Building stronger communities

Corporate Responsibility Community Report 2019

The power of the Human Interest Rate,™

flagstar.com Equal Housing Lender | Member FDIC
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Introduction

“Flagstar is not just in its communities, it’s involved and invested in them. We sponsor local events, contribute to local nonprofits, and lend to local businesses, large and small.

Our employees volunteer their time and talents to make their communities better places to live, work, and play. We create special loan programs for first-time homebuyers and offer down payment assistance to low- to moderate-income families. And as a bank, financial literacy is always front and center with us. We understand what community means and have for almost 35 years.”

Sandro DiNello
Flagstar Bank President and CEO
We are Flagstar Bank.
We are Flagstar Bank.

Flagstar is a collective of skilled full-service bankers and lending experts who put customers first. We listen to their stories and learn about their goals so we can provide personalized solutions that take them where they want to go.

Our **Human Interest Rate** drives our behavior every day. And we take pride in making a difference—to our customers and to our communities.

For over 30 years, our mission has been guided by four underlying principles:

1. **Our people**
   We believe in a culture that fosters diversity and inclusion. Broadening our perspectives engages employees, encourages teambuilding, and creates a positive environment in which to work and grow. We hire those who represent the talent and diversity of the communities we serve.

2. **Our community**
   We believe in focusing on local investments. We host community programs to promote economic development, homeownership, and financial well-being. Our Flagstar Foundation invests in nonprofits which develop the workforce, promote arts and culture, and support financial literacy.

3. **Our culture**
   We believe great companies embrace a culture of diversity and inclusion. We hire talented people who represent the community, then we give them tools to hone their skills and opportunities to grow.

4. **Our business**
   We believe our commitment extends beyond the walls of our bank. Flagstar actively cultivates a diverse supplier network from companies that provide quality products and services, competitive pricing, and first-rate performance.
Our commitment to communities

$51,000,000+
support provided to our communities

10,000+
community service hours provided by our employees

$383,000+
raised by our employees and partners
Key market areas

- 160 | Retail bank branches
- 87 | Retail home lending offices
- 6 | Operations centers

Communities of focus

- **MICHIGAN**
  - Northern Indiana (primarily South Bend and Fort Wayne)
  - Northern Wisconsin (Gillett, Marinette, Mountain, and Oconto Falls)

- **CALIFORNIA**
  - High Desert of San Bernardino County
Diversity and inclusion
Embracing diversity. Cultivating inclusivity.

Our mission is to build and leverage a diverse, inclusive, and engaged workforce that inspires all individuals to work together toward a common goal of superior business results by embracing the unique needs and objectives of our customers and community.

We seek to remove barriers so that everyone has access to the same opportunities to thrive and advance here.

In 2019, Flagstar added more Employee Resource Groups, bringing the total to nine, and hosted a companywide symposium about the power of a diverse and inclusive culture.

Flagstar Bank’s diversity and inclusion vision is built around five pillars:

1. Expanding our market share and product innovation
2. Hiring and maintaining a diverse team
3. Engaging and developing our team members
4. Connecting with the communities we serve
5. Engaging diverse suppliers

The progress of our pillars is reviewed quarterly with our D&I advisory council, which includes our CEO.
“Flagstar’s approach to diversity and inclusion addresses who we are, who we do business with, and who we strive to be as an organization. We welcome fresh ideas and unique viewpoints that will enhance our culture, strengthen our business, and maintain a competitive advantage.”

– Sandro DiNello, President and CEO
Supplier diversity sourcing

Flagstar seeks out certified diverse suppliers. Such businesses must be at least 51% owned and operated by U.S. citizens who are members of under-represented groups.

We support organizations that advance this cause, including the National Minority Supplier Development Council.

MICHIGAN MINORITY PROCUREMENT CONFERENCE

The Michigan Minority Procurement Conference focuses on connecting national and local corporations with the top minority business enterprises in the state.

As a presenting sponsor, we used our platform to share information on D&I, bank initiatives, and products.
On August 21, 2019, Flagstar Bank hosted its D&I symposium using the theme “Endless Possibilities.” The daylong event commenced with opening remarks from Flagstar President and Chief Executive Officer Sandro DiNello. Setting the tone, he noted that the strength of any great company is demonstrated by its ability to reflect and represent the communities it serves.

