

Edgar Filing: HomeStreet, Inc. - Form 10-Q

HomeStreet, Inc.

Form 10-Q

November 03, 2017

false--12-31Q320172017-09-300001518715Accelerated

Filer00000160000000160000000268001832688440226800183268844020000.49100.27400.3210003461500070020009939900

0001518715 2017-01-01 2017-09-30 0001518715 2017-11-01 0001518715 2016-12-31 0001518715 2017-09-30

0001518715 2016-01-01 2016-09-30 0001518715 2016-07-01 2016-09-30 0001518715 2017-07-01 2017-09-30

0001518715 us-gaap:AdditionalPaidInCapitalMember 2016-01-01 2016-09-30 0001518715

us-gaap:CommonStockMember 2016-09-30 0001518715 us-gaap:CommonStockMember 2017-09-30 0001518715

us-gaap:CommonStockMember 2017-01-01 2017-09-30 0001518715 us-gaap:CommonStockMember 2016-01-01

2016-09-30 0001518715 us-gaap:CommonStockMember 2015-12-31 0001518715

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-09-30 0001518715

us-gaap:AdditionalPaidInCapitalMember 2015-12-31 0001518715 us-gaap:RetainedEarningsMember 2015-12-31

0001518715 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-12-31 0001518715

us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-09-30 0001518715

us-gaap:RetainedEarningsMember 2016-12-31 0001518715 us-gaap:CommonStockMember 2016-12-31 0001518715

2015-12-31 0001518715 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-01-01 2017-09-30

0001518715 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-01-01 2016-09-30 0001518715

us-gaap:RetainedEarningsMember 2016-09-30 0001518715 us-gaap:RetainedEarningsMember 2016-01-01

2016-09-30 0001518715 us-gaap:RetainedEarningsMember 2017-09-30 0001518715

us-gaap:AdditionalPaidInCapitalMember 2017-01-01 2017-09-30 0001518715

us-gaap:AdditionalPaidInCapitalMember 2016-09-30 0001518715 us-gaap:AdditionalPaidInCapitalMember

2017-09-30 0001518715 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2015-12-31 0001518715

us-gaap:AdditionalPaidInCapitalMember 2016-12-31 0001518715 us-gaap:RetainedEarningsMember 2017-01-01

2017-09-30 0001518715 2016-09-30 0001518715 hmst:OCBBMember 2017-09-30 0001518715 hmst:OCBBMember

2016-01-01 2016-09-30 0001518715 hmst:OCBBMember 2017-01-01 2017-09-30 0001518715 hmst:OCBBMember

2016-09-30 0001518715 hmst:OCBBMember 2016-02-01 2016-02-01 0001518715

hmst:BostonPrivateBankandTrustMember 2016-11-10 0001518715 hmst:OCBBMember 2016-02-01 0001518715

hmst:OpusBankMember 2017-09-15 0001518715 hmst:OpusBankMember 2017-09-15 2017-09-15 0001518715

hmst:BostonPrivateBankandTrustMember 2016-11-10 2016-11-10 0001518715 hmst:BankofOswegoMember

2016-08-12 2016-08-12 0001518715 hmst:BankofOswegoMember 2016-08-12 0001518715

us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001518715

us-gaap:CorporateDebtSecuritiesMember 2016-12-31 0001518715

us-gaap:ResidentialMortgageBackedSecuritiesMember 2016-12-31 0001518715 us-gaap:MunicipalBondsMember

2016-12-31 0001518715 hmst:CollateralizedResidentialMortgageObligationsMember 2016-12-31 0001518715

hmst:CollateralizedCommercialMortgageObligationsMember 2016-12-31 0001518715

us-gaap:USTreasurySecuritiesMember 2016-12-31 0001518715 us-gaap:CorporateDebtSecuritiesMember

2017-09-30 0001518715 us-gaap:MunicipalBondsMember 2017-09-30 0001518715

us-gaap:CommercialMortgageBackedSecuritiesMember 2017-09-30 0001518715

hmst:CollateralizedCommercialMortgageObligationsMember 2017-09-30 0001518715

us-gaap:AgencySecuritiesMember 2017-09-30 0001518715 us-gaap:CollateralizedMortgageObligationsMember

2017-09-30 0001518715 us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-09-30 0001518715

us-gaap:USTreasurySecuritiesMember 2017-09-30 0001518715

hmst:CollateralizedResidentialMortgageObligationsMember 2017-09-30 0001518715

hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember

2016-07-01 2016-09-30 0001518715 hmst:InterestRateReductionMember

us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-07-01 2016-09-30 0001518715

hmst:PaymentRestructureMember 2016-07-01 2016-09-30 0001518715 hmst:InterestRateReductionMember

2016-07-01 2016-09-30 0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember

2016-07-01 2016-09-30 0001518715 hmst:InterestRateReductionMember

us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-07-01 2016-09-30

Edgar Filing: HomeStreet, Inc. - Form 10-Q

0001518715 us-gaap:ConsumerPortfolioSegmentMember 2016-07-01 2016-09-30 0001518715
hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember 2016-07-01 2016-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember 2017-07-01 2017-09-30 0001518715
hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember 2017-07-01 2017-09-30
0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember 2017-07-01 2017-09-30
0001518715 hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2017-07-01 2017-09-30 0001518715 hmst:PaymentRestructureMember
2017-07-01 2017-09-30 0001518715 hmst:InterestRateReductionMember 2017-07-01 2017-09-30 0001518715
hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
2017-07-01 2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:ConstructionLoansMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-12-31
0001518715 us-gaap:ConsumerPortfolioSegmentMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember 2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:HomeEquityMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialRealEstateMember 2017-09-30 0001518715
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2016-12-31 0001518715
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2016-12-31 0001518715
us-gaap:FederalHomeLoanBankAdvancesMember 2017-09-30 0001518715 us-gaap:ResidentialMortgageMember
sopr:CA 2017-09-30 0001518715 us-gaap:CommercialRealEstateMember sopr:WA 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001518715
us-gaap:FederalHomeLoanBankAdvancesMember 2016-12-31 0001518715 us-gaap:ResidentialMortgageMember
sopr:WA 2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001518715 us-gaap:CommercialRealEstateMember
sopr:WA 2016-12-31 0001518715 us-gaap:FederalReserveBankAdvancesMember 2017-09-30 0001518715
us-gaap:FederalReserveBankAdvancesMember 2016-12-31 0001518715 us-gaap:ResidentialMortgageMember
sopr:WA 2017-09-30 0001518715 2017-06-30 0001518715 2016-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember us-gaap:SpecialMentionMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:PassMember 2016-12-31 0001518715 us-gaap:SubstandardMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember us-gaap:SubstandardMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:PassMember 2016-12-31
0001518715 us-gaap:PassMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:SubstandardMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember hmst:WatchMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember us-gaap:PassMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
hmst:WatchMember 2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:SpecialMentionMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:SpecialMentionMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
hmst:MultifamilyResidentialMember hmst:WatchMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember us-gaap:SpecialMentionMember

Edgar Filing: HomeStreet, Inc. - Form 10-Q

2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:SubstandardMember 2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:PassMember 2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember us-gaap:PassMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember us-gaap:SubstandardMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:WatchMember 2016-12-31
0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:SpecialMentionMember 2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:HomeEquityMember hmst:WatchMember 2016-12-31 0001518715 us-gaap:SpecialMentionMember
2016-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:SubstandardMember 2016-12-31
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:SubstandardMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:ConstructionLoansMember us-gaap:SpecialMentionMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember hmst:WatchMember 2016-12-31
0001518715 us-gaap:ConsumerPortfolioSegmentMember hmst:WatchMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:SpecialMentionMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember us-gaap:PassMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember us-gaap:PassMember 2016-12-31
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:SubstandardMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:ConstructionLoansMember us-gaap:PassMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember hmst:WatchMember 2016-12-31
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:SpecialMentionMember 2016-12-31 0001518715 hmst:WatchMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember us-gaap:SubstandardMember 2016-12-31
0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:WatchMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:PassMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember hmst:WatchMember 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember us-gaap:PassMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:SpecialMentionMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
hmst:MultifamilyResidentialMember hmst:WatchMember 2017-09-30 0001518715 us-gaap:SpecialMentionMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:PassMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember us-gaap:PassMember 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:SpecialMentionMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:ConstructionLoansMember us-gaap:PassMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember us-gaap:SpecialMentionMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
hmst:WatchMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:ConstructionLoansMember us-gaap:SubstandardMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember us-gaap:PassMember
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:SpecialMentionMember 2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:HomeEquityMember us-gaap:SubstandardMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember us-gaap:SubstandardMember
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:SubstandardMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember us-gaap:SubstandardMember 2017-09-30 0001518715 hmst:WatchMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:PassMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialRealEstateMember us-gaap:SubstandardMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember hmst:WatchMember 2017-09-30
0001518715 us-gaap:SubstandardMember 2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
hmst:WatchMember 2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialRealEstateMember us-gaap:PassMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember us-gaap:SpecialMentionMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:SpecialMentionMember 2017-09-30 0001518715 us-gaap:PassMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:SpecialMentionMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember hmst:WatchMember
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:SubstandardMember 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:SpecialMentionMember 2017-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember hmst:WatchMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:SubstandardMember 2017-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:FinancingReceivables30To59DaysPastDueMember 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember
2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2017-09-30 0001518715
us-gaap:CarryingReportedAmountFairValueDisclosureMember 2017-09-30 0001518715
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-09-30 0001518715
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31
0001518715 us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:FinancingReceivables60To89DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:FinancingReceivables60To89DaysPastDueMember
2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
us-gaap:FinancingReceivables30To59DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember
us-gaap:FinancingReceivablesEqualToGreaterThan90DaysPastDueMember 2016-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-01-01 2016-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2017-01-01 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2017-01-01 2017-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-01-01
2016-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember
2017-07-01 2017-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2017-07-01 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2017-07-01 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2017-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember 2017-07-01 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2017-07-01 2017-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember 2017-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember 2017-06-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2017-06-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
hmst:MultifamilyResidentialMember 2017-07-01 2017-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2017-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2017-07-01 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2017-06-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2017-06-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2017-06-30
0001518715 hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember 2016-01-01
2016-09-30 0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember 2016-01-01
2016-09-30 0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2016-01-01 2016-09-30 0001518715 hmst:InterestRateReductionMember
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-01-01 2016-09-30
0001518715 hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember
us-gaap:HomeEquityMember 2016-01-01 2016-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
2016-01-01 2016-09-30 0001518715 hmst:PaymentRestructureMember 2016-01-01 2016-09-30 0001518715
hmst:InterestRateReductionMember 2016-01-01 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2017-01-01 2017-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2017-01-01
2017-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember 2017-01-01 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember 2016-01-01 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2016-01-01 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2016-01-01
2016-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember
2016-01-01 2016-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialLoanMember 2016-01-01 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2017-01-01 2017-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember 2017-01-01 2017-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2017-01-01 2017-09-30

Edgar Filing: HomeStreet, Inc. - Form 10-Q

0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2016-07-01 2016-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-09-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-07-01
2016-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember
2016-06-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-06-30
0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2016-07-01
2016-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2016-07-01
2016-09-30 0001518715 us-gaap:CommercialPortfolioSegmentMember 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2016-09-30 0001518715
us-gaap:CommercialPortfolioSegmentMember 2016-06-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember
2016-09-30 0001518715 us-gaap:ConsumerPortfolioSegmentMember 2016-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2016-07-01 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember 2016-07-01 2016-09-30 0001518715
us-gaap:ConsumerPortfolioSegmentMember us-gaap:ResidentialMortgageMember 2016-06-30 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2016-07-01 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2016-09-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2016-06-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2016-06-30
0001518715 us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2016-06-30
0001518715 us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember 2015-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember 2015-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyResidentialMember 2015-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:ConstructionLoansMember 2015-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember 2015-12-31 0001518715
us-gaap:ConsumerPortfolioSegmentMember 2015-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
us-gaap:CommercialRealEstateMember 2015-12-31 0001518715 us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2015-12-31 0001518715 hmst:PaymentRestructureMember
us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialRealEstateMember 2017-01-01 2017-09-30
0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2017-01-01 2017-09-30 0001518715 hmst:PaymentRestructureMember
2017-01-01 2017-09-30 0001518715 hmst:PaymentRestructureMember
us-gaap:CommercialPortfolioSegmentMember 2017-01-01 2017-09-30 0001518715
hmst:PaymentRestructureMember us-gaap:CommercialPortfolioSegmentMember us-gaap:CommercialLoanMember
2017-01-01 2017-09-30 0001518715 hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember
2017-01-01 2017-09-30 0001518715 hmst:InterestRateReductionMember 2017-01-01 2017-09-30 0001518715
hmst:PaymentRestructureMember us-gaap:ConsumerPortfolioSegmentMember us-gaap:HomeEquityMember
2017-01-01 2017-09-30 0001518715 hmst:InterestRateReductionMember
us-gaap:ConsumerPortfolioSegmentMember 2017-01-01 2017-09-30 0001518715
hmst:InterestRateReductionMember us-gaap:ConsumerPortfolioSegmentMember
us-gaap:ResidentialMortgageMember 2017-01-01 2017-09-30 0001518715 us-gaap:MaximumMember 2017-09-30
0001518715 us-gaap:MinimumMember 2016-12-31 0001518715 us-gaap:MaximumMember 2016-12-31
0001518715 us-gaap:MinimumMember 2017-09-30 0001518715 us-gaap:InterestRateSwapMember 2017-09-30
0001518715 us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715
us-gaap:InterestRateSwaptionMember 2017-09-30 0001518715 us-gaap:ForwardContractsMember 2017-09-30
0001518715 us-gaap:EurodollarFutureMember 2017-09-30 0001518715 us-gaap:OtherCreditDerivativesMember
2016-07-01 2016-09-30 0001518715 us-gaap:ServicingContractsMember 2017-07-01 2017-09-30 0001518715
us-gaap:OtherCreditDerivativesMember 2017-01-01 2017-09-30 0001518715 us-gaap:MortgagesMember 2016-01-01
2016-09-30 0001518715 us-gaap:ServicingContractsMember 2016-01-01 2016-09-30 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:OtherCreditDerivativesMember 2016-01-01 2016-09-30 0001518715 us-gaap:LoansMember 2017-01-01 2017-09-30 0001518715 us-gaap:MortgagesMember 2017-01-01 2017-09-30 0001518715 us-gaap:LoansMember 2017-07-01 2017-09-30 0001518715 us-gaap:MortgagesMember 2017-07-01 2017-09-30 0001518715
us-gaap:MortgagesMember 2016-07-01 2016-09-30 0001518715 us-gaap:LoansMember 2016-07-01 2016-09-30 0001518715 us-gaap:ServicingContractsMember 2017-01-01 2017-09-30 0001518715
us-gaap:OtherCreditDerivativesMember 2017-07-01 2017-09-30 0001518715 us-gaap:ServicingContractsMember 2016-07-01 2016-09-30 0001518715 us-gaap:LoansMember 2016-01-01 2016-09-30 0001518715
us-gaap:FairValueConcentrationOfCreditRiskMasterNettingArrangementsMember 2017-09-30 0001518715 us-gaap:FairValueConcentrationOfCreditRiskMasterNettingArrangementsMember 2016-12-31 0001518715
us-gaap:ForwardContractsMember 2016-12-31 0001518715 us-gaap:InterestRateSwapMember 2016-12-31 0001518715 us-gaap:InterestRateLockCommitmentsMember 2016-12-31 0001518715
us-gaap:InterestRateSwaptionMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember hmst:CommercialMortgageexcludingDUSMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:CommercialMortgageexcludingDUSMember 2017-09-30 0001518715 hmst:SingleFamilyResidentialMember 2016-12-31 0001518715
us-gaap:CommercialPortfolioSegmentMember hmst:MultifamilyDUSMember 2017-09-30 0001518715
hmst:SingleFamilyResidentialMortgageLoansExcludingUSGovernmentAgencyMortgageBackedSecuritiesMember hmst:SingleFamilyResidentialMember 2017-09-30 0001518715 hmst:SingleFamilyResidentialMember 2017-09-30 0001518715
hmst:SingleFamilyResidentialMortgageLoansExcludingUSGovernmentAgencyMortgageBackedSecuritiesMember hmst:SingleFamilyResidentialMember 2016-12-31 0001518715 us-gaap:CommercialPortfolioSegmentMember
hmst:MultifamilyDUSMember 2016-12-31 0001518715 us-gaap:AgencySecuritiesMember hmst:SingleFamilyResidentialMember 2017-09-30 0001518715 us-gaap:AgencySecuritiesMember
hmst:SingleFamilyResidentialMember 2016-12-31 0001518715 hmst:EarlyBuyoutLoansMember 2016-12-31 0001518715 hmst:MultifamilyResidentialMember 2017-01-01 2017-09-30 0001518715
hmst:EarlyBuyoutLoansMember 2017-09-30 0001518715 hmst:MultifamilyDUSMember 2017-07-01 2017-09-30 0001518715 us-gaap:ResidentialMortgageMember 2017-01-01 2017-09-30 0001518715
hmst:CommercialMortgageexcludingDUSMember 2017-07-01 2017-09-30 0001518715
hmst:MultifamilyDUSMember 2016-07-01 2016-09-30 0001518715 us-gaap:ResidentialMortgageMember 2016-01-01 2016-09-30 0001518715 hmst:CommercialMortgageexcludingDUSMember 2016-01-01 2016-09-30 0001518715
hmst:CommercialMortgageexcludingDUSMember 2016-07-01 2016-09-30 0001518715 us-gaap:ResidentialMortgageMember 2016-07-01 2016-09-30 0001518715 hmst:MultifamilyDUSMember 2016-01-01 2016-09-30 0001518715
hmst:CommercialMortgageexcludingDUSMember 2017-01-01 2017-09-30 0001518715 hmst:MultifamilyDUSMember 2017-01-01 2017-09-30 0001518715
us-gaap:ResidentialMortgageMember 2017-07-01 2017-09-30 0001518715 hmst:MultifamilyOriginationsMember 2017-09-30 0001518715 hmst:MultifamilyDUSMember 2016-12-31 0001518715
hmst:CommercialMortgageexcludingDUSMember 2016-12-31 0001518715 hmst:MultifamilyDUSMember 2017-09-30 0001518715 us-gaap:ResidentialMortgageMember 2017-09-30 0001518715
hmst:CommercialMortgageexcludingDUSMember 2017-09-30 0001518715 us-gaap:ResidentialMortgageMember 2016-12-31 0001518715 hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2016-09-30 0001518715
hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2016-12-31 0001518715 hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2017-07-01 2017-09-30 0001518715
hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2017-09-30 0001518715 hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2017-06-30 0001518715
hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2016-01-01 2016-09-30 0001518715 hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2016-06-30 0001518715
hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2016-07-01 2016-09-30 0001518715 hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2017-01-01 2017-09-30 0001518715
hmst:RepresentationsAndWarrantiesReserveForLoanReceivablesMember 2015-12-31 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2016-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2016-12-31 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

