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FLAGSTAR BANCORP INC
Form 8-K/A
August 04, 2005

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): JUNE 13, 2005

FLAGSTAR BANCORP, INC.
(Exact name of registrant as specified in its charter)

MICHIGAN (State or other jurisdiction of incorporation)	1-16577 (Commission File Number)	38-3150651 (I.R.S. Employer Identification No.)
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5151 CORPORATE DRIVE, TROY, MICHIGAN (Address of principal executive offices)	48098 (Zip Code)
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(248) 312-2000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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EXPLANATORY NOTE

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In response to comments of the Staff of the Securities and Exchange Commission, Flagstar Bancorp, Inc. (the "Company") is filing this Form 8-K/A to amend and restate its Form 8-K filed June 15, 2005 to clarify management's position as to the effectiveness of the Company's disclosure controls and procedures.

ITEM 4.01 CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

On June 13, 2005, Flagstar Bancorp, Inc. (the "Company") was informed by Grant Thornton LLP ("Grant Thornton"), the Company's independent registered public accounting firm, that Grant Thornton has resigned as the Company's independent registered public accounting firm. The Company's Audit Committee is currently in the process of engaging a new independent registered public accounting firm, but there can be no assurance that the Company will be able to engage a successor independent registered public accounting firm prior to the filing due date of its Quarterly Report on Form 10-Q for the quarter ended June 30, 2005.

The reports of Grant Thornton on the financial statements of the Company for the past two fiscal years contained no adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principle.

In connection with its audits for each of the two most recent fiscal years and through June 13, 2005, there have been no disagreements between the Company and Grant Thornton on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Grant Thornton, would have caused Grant Thornton to make reference thereto in their report on the financial statements for such years.

During the two most recent fiscal years and through June 13, 2005, there have been no reportable events (as outlined in Regulation S-K Item 304(a)(1)(v)), other than as follows:

- In Item 9A of the Company's Annual Report on Form 10-K, which the Company filed with the Securities and Exchange Commission on March 23, 2005, Management's Annual Report on the Internal Control over Financial Reporting stated, and Grant Thornton's report on internal controls reiterated, that because of the material weaknesses disclosed in those reports, the Company's internal control over financial reporting was not effective as of December 31, 2004, based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-- Integrated Framework. The Company reported six material weaknesses in the Company's system of internal control over financial reporting, which are more fully described in Item 9A of the Company's Form 10-K and can be summarized as including: (i) deficiencies related to the Company's accounting for derivative activities; (ii) deficiencies related to recording of accrued interest receivable; (iii) deficiencies related to the documentation of the evaluation of the appropriateness of accounting estimates; (iv) deficiencies surrounding the recording of non-routine journal entries; (v) deficiencies related to validation and evaluation of data; and (vi) deficiencies related to company-level controls.
- In Item 4 of the Company's Quarterly Report on Form 10-Q, which the Company filed with the Securities and Exchange Commission on May 10, 2005 (the "Form 10-Q"), the Company reported that based upon a review and evaluation of the effectiveness of the Company's disclosure controls and procedures as of March 31, 2005, its principal executive and financial officers concluded that the Company's disclosure controls and procedures, as designed and implemented, were operating

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effectively as of that date. Grant Thornton has informed the Company that management's conclusion regarding disclosure controls may be materially misstated. After further consideration, the Company's principal executive and financial officers determined that the Company's disclosure controls and procedures were not operating effectively as of that date because several of the material weaknesses to internal controls that were identified in its Form 10-K for the year ended December 31, 2004 were still being remediated at March 31, 2005. The Company amended its Form 10-Q for the quarter ended March 31, 2005 to expressly reflect this conclusion.

Discussions concerning the aforementioned reportable events have occurred between representatives of Grant Thornton and the Company's Audit Committee. The Company intends to authorize Grant Thornton to respond fully to the inquiries of the new independent registered public accounting firm concerning the reportable events.

The Company has provided Grant Thornton with a copy of the disclosures made in this Form 8-K prior to the filing of this Form 8-K and has requested that Grant Thornton furnish the Company with a letter addressed to the Securities and Exchange Commission stating whether it agrees with the above disclosures. A copy of that letter dated June 15, 2005, was filed as Exhibit 16.1 to the Form 8-K filed by the Company on June 15, 2005.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) The following exhibit is being furnished herewith:

Exhibit No.	Exhibit Description
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16.1	Letter from Grant Thornton LLP dated June 15, 2005 (previously filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on June 15, 2005 and incorporated herein by reference).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

FLAGSTAR BANCORP, INC.

Dated: August 4, 2005

By: /s/ Paul D. Borja

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Paul D. Borja
Executive Vice President and
Chief Financial Officer

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