**Symposium keynote speakers**

**Laura Liswood**  
Author Laura Liswood, secretary general of the Council of Women World Leaders, discussed the themes from her book, *The Loudest Duck*. Using a business fable, she explored workplace diversity and honoring our differences to achieve success.

**Joe Gerstandt**  
Author and inclusion strategist Joe Gerstandt reminded attendees that the real work of diversity and inclusion is still in front of us. He challenged all leaders to become educated on bias and proactive in inclusivity—creating environments where peers can speak the truth.

**Megan Fuciarelli**  
Megan Fuciarelli, executive director and principal consultant at US2, Inc., talked about the baggage we carry that tells our personal story. She spoke of the importance of supporting others—even if it means having uncomfortable conversations.

**Michelle Sourie Robinson**  
President and CEO of Michigan Minority Supplier Development Council, Michelle Sourie Robinson, discussed the importance of supplier diversity. She explained how large corporations have a responsibility to support their community and small businesses by challenging themselves to check unconscious bias.
Our Employee Resource Groups

Our nine ERGs range in size from 72 to 245 members. They represent veterans, women, people with disabilities, LGBTQ, Africans and African Americans, Asian Indians, Hispanic/Latinos, Native Americans, and young professionals. We frame our awareness and educational events around four impact areas: workforce, culture, community, and business.

Here are a few of 2019’s ERG-orchestrated events:

Flagstar Women Crafting Change (WOMEN’S ERG)

Women’s History Month
Our Women’s ERG hosted a series of activities for Women’s History Month:

Historian Riley Hubbard presented “Courage in Action” featuring stories of brave Michigan women in the civil rights movement.

“Women Who Dared to Lead: Michigan Women in Politics,” an exhibit designed to inspire Flagstar Bank employees to lead.

The ERG held a business clothing drive.

L.E.A.D.—Latinos for Engagement, Advancement, and Development (HISPANIC/LATINO ERG)

Inaugural Meeting
L.E.A.D.’s inaugural meeting featured some of Flagstar Bank’s best and brightest to discuss their banking experiences, creating an identity in corporate America, and breaking walls between minorities and success.

Later in the year, L.E.A.D. signed the Hispanic Promise. This national pledge further expressed our D&I commitment by promising to hire, promote, retain, and celebrate Hispanics in the workplace.

DisAbility (PEOPLE WITH DISABILITIES ERG)

International Day for Persons with Disabilities Celebration
This event increased awareness of the positive outcomes of integrating persons with disabilities into our political, social, economic, and cultural lives.

Justice Richard Bernstein, the first blind justice elected to the Michigan Supreme Court, spoke on the importance of finding your purpose in the face of adversity. “When you can live life with that sense of mission...anything and everything is truly possible,” he said.

The day also included a marketplace providing resources from Dutton Farms, Michigan Rehabilitation services, and Leader Dogs for the Blind.

INDUS (ASIAN INDIAN ERG)

Diwali Celebration
The Hindu festival of lights, Diwali, commenced at Flagstar with a lighting ceremony and remarks from Sandro DiNello (CEO), Lee Smith (EVP, CGO), and Bryan Marx (EVP, CAO).

Guests enjoyed a video greeting from Padma Koneru, Michigan’s 44th district State Representative, a procession of hand-loomed saris from India, dance performances, Indian food, and henna/mehndi body art.

Native American ERG

Inaugural Meeting
Guest speakers Fay Givens, executive director of American Indian Services, and Michele Robinson, treasurer of the National Association of Women Business Owners and president of NAWBO-EXCEL, spoke about their Native American heritage and experiences.
Our Employee Resource Groups
(Continued)

FAHEN—Flagstar African Heritage Empowerment Network
(AFRICAN AMERICAN ERG)

Black History Month
In honor of Black History month FAHEN:
Committed 300 community volunteer hours in area high schools, providing profiles of lesser-known strong Black leaders.
Hosted a traveling exhibit providing cultural awareness and housing history from the early 1900s through 1968. Employees and local real estate professionals learned through guided tours of “We Don’t Want Them: Race and Housing in Metro Detroit.”

