Flagstar® Bancorp

Code of Ethics and Conduct

Introducing Flagstar's Code of Ethics and Conduct.

Flagstar Bancorp, Inc. and Flagstar Bank, FSB (collectively, "Flagstar" or the "Bank") adopted this Code of Ethics and Conduct to govern and guide the activities of all Flagstar officers and employees, including full time, part time, and temporary employees, as well as contractors working on-site for Flagstar ("contractors"). The Code of Ethics and Conduct also applies to Flagstar directors where appropriate. This Code of Ethics and Conduct was developed in the context of the Bank's Vision, Guiding Principles, and STAR Values.

Anyone who violates the Flagstar Code of Ethics and Conduct may face disciplinary action, up to and including termination.

The Code of Ethics and Conduct applies to all employees, contractors, and directors of Flagstar and its affiliates. It does not alter your "at will" employment relationship. We recognize your right to resign at any time for any reason; similarly, Flagstar or its affiliates may terminate any employee or contractor at any time for any reason, with or without cause.

Nothing in the Code of Ethics and Conduct is intended to improperly limit or interfere with employees discussing the terms and conditions of their employment, including their wages and Flagstar's employment-related policies and practices.

This Code of Ethics and Conduct will be interpreted and applied in a manner that is consistent with applicable state and federal law.

How to get advice and voice concerns.

Flagstar's Code of Ethics and Conduct (or, the "Code") addresses the most common ethical issues you might encounter, but it cannot cover everything. If you have questions or need to report concerns of possible violations of the Code, use these resources:

- Contact your manager, or higher levels of management if needed.
- Contact your **Human Resources business partner**.
- Call the third-party **Ethicspoint Hotline at (844) 356-8011**.
- Report violations at flagstar.ethicspoint.com (also available on myFlagstar in the Whistleblower and Employee Relations Hotline section).
- Refer to p. 26 for other reporting methods.

If you are aware of a violation of this Code or of applicable laws, you are obligated by this Code to report those activities. Failure to adhere to the Code and applicable laws, including the failure to report violations, may result in disciplinary actions, up to and including termination.

We ensure that questions and concerns are handled promptly and thoroughly. Concerns that are reported are investigated, as appropriate. During investigations, we make every effort to keep the identities of employees who report concerns confidential, although we may not be able to ensure confidentiality in all situations.

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What we believe.

We value high ethical standards above all else. They drive the values that shape our culture. Demonstrating these values every day through your words and actions is how you contribute to Flagstar's success.

The Flagstar Code of Ethics and Conduct reflects and reinforces our values. It is designed to help you understand the high ethical standards we expect of all of our officers, employees, contractors, and directors of Flagstar. Read it carefully, refer to it often, and ask questions if you need clarification.

- Follow all Flagstar Bank policies and procedures and maintain compliance with applicable laws and regulations.
- Treat all Flagstar employees, customers, and business partners with respect.
- Be clear, truthful, fair, transparent, responsible, and accurate with customers, regulators, vendors, shareholders, and other employees.
- Protect our customers and their information and privacy. Protect them from fraud, discrimination, and unfair, deceptive, or abusive acts or practices.
- Protect Flagstar's reputation.
- Cooperate with investigations.
- Report concerns and violations.
- Complete compliance training on time and assimilate its teachings.

Your responsibilities are important and you should take them seriously. This Code cannot cover every situation. We are relying on you to use good judgment. If you are ever uncertain, just ask yourself, "Is this the right thing to do?" If you are unsure, seek guidance (page 5).

Our Vision.

To create a one-of-a-kind banking experience grounded in relationships, nurtured through service, and measured by results.

Our Guiding Principles.

- We hire great people who represent the talents, experiences, backgrounds, and diversity of the communities we serve. We give them the tools to hone their skills and the opportunities to grow and become even better.
- To us, teamwork is a choice that embraces a culture of acceptance and inclusion where everyone has a voice. So we choose to remove the "I" and put our hearts into the "We.
- We believe that banking with us will always be personal, private, and secure.
- We craft financial products and services tailored to make a real difference to our customers and the communities where we all live and work. If we put our name on it, we're proud of it.

Unleash your inner star.

STAR VALUES

Service:

The way we communicate with one another and our customers says a lot about Flagstar as a company. We choose to be engaged in our work and committed to helping each other, seeing challenges as inspirations rather than obstacles. We're compelled to do things right the first time—offering the same level of service we expect and appreciate in return.

Trust:

We know our customers want substance—not lip service. We're committed to building a culture of mutual respect and transparency where our personal ethics, the caliber of our work, and the integrity we strive to uphold are without compromise.

