

Eng Gregory  
Form 4  
October 30, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
Eng Gregory

(Last) (First) (Middle)

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

(Street)

NEW YORK, NY 10022-4213

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

FLAGSTAR BANCORP INC [FBC]

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

05/26/2009

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Ownership (Instr. 4) |             |   |                               |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|-------------|---|-------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                                      |             |   |                               |
| Common Stock                    | 05/26/2009                           |  | C <sup>(1)</sup>               |   | 312,000,000   | A  | Ⓛ  | 375,000,000 | I | See footnotes (2) (3) (4) (5) |
| Common Stock                    | 05/26/2009                           |  | C <sup>(1)</sup>               |   | 31,250,000  | A  | Ⓛ  | 375,000,000 | I | See footnotes (2) (3) (4) (5) |
| Common Stock                    | 05/26/2009                           |  | C <sup>(1)</sup>               |   | 31,250,000  | A  | Ⓛ  | 375,000,000 | I | See footnotes (2) (3) (4)     |

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

**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.**

SEC 1474  
(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) |             |                            |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|-------------|----------------------------|
|   |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title       | Amount or Number of Shares |
| Convertible Participating Voting Preferred Stock Series B | (1)  | 05/26/2009                           |  | C                              | 250,000   | (1) (1)  | Common Stock  | 312,500 (1) |                            |
| Convertible Participating Voting Preferred Stock Series B | (1)  | 05/26/2009                           |  | C                              | 25,000  | (1) (1)  | Common Stock  | 31,250 (1)  |                            |
| Convertible Participating Voting Preferred Stock Series B | (1)  | 05/26/2009                           |  | C                              | 25,000  | (1) (1)  | Common Stock  | 31,250 (1)  |                            |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| Eng Gregory<br>C/O MP (THRIFT) GLOBAL ADVISORS III LLC<br>520 MADISON AVENUE | X             |           |         |       |

NEW YORK, NY 10022-4213

## Signatures

/s/ Gregory Eng

10/30/2009

\*\*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).

On May 26, 2009, the stockholders of Flagstar Bancorp, Inc. (the "Issuer") approved the conversion of the Issuer's Convertible Participating Voting Preferred Stock Series B ("Series B Preferred Stock") into common stock of the Issuer ("Common Stock"). Upon such approval, the 250,000 shares of Series B Preferred Stock acquired by MP Thrift Investments L.P. ("MP Thrift") on January 30, 2009, (1) the 25,000 shares of Series B Preferred Stock acquired MP Thrift on February 17, 2009, and the 25,000 shares of Series B Preferred Stock acquired by MP Thrift on February 27, 2009, automatically converted into an aggregate of 375,000,000 shares of Common Stock. Each share of Series B Preferred Stock was convertible into such number of shares of Common Stock equal to the \$1,000 divided by the applicable conversion price of \$0.80 per share.

MP Thrift was the direct owner of 300,000 shares of Series B Preferred Stock and became direct owner of the 375,000,000 shares of Common Stock upon conversion. MP Thrift is a limited partnership organized under the laws of Delaware formed for the purpose of making an investment in the Issuer. MPGOP III Thrift AV-I L.P. ("MPGOP") is a Delaware limited partnership and MPGOP (Cayman) III Thrift AV-I L.P. ("MPGOP Cayman") is a Cayman Islands exempted limited partnership (together, the "New Fund"), holding 100% of the membership interests in MP Thrift. MPGOP has a 77.05% interest in MP Thrift and MPGOP Cayman has a 22.95% interest in MP Thrift. (2)

MP (Thrift) Global Partners III LLC ("MP LLC") is a limited liability company organized under the laws of Delaware. The principal business of MP LLC is to serve as general partner of each of MPGOP, MPGOP Cayman, MP Thrift, MP (Thrift) Global Opportunities Partners (Special) III LP ("MPGOPS") and MP (Thrift) Global Opportunities Investments III LP ("MPGOI"). MP (Thrift) Asset Management LLC ("MPAM") is a limited liability company organized under the laws of Delaware. MPAM is the managing member of (3) MP LLC. MP (Thrift) LLC ("MPT") is a limited liability company organized under the laws of Delaware. MPT is the managing member of MPAM. MPGOPS is a limited partnership organized under the laws of Delaware. MPGOPS is the holder of a 100% limited partnership interest in MPGOI. MPGOI is a limited partnership organized under the laws of Delaware. MPGOI is the holder of a 1% limited partnership interest in the New Fund. Along with MPT, MPAM, MP LLC, and MPGOPS, MPGOI comprises the Associates Fund.

David J. Matlin and Mark R. Patterson are each a 50% managing member of MPT. David J. Matlin's principal occupation is acting as Chief Executive Officer of MatlinPatterson Global Advisers LLC ("Matlin Advisers") and Mark R. Patterson's principal occupation is acting as Chairman of Matlin Advisers. Matlin Advisers is a limited liability company organized under the laws of Delaware. The (4) principal business of Matlin Advisers is to serve as investment adviser to the funds. Matlin Advisers also serves as investment adviser to the New Fund. Gregory Eng is a director of the Issuer. Although Gregory Eng does not have voting or investment control over shares held by MP LLC, Mr. Eng may be deemed to have an indirect pecuniary interest in such shares through his indirect interest in a limited partnership which holds an investment interest and carried interest in the Funds.

Mr. Eng's exact pecuniary interest therein is not readily determinable because it is subject to several variables, including without (5) limitation, the internal rates of return of the Funds overall and with respect to their indirect investment in the Issuer. He disclaims beneficial ownership of any of the reported securities except to the extent of his pecuniary interest therein.

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.