Veterans ERG
Veterans Day Event
On November 8, 2019, our veterans ERG honored those who’ve served with a remembrance ceremony held at our headquarters. The day’s festivities included a flag raising by the University of Michigan Air Force ROTC, a three-volley salute from American Legion Post 253, patriotic music from the Troy High School Marching Band, and a harvest presentation from Herrington Elementary.
The event’s keynote presentation was delivered by Dr. Guy Stern, a decorated WWII vet and director of the Harry and Wanda Zekelman International Institute of the Righteous at the Holocaust Memorial Center.

Young Professionals ERG
Girl Scouts Field Day
Members of Flagstar’s Young Professionals ERG volunteered to help raise funds at the Girl Scouts of Southeastern Michigan Girl Scouts Field Day. In addition to their hard work, the ERG donated $500 in support of the Scouts.

Flagstar Pride
(LGBTQ ERG)
Ferndale Pride
Flagstar Pride proudly represented Flagstar Bank at Ferndale Pride, a weeklong inclusive event that supports local charities and draws over 25,000 attendees. This group advocates for LGBTQ equality and supports internal and external outreach programs.
Partnering with our communities

Thriving communities grow by being well-cared for. From supporting programs that educate and inspire youth to philanthropic giving, restoration, and beautification projects, we take a personal interest in the regions we serve.

The Flagstar Foundation handles more than simply grant making. Our employee engagement embodies a culture of philanthropy throughout the year. For the last 30 years, we’ve supported causes that encourage positive growth and sustainability into the future. The nonprofits we support serve racial and ethnic groups, the LGBTQ community, individuals with disabilities, veterans, and women. To uphold our commitment to diversity and inclusion, we grant awards to organizations which align with our three philanthropic priorities: workforce readiness, arts and culture, and financial responsibility.

Our Philanthropic Priorities

<table>
<thead>
<tr>
<th>Workforce readiness</th>
<th>Arts and culture</th>
<th>Financial capability</th>
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</thead>
<tbody>
<tr>
<td>We support organizations preparing individuals with barriers to employment to earn a livable wage. Examples of programs we support are:</td>
<td>We support organizations addressing artistic cultural diversity for individuals from underserved communities to discover and develop their creative abilities. Examples of programs we support are:</td>
<td>We support organizations delivering financial education to underserved low to moderate income individuals to build knowledge, well-being, security and confidence. Examples of programs we support are:</td>
</tr>
<tr>
<td>• Apprenticeship programs • Skilled trades training • STEM or STEAM initiatives • Literacy • Small business development and counseling</td>
<td>• Visual, musical, and performing arts organizations • Arts educational programs • Community performances and exhibits</td>
<td>• Tax preparation assistance • Youth and adult financial literacy programs • Home buyer counseling • Credit counseling • Training on money management, predatory lending, and identity theft</td>
</tr>
</tbody>
</table>

$2.5M+ awarded by the Foundation in 2019, across 189 organizations.
Supporting Detroit Public Theatre’s Shakespeare in Prison

ARTS AND CULTURE

Grant purpose—To heal and strengthen prisoners through meaningful, culturally-rich programming.

The Shakespeare in Prison program empowers current and formerly incarcerated people to reconnect with their—and others’—humanity. The program operates two 40-week seasons: one at Parnall Correctional Facility, and the other at Women’s Huron Valley Correctional Facility. Twice each week, inmate ensemble members convene to tap into their creativity and regain a sense of normalcy.

The result? Strong, healthy bonds that transcend the typical prison experience. Participants develop confidence, self-esteem, and skills needed to positively influence others.

RESULTS

• A case study held following the women’s prison’s 2016-17 season asked: “How does one season of Shakespeare in Prison impact the ensemble member’s sense of identity in the correctional context?”

Nearly all respondents noted a marked shift from disempowerment to empowerment. Some replied that the change was transformational.

