

MATLIN DAVID J
 Form 3
 November 03, 2010

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *

Â MATLIN DAVID J
 (Last) (First) (Middle)

C/O MP (THRIFT) GLOBAL ADVISERS III LLC,Â 520 MADISON AVENUE

(Street)

NEW YORK,Â NYÂ 10022-4213

(City) (State) (Zip)

2. Date of Event Requiring Statement

(Month/Day/Year)
 11/02/2010

3. Issuer Name and Ticker or Trading Symbol
 FLAGSTAR BANCORP INC [FBC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer Other
 (give title below) (specify below)

5. 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 Beneficially Owned

1. Title of Security (Instr. 4)

2. Amount of Securities Beneficially Owned (Instr. 4)

3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)

4. Nature of Indirect Beneficial Ownership (Instr. 5)

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

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Security (Instr. 4)

2. Date Exercisable and Expiration Date (Month/Day/Year)

3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)

4. Conversion or Exercise Price of Derivative Security

5. Ownership Form of Derivative Security: Direct (D)

6. Nature of Indirect Beneficial Ownership (Instr. 5)

Date Exercisable Expiration Date Title Amount or Number of

			Shares			or Indirect (I) (Instr. 5)
Mandatorily Convertible Non-Cumulative Perpetual Preferred ⁽¹⁾	Â ⁽²⁾	Â ⁽³⁾	Common Stock	177,692,740 ⁽⁴⁾	\$ ⁽⁴⁾	D Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MATLIN DAVID J C/O MP (THRIFT) GLOBAL ADVISERS III LLC 520 MADISON AVENUE NEW YORK, NY 10022-4213	Â X	Â	Â	Â

Signatures

/s/ Robert H. Weiss, 11/03/2010
Attorney-in-Fact

⁽¹⁾Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 5(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) Stock, Series D

The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D of Flagstar Bancorp. (the "Issuer") is not convertible until the receipt of approval of such conversion by the stockholders of the Issuer (the "Stockholder Approval") necessary to amend the

- (2) Certificate of Incorporation to increase the number of authorized shares of Common Stock, 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.

- (3) The Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D has no expiration date.

Each share of Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D is convertible into shares of Issuer's

- (4) Common Stock at a conversion rate, subject to adjustment, of 20 shares of Issuer's Common Stock for each share of the Mandatorily Convertible Non-Cumulative Perpetual Preferred Stock, Series D, or the conversion rate, plus cash in lieu of fractional shares.

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Remarks:

See Exhibit 99

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.