hmst:SinglefamilyresidentialmortgageservicingrightsMember 2017-07-01 2017-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2017-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2017-01-01 2017-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2015-12-31 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2016-07-01 2016-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2016-01-01 2016-09-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2016-06-30 0001518715
hmst:SinglefamilyresidentialmortgageservicingrightsMember 2017-06-30 0001518715 us-gaap:MaximumMember
2017-01-01 2017-09-30 0001518715 hmst:HomeEquityAndBusinessBankingCreditLinesMember 2016-12-31
0001518715 us-gaap:CreditRiskMember 2016-12-31 0001518715 hmst:MultifamilyResidentialMember
hmst:LossSharingRelationshipMember 2017-01-01 2017-09-30 0001518715
hmst:HomeEquityAndBusinessBankingCreditLinesMember 2017-09-30 0001518715 us-gaap:MinimumMember
2017-01-01 2017-09-30 0001518715 hmst:MultifamilyResidentialMember hmst:LossSharingRelationshipMember
2016-12-31 0001518715 us-gaap:CreditRiskMember 2017-09-30 0001518715 hmst:LossSharingRelationshipMember
2016-12-31 0001518715 hmst:LossSharingRelationshipMember 2017-09-30 0001518715
hmst:UndisbursedConstructionLoanFundsMember 2016-12-31 0001518715 hmst:MultifamilyResidentialMember
hmst:LossSharingRelationshipMember 2017-09-30 0001518715 hmst:UndisbursedConstructionLoanFundsMember
2017-09-30 0001518715 hmst:MultifamilyResidentialMember hmst:LossSharingRelationshipMember 2017-07-01
2017-09-30 0001518715 hmst:MultifamilyResidentialMember hmst:LossSharingRelationshipMember 2016-01-01
2016-09-30 0001518715 hmst:MultifamilyResidentialMember hmst:LossSharingRelationshipMember 2016-07-01
2016-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:WeightedAverageMember 2017-01-01 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:MaximumMember 2017-01-01 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:MinimumMember 2017-01-01 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:MinimumMember 2016-01-01 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:WeightedAverageMember 2016-01-01 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:LoansheldforinvestmentMember us-gaap:MaximumMember 2016-01-01 2016-12-31 0001518715
us-gaap:FairValueMeasurementsNonrecurringMember 2017-01-01 2017-09-30 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsNonrecurringMember 2017-09-30
0001518715 us-gaap:FairValueMeasurementsNonrecurringMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsNonrecurringMember 2017-09-30
0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsCommercialMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:EurodollarFutureMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
hmst:UsTreasuryCollateralizedMortgageObligationsMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwaptionMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsResidentialMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwapMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:EurodollarFutureMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwapMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwaptionMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwaptionMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:EurodollarFutureMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember hmst:UsTreasuryCollateralizedMortgageObligationsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsCommercialMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsResidentialMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:EurodollarFutureMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember hmst:UsTreasuryCollateralizedMortgageObligationsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsResidentialMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsResidentialMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:AgencySecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:AgencySecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember hmst:UsTreasuryCollateralizedMortgageObligationsMember 2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwapMember 2017-09-30 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwaptionMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:AgencySecuritiesMember 2017-09-30 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwapMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsCommercialMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:MunicipalBondsMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ResidentialMortgageBackedSecuritiesMember 2017-09-30 0001518715
us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsCommercialMember
2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CommercialMortgageBackedSecuritiesMember
2017-09-30 0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:AgencySecuritiesMember
2017-09-30 0001518715 us-gaap:FairValueMeasurementsNonrecurringMember 2017-07-01 2017-09-30 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsNonrecurringMember 2016-09-30
0001518715 us-gaap:FairValueMeasurementsNonrecurringMember 2016-09-30 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsNonrecurringMember 2016-09-30
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsNonrecurringMember
2016-09-30 0001518715 us-gaap:FairValueMeasurementsNonrecurringMember 2016-07-01 2016-09-30 0001518715
us-gaap:FairValueMeasurementsNonrecurringMember 2016-01-01 2016-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember us-gaap:WeightedAverageMember 2016-01-01 2016-12-31
0001518715 us-gaap:InterestRateLockCommitmentsMember us-gaap:MaximumMember 2016-01-01 2016-12-31
0001518715 us-gaap:InterestRateLockCommitmentsMember 2016-12-31 0001518715
us-gaap:InterestRateLockCommitmentsMember us-gaap:MinimumMember 2016-01-01 2016-12-31 0001518715
us-gaap:InterestRateLockCommitmentsMember 2017-07-01 2017-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2016-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2017-01-01 2017-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2016-01-01 2016-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2015-12-31 0001518715
us-gaap:InterestRateLockCommitmentsMember 2016-06-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2016-07-01 2016-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2017-09-30 0001518715
us-gaap:InterestRateLockCommitmentsMember 2017-06-30 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:CorporateDebtSecuritiesMember 2016-12-31
0001518715 us-gaap:FairValueMeasurementsRecurringMember
hmst:UsTreasuryCollateralizedMortgageObligationsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ResidentialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ResidentialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwapMember 2016-12-31 0001518715 us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwapMember 2016-12-31 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForwardContractsMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember hmst:UsTreasuryCollateralizedMortgageObligationsMember
2016-12-31 0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwapMember 2016-12-31 0001518715 us-gaap:FairValueMeasurementsRecurringMember
2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwaptionMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2016-12-31
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ForwardContractsMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwapMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsResidentialMember
2016-12-31 0001518715 us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsResidentialMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwaptionMember 2016-12-31 0001518715 us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsCommercialMember 2016-12-31 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2016-12-31
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateLockCommitmentsMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateLockCommitmentsMember 2016-12-31
0001518715 us-gaap:FairValueMeasurementsRecurringMember us-gaap:MunicipalBondsMember 2016-12-31
0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsCommercialMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:ResidentialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CommercialMortgageBackedSecuritiesMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsCommercialMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:FairValueMeasurementsRecurringMember
hmst:UsTreasuryCollateralizedMortgageObligationsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:InterestRateSwaptionMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel1Member
us-gaap:FairValueMeasurementsRecurringMember hmst:CollateralizedMortgageObligationsCommercialMember
2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsResidentialMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
hmst:UsTreasuryCollateralizedMortgageObligationsMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:CorporateDebtSecuritiesMember 2016-12-31 0001518715

Edgar Filing: HomeStreet, Inc. - Form 10-Q

us-gaap:FairValueMeasurementsRecurringMember us-gaap:InterestRateSwaptionMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:FairValueMeasurementsRecurringMember
hmst:CollateralizedMortgageObligationsResidentialMember 2016-12-31 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ForwardContractsMember 2016-12-31 0001518715
us-gaap:FairValueMeasurementsRecurringMember us-gaap:ResidentialMortgageBackedSecuritiesMember
2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
us-gaap:MunicipalBondsMember 2016-12-31 0001518715 hmst:LoansheldforsaleMember 2016-07-01 2016-09-30
0001518715 hmst:LoansheldforinvestmentMember 2017-07-01 2017-09-30 0001518715
hmst:LoansheldforinvestmentMember 2017-06-30 0001518715 hmst:LoansheldforinvestmentMember 2016-07-01
2016-09-30 0001518715 hmst:LoansheldforinvestmentMember 2016-09-30 0001518715
hmst:LoansheldforsaleMember 2017-06-30 0001518715 hmst:LoansheldforsaleMember 2016-09-30 0001518715
hmst:LoansheldforsaleMember 2017-07-01 2017-09-30 0001518715 hmst:LoansheldforsaleMember 2017-09-30
0001518715 hmst:LoansheldforinvestmentMember 2017-09-30 0001518715 hmst:LoansheldforsaleMember
2016-06-30 0001518715 hmst:LoansheldforinvestmentMember 2016-06-30 0001518715
us-gaap:FairValueInputsLevel2Member us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-09-30
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2017-09-30 0001518715
us-gaap:CarryingReportedAmountFairValueDisclosureMember hmst:MultifamilyResidentialMember 2017-09-30
0001518715 us-gaap:EstimateOfFairValueFairValueDisclosureMember hmst:MultifamilyResidentialMember
2017-09-30 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember hmst:MultifamilyResidentialMember 2017-09-30
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
hmst:MultifamilyResidentialMember 2017-09-30 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember hmst:MultifamilyResidentialMember 2017-09-30
0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember 2016-12-31 0001518715
us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
hmst:MultifamilyResidentialMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember hmst:MultifamilyResidentialMember 2016-12-31
0001518715 us-gaap:FairValueInputsLevel1Member us-gaap:EstimateOfFairValueFairValueDisclosureMember
2016-12-31 0001518715 us-gaap:EstimateOfFairValueFairValueDisclosureMember
hmst:MultifamilyResidentialMember 2016-12-31 0001518715 us-gaap:FairValueInputsLevel2Member
us-gaap:EstimateOfFairValueFairValueDisclosureMember hmst:MultifamilyResidentialMember 2016-12-31
0001518715 us-gaap:CarryingReportedAmountFairValueDisclosureMember hmst:MultifamilyResidentialMember
2016-12-31 0001518715 us-gaap:InterestRateLockCommitmentsMember us-gaap:MaximumMember 2017-01-01
2017-09-30 0001518715 us-gaap:InterestRateLockCommitmentsMember us-gaap:MinimumMember 2017-01-01
2017-09-30 0001518715 us-gaap:InterestRateLockCommitmentsMember us-gaap:WeightedAverageMember
2017-01-01 2017-09-30 0001518715 us-gaap:LoansReceivableMember 2016-07-01 2016-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:MaximumMember 2017-07-01 2017-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:MinimumMember 2016-01-01 2016-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:WeightedAverageMember 2017-07-01 2017-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:MinimumMember 2017-07-01 2017-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:MinimumMember 2017-01-01 2017-09-30 0001518715
us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:WeightedAverageMember 2016-01-01 2016-09-30
0001518715 us-gaap:LoansReceivableMember us-gaap:MaximumMember 2016-01-01 2016-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:WeightedAverageMember 2017-01-01 2017-09-30 0001518715
us-gaap:LoansReceivableMember us-gaap:MaximumMember 2017-01-01 2017-09-30 0001518715
us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:MaximumMember 2016-01-01 2016-09-30
0001518715 us-gaap:LoansReceivableMember us-gaap:WeightedAverageMember 2016-01-01 2016-09-30

Edgar Filing: HomeStreet, Inc. - Form 10-Q

0001518715 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:MinimumMember 2016-01-01
 2016-09-30 0001518715 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:WeightedAverageMember 2017-01-01 2017-09-30 0001518715
 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:MinimumMember 2017-01-01 2017-09-30 0001518715
 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:MaximumMember 2017-01-01 2017-09-30 0001518715
 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:WeightedAverageMember 2016-01-01 2016-12-31 0001518715
 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:MaximumMember 2016-01-01 2016-12-31 0001518715
 us-gaap:FairValueInputsLevel3Member us-gaap:FairValueMeasurementsRecurringMember
 hmst:LoansheldforsaleMember us-gaap:MinimumMember 2016-01-01 2016-12-31 0001518715
 hmst:LoansheldforinvestmentMember 2015-12-31 0001518715 hmst:LoansheldforinvestmentMember 2016-01-01
 2016-09-30 0001518715 hmst:LoansheldforsaleMember 2016-01-01 2016-09-30 0001518715
 hmst:LoansheldforsaleMember 2017-01-01 2017-09-30 0001518715 hmst:LoansheldforsaleMember 2016-12-31
 0001518715 hmst:LoansheldforinvestmentMember 2016-12-31 0001518715 hmst:LoansheldforinvestmentMember
 2017-01-01 2017-09-30 0001518715 hmst:LoansheldforsaleMember 2015-12-31 0001518715
 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:MaximumMember 2016-07-01 2016-09-30
 0001518715 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember 2017-01-01 2017-09-30 0001518715
 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember 2017-07-01 2017-09-30 0001518715
 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:WeightedAverageMember 2016-07-01 2016-09-30
 0001518715 us-gaap:RealEstateAcquiredInSatisfactionOfDebtMember us-gaap:MinimumMember 2016-07-01
 2016-09-30 0001518715 hmst:MortgageBankingMember 2016-09-30 0001518715
 hmst:ConsumerAndCommercialBankingMember 2016-01-01 2016-09-30 0001518715
 hmst:MortgageBankingMember 2016-01-01 2016-09-30 0001518715
 hmst:ConsumerAndCommercialBankingMember 2016-09-30 0001518715
 hmst:ConsumerAndCommercialBankingMember 2016-07-01 2016-09-30 0001518715
 hmst:MortgageBankingMember 2016-07-01 2016-09-30 0001518715
 hmst:ConsumerAndCommercialBankingMember 2017-07-01 2017-09-30 0001518715
 hmst:MortgageBankingMember 2017-09-30 0001518715 hmst:MortgageBankingMember 2017-07-01 2017-09-30
 0001518715 hmst:ConsumerAndCommercialBankingMember 2017-09-30 0001518715
 hmst:MortgageBankingMember 2017-01-01 2017-09-30 0001518715
 hmst:ConsumerAndCommercialBankingMember 2017-01-01 2017-09-30 0001518715
 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-07-01 2017-09-30 0001518715
 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-07-01 2016-09-30 0001518715
 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2016-06-30 0001518715
 us-gaap:AccumulatedOtherComprehensiveIncomeMember 2017-06-30 0001518715
 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
 us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-01-01 2017-09-30 0001518715
 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
 us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2016-01-01 2016-09-30 0001518715
 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
 us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2017-07-01 2017-09-30 0001518715
 us-gaap:ReclassificationOutOfAccumulatedOtherComprehensiveIncomeMember
 us-gaap:AccumulatedNetUnrealizedInvestmentGainLossMember 2016-07-01 2016-09-30 0001518715
 us-gaap:EmployeeSeveranceMember 2017-06-30 0001518715 us-gaap:FacilityClosingMember 2017-07-01
 2017-09-30 0001518715 us-gaap:FacilityClosingMember 2017-06-30 0001518715
 us-gaap:EmployeeSeveranceMember 2017-07-01 2017-09-30 0001518715 us-gaap:FacilityClosingMember
 2017-09-30 0001518715 us-gaap:EmployeeSeveranceMember 2017-09-30 hmst:branch xbrli:pure iso4217:USD
 xbrli:shares iso4217:USD xbrli:shares hmst:segment hmst:loan hmst:claim

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

FORM 10-Q

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

For the quarterly period ended: September 30, 2017

Commission file number: 001-35424

HOMESTREET, INC.