Alumni of Shakespeare in Prison have an extremely high rate of success:

92% of those paroled have not returned to prison
Supporting Girl Scouts of San Gorgonio Council

WORKFORCE READINESS AND FINANCIAL CAPABILITY

Grant purpose—To empower young women in their pursuit of economic freedom and career satisfaction.

The Classroom to Career program helps girls in the Inland Empire metropolitan region thrive in the 21st century workplace and sustain financial stability throughout adulthood. This grant focuses on three low-income, Hispanic districts: Barstow Unified; Hesperia Unified, and the Victor Valley Union School District.

Participants explore various careers through worksite tours, including at least one post-secondary education institution. They also visit financial institutions to engage in workshops on savings, budgeting, maintaining good credit, and basic banking skills.

Additionally, the Scouts learn cybersecurity principles, coding, and programming, thanks to a partnership with California State University-San Bernardino.
Supporting the Flagstar Crafts Communities Initiative

Grant purpose—To engage with and invest in nonprofits doing great work in the communities surrounding our 52 newly acquired branches.

The Flagstar Crafts Communities Initiative introduced the bank into newly acquired areas, making a significant positive impact on local organizations. Organizations receiving funding were nominated by local bank branches and voted on by customers and community members. The Flagstar Foundation awarded $440,000 to 85 nonprofits in Michigan, Indiana, and Wisconsin.

Holly Tonak, executive director of GiGi’s Playhouse in Fort Wayne, Indiana, was extremely grateful. “We are blessed by the generosity of the Flagstar Foundation, and cannot wait to see the impact we make on the lives of the hundreds we serve,” she said.
## Crafting Communities

### ORGANIZATION LOCATIONS
- 906 Adventure Team Marquette MI
- AGAPE Missions of LaGrange County, Inc. LaGrange IN
- AMAMI Family Services, Inc. Fort Wayne IN
- Associated Churches of Fort Wayne and Allen County, Inc. Fort Wayne IN
- Bay Cliff Health Camp: Children's Therapy and Wellness Center Big Bay MI
- Big Brother Big Sisters of Northeast Indiana Fort Wayne IN
- Boys & Girls Club of Fort Wayne, Inc. Fort Wayne IN
- Boys and Girls Club of Huntington County Huntington IN
- Camp U-NAH-LI-YA Suring WI
- CASA of Fulton County Rochester IN
- Catholic Charities Diocese of Fort Wayne-South Bend, Inc. Fort Wayne IN
- Center for the Homeless South Bend IN
- Cole's Foundation Ironwood MI
- Community and Family Services of Adams County Decatur IN
- Community Harvest Food Bank of Northeast Indiana, Inc. Fort Wayne IN
- Copper Country Habitat for Humanity Hancock MI
- Court Appointed Special Advocates (CASA) of Brown County Green Bay WI
- Creative Arts Council Bluffton IN
- Crystal Falls Contemporary Center Crystal Falls MI
- DAR Boys and Girls Menominee MI
- Dekalb Community Impact Corporation, Inc. Auburn IN
- Dickinson County Salvation Army Kingsford MI
- Erin's House for Grieving Children Fort Wayne IN
- Eueii A. Wilson Center Fort Wayne IN
- Family & Children's Center South Bend IN
- Fort Wayne Urban League Fort Wayne IN
- Friends of Ironwood Carnegie Library fiduciary for Awkward Stage Drama Club Ironwood MI
- Genesis Outreach, Inc. Fort Wayne IN
- Gigi's Playhouse Fort Wayne IN
- Great Lakes Recovery Centers - Adolescent Services Center Negaunee MI
- Habitat for Humanity for Greater Fort Wayne Fort Wayne IN
- Habitat for Humanity Menominee River Kingsford MI