Accountability:

It's imperative that we live up to the commitments we make—to our work, to our customers, to each other. When we give our word, we commit ourselves to taking action. Standing behind what we say and do isn't an option; it's a way of life. And we'll always look for ways to improve what's in place today and plan for tomorrow.

Results:

Like any business, the bottom line is important. But we'd rather measure our success by how those numbers are achieved. We can never lose sight of the part we play in our customers' and employees' daily lives, the impact we make in our communities, and the obligations we have to every one of our investors.

INTEGRITY TEST

Not sure if it's the right thing to do?

Ask yourself these questions.

If you answered "No" to any of these, STOP and think before proceeding!

Read further for additional guidance.

YES	Is it legal?
YES	Does it comply with our policies and guidelines?
YES	Does it reflect our values?
YES	Does it protect Flagstar's interests?
YES	Would our customers be comfortable if they saw it in the news?
YES	Would your manager, our leaders and our shareholders approve?
YES	Would your friends, family and community approve?
YES	Is it the right thing to do?

A message for managers.

We hold managers to a higher level of accountability for ethical behavior. As a manager, you are expected to uphold the spirit and intent of our corporate values, demonstrate these principles in everything you do, and lead with integrity.

Your role in maintaining Flagstar's strong ethical culture is crucial. As an employee representing Flagstar, you are accountable to:

Be a role model for ethical behavior.

What you say and what you do must reflect our corporate values. As a leader, you set the tone. You must demonstrate the behaviors we expect to see from all employees. Help everyone around you learn how to do the right things by showing them what the right things are.

Promote our culture of integrity.

Make ethics awareness among your employees a personal goal. Set the expectation that ethical behavior is a day-to-day responsibility, and evoke our corporate values and our Code during conversations about goals and performance. Remind employees about the role they play in our current success and our future.

Foster open communication.

Emphasize that you value—and expect—open and honest communication. Be available and accessible, and create an environment where employees know they can ask questions, raise concerns, and report issues without fear of reprisal.

Recognize behavior that exemplifies our corporate values.

By celebrating success, you reinforce our culture of integrity and provide tangible examples to employees on how to get things done the right way.

Respond to misconduct and report violations.

Take appropriate action immediately by involving **higher levels of management** and/or your **Human Resources business partner**, or by using the third party **Ethicspoint Hotline**. Do not attempt to investigate issues on your own.

Seeking clarification and reporting concerns.

You are responsible for understanding and complying with Flagstar's Code of Ethics and Conduct. You are also responsible for reporting suspected or actual fraud, violations of accounting, audit, or internal control standards, disclosure obligations, and laws and company policies.

If you suspect or know of a violation of this Code, fraudulent conduct, or illegal or unethical business or workplace conduct by employees or have unresolved concerns or complaints regarding questionable accounting or auditing matters, then you are required by this Code to submit those concerns or complaints (anonymously, confidentially, or otherwise), using the procedures provided on the prologue page and page 26. Flagstar will treat such submissions confidentially to the extent practical.

If you need clarification about anything in this Code or guidance about a situation you are experiencing, or if you need to report a concern, use the resources on the prologue page. You should start with your manager, but you do not have to if you are not comfortable doing so. Feel free to contact your Human Resources business partner, higher levels of management, the third party **Ethicspoint Hotline**, or any other resource identified in this Code.

If a situation involves a senior officer or director, you may report the suspected violation to the chief human resources officer or chief compliance officer, in addition to any of the avenues for reporting on the prologue page and page 26. We respond to or investigate reported concerns and communicate relevant concerns to the Audit Committee of Flagstar's Board of Directors.

Flagstar prohibits any and all forms of retaliation against an individual who has raised concerns about, or questioned improper activities under this Code of Ethics and Conduct, as well as individuals who assist with any investigation of potential violations. No Flagstar employee or representative should fear coming forward with a good faith concern. Any employee who is aware of potential or actual retaliatory conduct must report it to his or her manager, a **Human Resources business partner**, or to the **Ethicspoint Hotline** noted on the prologue page. Any individual found to have engaged in retaliatory conduct will be subject to disciplinary action, up to and including termination of employment. Please refer to Flagstar's Non-Discrimination, Anti-Harassment & Anti-Retaliation Guideline for additional information.

Employees

Respecting one another at all times.

Instill diversity and inclusion.

At Flagstar, diversity and inclusion means intentionally engaging and respecting the talents, perspectives, and uniqueness in all of us to drive business success.

