

HomeStreet, Inc.
Form 8-K
July 07, 2014

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

FORM 8-K

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 30, 2014

HOMESTREET, INC.

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction

of incorporation)

001-35424
(Commission

File Number)

601 Union Street, Ste. 2000, Seattle, WA 98101

91-0186600
(IRS Employer

Identification No.)

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(Address of principal executive offices) (Zip Code)

(206) 623-3050

(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))

Item 1.01 Entry into a Material Definitive Agreement

On June 30, 2014, HomeStreet Bank (the **Bank**) a wholly owned subsidiary of HomeStreet, Inc. (the **Company**) sold servicing rights relating to single family mortgage loans serviced for the Federal National Mortgage Association (**Fannie Mae**) with an aggregate unpaid principle balance of approximately \$3 billion (the **Servicing Rights**) to SunTrust Mortgage, Inc. (**SunTrust**) pursuant to a Servicing Rights Purchase and Sale agreement between the Bank and SunTrust dated June 30, 2014 (the **Sale Agreement**). The sale represents approximately 25% percent of the Bank's total single family mortgage servicing portfolio as of March 31, 2014 and is expected to result in a net gain of approximately \$5.4 million in mortgage servicing income for the quarter ending June 30, 2014. Fannie Mae has consented to the transfer of the Servicing Rights pursuant to the Sale Agreement.

Pursuant to the Sale Agreement, a preponderance of the purchase price was paid on June 30, 2014, and the remainder will be released as SunTrust receives completed loan and servicing files and completes its review of the loan files relating to the Servicing Rights. SunTrust has agreed to reimburse the Bank for all documented advances of principal, interest, taxes, insurance and corporate expenses made by the Bank in accordance with Fannie Mae guidelines. While all legal right, title and interest in and to the Servicing Rights was transferred to SunTrust on June 30, 2014, the final physical transfer of the Servicing Rights is expected to occur on October 1, 2014. The Bank will continue to service the loans in the portfolio underlying the Servicing Rights on behalf of SunTrust from June 30, 2014 until the physical transfer of the Servicing Rights to SunTrust is completed.

A copy of the Sale Agreement is attached as Exhibit 10.1. The foregoing description of the Sale Agreement does not purport to be complete and is qualified in its entirety by reference to the Sale Agreement.

The Sale Agreement and description of the Sale Agreement set forth above have been included to provide investors and security holders with information regarding the terms of the Sale Agreement, and is not intended to provide any other factual information about the Company, the Bank, SunTrust or their respective subsidiaries or affiliates. The representations and warranties contained in the Sale Agreement were made only for purposes of that agreement and as of specific dates; were solely for the benefit of the parties to the Sale Agreement, may be subject to a contractual standard of materiality different from what might be viewed as material to shareholders, and may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures made by the parties to each other. Investors should not rely on the representations and warranties as characterizations of the actual state of facts or condition of the Company, the Bank, SunTrust or any of their respective subsidiaries, affiliates or businesses.

Item 8.01 Other Events

On June 30, 2014, the Company issued a press release announcing the sale of servicing rights relating to single family mortgage loans serviced for Fannie Mae with an aggregate unpaid principal balance of approximately \$3 billion. A copy of the press release is furnished as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

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| Exhibit 10.1 | Servicing Rights Purchase and Sale Agreement between HomeStreet Bank and SunTrust Mortgage, Inc. dated June 30, 2014. |
| Exhibit 99.1 | Press release dated June 30, 2014, which is being furnished pursuant to Item 8.01. |

Portions of this document have been redacted pending a determination by the Commission as to whether such portions shall be subject to confidential treatment.

Forward-Looking Statements

This current report and the furnished press release included as an exhibit to this Current Report each contains forward-looking statements regarding the Company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the press release and are subject to a variety of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 and its Quarterly Report on Form 10-Q for the quarter ended March 31, 2014.

SIGNATURES

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.

Date: July 3, 2014.

HomeStreet, Inc.

By: /s/ Godfrey B. Evans
Godfrey B. Evans
Executive Vice President, Chief Administrative
Officer, General Counsel and Corporate Secretary