### ORGANIZATION LOCATIONS
- Habitat for Humanity of St. Joseph County South Bend IN
- Habitat for Humanity of Van Wert County Van Wert OH
- Helping Hands of Wabash County Wabash IN
- Homestead CS Lafayette IN
- HOQAH, Inc. (Helping Out Our American Heroes) for the 4th H.O.O.A.H Chapter Green Bay WI
- Junior Achievement of Van Wert County Fort Wayne IN
- Just Believe Marquette MI
- Just Neighbors Interfaith Homeless Network Fort Wayne IN
- La Casa De Amisutad South Bend IN
- LaGrange Communities Youth Centers LaGrange IN
- LaPorte County Habitat for Humanity Michigan City IN
- Lifeline Youth & Family Services Auburn IN
- Marquette Symphony Orchestra Marquette MI
- Marquette Women's Center (Women's Center, Inc) Marquette MI
- Miami County 4-H (Purdue University Extension) Peru IN
- Miami County Helping Hands, Inc. Peru IN
- Mid-Country Rescue Squad, Inc. Stephenson MI
- NMU Volunteer Center--Make a Difference Day Marquette MI
- Northeast Indiana Fund Fort Wayne IN
- Northeast Indiana Innovation Center Women's Entrepreneurship and Opportunity Center Fort Wayne IN
- Pathfinder Service, Inc. Huntington IN
- Project Give Stephenson MI
- Renaissance Pointe YMCA Fort Wayne IN
- RISE, Inc. Angola IN
- River Cities Habitat for Humanity Marionette WI
- Robinson Community Learning Center (University of Notre Dame) South Bend IN
- Room at the Inn Marquette MI
- Rush County 4-H Rushville IN
- Rush Memorial Hospital Foundation Rushville IN

### ORGANIZATION LOCATIONS
- Serenity House, Inc. Auburn IN
- Simple Kindness for Youth Hancock MI
- Special Olympics of Michigan Skandia MI
- Steuben County United Way Inc Angola IN
- Superior Arts Youth Theater Marquette MI
- The Brandon Foundation Fort Wayne IN
- The Cross / Matthew's Market Rockwater IN
- The Fort Wayne Rescue Mission Fort Wayne IN
- The Literacy Alliance Fort Wayne IN
- The Pax Center (State Street Community Church) LaPorte IN
- The Rainbow House Ocento WI
- The Upper Peninsula Children's Museum, Inc. Marquette MI
- Tides Foundation for NAACP #3049 Fort Wayne IN
- Trico Opportunities, Inc. Caspian MI
- United Way of St. Joseph County South Bend IN
- UP Children's Therapy Negaunee MI
- UP Foster Closet of Delta County Escanoba MI
- Upper Peninsula Honor Flight Gladstone MI
- Wabash County 4-H Council, Inc. Wabash IN
- Wells Community Boys & Girls Club Bluffton IN
- Whitington Homes & Services for Children and Families Fort Wayne IN
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Giving priorities and grant awardees

**Arts & Culture**

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<tr>
<th>ORGANIZATION</th>
<th>LOCATIONS</th>
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<tbody>
<tr>
<td>826 Michigan, Inc.</td>
<td>Detroit MI</td>
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<tr>
<td>Chamber Music Society of Detroit</td>
<td>Detroit MI</td>
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<tr>
<td>Charles H. Wright Museum of African American History</td>
<td>Detroit MI</td>
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<td>Civil Rights Heritage Center (CRHC): Indiana University</td>
<td>Detroit MI</td>
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<tr>
<td>Covenant House Michigan</td>
<td>Detroit MI</td>
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<tr>
<td>Detroit's Children's Theater Company</td>
<td>Detroit MI</td>
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<tr>
<td>Detroit Historical Society</td>
<td>Detroit MI</td>
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<td>Detroit Public Theatre</td>
<td>Detroit MI</td>
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<td>Fort Wayne Dance Collective, Inc.</td>
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<td>Jackson School of the Arts</td>
<td>Jackson MI</td>
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<td>Life Directions</td>
<td>Detroit MI</td>
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<td>Services to Enhance Potential</td>
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<tr>
<td>Strategies to Overcome and Avoid Recidivism (SOODAR)</td>
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**Workforce Readiness**