Flagstar is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment and retaliation. Therefore, Flagstar expects that all relationships among persons in the office will be business-like and free of bias, prejudice, and harassment.

Do not harass or discriminate in any manner.

We do not tolerate harassment or discrimination based on race, religion, color, creed, age, sex, national origin, gender identity, sexual orientation, genetic information, disability, veteran status, military service status, citizenship status, marital status, or other protected status under applicable state or federal law. Accordingly, Flagstar maintains a Non-Discrimination, Anti-Harassment & Anti-Retaliation Guideline.

Maintain professionalism.

All Flagstar employees are expected to conduct themselves in a professional manner, at all times. This means each employee will:

- Conduct himself/herself ethically, honestly, and with integrity.
- Treat co-workers fairly and impartially.
- Dress appropriately in accordance with the dress code, avoiding clothing that is revealing or provocative or includes vulgar or obscene language or visuals.
- Behave and speak professionally, respectfully, and courteously with customers and with anyone who comes in contact with the Bank.
- Not be threatening or intimidating toward supervisors and managers, coworkers, customers, and vendors.
- Report any conflict of interest (see page 18 of this Code) in conducting his/her job to the appropriate authority.
- Safeguard confidential information (see page 16 of this Code.)
- Use the Bank's property, facilities, supplies, and other resources in the most effective and efficient manner.
- Keep appointments and be punctual in all professional settings.
- Make good use of time while at work or performing job duties for the Bank.
- Report to Human Resources any criminal, legal, or regulatory matter that involves you which may prohibit you from carrying out your job duties.

Safeguard our surroundings.

Stay alert.

It is the practice of the Bank to promote an attitude of safety consciousness and provide employees a place of employment free from hazards. Practice good safety habits, including ensuring that only authorized individuals are allowed in secured areas and checking the credentials of delivery agents and service providers. Employees should be aware of their environment and other employees and customers entering the work area. Any accident or injury in the workplace must be reported to a supervisor. If you witness or hear about violations to our safety and security policies, or if you see suspicious behavior, report it using the resources provided on the prologue page.

Understand workplace violence guidelines.

We do not tolerate threatening, intimidating, or physically harmful behavior by employees, customers, contractors, vendors, suppliers, partners, or anyone else. You may not have any type of weapon on Flagstar Bank property, at work-related functions, or while performing company business. This does not apply to law enforcement officials and designated security personnel, and is subject to any concealed weapon requirements under applicable state law. To support these principles, Flagstar maintains a Workplace Violence Guideline.

Observe vehicle safety.

If your job includes driving a personal, company-owned vehicle or rental car, you must comply with all federal and state laws. This includes restrictions on using mobile devices. Texting and using smart phone features are prohibited while you are driving.

For the safety of yourself and others, avoid making or receiving phone calls while you're driving. If you must make or take a call, use an approved hands-free device where permitted by law or pull over and park safely first.

Maintain a drug- and alcohol-free workplace.

No employee is permitted to use, possess, distribute, manufacture, sell, attempt to sell, or be under the influence of alcohol or illegal drugs on Flagstar property, while conducting Company business or while operating a company vehicle. For more information, please refer to our Substance Abuse in the Workplace Guideline.

Refrain from unauthorized photography and recordings.

For the safety, security and privacy of employees, customers, suppliers and others with whom you interact for Flagstar, you may not make unauthorized audio, video or photographic recordings of non-public, proprietary information, including Flagstar facilities, nor are you permitted to make recordings that violate the Non-Discrimination, Anti-Harassment & Anti-Retaliation Guideline.

Customers

Providing banking that is personal, private, and secure for our customers.

Maintain integrity.

We earn and keep our customers' trust by responding quickly and providing thoughtful solutions. It is our obligation to keep our customer information safe from theft, accidental disclosure, or misuse. Our compliance with laws and regulations that are designed to protect our customers and industry from fraud and unfair business practices is critical to our continued success.

Protect confidential information.

Information that is gathered, processed, stored, or transmitted about Flagstar Bank customers, business partners, and others is considered to be Bank property. See also Confidential Information and Intellectual Property, page 16.

You are entrusted with information regarding our customers' personal financial affairs. Flagstar is subject to federal and state laws and regulations concerning the protection of customer information. You are expected to know and comply with the applicable legal requirements regarding the protection of customer information with which you have contact in the performance of your job responsibilities. Company records, communications, and proprietary information must also be treated in a confidential manner. For more information, refer to the Information Security Policy and Confidentiality Guideline.