(Exact name of registrant as specified in its charter)

Washington **91-0186600**
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

601 Union Street, Suite 2000

Seattle, Washington 98101

(Address of principal executive offices)

(Zip Code)

(206) 623-3050

(Registrant's telephone number, including area code) Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer Accelerated Filer

Non-accelerated Filer Smaller Reporting Company

Emerging growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 12(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of outstanding shares of the registrant's common stock as of November 1, 2017 was 26,888,287.6.

Table of Contents**PART I – FINANCIAL INFORMATION****ITEM 1 FINANCIAL STATEMENTS**

| | |
|--|-----------|
| <u>Consolidated Statements of Financial Condition (Unaudited) at September 30, 2017 and December 31, 2016</u> | <u>4</u> |
| <u>Interim Consolidated Statements of Operations (Unaudited) for the Three and Nine Months Ended September 30, 2017 and 2016</u> | <u>5</u> |
| <u>Interim Consolidated Statements of Comprehensive Income (Unaudited) for the Three and Nine Months Ended September 30, 2017 and 2016</u> | <u>6</u> |
| <u>Interim Consolidated Statements of Shareholders' Equity (Unaudited) for the Nine Months Ended September 30, 2017 and 2016</u> | <u>7</u> |
| <u>Interim Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2017 and 2016</u> | <u>8</u> |
| <u>Notes to Interim Consolidated Financial Statements (Unaudited)</u> | |
| <u>Note 1 – Summary of Significant Accounting Policies</u> | <u>10</u> |
| <u>Note 2 – Business Combinations</u> | <u>12</u> |
| <u>Note 3 – Investment Securities</u> | <u>13</u> |
| <u>Note 4 – Loans and Credit Quality</u> | <u>18</u> |
| <u>Note 5 – Deposits</u> | <u>35</u> |
| <u>Note 6 – Derivatives and Hedging Activities</u> | <u>36</u> |
| <u>Note 7 – Mortgage Banking Operations</u> | <u>38</u> |
| <u>Note 8 – Commitments, Guarantees and Contingencies</u> | <u>43</u> |
| <u>Note 9 – Fair Value Measurement</u> | <u>44</u> |
| <u>Note 10 – Earnings Per Share</u> | <u>55</u> |
| <u>Note 11 – Business Segments</u> | <u>55</u> |
| <u>Note 12 – Accumulated Other Comprehensive Income</u> | <u>57</u> |
| <u>Note 13 - Restructuring</u> | <u>57</u> |
| <u>Note 14 - Subsequent events</u> | <u>58</u> |
| <u>ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u> | |
| <u>Forward-Looking Statements</u> | <u>59</u> |
| <u>Summary Financial Data</u> | <u>60</u> |
| <u>Management's Overview of Financial Performance</u> | <u>63</u> |
| <u>Critical Accounting Policies and Estimates</u> | <u>66</u> |
| <u>Results of Operations</u> | <u>68</u> |
| <u>Review of Financial Condition</u> | <u>76</u> |
| <u>Business Segments</u> | <u>79</u> |
| <u>Off-Balance Sheet Arrangements</u> | <u>84</u> |
| <u>Enterprise Risk Management</u> | <u>84</u> |
| <u>Credit Risk Management</u> | <u>84</u> |
| <u>Liquidity and Capital Resources</u> | <u>89</u> |

Table of Contents

| | |
|---|------------|
| <u>Accounting Developments</u> | <u>94</u> |
| ITEM 3 <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u> | <u>95</u> |
| ITEM 4 <u>CONTROLS AND PROCEDURES</u> | <u>98</u> |
| <u>PART II – OTHER INFORMATION</u> | |
| ITEM 1 <u>LEGAL PROCEEDINGS</u> | <u>98</u> |
| ITEM 1A <u>RISK FACTORS</u> | <u>99</u> |
| ITEM 6 <u>EXHIBITS</u> | <u>118</u> |
| <u>SIGNATURES</u> | <u>119</u> |

Unless we state otherwise or the content otherwise requires, references in this Form 10-Q to “HomeStreet,” “we,” “our,” “us” or the “Company” refer collectively to HomeStreet, Inc., a Washington corporation, HomeStreet Bank (“Bank”), HomeStreet Capital Corporation (“HomeStreet Capital”) and other direct and indirect subsidiaries of HomeStreet, Inc.

PART I
ITEM 1.
FINANCIAL
STATEMENTS

HOMESTREET, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

| (in thousands, except share data) | September 30, 2017 | December 31, 2016 |
|--|-----------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents (including interest-earning instruments of \$7,002 and \$34,615) | \$55,050 | \$53,932 |
| Investment securities (includes \$862,851 and \$993,990 carried at fair value) | 919,459 | 1,043,851 |
| Loans held for sale (includes \$730,042 and \$656,334 carried at fair value) | 851,126 | 714,559 |
| Loans held for investment (net of allowance for loan losses of \$37,055 and \$34,001; includes \$5,546 and \$17,988 carried at fair value) | 4,313,225 | 3,819,027 |
| Mortgage servicing rights (includes \$244,106 and \$226,113 carried at fair value) | 268,072 | 245,860 |
| Other real estate owned | 3,704 | 5,243 |
| Federal Home Loan Bank stock, at cost | 52,486 | 40,347 |
| Premises and equipment, net | 104,389 | 77,636 |
| Goodwill | 22,564 | 22,175 |
| Other assets | 206,271 | 221,070 |
| Total assets | \$6,796,346 | \$6,243,700 |
| <u>LIABILITIES AND SHAREHOLDERS' EQUITY</u> | | |
| Liabilities: | | |
| Deposits | \$4,670,486 | \$4,429,701 |
| Federal Home Loan Bank advances | 1,135,245 | 868,379 |
| Accounts payable and other liabilities | 193,866 | 191,189 |
| Long-term debt | 125,280 | 125,147 |
| Total liabilities | 6,124,877 | 5,614,416 |
| Commitments and contingencies (Note 8) | | |
| Shareholders' equity: | | |
| Preferred stock, no par value, authorized 10,000 shares, issued and outstanding, 0 shares and 0 shares | — | — |
| Common stock, no par value, authorized 160,000,000 shares, issued and outstanding, 26,884,402 shares and 26,800,183 shares | 511 | 511 |
| Additional paid-in capital | 338,283 | 336,149 |
| Retained earnings | 337,067 | 303,036 |
| Accumulated other comprehensive loss | (4,392) | (10,412) |
| Total shareholders' equity | 671,469 | 629,284 |
| Total liabilities and shareholders' equity | \$6,796,346 | \$6,243,700 |

See accompanying notes to interim consolidated financial statements (unaudited).

HOMESTREET, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

| (in thousands, except share data) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| Interest income: | | | | |
| Loans | \$ 56,547 | \$ 49,752 | \$ 157,251 | \$ 139,748 |
| Investment securities | 5,264 | 5,476 | 16,315 | 12,531 |
| Other | 170 | 102 | 431 | 396 |
| | 61,981 | 55,330 | 173,997 | 152,675 |
| Interest expense: | | | | |
| Deposits | 6,020 | 5,362 | 17,510 | 13,380 |
| Federal Home Loan Bank advances | 3,405 | 1,605 | 8,174 | 4,486 |
| Federal funds purchased and securities sold under agreements to repurchase | — | 2 | 5 | 2 |
| Long-term debt | 1,520 | 1,440 | 4,513 | 2,574 |
| Other | 196 | 119 | 436 | 258 |
| | 11,141 | 8,528 | 30,638 | 20,700 |
| Net interest income | 50,840 | 46,802 | 143,359 | 131,975 |
| Provision for credit losses | 250 | 1,250 | 750 | 3,750 |
| Net interest income after provision for credit losses | 50,590 | 45,552 | 142,609 | 128,225 |
| Noninterest income: | | | | |
| Net gain on loan origination and sale activities | 71,010 | 92,600 | 197,199 | 239,493 |
| Loan servicing income | 8,282 | 12,595 | 26,285 | 33,330 |
| Income from WMS Series LLC | 166 | 1,174 | 757 | 2,474 |
| Depositor and other retail banking fees | 1,839 | 1,744 | 5,306 | 4,991 |
| Insurance agency commissions | 535 | 441 | 1,432 | 1,205 |
| Gain on sale of investment securities available for sale | 331 | 48 | 888 | 145 |
| Other | 1,721 | 3,143 | 7,486 | 4,291 |
| | 83,884 | 111,745 | 239,353 | 285,929 |
| Noninterest expense: | | | | |
| Salaries and related costs | 75,374 | 79,164 | 223,072 | 221,615 |
| General and administrative | 16,147 | 14,949 | 49,147 | 47,210 |
| Amortization of core deposit intangibles | 470 | 579 | 1,477 | 1,636 |
| Legal | 352 | 639 | 662 | 1,687 |
| Consulting | 914 | 1,390 | 2,743 | 4,239 |
| Federal Deposit Insurance Corporation assessments | 791 | 919 | 2,312 | 2,419 |
| Occupancy | 12,391 | 7,740 | 29,480 | 22,408 |
| Information services | 8,760 | 7,876 | 24,580 | 23,857 |
| Net (benefit) cost from operation and sale of other real estate owned | (502) | 1,143 | (658) | 1,712 |
| | 114,697 | 114,399 | 332,815 | 326,783 |
| Income before income taxes | 19,777 | 42,898 | 49,147 | 87,371 |
| Income tax expense | 5,938 | 15,197 | 15,116 | 31,514 |
| NET INCOME | \$ 13,839 | \$ 27,701 | \$ 34,031 | \$ 55,857 |
| Basic income per share | \$0.51 | \$ 1.12 | \$ 1.27 | \$ 2.29 |
| Diluted income per share | \$0.51 | \$ 1.11 | \$ 1.26 | \$ 2.27 |
| Basic weighted average number of shares outstanding | 26,883,392 | 24,811,169 | 26,857,006 | 24,398,683 |
| Diluted weighted average number of shares outstanding | 27,089,040 | 24,996,747 | 27,077,032 | 24,595,348 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

See accompanying notes to interim consolidated financial statements (unaudited).

5

HOMESTREET, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|----------|
| | 2017 | 2016 | 2017 | 2016 |
| Net income | \$13,839 | \$27,701 | \$34,031 | \$55,857 |
| Other comprehensive income, net of tax: | | | | |
| Unrealized gain on investment securities available for sale: | | | | |
| Unrealized holding gain (loss) arising during the period, net of tax expense (benefit) of \$665 and \$(962) for the three months ended September 30, 2017 and 2016, and \$3,552 and \$5,640 for the nine months ended September 30, 2017 and 2016, respectively | 1,236 | (1,786) | 6,597 | 10,474 |
| Reclassification adjustment for net gains included in net income, net of tax expense of \$116 and \$17 for the three months ended September 30, 2017 and 2016 and, \$311 and \$51 for the nine months ended September 30, 2017 and 2016, respectively | (215) | (31) | (577) | (94) |
| Other comprehensive income (loss) | 1,021 | (1,817) | 6,020 | 10,380 |
| Comprehensive income | \$14,860 | \$25,884 | \$40,051 | \$66,237 |

See accompanying notes to interim consolidated financial statements (unaudited).

HOMESTREET, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Unaudited)

| (in thousands, except share data) | Number of shares | Common stock | Additional paid-in capital | Retained earnings | Accumulated other comprehensive income (loss) | Total |
|-----------------------------------|------------------|--------------|----------------------------|-------------------|---|------------|
| Balance, January 1, 2016 | 22,076,534 | \$ 511 | \$ 222,328 | \$ 244,885 | \$ (2,449) | \$ 465,275 |
| Net income | — | — | — | 55,857 | — | 55,857 |
| Share-based compensation expense | — | — | 1,278 | — | — | 1,278 |
| Common stock issued | 2,756,474 | — | 53,238 | — | — | 53,238 |
| Other comprehensive income | — | — | — | — | 10,380 | 10,380 |
| Balance, September 30, 2016 | 24,833,008 | \$ 511 | \$ 276,844 | \$ 300,742 | \$ 7,931 | \$ 586,028 |
| Balance, January 1, 2017 | 26,800,183 | \$ 511 | \$ 336,149 | \$ 303,036 | \$ (10,412) | \$ 629,284 |
| Net income | — | — | — | 34,031 | — | 34,031 |
| Share-based compensation expense | — | — | 1,884 | — | — | 1,884 |
| Common stock issued | 84,219 | — | 250 | — | — | 250 |
| Other comprehensive income | — | — | — | — | 6,020 | 6,020 |
| Balance, September 30, 2017 | 26,884,402 | \$ 511 | \$ 338,283 | \$ 337,067 | \$ (4,392) | \$ 671,469 |

See accompanying notes to interim consolidated financial statements (unaudited).

HOMESTREET, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

| (in thousands) | Nine Months Ended September 30, | |
|---|------------------------------------|-------------|
| | 2017 | 2016 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 34,031 | \$ 55,857 |
| Adjustments to reconcile net income to net cash used in operating activities: | | |
| Depreciation, amortization and accretion | 16,765 | 12,789 |
| Provision for credit losses | 750 | 3,750 |
| Net fair value adjustment and gain on sale of loans held for sale | (170,209) | (220,944) |
| Fair value adjustment of loans held for investment | (1,056) | (863) |
| Origination of mortgage servicing rights | (56,067) | (59,487) |
| Change in fair value of mortgage servicing rights | 31,916 | 61,294 |
| Net gain on sale of investment securities | (888) | (145) |
| Net gain on sale of loans originated as held for investment | (2,161) | (1,181) |
| Net fair value adjustment, gain on sale and provision for losses on other real estate owned | (504) | 1,653 |
| Loss on disposal of fixed assets | 157 | 186 |
| Loss on lease abandonment | 4,450 | — |
| Net deferred income tax expense | 11,513 | 116 |
| Share-based compensation expense | 2,129 | 1,478 |
| Origination of loans held for sale | (5,789,638) | (6,582,189) |
| Proceeds from sale of loans originated as held for sale | 5,889,561 | 6,571,684 |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in accounts receivable and other assets | 11,660 | (55,845) |
| (Decrease) increase in accounts payable and other liabilities | (13,769) | 30,569 |
| Net cash used in operating activities | (31,360) | (181,278) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investment securities | (296,843) | (468,900) |
| Proceeds from sale of investment securities | 342,461 | 21,107 |
| Principal repayments and maturities of investment securities | 81,156 | 61,018 |
| Proceeds from sale of other real estate owned | 3,211 | 4,310 |
| Proceeds from sale of loans originated as held for investment | 140,642 | 80,956 |
| Mortgage servicing rights purchased from others | (565) | — |
| Capital expenditures related to other real estate owned | (57) | (270) |
| Origination of loans held for investment and principal repayments, net | (695,199) | (497,222) |
| Proceeds from sale of property and equipment | — | 1,148 |
| Purchase of property and equipment | (35,771) | (17,932) |
| Net cash acquired from acquisitions | 19,285 | 24,248 |
| Net cash used in investing activities | (441,680) | (791,537) |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | Nine Months Ended September 30, | |
|--|------------------------------------|---------------|
| | 2017 | 2016 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Increase in deposits, net | \$ 219,332 | \$ 1,097,970 |
| Proceeds from Federal Home Loan Bank advances | 7,557,200 | 11,323,660 |
| Repayment of Federal Home Loan Bank advances | (7,290,200) | (11,497,160) |
| Proceeds from federal funds purchased and securities sold under agreements to repurchase | 351,618 | 52,304 |
| Repayment of federal funds purchased and securities sold under agreements to repurchase | (351,618) | (52,304) |
| Proceeds from Federal Home Loan Bank stock repurchase | 131,603 | 197,876 |
| Purchase of Federal Home Loan Bank stock | (143,742) | (192,086) |
| Proceeds from debt issuance, net | — | 63,205 |
| Proceeds from stock issuance, net | 11 | 2,664 |
| Payments from equity raise | (46) | — |
| Net cash provided by financing activities | 474,158 | 996,129 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 1,118 | 23,314 |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | 53,932 | 32,684 |
| End of period | \$ 55,050 | \$ 55,998 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash paid during the period for: | | |
| Interest paid | \$ 29,347 | \$ 19,067 |
| Federal and state income taxes (refunded) paid, net | (23,382) | 14,318 |
| Non-cash activities: | | |
| Loans held for investment foreclosed and transferred to other real estate owned | 1,125 | 1,661 |
| Loans transferred from held for investment to held for sale | 246,664 | 101,938 |
| Loans transferred from held for sale to held for investment | 41,686 | 10,262 |
| (Reduction in) Ginnie Mae loans recognized with the right to repurchase, net | 493 | (33) |
| Orange County Business Bank acquisition: | | |
| Assets acquired, excluding cash acquired | — | 165,786 |
| Liabilities assumed | — | 141,267 |
| Goodwill | — | 8,360 |
| Common stock issued | \$ — | \$ 50,373 |

See accompanying notes to interim consolidated financial statements (unaudited).