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<tr>
<th>ORGANIZATION</th>
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<td>A Better Way Domestic Violence Shelter</td>
<td>Victorville CA</td>
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<td>Chisholm Community Foundation</td>
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<td>Charitable Union</td>
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<td>Community Foundation for Greater Flint</td>
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<td>Community Foundation of Marquette County</td>
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<td>Detroit Public Schools Foundation</td>
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<td>Dutton Farm</td>
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<td>Grand Rapids Opportunities for Women</td>
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<td>High Desert Homeless Services, Inc.</td>
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<td>Leader Dogs for the Blind</td>
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<td>Leaders Advancing &amp; Helping Communities</td>
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<td>Life Remodeled</td>
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<td>Michigan Council for Women in Technology</td>
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<td>NACAC Empowerment Programs</td>
<td>Baltimore MD</td>
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<td>New Hope Village, Inc.</td>
<td>Barstow CA</td>
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<td>Tri-City Area United Way</td>
<td>Warren MI</td>
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<td>Winning Futures</td>
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**Financial Capability**

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<td>Accounting Aid Society</td>
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<td>Habitat for Humanity Huron Valley</td>
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<td>Habitat for Humanity Monroe</td>
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<td>Inner City Christian Federation</td>
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<td>Invest Detroit</td>
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<td>Jewish Vocational Service</td>
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<td>Monroe County Opportunity Program</td>
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<td>National Faith Homebuyers</td>
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<td>Neighborhood Housing Services of the Inland Empire, Inc.</td>
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<td>The Salvation Army of Battle Creek</td>
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<td>U-SNAP BAC Nonprofit Housing Corporation</td>
<td>Battle Creek MI</td>
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<td>Venture, Inc.</td>
<td>Detroit MI</td>
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**Volunteer**

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<tr>
<td>Big Family of Michigan</td>
<td>Detroit MI</td>
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<tr>
<td>Care Share Food Pantry</td>
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<td>Gleaners Food Bank</td>
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<tr>
<td>Hope Warming Center</td>
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<td>Kingdom-Minded Ministries</td>
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<td>Lupus Detroit</td>
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<td>Second Ebenezer College Ministry</td>
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<tr>
<td>Soldier's Angels</td>
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<tr>
<td>St. Vincent DePaul Society</td>
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**Board Support**

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<tr>
<th>ORGANIZATION</th>
<th>LOCATIONS</th>
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<td>Apple Valley Kiwanis Foundation</td>
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<td>Art Road</td>
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<td>Big Brother Big Sisters of Jackson County</td>
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<td>Family Hope</td>
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<td>Hills of Hope</td>
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<td>InsideOut Literary Arts Project</td>
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<td>Jackson Friendly Home</td>
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<td>Jackson Junior Welfare League</td>
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<td>John George Home</td>
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<td>Judson Center - Child Safe Michigan</td>
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<td>Michigan Crossroads Council of Boy Scouts</td>
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<td>Michigan Opera Theatre</td>
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<td>Michigan Roundtable for Diversity and Inclusion</td>
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<td>Michigan Technological University Fund-Parade of Nations and Multi-Cultural Festival</td>
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<td>Millennials Matter USA</td>
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<td>Paint Creek Center for the Arts</td>
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<td>Prospanica-NSHMB Foundation</td>
<td>Dallas TX</td>
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<td>Rotary Club of Marquette</td>
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<td>Teach our Children Fund, Inc.</td>
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<td>The Lakeland Players</td>
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<td>The National American Arab Nurses Association</td>
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<td>The Order of the Fisherman Ministry Head Start Program, Inc.</td>
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<td>The South East Youth Council</td>
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<td>Todd Martin Youth Leadership</td>
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<td>Victor Valley Community Services Council</td>
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<td>Wayne Metropolitan Action Agency</td>
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<tr>
<td>YWCA of Greater Flint</td>
<td>Flint MI</td>
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Community reinvestment
$49M+ total Flagstar community investments

$318K+ in home repair and accessibility

$404K+ in down payment assistance

$45M+ in CRA-qualified community investments

$3.7M in community development loans
Addressing our communities’ needs

The Community Reinvestment Act (CRA) was enacted in 1977 against a backdrop of urban decay and a lack of local funding. Congress found that banks had a continuing obligation to help meet the credit needs of their local communities, including low- and moderate-income neighborhoods.