Comply with consumer protection laws and regulations.

The Bank's core business operations are impacted by a number of consumer protection laws and regulations. In addition, the Bank is subject to public interest laws and regulations that can expose it to costly remedies imposed by our regulators and to civil or criminal liability, litigation, and the loss of customer goodwill.

You must fully comply with the laws and regulations applicable to your duties and responsibilities. The Bank provides training, informational materials, and designated compliance officers in all areas of operation to facilitate your understanding of your compliance responsibilities. Seek the advice of a compliance officer or manager with respect to any questions or to report incidents of noncompliance.

Information Security Requirements

This Code covers some common information security requirements. See Flagstar's Information Security Policy for detailed information about keeping information safe and secure. You are responsible for knowing these standards and how they apply to your job.

- Protect your user IDs and passwords. You are responsible for any action taken under your user ID and for following information security requirements to prevent user ID misuse.
- Access only the information you need to do your job.
- Use all required security controls on Flagstar Bank systems, and do not alter or circumvent the controls.
- Take extra care to protect company-issued laptops, smartphones, personal digital assistants (PDAs) and other electronic devices from theft, regardless of whether they contain confidential information.
- Do not share customer information with anyone inside or outside Flagstar Bank unless there is a business need for doing so or unless it is required by law.
- Transport physical documents or any media containing confidential information securely.
- Complete information security awareness training as required.
- Your business unit may have additional standards that you need to follow.

You are responsible for reporting information security weaknesses, violations, and other concerns using the resources listed in this Code. For more information refer to the Information Security Policy.

Comply with Bank Secrecy Act (BSA) and anti-money laundering (AML) Laws.

Money laundering means converting illegal proceeds to make the funds appear legitimate. It is a global problem with far-reaching and serious consequences. As a financial services provider, it is our responsibility to help close the channels that money launderers use.

To prevent Flagstar from being used as a conduit for money laundering or for funding terrorist or other criminal activity, we comply with the BSA and related AML laws and regulations. Failing to comply can result in severe penalties.

You are responsible for being knowledgeable about BSA and AML laws and able to identify and report violations or suspicious activity. You are responsible for following Flagstar Bank policies and procedures complying with BSA and AML obligations. You also must complete training as required. For more information, refer to our BSA/AML & OFAC Program Policy.

Follow Fair Lending Laws.

We treat our credit applicants and customers fairly and consistently in every phase of our lending activities, without regard to race, color, religion, national origin, ethnicity, marital status, gender identity, military service, age, gender, disability, familial status, sexual orientation, receipt of public assistance income, or any other prohibited basis as defined in our Fair Lending and Responsible Banking Policy. We expect the same from our business partners.

Respecting our customers always.

Provide disability accommodations.

We remove architectural and communication barriers in accordance with applicable law so that all customers have access to Flagstar products and services.

Whether you work with customers in person or over the phone, pay attention to any physical or communication barriers and offer assistance when it's needed. You may need to consult with your manager to assess appropriate assistance measures, especially when a customer requests a specific type of accommodation.

Respond to customer complaints.

You are responsible for addressing customer complaints promptly and professionally, and in accordance with our STAR Values. Flagstar has an established Complaint Management process in place.

- Evaluate complaints to determine if they present potential compliance issues.
- Investigate the circumstances surrounding complaints.
- Take prompt and appropriate action based on the investigation.

Conduct responsible sales activities.

At Flagstar Bank, we take pride in providing our customers with the best products and services available to meet their needs. Your sales always must be based on customer needs or requests—they should not be the result of efforts to promote products and services that meet incentive program goals. Incentive systems are meant to reward execution on our business goals and should not be misused or "gamed" for personal gain. You may not manipulate records, open fictitious accounts, criticize products, falsify applications, or skew results in any way for the benefit of yourself or other employees.

Shareholders

Doing the right thing.

Maintain transparency.

It is everyone's responsibility to ensure that we operate in a manner that is fair and transparent to our shareholders. While all officers, employees, and directors are bound by these obligations, our president and chief executive officer, the chief financial officer, and all those persons acting in a similar capacity are under a particular duty to adhere to the matters discussed here, including:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest (see page 18 of this Code) in personal and professional relationships.
- Provide information that is accurate, complete, objective, relevant, timely, and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that the company files with, or submits to, government agencies and in other public communications.
- Comply with rules and regulations of federal, state, and local governments, and other appropriate regulatory agencies.
- Act in good faith, responsibly, and with due care, competence, and diligence, without misrepresenting material facts or allowing one's independent judgment to be impaired.
- Promptly report any conduct that the individual believes to be a violation of law or business ethics or of any provision of this Code, including any transaction or relationship that reasonably could be expected to give rise to a conflict of interest (see page 20 of this Code).

