 2010.
- (3) Each share of Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D is convertible into 20 shares of Common Stock, subject to anti-dilution adjustments.

The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D is not convertible until the receipt of approval of an amendment to the Amended and Restated Articles of Incorporation of Flagstar Bancorp, Inc. (the "Issuer") to increase the number of
- (4) authorized shares of Common Stock (the "Stockholder Approval"), and upon receipt of the Stockholder Approval, the shares of Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D will automatically convert into shares of Common Stock of the Issuer.
- (5) The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D has no expiration date.

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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