Flagstar Bank’s approach aims beyond simply investing—we work to find sustainable solutions. Our employees volunteer their expertise and time in support of our communities.

Here are some examples of how we worked to meet the needs of the communities we serve in 2019:

- Community Impact Strategy
- Lending Circle Pilot
- Rende Progress Capital
- Employee Volunteerism
Community impact strategy

Flagstar implemented community impact plans in two high poverty markets—Detroit and Pontiac, Michigan. Our plans are a product of a process that includes the participation, collaboration, and consensus of community members and civic and nonprofit stakeholders. Through these conversations, we identified investment, lending, and volunteerism needs of these communities. This allowed us to more effectively deliver what each community needed. For example, we have a multi-year, $10 million commitment to Pontiac. With it, we provide sponsorships and grants to small businesses and cultural landmarks, as well as support and volunteerism in Pontiac schools. We also developed a mortgage loan product specific to the city’s credit and appraisal challenges.

A similar approach was used for Detroit’s Old Redford neighborhood, where we worked closely with civic and local community leaders to maximize our grants and investments. This helped create impactful volunteer opportunities and financial literacy programs. We also created a specialty-tailored product to provide small-dollar lending to residents of the neighborhood.

ST. FRANCIS LOFTS:
Flagstar Bank made a $6,600,000 construction line of credit, a $7,652,900 Low-Income Housing Tax Credit (LIHTC) equity investment, and a $500,000 Affordable Housing Program grant through the Federal Reserve Bank of Indianapolis for this senior affordable new construction project. After the line of credit is paid down by the equity pay-ins, a 17-year mortgage note will be made in the amount of $950,000 at conversion. The loan qualifies as community development under the affordable housing category. It supports 45 units of age- and income-restricted housing at 30%, 40%, and 60% of the area median income. Additionally, eight project-based HUD subsidy vouchers are being committed. On top of the investment, Flagstar provides financial literacy and scam avoidance workshops to residents.

COMMUNITY REINVESTMENT ACT INVESTMENTS:
$1.5 million in grants and sponsorships were provided to nonprofit organizations throughout our footprint.
Flagstar Bank provided funding for three different organizations to begin developing lending circles in Detroit. One of the organizations selected was Southwest Economic Solutions, which serves an area that is regularly exploited by payday lenders. Far too often, their clients are unable to access personal loans to meet emergency or small business financial needs. Unfortunately, these predatory loans can trap people in an unending cycle of debt.

We seek to break this cycle with our lending circle program. Our program will provide small dollar emergency loans of $500 to $1,000 to address unexpected expenses, like car repair or replacing a failed furnace.

We’ll also provide loans for small businesses needing to purchase critical equipment or materials. These programs are paired with the robust financial literacy program already in place at partner organizations.
Rende Progress Capital

Flagstar’s CRA department supported development of Rende Progress Capital, the only racial equity-based CDFI lender in the country. Our $15,000 seed investment was leveraged to allow them to successfully apply for and receive the Department of Treasury Community Development Financial Institution Technical Assistance Grant.

This increased capacity allowed Rende Progress Capital to provide small business services and capital to more than 40 minority-run small businesses and nonprofits.

“The RPC has made it possible for me to retain the funding I needed to take my business further and to the next level! They have also been supportive in different ways whether referring clients or giving me beneficial advice to make my company successful.”

— Stephanie Dolly of Dolly’s Delights

“RPC helped me secure funding when every other avenue seemed impossible.”

— Care Allen of True2Size Shoes
Employee volunteerism

The staff of Flagstar Bank volunteered more than 10,000 hours throughout our national footprint in 2019. Some highlights include:

- Participation in the Junior Achievement Financial Literacy program. We increased support in Detroit from nine individuals volunteering 63.5 hours in 2018 to 54 individuals volunteering 353.5 in 2019.

- Our CRA team, in partnership with Flagstar Foundation, selected to work with GreenPath Everfi. Their adult-focused financial literacy training allows us to help populations we had previously been unable to reach. The partnership allowed us to reach adults with learning disabilities and seniors, two groups who often fall prey to financial scammers.
The power of the Human Interest Rate.

Equal Housing Lender | Member FDIC