Ensure accurate records and filings.

All of us are responsible for ensuring that the information we record, process, and analyze is:

- Complete, accurate, and recorded in a timely manner.
- Handled according to applicable accounting standards, legal requirements and internal controls.
- Corrected immediately if errors occur.

This information includes accounting and audit records, loan documents, phone records, transaction records, ATM and teller balancing, expense reports, and all other records that are part of our day-to-day business. If required, you also must follow notary requirements.

As a publicly traded company, we make filings with the Securities and Exchange Commission (SEC), the Federal Reserve, and other primary regulators of Flagstar and its affiliates. Our disclosures must be full, fair, accurate, timely, and understandable. We have strict disclosure controls and procedures and stringent internal controls over financial reporting. If you are involved in preparing our public disclosures, you have a special responsibility to help us meet these standards.

Follow Retention and Legal Hold procedures.

Flagstar is required to maintain certain records to meet our legal, tax, and regulatory requirements. You are responsible for retaining records as required by our corporate record retention schedule and understanding and completing training on this topic as required. For details, see the Corporate Records Management Policy.

Secure confidential information and intellectual property.

During the course of employment, you may come to know Flagstar business partners, vendors, and business strategies, as well as other proprietary information that is not otherwise available to persons or firms outside the Bank ("confidential information"). Those who possess such confidential information must understand that it may be disclosed only on a need-to-know basis and used only for a proper business purpose.

Information that is created, obtained, or controlled by the Bank and is not common knowledge is considered confidential and proprietary and must be kept secure. Some examples of proprietary information are:

- Customer Information
- Trade secrets
- Inventions
- Processes
- Improvements
- Business plans
- Research or development test results
- Strategies
- Forecasts
- Budgets

Your obligation to protect confidential information and intellectual property extends beyond the period of your employment with the Bank. The information you use during your employment belongs to Flagstar and you may not take or use this information after you leave the company.

Nothing in this Code prohibits you from reporting possible violations of federal law or regulation to, or filing a charge or complaint with, any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, "Government Agencies"), or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You are not limited by the Code of from communicating with any Government Agencies, or otherwise participating in any investigation or proceeding that may be conducted by any Government Agencies, including providing documents or other information. You are not required to notify Flagstar that any such reports, disclosures or information have been made or provided, or obtain prior authorization from the Flagstar before doing so. The Code does not limit your ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

Preventing Fraud

Flagstar maintains a Fraud Policy, which seeks to control Mortgage Fraud and Operational Fraud. Any known or suspected fraudulent activity must be reported immediately. Mortgage Fraud concerns should be directed to **auditfraud@flagstar.com** or **(248) 312-6080**. Operational Fraud concerns should be reported to the Financial Crimes Unit at **FinancialCrimesUnit@flagstar.com** or **(248) 312-2323**. Also, any known or suspected Financial Reporting Fraud can be reported to the **Ethicspoint Hotline** at **(844) 356-8011**.

Prohibit insider trading.

As part of your job, you may learn of material and nonpublic information—also known as "inside information"—about Flagstar or its affiliates, or other companies and/or those companies' securities.

Information generally is "material and nonpublic" if it is not widely disseminated via the media or an SEC filing, and a reasonable investor would consider it to be important when he or she is deciding to buy or sell securities.

If you think you have inside information about Flagstar or other companies, we strongly encourage you to consult with the general counsel or his/her delegate, which will help you to determine whether a trade you're considering would violate Flagstar's Insider Trading Policy or applicable laws. Remember:

- Do not use inside information for personal financial gain or improperly share this information with others.
- Conduct your personal investment activities prudently and lawfully and with Flagstar Bank's interest in mind.

For more information, refer to our Insider Trading Policy.

Adhere to communication guidelines.

Only authorized spokespersons may communicate on behalf of Flagstar in any media outlet to ensure a consistent message and to ensure that communications on behalf of Flagstar are made in compliance with the many laws and regulations that govern our business. This includes online forums, bulletin or message boards, chat rooms, blogs, and other internet channels. To best serve these objectives, Flagstar will respond to the news media in a timely and professional manner only through the authorized spokespersons. You must forward all media inquiries seeking comment on behalf of Flagstar to the Flagstar Communications Department.

For more information, please refer to our Business Use of Social Media Guidelines and Regulation FD and Authorized Spokesperson Policy.

