

Borja Paul D  
 Form 4  
 December 27, 2010

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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)  
 12/22/2010

\_\_\_\_ 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)
				(A) or (D)	Price		
Flagstar Bancorp, Inc. Common Stock	12/22/2010		C	35,500 A	139,071	D	

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

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SEC 1474 (9-02)

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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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Series D Mandatorily Convertible Preferred Stock	(1)	12/22/2010		C	1,775	(2) (3)	Common Stock	35,500 (1)

## Reporting Owners

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

## Signatures

/s/ Paul D. Borja                      12/27/2010  
 \*\*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) Each share of Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D was convertible into 20 shares of Common Stock.  
 The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D was 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 authorized shares of Common Stock (the "Stockholder Approval"). The Stockholder Approval was received on December 21, 2010. On the day following receipt of the Stockholder Approval, the shares of Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D automatically converted into shares of Common Stock of the Issuer.
- (3) The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D had 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.