HomeStreet, Inc. and Subsidiaries
Notes to Interim Consolidated Financial Statements (Unaudited)

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

HomeStreet, Inc. and its wholly owned subsidiaries (the “Company”) is a diversified financial services company serving customers primarily in the western United States, including Hawaii. The Company is principally engaged in commercial banking, mortgage banking, and consumer/retail banking activities. The Company's consolidated financial statements include the accounts of HomeStreet, Inc. and its wholly owned subsidiaries, HomeStreet Capital Corporation and HomeStreet Bank (the “Bank”), and the Bank’s subsidiaries, HomeStreet/WMS, Inc., HomeStreet Reinsurance, Ltd., Continental Escrow Company, HS Properties, Inc., HS Evergreen Corporate Center LLC and Union Street Holdings LLC. HomeStreet Bank was formed in 1986 and is a state-chartered commercial bank.

The Company’s accounting and financial reporting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP). Inter-company balances and transactions have been eliminated in consolidation. In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and revenues and expenses during the reporting periods and related disclosures. These estimates that require application of management's most difficult, subjective or complex judgments often result in the need to make estimates about the effect of matters that are inherently uncertain and may change in future periods. Management has made significant estimates in several areas, including the fair value of assets acquired and liabilities assumed in business combinations (Note 2, *Business Combinations*), allowance for credit losses (Note 4, *Loans and Credit Quality*), valuation of residential mortgage servicing rights and loans held for sale (Note 7, *Mortgage Banking Operations*), valuation of certain loans held for investment (Note 4, *Loans and Credit Quality*), valuation of investment securities (Note 3, *Investment Securities*), and valuation of derivatives (Note 6, *Derivatives and Hedging Activities*). We have reclassified certain prior period amounts to conform to the current period presentation. These reclassifications are immaterial and have no effect on net income, comprehensive income, cash flows, total assets or total shareholder's equity as previously reported.

These unaudited interim financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the results of the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed in this Form 10-Q. The results of operations in the interim financial statements do not necessarily indicate the results that may be expected for the full year. The interim financial information should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission (“2016 Annual Report on Form 10-K”).

Recent Accounting Developments

In August 2017 the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, or ASU 2017-12. This standard better aligns an entity's risk management activities and financial reporting for hedging relationships through changes to both the designation and measurement guidance for qualifying hedging relationships and the presentation of hedge results. To meet that objective, the amendments expand and refine hedge accounting for both nonfinancial and financial risk components and align the recognition and presentation of the effects of the hedge instruments and the hedged item in the financial statements. Adoption for this ASU is required for fiscal years and interim periods beginning after December 15, 2018 and early adoption is permitted. The Company is currently evaluating the provisions of this guidance to determine the potential impact the new standard will have on the Company's consolidated financial statements.

In March 2017 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2017-08, *Receivables - Nonrefundable Fees and other Costs (Subtopic 320-20): Premium Amortization on Purchased Callable Debt Securities*, or ASU 2017-08. This standard shortens the amortization period for the premium to the earliest call date to more closely align interest income recorded on bonds held at a premium or a discount with the economics of the underlying instrument. Adoption of ASU 2017-08 is required for fiscal years and interim periods within those fiscal years, beginning after December, 15, 2018, early adoption is permitted. The Company is currently evaluating the provisions of this guidance to determine the potential impact the new standard will have on the Company's consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*, or ASU 2017-04, which eliminates Step 2 from the goodwill impairment test. ASU 2017-04 also eliminates the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform

the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. Adoption of ASU 2017-04 is required for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019 with early adoption being permitted for annual or interim goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of ASU 2017-04 to have a material impact on its consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The new standard is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2017 with early adoption permitted for transactions that occurred before the issuance date or effective date of the standard if the transactions were not reported in financial statements that have been issued or made available for issuance. The standard must be applied prospectively. Upon adoption, the standard will impact how we assess acquisitions (or disposals) of assets or businesses. Management does not expect the adoption of ASU 2017-01 to have a material impact on its consolidated financial statements.

On November 17, 2016, the FASB issued ASU No. 2016-18, “*Statement of Cash Flows (Topic 230): Restricted Cash: a Consensus of the FASB Emerging Issues Task Force.*” This ASU requires a company’s cash flow statement to explain the changes during a reporting period of the totals for cash, cash equivalents, restricted cash, and restricted cash equivalents. Additionally, amounts for restricted cash and restricted cash equivalents are to be included with cash and cash equivalents if the cash flow statement includes a reconciliation of the total cash balances for a reporting period. This ASU is effective for public business entities for annual periods, including interim periods within those annual periods, beginning after December 15, 2017, with early application permitted. Management does not anticipate that this guidance will have a material impact on the Company's consolidated financial statements.

On August 26, 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU were issued to reduce diversity in how certain cash receipts and payments are presented and classified in the statement of cash flows in eight specific areas. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years and should be applied using a retrospective transition method to each period presented. Early application was permitted upon issuance of the ASU. Management is currently evaluating the impact of this ASU but does not expect this ASU to have a material impact on the Company’s consolidated financial statements.

In June 2016, FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. Current GAAP requires an “incurred loss” methodology for recognizing credit losses that delays recognition until it is probable a loss has been incurred. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendment affects loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables, and any other financial asset not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments in this ASU require a financial asset (or group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial asset(s) to present the net carrying value at the amount expected to be collected on the financial asset. The measurement of expected credit losses will be based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The amendments in this ASU broaden the information that an entity must consider in developing its expected credit loss estimate for assets measured either collectively or individually. The use of forecasted information incorporates more timely information in the estimate of expected credit loss, which will be more decision useful to users of the financial statements. The amendments in this ASU will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company is still evaluating the effects this ASU will have on the Company’s consolidated financial statements. The Company has formed an internal committee to oversee the project. Upon adoption, the Company expects a change in the processes and procedures to calculate the allowance for loan losses, including changes in

assumptions and estimates to consider expected credit losses over the life of the loan versus the current accounting practice that utilizes the incurred loss model. The new guidance may result in an increase in the allowance for loan losses; however, management is still assessing the magnitude of the increase and its impact on the Company's consolidated financial statements. In addition, the current accounting policy and procedures for other-than-temporary impairment on investment securities available for sale will be replaced with an allowance approach. The Company has begun developing and implementing processes to address the amendments of this ASU.

On February 25, 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The amendments in this ASU require lessees to recognize a lease liability, which is a lessee's obligation to make lease payments arising from a lease, and a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. This ASU simplifies the accounting for sale and leaseback transactions. The amendments in this ASU are effective for fiscal years

beginning after December 15, 2018, including interim periods within those fiscal years. Early application was permitted upon issuance of the ASU. Lessees (for capital and operating leases) and lessors (for sales-type, direct financing, and operating leases) must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements. The modified retrospective approach would not require any transition accounting for leases that expired before the earliest comparative period presented. Lessees and lessors may not apply a full retrospective transition approach. Management is currently evaluating the provisions of this guidance to determine the potential impact the new standard will have on the Company's consolidated financial statements. While we have not quantified the impact to our balance sheet, upon the adoption of this ASU we expect to report increased assets and liabilities on our Consolidated Statement of Financial Condition as a result of recognizing right-of-use assets and lease liabilities related to these leases and certain equipment under non-cancelable operating lease agreements, which currently are not on our Consolidated Statement of Financial Condition.

In January 2016, FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The amendments in this ASU require equity securities to be measured at fair value with changes in the fair value recognized through net income. The amendments allow equity investments that do not have readily determinable fair values to be remeasured at fair value under certain circumstances and require enhanced disclosures about those investments. This ASU simplifies the impairment assessment of equity investments without readily determinable fair values. This ASU also eliminates the requirement to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost on the consolidated statement of financial position. The amendments in this ASU require separate presentation in other comprehensive income of the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option for financial instruments. This ASU excludes from net income gains or losses that the entity may not realize because those financial liabilities are not usually transferred or settled at their fair values before maturity. The amendments in this ASU require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the consolidated statement of financial position or in the accompanying notes to the financial statements. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently evaluating the provisions of ASU No. 2016-01 to determine the potential impact the new standard will have on the Company's Consolidated Financial Statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU clarifies the principles for recognizing revenue from contracts with customers. On August 12, 2015, the FASB issued ASU 2015-14 to defer the effective date of ASU 2014-09. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in ASU 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. On March 17, 2016, the FASB issued Accounting Standards Update 2016-08 to clarify the implementation guidance on principal versus agent considerations. We intend to adopt this new guidance on January 1, 2018. We are in the process of completing an analysis that includes (1) identification of all revenue streams included in the financial statements; (2) of the revenue streams identified, determine which are within the scope of the pronouncement; (3) determination of size, timing and amount of revenue recognition for streams of income within the scope of this pronouncement; (4) determination of the sample size of contracts for further analysis; and (5) completion of analysis on sample of contracts to evaluate the impact of the new guidance. Based on this analysis, we are developing processes and procedures in 2017 to address the amendments of this ASU, including new disclosures. Additionally, we do not expect the implementation of this guidance to have a material impact on our consolidated financial statements.

NOTE 2—BUSINESS COMBINATIONS:

Recent Acquisition Activity

On September 15, 2017, the Company completed its acquisition of one branch and its related deposits in Southern California, from Opus Bank. The provisional application of the acquisition method of accounting resulted in goodwill of \$389 thousand.

On November 10, 2016, the Company completed its acquisition of two branches and their related deposits in Southern California, from Boston Private Bank and Trust. The provisional application of the acquisition method of accounting resulted in goodwill of \$2.3 million.

On August 12, 2016, the Company completed its acquisition of certain assets and liabilities, including two branches in Lake Oswego, Oregon from The Bank of Oswego. The application of the acquisition method of accounting resulted in goodwill of \$19 thousand.

On February 1, 2016, the Company completed its acquisition of Orange County Business Bank ("OCBB") located in Irvine, California through the merger of OCBB with and into HomeStreet Bank with HomeStreet Bank as the surviving subsidiary. The purchase price of this acquisition was \$55.9 million. OCBB shareholders as of the effective time received merger consideration equal to 0.5206 shares of HomeStreet common stock, and \$1.1641 in cash upon the surrender of their OCBB shares, which resulted in the issuance of 2,459,461 shares of HomeStreet common stock. The application of the acquisition method of accounting resulted in goodwill of \$8.4 million.

NOTE 3—INVESTMENT SECURITIES:

The following table sets forth certain information regarding the amortized cost and fair values of our investment securities available for sale and held to maturity.

| (in thousands) | At September 30, 2017 | | | |
|--------------------------------------|-----------------------|------------------------|-------------------------|------------|
| | Amortized cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| AVAILABLE FOR SALE | | | | |
| Mortgage-backed securities: | | | | |
| Residential | \$ 155,490 | \$ 8 | \$(3,137) | \$ 152,361 |
| Commercial | 20,410 | 23 | (218) | 20,215 |
| Municipal bonds | 368,921 | 3,496 | (3,139) | 369,278 |
| Collateralized mortgage obligations: | | | | |
| Residential | 187,458 | 331 | (2,852) | 184,937 |
| Commercial | 87,382 | 187 | (752) | 86,817 |
| Corporate debt securities | 29,173 | 74 | (517) | 28,730 |
| U.S. Treasury securities | 10,896 | — | (146) | 10,750 |
| Agency debentures | 9,857 | — | (94) | 9,763 |
| | \$ 869,587 | \$ 4,119 | \$(10,855) | \$ 862,851 |
| HELD TO MATURITY | | | | |
| Mortgage-backed securities: | | | | |
| Residential | \$ 12,579 | \$ 75 | \$(55) | \$ 12,599 |
| Commercial | 21,108 | 125 | (77) | 21,156 |
| Collateralized mortgage obligations | 3,492 | — | (18) | 3,474 |
| Municipal bonds | 19,330 | 327 | (145) | 19,512 |
| Corporate debt securities | 99 | — | — | 99 |
| | \$ 56,608 | \$ 527 | \$(295) | \$ 56,840 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | At December 31, 2016 | | | |
|--------------------------------------|----------------------|------------------------|-------------------------|-------------|
| | Amortized cost | Gross unrealized gains | Gross unrealized losses | Fair value |
| AVAILABLE FOR SALE | | | | |
| Mortgage-backed securities: | | | | |
| Residential | \$ 181,158 | \$ 31 | \$(4,115) |) \$177,074 |
| Commercial | 25,896 | 13 | (373) |) 25,536 |
| Municipal bonds | 473,153 | 1,333 | (6,813) |) 467,673 |
| Collateralized mortgage obligations: | | | | |
| Residential | 194,982 | 32 | (3,813) |) 191,201 |
| Commercial | 71,870 | 29 | (1,135) |) 70,764 |
| Corporate debt securities | 52,045 | 110 | (1,033) |) 51,122 |
| U.S. Treasury securities | 10,882 | — | (262) |) 10,620 |
| | \$ 1,009,986 | \$ 1,548 | \$(17,544) |) \$993,990 |
| HELD TO MATURITY | | | | |
| Mortgage-backed securities: | | | | |
| Residential | \$ 13,844 | \$ 71 | \$(90) |) \$13,825 |
| Commercial | 16,303 | 70 | (64) |) 16,309 |
| Municipal bonds | 19,612 | 99 | (459) |) 19,252 |
| Corporate debt securities | 102 | — | — |) 102 |
| | \$49,861 | \$ 240 | \$(613) |) \$49,488 |

Mortgage-backed securities ("MBS") and collateralized mortgage obligations ("CMO") represent securities issued by government sponsored enterprises ("GSEs"). Each of the MBS and CMO securities in our investment portfolio are guaranteed by Fannie Mae, Ginnie Mae or Freddie Mac. Municipal bonds are comprised of general obligation bonds (i.e., backed by the general credit of the issuer) and revenue bonds (i.e., backed by revenues from the specific project being financed) issued by various municipal corporations. As of September 30, 2017 and December 31, 2016, all securities held, including municipal bonds and corporate debt securities, were rated investment grade based upon external ratings where available and, where not available, based upon internal ratings which correspond to ratings as defined by Standard and Poor's Rating Services ("S&P") or Moody's Investors Services ("Moody's"). As of September 30, 2017 and December 31, 2016, substantially all securities held had ratings available by external ratings agencies.

