

Eng Gregory
Form 4
April 01, 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 *
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)

03/31/2010

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 Beneficial Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/31/2010		P		200,000,000	A	\$ 0.5	997,535,212	I	See footnotes (1) (2) (3) (4) (5)
Common Stock	04/01/2010		C		62,500,000	A	\$ 0.8	1,060,035,212	I	See footnotes (1) (2) (3) (4) (5)

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

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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. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Eng Gregory C/O MP (THRIFT) GLOBAL ADVISORS III LLC 520 MADISON AVENUE NEW YORK, NY 10022-4213	X			

Signatures

/s/ Gregory Eng 04/01/2010
 **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) On March 31, 2010, MPGOP III Thrift AV-I L.P. ("MPGOP"), a Delaware limited partnership, purchased 154,099,400 shares of Common Stock of Flagstar Bancorp, Inc. (the "Issuer") and, on the same date, MPGOP (Cayman) III Thrift AV-I L.P., a Cayman Islands exempted limited partnership ("MPGOP Cayman", and together with MPGOP, the "New Fund"), purchased a further 45,900,600 shares of Common Stock of the Issuer. On April 1, 2010, the New Fund irrevocably assigned and transferred their combined holdings of 200,000,000 shares of Common Stock of the Issuer to MP Thrift Investments L.P. ("MP Thrift"), a limited partnership organized under the laws of Delaware, formed for the purpose of making investments in the Issuer. On April 1, 2010, MP Thrift elected to convert its holdings of 50,000 shares of trust preferred securities of the Issuer into 62,500,000 shares of Common Stock of the Issuer at a conversion price of \$0.80 per share.
- (2) The New Fund holds 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. 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

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(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 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
- (3) 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 various 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 various 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.

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