Avoiding conflicts of interest.

A conflict of interest exists when you have a personal or professional interest that is, or appears to be, at odds with your ability to make sound business decisions on behalf of Flagstar. The following are some situations where conflicts may arise:

- Outside business activities
- Gifts and entertainment (or other things of value)
- Political contributions and activities (see page 21)
- Bank transactions and loans

Accepting such inducements could raise doubts about your ability to make independent business judgments and about the Bank's commitment to treating people fairly.

Evaluate outside business activities.

A conflict of interest may arise from activities, employment or other relationships outside of an Employee's role with the Bank, where the outside activity:

- Creates the appearance of impropriety or violation of any federal or state regulations or laws.
- Encroaches on the time or attention which should be devoted to Bank activities.
- Adversely affects the quality of work performed.
- Competes, directly or indirectly, with Flagstar's activities or creates the inference thereof.
- Involves the use of Flagstar's personnel, equipment, supplies or facilities.
- Implies sponsorship or support by Flagstar on behalf of such interest, employment, activity or organization.

Examples of outside activities that require disclosure by the employee and prior approval include:

- Pursuing additional employment outside of Flagstar.
- Engaging in an independent business venture.
- Performing services for another business organization.
- Accepting appointment as an officer or director of a for-profit business.

For more information, refer to our Conflict of Interest Policy.

Understand policies regarding accepting gifts and entertainment.

Our clients, suppliers, and vendors are vital to the success of our business. That's why it is imperative that these relationships remain objective, fair, transparent, and free from conflicts.

While business gifts and entertainment can be important to building goodwill, they can also affect the relationship if your ability to exercise sound business judgment becomes blurred.

You may not solicit for yourself, or a third party, anything of value from anyone in return for any business, service, or confidential information of the Bank. Acceptance of anything of value from a vendor, supplier, or customer in connection with the business of Flagstar, with the intention of being influenced or rewarded in connection with any business transaction is prohibited. For more information, please refer to our Acceptance of Gifts and Other Things of Value Policy.

Refrain from requesting political and charitable contributions or holding activities.

You may not pressure or coerce other employees, customers, suppliers or vendors to make political or charitable contributions. You may not engage in, or make use of, any Bank assets or personnel to engage in political fundraising or solicitation activities for your own political or charitable interests.

Except for activities and fundraisers explicitly endorsed by the Bank, employees participating in political or charitable activities do so as individuals and not as representatives of the Bank.

The only exception is for fundraising efforts for charities specifically sponsored by the Bank. Fundraising campaigns will generally be limited to twice per year.

This prohibition is not intended to limit or interfere with employees discussing the terms and conditions of their employment, including their wages.

For more information, refer to our Conflict of Interest Policy and Flagstar PAC Home Page.

Refrain from conflicts with bank transactions and loans.

A conflict of interest exists whenever an employee has a financial interest, direct or indirect, with a customer doing business with the Bank, and in the opinion of the Bank, that interest is of such extent that it might affect his or her judgment or decision on behalf of the Bank.

You may not represent the Bank in any transaction in which you have any material personal or financial interest. Directors and certain officers must adhere to additional obligations of limits and disclosures if and when they enter into a transaction with the Bank, or when they have a financial interest in a transaction with the Bank.

Protect all property and interests of the Bank.

You are prohibited from taking for yourself personal opportunities that could benefit Flagstar and that are discovered through the use of corporate property, information, or position. You may not use corporate property, information, or position for improper personal gain, and you may not compete with the Bank, directly or indirectly. You owe a duty of loyalty to the Bank. This includes a duty to advance Flagstar's legitimate interest when the opportunity to do so arises, as well as the duty to protect all property and interests of the Bank and to protect the Bank from competitive disadvantage.

For more information regarding conflicts of interest, see the following policies: Conflict of Interest Policy; Residential Credit Risk Policy; Commercial Credit Policy; Consumer Lending Policy; Acceptance of Gifts and Other Things of Value; Business Expense Policy; and Loans and Extensions of Credit to Insiders (Regulation O) Policy.

Being financially responsible.

Maintain competition and fair dealing.

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information or inducing improper disclosure of such information by past or present employees of other companies is prohibited. You should endeavor to respect the rights of and deal fairly with Flagstar's customers, suppliers, competitors, and employees. You may not take unfair advantage of anyone through manipulation, abuse of confidential information, misrepresentation of material facts, or any other intentional or unfair-dealing practice.

Manage your personal finances.