Investment securities available for sale and held to maturity that were in an unrealized loss position are presented in the following tables based on the length of time the individual securities have been in an unrealized loss position.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

At September 30, 2017

| (in thousands) | Less than 12 months | | 12 months or more | | Total | |
|---|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Gross unrealized losses | Fair value | Gross unrealized losses | Fair value | Gross unrealized losses | Fair value |
| AVAILABLE FOR SALE | | | | | | |
| Mortgage-backed securities: | | | | | | |
| Residential | \$(2,330) | \$119,404 | \$(807) | \$31,548 | \$(3,137) | \$150,952 |
| Commercial | (60) | 12,653 | (158) | 2,899 | (218) | 15,552 |
| Municipal bonds | (2,324) | 163,838 | (815) | 52,010 | (3,139) | 215,848 |
| Collateralized mortgage obligations: | | | | | | |
| Residential | (1,195) | 92,065 | (1,657) | 58,595 | (2,852) | 150,660 |
| Commercial | (456) | 51,910 | (296) | 9,423 | (752) | 61,333 |
| Corporate debt securities | (180) | 6,227 | (337) | 8,450 | (517) | 14,677 |
| U.S. Treasury securities | (146) | 10,750 | — | — | (146) | 10,750 |
| Agency debentures | (94) | 9,763 | — | — | (94) | 9,763 |
| | \$(6,785) | \$466,610 | \$(4,070) | \$162,925 | \$(10,855) | \$629,535 |

HELD TO MATURITY

Mortgage-backed securities:

| | | | | | | |
|-------------------------------------|---------|----------|--------|---------|---------|----------|
| Residential | \$(55) | \$4,778 | \$— | \$— | \$(55) | \$4,778 |
| Commercial | (77) | 9,512 | — | — | (77) | 9,512 |
| Collateralized mortgage obligations | (18) | 3,474 | — | — | (18) | 3,474 |
| Municipal bonds | (70) | 5,247 | (75) | 5,386 | (145) | 10,633 |
| | \$(220) | \$23,011 | \$(75) | \$5,386 | \$(295) | \$28,397 |

At December 31, 2016

| (in thousands) | Less than 12 months | | 12 months or more | | Total | |
|---|-------------------------|------------|-------------------------|------------|-------------------------|------------|
| | Gross unrealized losses | Fair value | Gross unrealized losses | Fair value | Gross unrealized losses | Fair value |
| AVAILABLE FOR SALE | | | | | | |
| Mortgage-backed securities: | | | | | | |
| Residential | \$(3,842) | \$144,240 | \$(273) | \$9,907 | \$(4,115) | \$154,147 |
| Commercial | (373) | 23,798 | — | — | (373) | 23,798 |
| Municipal bonds | (6,813) | 283,531 | — | — | (6,813) | 283,531 |
| Collateralized mortgage obligations: | | | | | | |
| Residential | (3,052) | 175,490 | (761) | 11,422 | (3,813) | 186,912 |
| Commercial | (1,005) | 60,926 | (130) | 5,349 | (1,135) | 66,275 |
| Corporate debt securities | (472) | 24,447 | (561) | 11,677 | (1,033) | 36,124 |
| U.S. Treasury securities | (262) | 10,620 | — | — | (262) | 10,620 |
| | \$(15,819) | \$723,052 | \$(1,725) | \$38,355 | \$(17,544) | \$761,407 |

HELD TO MATURITY

Mortgage-backed securities:

| | | | | | | |
|-----------------|---------|----------|-----|-----|---------|----------|
| Residential | \$(90) | \$5,481 | \$— | \$— | \$(90) | \$5,481 |
| Commercial | (64) | 13,156 | — | — | (64) | 13,156 |
| Municipal bonds | (459) | 11,717 | — | — | (459) | 11,717 |
| | \$(613) | \$30,354 | \$— | \$— | \$(613) | \$30,354 |

The Company has evaluated securities available for sale that are in an unrealized loss position and has determined that the decline in value is temporary and is related to the change in market interest rates since purchase. The decline in value is not related to any issuer- or industry-specific credit event. The Company has not identified any expected credit losses on its debt securities as of September 30, 2017 and December 31, 2016. In addition, as of September 30, 2017 and December 31, 2016, the Company had not made a decision to sell any of its debt securities held, nor did the Company consider it more likely than not that it would be required to sell such securities before recovery of their amortized cost basis.

The following tables present the fair value of investment securities available for sale and held to maturity by contractual maturity along with the associated contractual yield for the periods indicated below. Contractual maturities for mortgage-backed securities and collateralized mortgage obligations as presented exclude the effect of expected prepayments. Expected maturities will differ from contractual maturities because borrowers may have the right to prepay obligations before the underlying mortgages mature. The weighted-average yield is computed using the contractual coupon of each security weighted based on the fair value of each security and does not include adjustments to a tax equivalent basis.

| (dollars in thousands) | At September 30, 2017 | | | | | | | | | |
|--------------------------------------|-----------------------|------------------------|-----------------------------------|------------------------|------------------------------------|------------------------|-----------------|------------------------|------------|------------------------|
| | Within one year | | After one year through five years | | After five years through ten years | | After ten years | | Total | |
| | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield |
| AVAILABLE FOR SALE | | | | | | | | | | |
| Mortgage-backed securities: | | | | | | | | | | |
| Residential | \$— | — % | \$— | — % | \$10,319 | 1.65 % | \$142,042 | 1.98 % | \$152,361 | 1.95 % |
| Commercial | — | — | 15,606 | 2.09 | 4,609 | 2.04 | — | — | 20,215 | 2.08 |
| Municipal bonds | 1,622 | 3.00 | 26,236 | 3.22 | 42,055 | 3.15 | 299,365 | 3.80 | 369,278 | 3.68 |
| Collateralized mortgage obligations: | | | | | | | | | | |
| Residential | — | — | — | — | 1,063 | 1.80 | 183,874 | 2.05 | 184,937 | 2.05 |
| Commercial | — | — | 13,091 | 2.09 | 22,280 | 2.33 | 51,446 | 2.05 | 86,817 | 2.12 |
| Agency debentures | — | — | — | — | 9,763 | 2.29 | — | — | 9,763 | 2.29 |
| Corporate debt securities | — | — | 7,678 | 2.72 | 11,020 | 3.46 | 10,032 | 3.54 | 28,730 | 3.30 |
| U.S. Treasury securities | 1,000 | 1.22 | — | — | 9,750 | 1.78 | — | — | 10,750 | 1.73 |
| Total available for sale | \$2,622 | 2.32 % | \$62,611 | 2.63 % | \$110,859 | 2.62 % | \$686,759 | 2.81 % | \$862,851 | 2.77 % |
| HELD TO MATURITY | | | | | | | | | | |
| Mortgage-backed securities: | | | | | | | | | | |
| Residential | \$— | — % | \$— | — % | \$— | — % | \$12,599 | 2.95 % | \$12,599 | 2.95 % |
| Commercial | — | — | 4,499 | 2.03 | 16,657 | 2.69 | — | — | 21,156 | 2.55 |
| Collateralized mortgage obligations | — | — | — | — | — | — | 3,474 | 1.75 | 3,474 | 1.75 |
| Municipal bonds | — | — | 1,164 | 2.93 | 5,402 | 2.79 | 12,946 | 3.40 | 19,512 | 3.21 |
| Corporate debt securities | — | — | — | — | — | — | 99 | 6.00 | 99 | 6.00 |
| Total held to maturity | \$— | — % | \$5,663 | 2.21 % | \$22,059 | 2.71 % | \$29,118 | 3.02 % | \$56,840 | 2.82 % |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (dollars in thousands) | At December 31, 2016 | | | | | | | | | |
|---|----------------------|------------------------|-----------------------------------|------------------------|------------------------------------|------------------------|-----------------|------------------------|------------|------------------------|
| | Within one year | | After one year through five years | | After five years through ten years | | After ten years | | Total | |
| | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield | Fair Value | Weighted Average Yield |
| AVAILABLE FOR SALE | | | | | | | | | | |
| Mortgage-backed securities: | | | | | | | | | | |
| Residential | \$ 1 | 0.29 % | \$— | — % | \$2,122 | 1.59 % | \$174,951 | 2.03 % | \$177,074 | 2.02 % |
| Commercial | — | — | 20,951 | 2.13 | 4,585 | 2.06 | — | — | 25,536 | 2.11 |
| Municipal bonds | 3,479 | 3.30 | 20,939 | 2.94 | 52,043 | 2.55 | 391,212 | 3.08 | 467,673 | 3.02 |
| Collateralized mortgage obligations: | | | | | | | | | | |
| Residential | — | — | — | — | 1,639 | 1.32 | 189,562 | 2.06 | 191,201 | 2.06 |
| Commercial | — | — | 10,860 | 1.84 | 19,273 | 2.74 | 40,631 | 1.91 | 70,764 | 2.12 |
| Corporate debt securities | — | — | 10,516 | 2.67 | 21,493 | 3.74 | 19,113 | 3.54 | 51,122 | 3.45 |
| U.S. Treasury securities | 999 | 0.64 | — | — | 9,621 | 1.76 | — | — | 10,620 | 1.66 |
| Total available for sale | \$4,479 | 2.70 % | \$63,266 | 2.43 % | \$110,776 | 2.69 % | \$815,469 | 2.57 % | \$993,990 | 2.57 % |
| HELD TO MATURITY | | | | | | | | | | |
| Mortgage-backed securities: | | | | | | | | | | |
| Residential | \$— | — % | \$— | — % | \$— | — % | \$13,825 | 3.11 % | \$13,825 | 3.11 % |
| Commercial | — | — | 4,581 | 2.06 | 11,728 | 2.71 | — | — | 16,309 | 2.53 |
| Municipal bonds | — | — | — | — | 6,450 | 2.73 | 12,802 | 3.31 | 19,252 | 3.11 |
| Corporate debt securities | — | — | — | — | — | — | 102 | 6.00 | 102 | 6.00 |
| Total held to maturity | \$— | — % | \$4,581 | 2.06 % | \$18,178 | 2.72 % | \$26,729 | 3.22 % | \$49,488 | 2.93 % |

Sales of investment securities available for sale were as follows.

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--------------|----------------------------------|---------|---------------------------------|----------|
| | 2017 | 2016 | 2017 | 2016 |
| Proceeds | \$27,827 | \$9,641 | \$342,460 | \$21,108 |
| Gross gains | 331 | 48 | 907 | 145 |
| Gross losses | — | — | (19) | — |

The following table summarizes the carrying value of securities pledged as collateral to secure borrowings, public deposits and other purposes as permitted or required by law:

| (in thousands) | At September 30, 2017 |
|--|-----------------------------|
| Federal Home Loan Bank to secure borrowings | \$ 196,363 |
| Washington and California State to secure public deposits | 37,456 |
| Securities pledged to secure derivatives in a liability position | 7,563 |
| Other securities pledged | 6,634 |
| Total securities pledged as collateral | \$ 248,016 |

The Company assesses the creditworthiness of the counterparties that hold the pledged collateral and has determined that these arrangements have little risk. There were no securities pledged under repurchase agreements at September 30, 2017 and December 31, 2016.

Tax-exempt interest income on securities available for sale totaling \$2.0 million and \$1.8 million for the three months ended September 30, 2017 and 2016, respectively, and \$6.9 million and \$4.3 million for the nine months ended September 30, 2017 and 2016, respectively, and was recorded in the Company's consolidated statements of operations.

NOTE 4—LOANS AND CREDIT QUALITY:

For a detailed discussion of loans and credit quality, including accounting policies and the methodology used to estimate the allowance for credit losses, see Note 1, *Summary of Significant Accounting Policies*, and Note 5, *Loans and Credit Quality*, within our 2016 Annual Report on Form 10-K.

The Company's portfolio of loans held for investment is divided into two portfolio segments, consumer loans and commercial loans, which are the same segments used to determine the allowance for loan losses. Within each portfolio segment, the Company monitors and assesses credit risk based on the risk characteristics of each of the following loan classes: single family and home equity and other loans within the consumer loan portfolio segment and commercial real estate, multifamily, construction/land development and commercial business loans within the commercial loan portfolio segment.

Loans held for investment consist of the following:

| (in thousands) | At September 30, 2017 | At December 31, 2016 |
|----------------------------------|-----------------------------|----------------------------|
| Consumer loans | | |
| Single family ⁽¹⁾ | \$ 1,269,484 | \$ 1,083,822 |
| Home equity and other | 436,755 | 359,874 |
| | 1,706,239 | 1,443,696 |
| Commercial loans | | |
| Commercial real estate | 986,421 | 871,563 |
| Multifamily | 747,171 | 674,219 |
| Construction/land development | 653,132 | 636,320 |
| Commercial business | 245,859 | 223,653 |
| | 2,632,583 | 2,405,755 |
| | 4,338,822 | 3,849,451 |
| Net deferred loan fees and costs | 11,458 | 3,577 |
| | 4,350,280 | 3,853,028 |
| Allowance for loan losses | (37,055) | (34,001) |
| | \$ 4,313,225 | \$ 3,819,027 |

Includes \$5.5 million and \$18.0 million at September 30, 2017 and December 31, 2016, respectively, of loans where a fair value option (1) election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

Loans in the amount of \$1.75 billion and \$1.59 billion at September 30, 2017 and December 31, 2016, respectively, were pledged to secure borrowings from the FHLB as part of our liquidity management strategy. Additionally, loans totaling \$724.9 million and \$554.7 million at September 30, 2017 and December 31, 2016, respectively, were pledged to secure borrowings from the Federal Reserve Bank. The FHLB and Federal Reserve Bank do not have the right to sell or re-pledge these loans.

Credit Risk Concentrations

Concentrations of credit risk arise when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions.

Loans held for investment are primarily secured by real estate located in the Pacific Northwest, California and Hawaii. At September 30, 2017, we had concentrations representing 10% or more of the total portfolio by state and property type for the loan classes of single family and commercial real estate within the state of Washington, which represented 14.4% and 13.2% of the total portfolio, respectively. Additionally, we had concentrations representing 10% or more of the total portfolio by state and property type for the loan class of single family within the state of California, which represented 10.2% of the total portfolio. At December 31, 2016 we had concentrations representing 10% or more of the total portfolio by state and property type for the loan classes of single family and commercial real estate within the state of Washington, which represented 13.8% and 14.4% of the total portfolio, respectively.

Credit Quality

Management considers the level of allowance for loan losses to be appropriate to cover credit losses inherent within the loans held for investment portfolio as of September 30, 2017. In addition to the allowance for loan losses, the Company maintains a separate allowance for losses related to unfunded loan commitments, and this amount is

included in accounts payable and other liabilities on the consolidated statements of financial condition. Collectively, these allowances are referred to as the allowance for credit losses.

For further information on the policies that govern the determination of the allowance for loan losses levels, see Note 1, *Summary of Significant Accounting Policies*, within our 2016 Annual Report on Form 10-K.

Activity in the allowance for credit losses was as follows.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|----------|------------------------------------|----------|
| | 2017 | 2016 | 2017 | 2016 |
| Allowance for credit losses (roll-forward): | | | | |
| Beginning balance | \$37,470 | \$34,001 | \$35,264 | \$30,659 |
| Provision for credit losses | 250 | 1,250 | 750 | 3,750 |
| Recoveries, net of charge-offs | 475 | (18) | 2,181 | 824 |
| Ending balance | \$38,195 | \$35,233 | \$38,195 | \$35,233 |
| Components: | | | | |
| Allowance for loan losses | \$37,055 | \$33,975 | \$37,055 | \$33,975 |
| Allowance for unfunded commitments | 1,140 | 1,258 | 1,140 | 1,258 |
| Allowance for credit losses | \$38,195 | \$35,233 | \$38,195 | \$35,233 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

Activity in the allowance for credit losses by loan portfolio and loan class was as follows.

| (in thousands) | Three Months Ended September 30, 2017 | | | | Ending balance |
|--|---------------------------------------|------------------|---------------|-------------------------|------------------|
| | Beginning balance | Charge-offs | Recoveries | (Reversal of) Provision | |
| Consumer loans | | | | | |
| Single family | \$ 8,288 | \$ — | \$ 2 | \$ 791 | \$ 9,081 |
| Home equity and other | 6,856 | (72) | 428 | (219) | 6,993 |
| | 15,144 | (72) | 430 | 572 | 16,074 |
| Commercial loans | | | | | |
| Commercial real estate | 7,455 | — | — | 46 | 7,501 |
| Multifamily | 4,059 | — | — | (3) | 4,056 |
| Construction/land development | 8,226 | — | 172 | (451) | 7,947 |
| Commercial business | 2,586 | (201) | 146 | 86 | 2,617 |
| | 22,326 | (201) | 318 | (322) | 22,121 |
| Total allowance for credit losses | \$ 37,470 | \$ (273) | \$ 748 | \$ 250 | \$ 38,195 |

| (in thousands) | Three Months Ended September 30, 2016 | | | | Ending balance |
|--|---------------------------------------|------------------|---------------|-------------------------|------------------|
| | Beginning balance | Charge-offs | Recoveries | (Reversal of) Provision | |
| Consumer loans | | | | | |
| Single family | \$ 8,294 | \$ (42) | \$ 1 | \$ 995 | \$ 9,248 |
| Home equity and other | 5,400 | (356) | 192 | 512 | 5,748 |
| | 13,694 | (398) | 193 | 1,507 | 14,996 |
| Commercial loans | | | | | |
| Commercial real estate | 6,045 | — | — | 80 | 6,125 |
| Multifamily | 2,048 | — | — | 49 | 2,097 |
| Construction/land development | 9,369 | — | 176 | (524) | 9,021 |
| Commercial business | 2,845 | — | 11 | 138 | 2,994 |
| | 20,307 | — | 187 | (257) | 20,237 |
| Total allowance for credit losses | \$ 34,001 | \$ (398) | \$ 380 | \$ 1,250 | \$ 35,233 |

| (in thousands) | Nine Months Ended September 30, 2017 | | | | Ending balance |
|-------------------------------|--------------------------------------|-------------|------------|-------------------------|----------------|
| | Beginning balance | Charge-offs | Recoveries | (Reversal of) Provision | |
| Consumer loans | | | | | |
| Single family | \$ 8,196 | \$ (2) | \$ 1,018 | \$ (131) | \$ 9,081 |
| Home equity and other | 6,153 | (583) | 781 | 642 | 6,993 |
| | 14,349 | (585) | 1,799 | 511 | 16,074 |
| Commercial loans | | | | | |
| Commercial real estate | 6,680 | — | — | 821 | 7,501 |
| Multifamily | 3,086 | — | — | 970 | 4,056 |
| Construction/land development | 8,553 | — | 606 | (1,212) | 7,947 |
| Commercial business | 2,596 | (217) | 578 | (340) | 2,617 |
| | 20,915 | (217) | 1,184 | 239 | 22,121 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

Total allowance for credit losses \$35,264 \$ (802) \$ 2,983 \$ 750 \$38,195

21

Edgar Filing: HomeStreet, Inc. - Form 10-Q

Nine Months Ended September 30, 2016

| (in thousands) | Beginning balance | Charge-offs | Recoveries | (Reversal of) Provision | Ending balance |
|-----------------------------------|-------------------|-------------|------------|-------------------------|----------------|
| Consumer loans | | | | | |
| Single family | \$8,942 | \$ (74) | \$ 87 | \$ 293 | \$9,248 |
| Home equity and other | 4,620 | (654) | 530 | 1,252 | 5,748 |
| | 13,562 | (728) | 617 | 1,545 | 14,996 |
| Commercial loans | | | | | |
| Commercial real estate | 4,847 | — | — | 1,278 | 6,125 |
| Multifamily | 1,194 | — | — | 903 | 2,097 |
| Construction/land development | 9,271 | (42) | 959 | (1,167) | 9,021 |
| Commercial business | 1,785 | (26) | 44 | 1,191 | 2,994 |
| | 17,097 | (68) | 1,003 | 2,205 | 20,237 |
| Total allowance for credit losses | \$30,659 | \$ (796) | \$ 1,620 | \$ 3,750 | \$ 35,233 |

The following table disaggregates our allowance for credit losses and recorded investment in loans by impairment methodology.

| (in thousands) | At September 30, 2017 | | | Loans: collectively evaluated for impairment | Loans: individually evaluated for impairment | Total |
|---|--|--|----------|--|--|----------------------|
| | Allowance: collectively evaluated for impairment | Allowance: individually evaluated for impairment | Total | | | |
| Consumer loans | | | | | | |
| Single family | \$8,727 | \$ 354 | \$9,081 | \$1,184,497 | \$ 79,441 | \$1,263,938 |
| Home equity and other | 6,946 | 47 | 6,993 | 435,454 | 1,301 | 436,755 |
| | 15,673 | 401 | 16,074 | 1,619,951 | 80,742 | 1,700,693 |
| Commercial loans | | | | | | |
| Commercial real estate | 7,501 | — | 7,501 | 983,859 | 2,562 | 986,421 |
| Multifamily | 4,056 | — | 4,056 | 746,349 | 822 | 747,171 |
| Construction/land development | 7,947 | — | 7,947 | 652,125 | 1,007 | 653,132 |
| Commercial business | 2,215 | 402 | 2,617 | 243,593 | 2,266 | 245,859 |
| | 21,719 | 402 | 22,121 | 2,625,926 | 6,657 | 2,632,583 |
| Total loans evaluated for impairment | 37,392 | 803 | 38,195 | 4,245,877 | 87,399 | 4,333,276 |
| Loans held for investment carried at fair value | | | | \$5,416 | \$ 130 | 5,546 ⁽¹⁾ |
| Total loans held for investment | \$37,392 | \$ 803 | \$38,195 | \$4,251,293 | \$ 87,529 | \$4,338,822 |

(1) Comprised of single family loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | At December 31, 2016 | | | Loans: collectively evaluated for impairment | Loans: individually evaluated for impairment | Total |
|---|---|---|----------|---|---|-----------------------|
| | Allowance: collectively evaluated for impairment | Allowance: individually evaluated for impairment | Total | | | |
| Consumer loans | | | | | | |
| Single family | \$7,871 | \$ 325 | \$8,196 | \$985,219 | \$ 80,676 | \$1,065,895 |
| Home equity and other | 6,104 | 49 | 6,153 | 358,350 | 1,463 | 359,813 |
| | 13,975 | 374 | 14,349 | 1,343,569 | 82,139 | 1,425,708 |
| Commercial loans | | | | | | |
| Commercial real estate | 6,680 | — | 6,680 | 869,225 | 2,338 | 871,563 |
| Multifamily | 3,086 | — | 3,086 | 673,374 | 845 | 674,219 |
| Construction/land development | 8,553 | — | 8,553 | 634,427 | 1,893 | 636,320 |
| Commercial business | 2,591 | 5 | 2,596 | 220,360 | 3,293 | 223,653 |
| | 20,910 | 5 | 20,915 | 2,397,386 | 8,369 | 2,405,755 |
| Total loans evaluated for impairment | 34,885 | 379 | 35,264 | 3,740,955 | 90,508 | 3,831,463 |
| Loans held for investment carried at fair value | | | | | | 17,988 ⁽¹⁾ |
| Total loans held for investment | \$34,885 | \$ 379 | \$35,264 | \$3,740,955 | \$ 90,508 | \$3,849,451 |

(1) Comprised of single family loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

Impaired Loans

The following tables present impaired loans by loan portfolio segment and loan class.

| (in thousands) | At September 30, 2017 | | |
|-------------------------------------|-----------------------|---|-------------------|
| | Recorded investment | Unpaid principal balance ⁽²⁾ | Related allowance |
| With no related allowance recorded: | | | |
| Consumer loans | | | |
| Single family | \$ 75,396 | \$ 77,012 | \$ — |
| Home equity and other | 787 | 813 | — |
| | 76,183 | 77,825 | — |
| Commercial loans | | | |
| Commercial real estate | 2,562 | 3,090 | — |
| Multifamily | 822 | 842 | — |
| Construction/land development | 1,007 | 1,549 | — |
| Commercial business | 440 | 1,456 | — |
| | 4,831 | 6,937 | — |
| | \$ 81,014 | \$ 84,762 | \$ — |
| With an allowance recorded: | | | |
| Consumer loans | | | |
| Single family | \$ 4,175 | \$ 4,267 | \$ 354 |
| Home equity and other | 514 | 514 | 47 |
| | 4,689 | 4,781 | 401 |
| Commercial loans | | | |
| Commercial business | 1,826 | 1,874 | 402 |
| | \$ 6,515 | \$ 6,655 | \$ 803 |
| Total: | | | |
| Consumer loans | | | |
| Single family ⁽³⁾ | \$ 79,571 | \$ 81,279 | \$ 354 |
| Home equity and other | 1,301 | 1,327 | 47 |
| | 80,872 | 82,606 | 401 |
| Commercial loans | | | |
| Commercial real estate | 2,562 | 3,090 | — |
| Multifamily | 822 | 842 | — |
| Construction/land development | 1,007 | 1,549 | — |
| Commercial business | 2,266 | 3,330 | 402 |
| | 6,657 | 8,811 | 402 |
| Total impaired loans | \$ 87,529 | \$ 91,417 | \$ 803 |

(1) Includes partial charge-offs and nonaccrual interest paid and purchase discounts and premiums.

(2) Unpaid principal balance does not include partial charge-offs, purchase discounts and premiums or nonaccrual interest paid. Related allowance is calculated on net book balances not unpaid principal balances.

(3) Includes \$73.7 million in single family performing trouble debt restructurings "TDRs".

Edgar Filing: HomeStreet, Inc. - Form 10-Q

At December 31, 2016

| (in thousands) | Recorded investment | Unpaid principal balance (2) | Related allowance |
|--|---------------------|---------------------------------|-------------------|
| With no related allowance recorded: | | | |
| Consumer loans | | | |
| Single family | \$77,756 | \$80,573 | \$ — |
| Home equity and other | 946 | 977 | — |
| | 78,702 | 81,550 | — |
| Commercial loans | | | |
| Commercial real estate | 2,338 | 2,846 | — |
| Multifamily | 845 | 851 | — |
| Construction/land development | 1,893 | 2,819 | — |
| Commercial business | 2,945 | 4,365 | — |
| | 8,021 | 10,881 | — |
| | \$86,723 | \$92,431 | \$ — |
| With an allowance recorded: | | | |
| Consumer loans | | | |
| Single family | \$2,920 | \$3,011 | \$ 325 |
| Home equity and other | 517 | 517 | 49 |
| | 3,437 | 3,528 | 374 |
| Commercial loans | | | |
| Commercial business | 348 | 347 | 5 |
| | 348 | 347 | 5 |
| | \$3,785 | \$3,875 | \$ 379 |
| Total: | | | |
| Consumer loans | | | |
| Single family ⁽³⁾ | \$80,676 | \$83,584 | \$ 325 |
| Home equity and other | 1,463 | 1,494 | 49 |
| | 82,139 | 85,078 | 374 |
| Commercial loans | | | |
| Commercial real estate | 2,338 | 2,846 | — |
| Multifamily | 845 | 851 | — |
| Construction/land development | 1,893 | 2,819 | — |
| Commercial business | 3,293 | 4,712 | 5 |
| | 8,369 | 11,228 | 5 |
| Total impaired loans | \$90,508 | \$96,306 | \$ 379 |

(1) Includes partial charge-offs and nonaccrual interest paid.

(2) Unpaid principal balance does not include partial charge-offs, purchase discounts and premiums or nonaccrual interest paid. Related allowance is calculated on net book balances not unpaid principal balances.

(3) Includes \$73.1 million in single family performing TDRs.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following tables provide the average recorded investment and interest income recognized on impaired loans by portfolio segment and class.

| (in thousands) | Three Months Ended September 30, 2017 | | Three Months Ended September 30, 2016 | |
|-------------------------------|--|--------|--|--------|
| | Average Interest Recorded Income Investment Recognized | | Average Interest Recorded Income Investment Recognized | |
| Consumer loans | | | | |
| Single family | \$81,770 | \$ 738 | \$85,138 | \$ 727 |
| Home equity and other | 1,501 | 19 | 1,371 | 17 |
| | 83,271 | 757 | 86,509 | 744 |
| Commercial loans | | | | |
| Commercial real estate | 2,960 | 33 | 3,431 | 4 |
| Multifamily | 825 | 6 | 621 | 6 |
| Construction/land development | 1,015 | 21 | 2,333 | 23 |
| Commercial business | 2,045 | 30 | 4,068 | 15 |
| | 6,845 | 90 | 10,453 | 48 |
| | \$90,116 | \$ 847 | \$96,962 | \$ 792 |

| (in thousands) | Nine Months Ended September 30, 2017 | | Nine Months Ended September 30, 2016 | |
|-------------------------------|--|----------|--|----------|
| | Average Interest Recorded Income Investment Recognized | | Average Interest Recorded Income Investment Recognized | |
| Consumer loans | | | | |
| Single family | \$81,889 | \$ 2,278 | \$83,271 | \$ 2,171 |
| Home equity and other | 1,475 | 62 | 1,479 | 50 |
| | 83,364 | 2,340 | 84,750 | 2,221 |
| Commercial loans | | | | |
| Commercial real estate | 3,446 | 129 | 3,439 | 12 |
| Multifamily | 833 | 18 | 1,877 | 41 |
| Construction/land development | 1,277 | 68 | 3,023 | 67 |
| Commercial business | 2,579 | 113 | 3,902 | 56 |
| | 8,135 | 328 | 12,241 | 176 |
| | \$91,499 | \$ 2,668 | \$96,991 | \$ 2,397 |

Credit Quality Indicators

Management regularly reviews loans in the portfolio to assess credit quality indicators and to determine appropriate loan classification and grading in accordance with applicable bank regulations. The Company's risk rating methodology assigns risk ratings ranging from 1 to 10, where a higher rating represents higher risk. The Company differentiates its lending portfolios into homogeneous loans and non-homogeneous loans.

The 10 risk rating categories can be generally described by the following groupings for non-homogeneous loans:

Pass. We have five pass risk ratings which represent a level of credit quality that ranges from no well-defined deficiency or weakness to some noted weakness, however the risk of default on any loan classified as pass is expected

to be remote. The five pass risk ratings are described below:

Minimal Risk. A minimal risk loan, risk rated 1-Exceptional, is to a borrower of the highest quality. The borrower has an unquestioned ability to produce consistent profits and service all obligations and can absorb severe market disturbances with little or no difficulty.

Low Risk. A low risk loan, risk rated 2-Superior, is similar in characteristics to a minimal risk loan. Balance sheet and operations are slightly more prone to fluctuations within the business cycle; however, debt capacity and debt service coverage remains strong. The borrower will have a strong demonstrated ability to produce profits and absorb market disturbances.

Modest Risk. A modest risk loan, risk rated 3-Excellent, is a desirable loan with excellent sources of repayment and no currently identifiable risk associated with collection. The borrower exhibits a very strong capacity to repay the loan in accordance with the repayment agreement. The borrower may be susceptible to economic cycles, but will have cash reserves to weather these cycles.

Average Risk. An average risk loan, risk rated 4-Good, is an attractive loan with sound sources of repayment and no material collection or repayment weakness evident. The borrower has an acceptable capacity to pay in accordance with the agreement. The borrower is susceptible to economic cycles and more efficient competition, but should have modest reserves sufficient to survive all but the most severe downturns or major setbacks.

Acceptable Risk. An acceptable risk loan, risk rated 5-Acceptable, is a loan with lower than average, but still acceptable credit risk. These borrowers may have higher leverage, less certain but viable repayment sources, have limited financial reserves and may possess weaknesses that can be adequately mitigated through collateral, structural or credit enhancement. The borrower is susceptible to economic cycles and is less resilient to negative market forces or financial events. Reserves may be insufficient to survive a modest downturn.

Watch. A watch loan, risk rated 6-Watch, is still pass-rated, but represents the lowest level of acceptable risk due to an emerging risk element or declining performance trend. Watch ratings are expected to be temporary, with issues resolved or manifested to the extent that a higher or lower rating would be appropriate. The borrower should have a plausible plan, with reasonable certainty of success, to correct the problems in a short period of time. Borrowers rated watch are characterized by elements of uncertainty, such as:

The borrower may be experiencing declining operating trends, strained cash flows or less-than anticipated performance. Cash flow should still be adequate to cover debt service, and the negative trends should be identified as being of a short-term or temporary nature.

The borrower may have experienced a minor, unexpected covenant violation.

Companies who may be experiencing tight working capital or have a cash cushion deficiency.

A loan may also be a watch if financial information is late, there is a documentation deficiency, the borrower has experienced unexpected management turnover, or if they face industry issues that, when combined with performance factors create uncertainty in their future ability to perform.

Delinquent payments, increasing and material overdraft activity, request for bulge and/or out- of-formula advances may be an indicator of inadequate working capital and may suggest a lower rating.

Failure of the intended repayment source to materialize as expected, or renewal of a loan (other than cash/marketable security secured or lines of credit) without reduction are possible indicators of a watch or worse risk rating.

Special Mention. A special mention loan, risk rated 7-Special Mention, has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loans or the institutions credit position at some future date. They contain unfavorable characteristics and are generally undesirable. Loans in this category are currently protected but are potentially weak and constitute an undue and unwarranted credit risk, but not to the point of a substandard classification. A special mention loan has potential weaknesses, which if not checked or corrected, weaken the loan or inadequately protect the Company's position at some future date. Such weaknesses include:

Performance is poor or significantly less than expected. There may be a temporary debt-servicing deficiency or inadequate working capital as evidenced by a cash cushion deficiency, but not to the extent that repayment is compromised. Material violation of financial covenants is common.

Loans with unresolved material issues that significantly cloud the debt service outlook, even though a debt servicing deficiency does not currently exist.

Modest underperformance or deviation from plan for real estate loans where absorption of rental/sales units is necessary to properly service the debt as structured. Depth of support for interest carry provided by owner/guarantors may mitigate and provide for improved rating.

This rating may be assigned when a loan officer is unable to supervise the credit properly, an inadequate loan agreement, an inability to control collateral, failure to obtain proper documentation, or any other deviation from prudent lending practices.

Unlike a substandard credit, there should be a reasonable expectation that these temporary issues will be corrected within the normal course of business, rather than liquidation of assets, and in a reasonable period of time.

Substandard. A substandard loan, risk rated 8-Substandard, is inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged, if any. Loans so classified must have a well-defined weakness or weaknesses that jeopardize the liquidation of the loan. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard loans, does not have to exist in individual loans classified substandard. Loans are classified as substandard when they have unsatisfactory characteristics causing unacceptable levels of risk. A substandard loan normally has one or more well-defined weaknesses that could jeopardize repayment of the loan. The likely need to liquidate assets to correct the problem, rather than repayment from successful operations is the key distinction between special mention and substandard. The following are examples of well-defined weaknesses: Cash flow deficiencies or trends are of a magnitude to jeopardize current and future payments with no immediate relief. A loss is not presently expected, however the outlook is sufficiently uncertain to preclude ruling out the possibility.