Because the nature of our business is financial, you should manage your personal financial matters with prudence. Flagstar expects its employees to maintain the highest level of integrity and financial responsibility when managing his or her own accounts, including savings, checking, and lending products. Not doing so could undermine your professional credibility and jeopardize your job.

Participating in financial transactions with other employees, customers, or suppliers is prohibited. In addition, you and your family members may not borrow money from or lend money to customers, vendors, or other employees or independent contractors. You may borrow money or purchase items on credit from a customer or vendor that is in the financial services business, as long as you do not receive preferential treatment.

This does not prevent you from borrowing from or lending money to family members or friends, where personal relationships exist independently of Flagstar. It also does not prohibit occasional loans of nominal value (such as for lunch or coffee) between employees, as long as the interactions are voluntary and do not include interest.

Avoid misuse of accounts and products.

It is important to manage your Flagstar Bank deposit and loan accounts responsibly at all times. Misuse of your employee checking account, loan, or any other Flagstar product or service—or if you do not pay promptly for services, where applicable—may result in the loss of account privileges. All employee accounts are maintained in strict accordance with current rules and regulations. No attempt to bypass banking procedures or exert improper influence due to one's position with the Bank to delay or defeat a valid financial obligation is accepted.

In some instances, you may face disciplinary action.

Some examples of prohibited activities and potential violations of federal, state or local laws or of Flagstar Bank policies include:

- Making false ATM deposits or making inflated ATM deposits to receive immediate cash.
- Viewing employee account information for non-business reasons or for unauthorized business reasons.
- Floating funds between two or more accounts to cover withdrawals.

Responsible account management includes, but is not limited to:

- Keep an accurate record of the account balances and reconcile them periodically.
- Consistently maintain a positive balance in your deposit accounts by not creating debits when funds are not available.
- Use bounce protection as intended, a way to cover unexpected expenses, not as part of the budget.
- In the event the accounts become overdrawn, (bounce protection is accessed), promptly pay the overdraft and associated fees.

Flagstar reserves the right to monitor all account activity subject to applicable law, and any activities in violation of this code may result in immediate termination of employment.

Protecting our assets.

Your job provides you access to and use of many types of Flagstar resources. These resources include a wide range of Flagstar property, including equipment, intellectual property, your work time, and our brand identity.

You must use these resources for legitimate business purposes only and protect them from loss, damage, theft, waste, or abuse. You also must ensure that your use of any Flagstar asset is properly authorized. For more information, refer to our Information Security Policy and Corporate Records Management Policy.

Using resources appropriately.

Flagstar resources include equipment, facilities, information technology, intellectual property, financial assets, and other resources.

You should use Flagstar resources only for Bank business. You may use Bank systems occasionally for personal, inconsequential tasks, but this activity must be limited to non-work time. Follow policies for using and keeping safe Bank-issued laptops and mobile devices or personal equipment used for business.

Flagstar resources may never be used to:

- Engage in unethical or illegal activities such as gambling or stalking.
- Conduct outside business activities.
- Access, transmit, or store material that is offensive or violates our policies for maintaining a respectful, harassment-free work environment. Your work time is a valuable company resource as well. Personal activities during work hours should be limited to avoid interfering with your productivity or that of others.

If you are authorized to use personal devices to conduct Flagstar business, your business use of these devices must comply with the policies contained in this Code and with our Information Security Policy.

Ensure business expenses are appropriate.

Flagstar recognizes the necessity of maintaining proper expense levels for the development of all business channels across all entities.

You will be reimbursed for business related expenses which are deemed reasonable and necessary. When incurring expenses on behalf of the Bank, you are challenged to use professional judgment. Expenses exceeding a reasonable amount will be defined as "excessive" expenditures and reimbursement will be at management's discretion.

The Bank monitors all expense levels and the processing of all payments. You must follow Flagstar's guidelines for incurring business-related expenses and expense reimbursement procedures. For more information, please refer to our Business Expense Policy.

Be aware that use of the Bank's resources are monitored.

Flagstar reserves the right to monitor your use of company resources for any reason, at any time, subject to applicable law. This includes information resources such as email and the internet.

When you use your personal equipment for business purposes, you consent to the search of your devices for business related purposes and agree to disclose electronic communications stored at third-party service providers. For more information, refer to our Information Security Policy.

Understand your obligations should you separate from Flagstar.

When your employment with the Bank ends, you still will have continuing obligations to the Bank, including:

- Returning all Bank property, including laptops, handheld devices, and confidential information (whether that information is in original document form or copies).
- Keeping confidential information confidential.
- Adhering to any contractual agreements you have with the Bank, including ownership of intellectual property, non-disclosure, non-solicit, or other legal obligations.