The borrower has been unable to adjust to prolonged and unfavorable industry or economic trends.

Material underperformance or deviation from plan for real estate loans where absorption of rental/sales units is necessary to properly service the debt and risk is not mitigated by willingness and capacity of owner/guarantor to support interest payments.

Management character or honesty has become suspect. This includes instances where the borrower has become uncooperative.

Due to unprofitable or unsuccessful business operations, some form of restructuring of the business, including liquidation of assets, has become the primary source of loan repayment. Cash flow has deteriorated, or been diverted, to the point that sale of collateral is now the Company's primary source of repayment (unless this was the original source of repayment). If the collateral is under the Company's control and is cash or other liquid, highly marketable securities and properly margined, then a more appropriate rating might be special mention or watch.

The borrower is involved in bankruptcy proceedings where collateral liquidation values are expected to fully protect the Company against loss.

There is material, uncorrectable faulty documentation or materially suspect financial information.

Doubtful. Loans classified as doubtful, risk rated 9-Doubtful, have all the weaknesses inherent in one classified substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work towards strengthening of the loan, classification as a loss (and immediate charge-off) is deferred until more exact status may be determined. Pending factors include proposed merger, acquisition, liquidation procedures, capital injection, and perfection of liens on additional collateral and refinancing plans. In certain circumstances, a doubtful rating will be temporary, while the Company is awaiting an updated collateral valuation. In these cases, once the collateral is valued and appropriate margin applied, the remaining un-collateralized portion will be charged-off. The remaining balance, properly margined, may then be upgraded to substandard, however must remain on non-accrual.

Loss. Loans classified as loss, risk rated 10-Loss, are considered un-collectible and of such little value that the continuance as an active Company asset is not warranted. This rating does not mean that the loan has no recovery or salvage value, but rather that the loan should be charged-off now, even though partial or full recovery may be possible in the future.

Impaired. Loans are classified as impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal and interest when due, in accordance with the terms of the original loan agreement, without unreasonable delay. This generally includes all loans classified as nonaccrual and troubled debt restructurings. Impaired loans are risk rated for internal and regulatory rating purposes, but presented separately for clarification.

Homogeneous loans maintain their original risk rating until they are greater than 30 days past due, and risk rating reclassification is based primarily on the past due status of the loan. The risk rating categories can be generally described by the following groupings for commercial and commercial real estate homogeneous loans:

Watch. A homogeneous watch loan, risk rated 6, is 30-59 days past due from the required payment date at month-end.

Special Mention. A homogeneous special mention loan, risk rated 7, is 60-89 days past due from the required payment date at month-end.

Substandard. A homogeneous substandard loan, risk rated 8, is 90-179 days past due from the required payment date at month-end.

Loss. A homogeneous loss loan, risk rated 10, is 180 days and more past due from the required payment date. These loans are generally charged-off in the month in which the 180 day time period elapses.

The risk rating categories can be generally described by the following groupings for residential and home equity and other homogeneous loans:

Watch. A homogeneous retail watch loan, risk rated 6, is 60-89 days past due from the required payment date at month-end.

Substandard. A homogeneous retail substandard loan, risk rated 8, is 90-179 days past due from the required payment date at month-end.

Loss. A homogeneous retail loss loan, risk rated 10, becomes past due 180 cumulative days from the contractual due date. These loans are generally charged-off in the month in which the 180 day period elapses.

Residential and home equity loans modified in a troubled debt restructure are not considered homogeneous. The risk rating classification for such loans are based on the non-homogeneous definitions noted above.

The following tables summarize designated loan grades by loan portfolio segment and loan class.

| (in thousands) | At September 30, 2017 | | | | |
|-------------------------------|-----------------------------|-----------|-----------------|-------------|--------------|
| | Pass | Watch | Special mention | Substandard | Total |
| Consumer loans | | | | | |
| Single family | \$ 1,241,538 ⁽¹⁾ | \$ 2,853 | \$ 13,510 | \$ 11,583 | \$ 1,269,484 |
| Home equity and other | 434,377 | 248 | 660 | 1,470 | 436,755 |
| | 1,675,915 | 3,101 | 14,170 | 13,053 | 1,706,239 |
| Commercial loans | | | | | |
| Commercial real estate | 945,951 | 29,487 | 7,868 | 3,115 | 986,421 |
| Multifamily | 734,472 | 10,501 | 1,884 | 314 | 747,171 |
| Construction/land development | 645,968 | 5,731 | 1,433 | — | 653,132 |
| Commercial business | 198,687 | 42,290 | 1,587 | 3,295 | 245,859 |
| | 2,525,078 | 88,009 | 12,772 | 6,724 | 2,632,583 |
| | \$ 4,200,993 | \$ 91,110 | \$ 26,942 | \$ 19,777 | \$ 4,338,822 |

⁽¹⁾ Includes \$5.5 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | At December 31, 2016 | | | | |
|-------------------------------|-----------------------------|------------|-----------------|-------------|--------------|
| | Pass | Watch | Special mention | Substandard | Total |
| Consumer loans | | | | | |
| Single family | \$ 1,051,463 ⁽¹⁾ | \$ 4,348 | \$ 15,172 | \$ 12,839 | \$ 1,083,822 |
| Home equity and other | 357,191 | 597 | 514 | 1,572 | 359,874 |
| | 1,408,654 | 4,945 | 15,686 | 14,411 | 1,443,696 |
| Commercial loans | | | | | |
| Commercial real estate | 809,996 | 52,519 | 7,165 | 1,883 | 871,563 |
| Multifamily | 660,234 | 13,140 | 508 | 337 | 674,219 |
| Construction/land development | 615,675 | 16,074 | 3,083 | 1,488 | 636,320 |
| Commercial business | 171,883 | 42,767 | 3,385 | 5,618 | 223,653 |
| | 2,257,788 | 124,500 | 14,141 | 9,326 | 2,405,755 |
| | \$ 3,666,442 | \$ 129,445 | \$ 29,827 | \$ 23,737 | \$ 3,849,451 |

(1) Includes \$18.0 million of loans where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

As of September 30, 2017 and December 31, 2016, none of the Company's loans were rated Doubtful or Loss. For a detailed discussion on credit quality, see Note 5, *Loans and Credit Quality*, within our 2016 Annual Report on Form 10-K.

Nonaccrual and Past Due Loans

Loans are placed on nonaccrual status when the full and timely collection of principal and interest is doubtful, generally when the loan becomes 90 days or more past due for principal or interest payment or if part of the principal balance has been charged off. Loans whose repayments are insured by the FHA or guaranteed by the VA are generally maintained on accrual status even if 90 days or more past due.

The following table presents an aging analysis of past due loans by loan portfolio segment and loan class.

| (in thousands) | At September 30, 2017 | | | | | | |
|-------------------------------|-----------------------|---------------------|--------------------------|----------------|-----------------------------|--------------|---------------------------------------|
| | 30-59 days past due | 60-89 days past due | 90 days or more past due | Total past due | Current | Total loans | 90 days or more past due and accruing |
| Consumer loans | | | | | | | |
| Single family | \$ 8,851 | \$ 4,615 | \$ 48,647 | \$ 62,113 | \$ 1,207,371 ⁽¹⁾ | \$ 1,269,484 | \$ 37,185 ⁽²⁾ |
| Home equity and other | 674 | 121 | 1,470 | 2,265 | 434,490 | 436,755 | — |
| | 9,525 | 4,736 | 50,117 | 64,378 | 1,641,861 | 1,706,239 | 37,185 |
| Commercial loans | | | | | | | |
| Commercial real estate | 913 | — | 724 | 1,637 | 984,784 | 986,421 | — |
| Multifamily | — | — | 314 | 314 | 746,857 | 747,171 | — |
| Construction/land development | 992 | — | — | 992 | 652,140 | 653,132 | — |
| Commercial business | 897 | — | 1,153 | 2,050 | 243,809 | 245,859 | — |
| | 2,802 | — | 2,191 | 4,993 | 2,627,590 | 2,632,583 | — |
| | \$ 12,327 | \$ 4,736 | \$ 52,308 | \$ 69,371 | \$ 4,269,451 | \$ 4,338,822 | \$ 37,185 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | At December 31, 2016 | | | | Current | Total loans | 90 days or more past due and accruing |
|-------------------------------|----------------------|---------------------|--------------------------|----------------|----------------------------|-------------|---------------------------------------|
| | 30-59 days past due | 60-89 days past due | 90 days or more past due | Total past due | | | |
| Consumer loans | | | | | | | |
| Single family | \$4,310 | \$ 5,459 | \$53,563 | \$63,332 | \$1,020,490 ⁽¹⁾ | \$1,083,822 | \$40,846 ⁽²⁾ |
| Home equity and other | 251 | 442 | 1,571 | 2,264 | 357,610 | 359,874 | — |
| | 4,561 | 5,901 | 55,134 | 65,596 | 1,378,100 | 1,443,696 | 40,846 |
| Commercial loans | | | | | | | |
| Commercial real estate | 71 | 205 | 2,127 | 2,403 | 869,160 | 871,563 | — |
| Multifamily | — | — | 337 | 337 | 673,882 | 674,219 | — |
| Construction/land development | — | — | 1,376 | 1,376 | 634,944 | 636,320 | — |
| Commercial business | 202 | — | 2,414 | 2,616 | 221,037 | 223,653 | — |
| | 273 | 205 | 6,254 | 6,732 | 2,399,023 | 2,405,755 | — |
| | \$4,834 | \$ 6,106 | \$61,388 | \$72,328 | \$3,777,123 | \$3,849,451 | \$40,846 |

Includes \$5.5 million and \$18.0 million of loans at September 30, 2017 and December 31, 2016, respectively, where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

(2) FHA-insured and VA-guaranteed single family loans that are 90 days or more past due are maintained on accrual status if they are determined to have little to no risk of loss and are a subset of the 90 days or more past due balance.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following tables present performing and nonperforming loan balances by loan portfolio segment and loan class.

| (in thousands) | At September 30, 2017 | | |
|-------------------------------|-----------------------------|------------|--------------|
| | Accrual | Nonaccrual | Total |
| Consumer loans | | | |
| Single family | \$ 1,258,022 ⁽¹⁾ | \$ 11,462 | \$ 1,269,484 |
| Home equity and other | 435,285 | 1,470 | 436,755 |
| | 1,693,307 | 12,932 | 1,706,239 |
| Commercial loans | | | |
| Commercial real estate | 985,697 | 724 | 986,421 |
| Multifamily | 746,857 | 314 | 747,171 |
| Construction/land development | 653,132 | — | 653,132 |
| Commercial business | 244,706 | 1,153 | 245,859 |
| | 2,630,392 | 2,191 | 2,632,583 |
| | \$ 4,323,699 | \$ 15,123 | \$ 4,338,822 |

| (in thousands) | At December 31, 2016 | | |
|-------------------------------|-----------------------------|------------|--------------|
| | Accrual | Nonaccrual | Total |
| Consumer loans | | | |
| Single family | \$ 1,071,105 ⁽¹⁾ | \$ 12,717 | \$ 1,083,822 |
| Home equity and other | 358,303 | 1,571 | 359,874 |
| | 1,429,408 | 14,288 | 1,443,696 |
| Commercial loans | | | |
| Commercial real estate | 869,436 | 2,127 | 871,563 |
| Multifamily | 673,882 | 337 | 674,219 |
| Construction/land development | 634,944 | 1,376 | 636,320 |
| Commercial business | 221,239 | 2,414 | 223,653 |
| | 2,399,501 | 6,254 | 2,405,755 |
| | \$ 3,828,909 | \$ 20,542 | \$ 3,849,451 |

(1) Includes \$5.5 million and \$18.0 million of loans at September 30, 2017 and December 31, 2016, where a fair value option election was made at the time of origination and, therefore, are carried at fair value with changes recognized in the consolidated statements of operations.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following tables present information about TDR activity during the periods presented.

| Three Months Ended September 30, 2017 | | | | |
|---------------------------------------|-------------------------|------------------------------|---------------------|---------------------|
| (dollars in thousands) | Concession type | Number of loan modifications | Recorded investment | Related charge-offs |
| Consumer loans | | | | |
| Single family | | | | |
| | Interest rate reduction | 9 | \$ 1,914 | \$ — |
| | Payment restructure | 29 | 5,911 | — |
| Total consumer | | | | |
| | Interest rate reduction | 9 | 1,914 | — |
| | Payment restructure | 29 | 5,911 | — |
| | | 38 | 7,825 | — |
| Total loans | | | | |
| | Interest rate reduction | 9 | 1,914 | — |
| | Payment restructure | 29 | 5,911 | — |
| | | 38 | \$ 7,825 | \$ — |

| Three Months Ended September 30, 2016 | | | | |
|---------------------------------------|-------------------------|------------------------------|---------------------|---------------------|
| (dollars in thousands) | Concession type | Number of loan modifications | Recorded investment | Related charge-offs |
| Consumer loans | | | | |
| Single family | | | | |
| | Interest rate reduction | 11 | \$ 2,492 | \$ — |
| | Payment restructure | 12 | 2,773 | — |
| Home equity and other | | | | |
| | Interest rate reduction | 1 | 100 | — |
| Total consumer | | | | |
| | Interest rate reduction | 12 | 2,592 | — |
| | Payment restructure | 12 | 2,773 | — |
| | | 24 | 5,365 | — |
| Total loans | | | | |
| | Interest rate reduction | 12 | 2,592 | — |
| | Payment restructure | 12 | 2,773 | — |
| | | 24 | \$ 5,365 | \$ — |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| | | Nine Months Ended September 30, 2017 | | |
|-------------------------------|-------------------------|--------------------------------------|---------------------|---------------------|
| (dollars in thousands) | Concession type | Number of loan modifications | Recorded investment | Related charge-offs |
| Consumer loans | | | | |
| Single family | | | | |
| | Interest rate reduction | 48 | \$ 8,834 | \$ — |
| | Payment restructure | 71 | 14,803 | — |
| Home equity and other | | | | |
| | Payment restructure | 2 | 351 | — |
| Total consumer | | | | |
| | Interest rate reduction | 48 | 8,834 | — |
| | Payment restructure | 73 | 15,154 | — |
| | | 121 | 23,988 | — |
| Commercial loans | | | | |
| Construction/land development | | | | |
| | Payment restructure | 1 | 436 | — |
| Commercial business | | | | |
| | Payment restructure | 1 | 18 | — |
| Total commercial | | | | |
| | Payment restructure | 2 | 454 | — |
| | | 2 | 454 | — |
| Total loans | | | | |
| | Interest rate reduction | 48 | 8,834 | — |
| | Payment restructure | 75 | 15,608 | — |
| | | 123 | \$ 24,442 | \$ — |

| | | Nine Months Ended September 30, 2016 | | |
|------------------------|-------------------------|--------------------------------------|---------------------|---------------------|
| (dollars in thousands) | Concession type | Number of loan modifications | Recorded investment | Related charge-offs |
| Consumer loans | | | | |
| Single family | | | | |
| | Interest rate reduction | 29 | \$ 5,881 | \$ — |
| | Payment restructure | 46 | 9,691 | — |
| Home equity and other | | | | |
| | Interest rate reduction | 2 | 113 | — |
| Total consumer | | | | |
| | Interest rate reduction | 31 | 5,994 | — |
| | Payment restructure | 46 | 9,691 | — |
| | | 77 | 15,685 | — |
| Total loans | | | | |
| | Interest rate reduction | 31 | 5,994 | — |
| | Payment restructure | 46 | 9,691 | — |
| | | 77 | \$ 15,685 | \$ — |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following table presents loans that were modified as TDRs within the previous 12 months and subsequently re-defaulted during the three and nine months ended September 30, 2017 and 2016, respectively. A TDR loan is considered re-defaulted when it becomes doubtful that the objectives of the modifications will be met, generally when a consumer loan TDR becomes 60 days or more past due on principal or interest payments or when a commercial loan TDR becomes 90 days or more past due on principal or interest payments.

| (dollars in thousands) | Three Months Ended September 30, | |
|------------------------|---|---|
| | 2017 | 2016 |
| | Number of loan relationships that re-defaulted | Number of loan relationships that re-defaulted |

Consumer loans

| | | |
|---------------|------------|------------|
| Single family | 8 \$ 1,743 | 7 \$ 1,173 |
| | 8 \$ 1,743 | 7 \$ 1,173 |

| (dollars in thousands) | Nine Months Ended September 30, | |
|------------------------|---|---|
| | 2017 | 2016 |
| | Number of loan relationships that re-defaulted | Number of loan relationships that re-defaulted |

Consumer loans

| | | |
|-----------------------|-------------|-------------|
| Single family | 16 \$ 3,395 | 16 \$ 3,811 |
| Home equity and other | — — | 1 93 |
| | 16 \$ 3,395 | 17 \$ 3,904 |

NOTE 5—DEPOSITS:

Deposit balances, including stated rates, were as follows.

| (in thousands) | At September 30, 2017 | At December 31, 2016 |
|---|-----------------------------|----------------------------|
| Noninterest-bearing accounts | \$ 1,087,425 | \$ 964,829 |
| NOW accounts, 0.00% to 1.00% at September 30, 2017 and December 31, 2016 | 528,679 | 468,812 |
| Statement savings accounts, due on demand, 0.05% to 1.13% at September 30, 2017 and December 31, 2016 | 308,217 | 301,361 |
| Money market accounts, due on demand, 0.00% to 1.70% and at September 30, 2017 and December 31, 2016 | 1,563,921 | 1,603,141 |
| Certificates of deposit, 0.05% to 3.80% at September 30, 2017 and December 31, 2016 | 1,182,244 | 1,091,558 |
| | \$ 4,670,486 | \$ 4,429,701 |

Interest expense on deposits was as follows.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|----------------------------|--|---------|------------------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| NOW accounts | \$ 500 | \$ 484 | \$ 1,480 | \$ 1,465 |
| Statement savings accounts | 256 | 262 | 761 | 771 |
| Money market accounts | 2,089 | 2,084 | 6,254 | 5,057 |
| Certificates of deposit | 3,175 | 2,532 | 9,015 | 6,087 |
| | \$6,020 | \$5,362 | \$ 17,510 | \$ 13,380 |

The weighted-average interest rates on certificates of deposit were 1.06% and 0.96% at September 30, 2017 and December 31, 2016, respectively.