Community

Complying with laws governing corporate and personal political activities.

Ensure compliance with corporate political activities.

Flagstar works at the state and federal level on issues that affect the financial industry. We comply with all laws that govern interactions with public officials, political contributions, and lobbying activities.

Avoid lobbying activities.

Unless you are specifically authorized to do so by the chief executive officer or the chief human resources officer, you may not engage in lobbying activities on behalf of the Bank.

Lobbying is generally defined as any activity that attempts to influence the passage or defeat of legislation. The federal government and many states have extended this to cover efforts to influence rulemaking by executive branch agencies and other actions taken by government agencies. This includes an agency's decision to enter into a contract or other financial arrangement.

Even if you do not have direct contact with a government official, the assistance you give to an employee who does lobby a government official can count as lobbying activity under certain circumstances.

Participating in Flagstar's Political Action Committee (PAC).

Flagstar has a political action committee (PAC) that makes contributions to candidates who are running for office at the federal, state, and local levels.

The PAC enables employees to become involved in the political process. Employees who are eligible to participate are invited to join; participation is voluntary.

Outside of participation in the PAC, you may not solicit funds or engage in any political activity on behalf of Flagstar.

For more information, refer to the Flagstar PAC Home Page.

We help our communities and each other.

We are committed to supporting our communities and making them a better place to live and work. We encourage you to be active in your community.

Community Reinvestment Act (CRA).

It is Flagstar's policy to ensure proper adherence to the provisions and intent of the Community Reinvestment Act to meet the goals of the credit needs of the assessment areas the Bank serves, including low and moderate income neighborhoods. Our lending programs enable the community to purchase businesses and build financial security. For details, see our Community Reinvestment Act (CRA) Policy.

Report concerns.

Whistleblower and Ethics Hotline.

Flagstar is committed to conducting its activities in accordance with the highest standards of integrity and ethics. You are encouraged to talk to managers or other appropriate personnel about observed illegal or unethical behaviors, and, when in doubt, about the best course of action in a particular situation.

At Flagstar, we also provide a Whistleblower and Employee Relations Hotline that allows employees to report any whistleblower complaints or concerns regarding Flagstar's accounting, internal accounting controls, or auditing matters, or any employee relations concerns by leaving a confidential and anonymous message with a third party vendor.

If you have questions or need to report concerns of possible violations of the Code, use these resources:

- Contact your manager, or higher levels of management if need be.
- Contact your **Human Resources business partner**.
- Call the third party **Ethicspoint Hotline at (844) 356-8011** to speak to a representative.
- Report violations online at flagstar.ethicspoint.com (also available on myFlagstar by clicking on the Whistleblower and Employee Relations Hotline on the left navigation bar).

Your input is essential to ensuring that we maintain a positive, productive workplace. It is your obligation to submit a report if and when you have a good-faith suspicion of a legal or ethical breach. If you are unsure about the right course of action in a particular situation, we can help. We will review and follow up on all reports, taking appropriate action, as necessary.

You have the right—and obligation—to report possible violations of accounting, audit or internal control matters, disclosure obligations, and laws and company policies **without fear of discrimination, retaliation, threats, or harassment.**

Flagstar provides the opportunity to register whistleblower concerns anonymously. Concerns or complaints regarding any unlawful acts and/or any unethical act involving accounting, auditing, or SEC disclosure matters may also be submitted (anonymously, confidentially, or otherwise) to the Audit Committee of the Board of Directors. The Audit Committee will, subject to its duties arising under applicable investigative laws and regulation, treat such submissions confidentially. If you have a reasonable belief that an unlawful act and/or unethical act, which does not involve accounting, auditing, or SEC disclosure matters, has occurred, or is about to occur, contact your manager. If you have a non-accounting, finance, or SEC concern, you may also contact the chairman of the Audit Committee or the chairman of the Nominating Committee of the Bank's Board of Directors or corporate secretary.

Correspondence may be addressed to:

Board of Directors
Flagstar Bancorp, Inc.
5151 Corporate Drive
Troy MI 48098

Attn: Audit Committee Chairman/Nominating Committee Chairman or Secretary

Waivers of the code of business conduct and ethics.

Any waiver of this Code for senior executive officers or directors may be made only by the Board or a Board committee and will be promptly disclosed on flagstar.com as required by law or stock exchange regulation. Other waivers must be approved by an employee who is an executive vice-president or above in accordance with any applicable policy and must be promptly reported to the Legal Department.