Certificates of deposit outstanding mature as follows.

| (in thousands) | At September 30, 2017 |
|---------------------|-----------------------------|
| Within one year | \$ 854,650 |
| One to two years | 267,893 |
| Two to three years | 31,851 |
| Three to four years | 13,714 |
| Four to five years | 14,051 |
| Thereafter | 85 |
| | \$ 1,182,244 |

The aggregate amount of time deposits in denominations of \$100 thousand or more at September 30, 2017 and December 31, 2016 were \$467.6 million and \$508.6 million, respectively. The aggregate amount of time deposits in denominations of more than \$250 thousand at September 30, 2017 and December 31, 2016 were \$92.4 million and \$87.4 million, respectively. There were \$324.0 million and \$234.4 million of brokered deposits at September 30, 2017 and December 31, 2016, respectively.

NOTE 6-DERIVATIVES AND HEDGING ACTIVITIES:

To reduce the risk of significant interest rate fluctuations on the value of certain assets and liabilities, such as certain mortgage loans held for sale or MSR's, the Company utilizes derivatives, such as forward sale commitments, futures, option contracts, interest rate swaps and "swaptions" as risk management instruments in its hedging strategy. Derivative transactions are measured in terms of notional amount, which is not recorded in the consolidated statements of financial condition. The notional amount is generally not exchanged and is used as the basis for interest and other contractual payments.

We held no derivatives designated as a fair value, cash flow or foreign currency hedge instrument at September 30, 2017 or December 31, 2016. Derivatives are reported at their respective fair values in the other assets or accounts payable and other liabilities line items on the consolidated statements of financial condition, with changes in fair value reflected in current period earnings.

As permitted under U.S. GAAP, the Company nets derivative assets and liabilities when a legally enforceable master netting agreement exists between the Company and the derivative counterparty, which are documented under industry standard master agreements and credit support annexes. The Company's master netting agreements provide that following an uncured payment default or other event of default the non-defaulting party may promptly terminate all transactions between the parties and determine a net amount due to be paid to, or by, the defaulting party. An event of default may also occur under a credit support annex if a party fails to make a collateral delivery (which remains uncured following applicable notice and grace periods). The Company's right of offset requires that master netting agreements are legally enforceable and that the exercise of rights by the non-defaulting party under these agreements will not be stayed, or avoided under applicable law upon an event of default including bankruptcy, insolvency or similar proceeding.

The collateral used under the Company's master netting agreements is typically cash, but securities may be used under agreements with certain counterparties. Receivables related to cash collateral that has been paid to counterparties is included in other assets on the Company's consolidated statements of financial condition. Any securities pledged to counterparties as collateral remain on the consolidated statement of financial condition. Refer to Note 3, *Investment Securities*, for further information on securities collateral pledged. At September 30, 2017 and December 31, 2016, the Company did not hold any collateral received from counterparties under derivative transactions.

For further information on the policies that govern derivative and hedging activities, see Note 1, *Summary of Significant Accounting Policies*, and Note 11, *Derivatives and Hedging Activities*, within our 2016 Annual Report on Form 10-K.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The notional amounts and fair values for derivatives consist of the following.

| (in thousands) | At September 30, 2017 | | |
|--|-----------------------|------------------------|-----------|
| | Notional amount | Fair value derivatives | |
| | | Asset | Liability |
| Forward sale commitments | \$2,127,585 | \$3,907 | \$(3,871) |
| Interest rate swaptions | 215,000 | 2 | — |
| Interest rate lock and purchase loan commitments | 722,048 | 21,067 | (65) |
| Interest rate swaps | 2,030,150 | 13,515 | (20,589) |
| Eurodollar futures | 2,526,000 | 135 | — |
| Total derivatives before netting | \$7,620,783 | 38,626 | (24,525) |
| Netting adjustment/Cash collateral ⁽¹⁾ | | 3,993 | 22,853 |
| Carrying value on consolidated statements of financial condition | | \$42,619 | \$(1,672) |

(1) Includes cash collateral of \$26.8 million at September 30, 2017 as part of netting adjustments which primarily consists of collateral transferred by the Company at the initiation of derivative transactions and held by the counterparty as security.

| (in thousands) | At December 31, 2016 | | |
|--|----------------------|------------------------|------------|
| | Notional amount | Fair value derivatives | |
| | | Asset | Liability |
| Forward sale commitments | \$3,596,677 | \$24,623 | \$(15,203) |
| Interest rate swaptions | 20,000 | 1 | — |
| Interest rate lock and purchase loan commitments | 746,102 | 19,586 | (367) |
| Interest rate swaps | 1,689,850 | 15,016 | (26,829) |
| Total derivatives before netting | \$6,052,629 | 59,226 | (42,399) |
| Netting adjustment/Cash collateral ⁽¹⁾ | | 10,174 | 37,836 |
| Carrying value on consolidated statements of financial condition | | \$69,400 | \$(4,563) |

(1) Includes cash collateral of \$48.0 million at December 31, 2016 as part of netting adjustments which primarily consists of collateral transferred by the Company at the initiation of derivative transactions and held by the counterparty as security.

The following tables present gross and net information about derivative instruments.

| At September 30, 2017 | | | | | |
|------------------------|------------------|---|----------------|---|------------|
| (in thousands) | Gross fair value | Netting adjustments/ Cash collateral ⁽¹⁾ | Carrying value | Securities not offset in consolidated balance sheet (disclosure-only netting) | Net amount |
| Derivative assets | \$38,626 | \$3,993 | \$42,619 | \$ — | \$42,619 |
| Derivative liabilities | \$(24,525) | \$22,853 | \$(1,672) | \$ 154 | \$(1,518) |

| At December 31, 2016 | | | | | |
|----------------------|------------------|---|----------------|---|------------|
| (in thousands) | Gross fair value | Netting adjustments/ Cash collateral ⁽¹⁾ | Carrying value | Securities not offset in consolidated balance sheet (disclosure-only netting) | Net amount |
| Derivative assets | \$59,226 | \$10,174 | \$69,400 | \$ — | \$69,400 |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

Derivative liabilities \$(42,399) \$ 37,836 \$(4,563) \$ 1,820 \$(2,743)

Edgar Filing: HomeStreet, Inc. - Form 10-Q

Includes cash collateral of \$26.8 million and \$48.0 million at September 30, 2017 and December 31, 2016 respectively, as part of the (1) netting adjustments which primarily consists of collateral transferred by the Company at the initiation of derivative transactions and held by the counterparty as security.

The following table presents the net gain (loss) recognized on derivatives, including economic hedge derivatives, within the respective line items in the statement of operations for the periods indicated.

| (in thousands) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------|--------------------|-------------|
| | September 30, 2017 | 2016 | September 30, 2017 | 2016 |
| Recognized in noninterest income: | | | | |
| Net gain (loss) on loan origination and sale activities ⁽¹⁾ | \$ (9,180) | \$ (3,675) | \$ (20,788) | \$ (4,006) |
| Loan servicing income ⁽²⁾ | 2,807 | 3,162 | 12,060 | 57,110 |
| Other ⁽³⁾ | — | 2,087 | — | 735 |
| | \$ (6,373) | \$ 1,574 | \$ (8,728) | \$ 53,839 |

(1) Comprised of interest rate lock commitments ("IRLCs") and forward contracts used as an economic hedge of IRLCs and single family mortgage loans held for sale.

(2) Comprised of interest rate swaps, interest rate swaptions and forward contracts used as an economic hedge of single family MSR.

(3) Comprised of interest rate swaps, interest rate swaptions and forward contracts used as an economic hedge of fair value option loans held for investment.

NOTE 7—MORTGAGE BANKING OPERATIONS:

Loans held for sale consisted of the following.

| (in thousands) | At September 30, 2017 | At December 31, 2016 |
|--------------------------------|-----------------------|----------------------|
| Single family | \$ 730,042 | \$ 656,334 |
| Multifamily DUS ⁽¹⁾ | 47,014 | 35,506 |
| Other ⁽²⁾ | 74,070 | 22,719 |
| Total loans held for sale | \$ 851,126 | \$ 714,559 |

(1) Fannie Mae Multifamily Delegated Underwriting and Servicing Program ("DUS[®]") is a registered trademark of Fannie Mae.

(2) Includes multifamily and commercial loans originated from sources other than DUS[®].

Loans sold consisted of the following.

| (in thousands) | Three Months Ended | | Nine Months Ended | |
|------------------------------|--------------------|--------------|--------------------|--------------|
| | September 30, 2017 | 2016 | September 30, 2017 | 2016 |
| Single family | \$ 1,956,129 | \$ 2,489,415 | \$ 5,504,366 | \$ 6,134,390 |
| Multifamily DUS [®] | 102,075 | 58,484 | 214,236 | 215,848 |
| Other ⁽¹⁾ | 125,493 | 50,255 | 163,374 | 82,068 |
| Total loans sold | \$ 2,183,697 | \$ 2,598,154 | \$ 5,881,976 | \$ 6,432,306 |

(1) Includes multifamily and commercial loans originated from sources other than DUS[®].

Gain on loan origination and sale activities, including the effects of derivative risk management instruments, consisted of the following.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|----------|---------------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| Single family: | | | | |
| Servicing value and secondary market gains ⁽¹⁾ | \$56,657 | \$79,946 | \$164,548 | \$207,758 |
| Loan origination and administration fees | 7,356 | 8,931 | 19,960 | 21,614 |
| Total single family | 64,013 | 88,877 | 184,508 | 229,372 |
| Multifamily DUS [®] | 4,152 | 2,695 | 8,785 | 7,879 |
| Other ⁽²⁾ | 2,845 | 1,028 | 3,906 | 2,242 |
| Total gain on loan origination and sale activities | \$71,010 | \$92,600 | \$197,199 | \$239,493 |

Comprised of gains and losses on interest rate lock and purchase loan commitments (which considers the value of servicing), single family (1) loans held for sale, forward sale commitments used to economically hedge secondary market activities, and changes in the Company's repurchase liability for loans that have been sold.

(2) Includes multifamily and commercial loans originated from sources other than DUS[®].

The Company's portfolio of loans serviced for others is primarily comprised of loans held in U.S. government and agency MBS issued by Fannie Mae, Freddie Mac and Ginnie Mae. Loans serviced for others are not included in the consolidated statements of financial condition as they are not assets of the Company.

The composition of loans serviced for others is presented below at the unpaid principal balance.

| (in thousands) | At September 30, 2017 | At December 31, 2016 |
|---------------------------------|-----------------------|----------------------|
| Single family | | |
| U.S. government and agency | \$21,378,395 | \$18,931,835 |
| Other | 513,858 | 556,621 |
| | 21,892,253 | 19,488,456 |
| Commercial | | |
| Multifamily DUS [®] | 1,213,459 | 1,108,040 |
| Other | 78,674 | 69,323 |
| | 1,292,133 | 1,177,363 |
| Total loans serviced for others | \$23,184,386 | \$20,665,819 |

The Company has made representations and warranties that the loans sold meet certain requirements. The Company may be required to repurchase mortgage loans or indemnify loan purchasers due to defects in the origination process of the loan, such as documentation errors, underwriting errors and judgments, appraisal errors, early payment defaults and fraud. For further information on the Company's mortgage repurchase liability, see Note 8, *Commitments, Guarantees and Contingencies*, of this Form 10-Q.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following is a summary of changes in the Company's liability for estimated mortgage repurchase losses.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|---------|---------------------------------|---------|
| | 2017 | 2016 | 2017 | 2016 |
| Balance, beginning of period | \$2,990 | \$3,379 | \$3,382 | \$2,922 |
| Additions (reductions), net ⁽¹⁾ | (338) | 495 | (370) | 1,407 |
| Realized losses ⁽²⁾ | (148) | (251) | (508) | (706) |
| Balance, end of period | \$2,504 | \$3,623 | \$2,504 | \$3,623 |

(1) Includes additions for new loan sales and changes in estimated probable future repurchase losses on previously sold loans.

(2) Includes principal losses and accrued interest on repurchased loans, "make-whole" settlements, settlements with claimants and certain related expense.

The Company has agreements with certain investors, depending on the requirements, to advance scheduled principal and interest amounts on delinquent loans. Advances are also made to fund the foreclosure and collection costs of delinquent loans prior to the recovery of reimbursable amounts from investors or borrowers. Advances of \$6.5 million and \$7.5 million were recorded in other assets as of September 30, 2017 and December 31, 2016, respectively.

When the Company has the unilateral right to repurchase Ginnie Mae pool loans it has previously sold (generally loans that are more than 90 days past due), the Company then records the loan on its consolidated statement of financial condition. At both September 30, 2017 and December 31, 2016, delinquent or defaulted mortgage loans currently in Ginnie Mae pools that the Company has recognized on its consolidated statements of financial condition totaled \$36.3 million and \$35.8 million, respectively, with a corresponding amount recorded within accounts payable and other liabilities on the consolidated statements of financial condition. The recognition of previously sold loans does not impact the accounting for the previously recognized MSR's.

Revenue from mortgage servicing, including the effects of derivative risk management instruments, consisted of the following.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|----------|---------------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| Servicing income, net: | | | | |
| Servicing fees and other | \$16,480 | \$14,104 | \$48,636 | \$39,460 |
| Changes in fair value of single family MSR's due to modeled amortization ⁽¹⁾ | (9,167) | (8,925) | (26,596) | (23,940) |
| Amortization of multifamily MSR's | (811) | (661) | (2,503) | (1,946) |
| | 6,502 | 4,518 | 19,537 | 13,574 |
| Risk management, single family MSR's: | | | | |
| Changes in fair value of MSR's due to changes in market inputs and/or model updates ⁽²⁾ | (1,027) | 4,915 | (5,312) | (37,354) |
| Net gain from derivatives economically hedging MSR | 2,807 | 3,162 | 12,060 | 57,110 |
| | 1,780 | 8,077 | 6,748 | 19,756 |
| Mortgage servicing income | \$8,282 | \$12,595 | \$26,285 | \$33,330 |

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in market inputs, which include current market interest rates and prepayment model updates, both of which affect future prepayment speed and cash flow projections.

All MSR's are initially measured and recorded at fair value at the time loans are sold. Single family MSR's are subsequently carried at fair value with changes in fair value reflected in earnings in the periods in which the changes occur, while multifamily MSR's are subsequently carried at the lower of amortized cost or fair value.

The fair value of MSR is determined based on the price that would be received to sell the MSR in an orderly transaction between market participants at the measurement date. The Company determines fair value using a valuation model that calculates the net present value of estimated future cash flows. Estimates of future cash flows include contractual servicing fees, ancillary income and costs of servicing, the timing of which are impacted by assumptions, primarily expected prepayment speeds and discount rates, which relate to the underlying performance of the loans.

The initial fair value measurement of MSR is adjusted up or down depending on whether the underlying loan pool interest rate is at a premium, discount or par. Key economic assumptions used in measuring the initial fair value of capitalized single family MSR were as follows.

| (rates per annum) ⁽¹⁾ | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|--|---------|---------------------------------------|---------|
| | 2017 | 2016 | 2017 | 2016 |
| Constant prepayment rate ("CPR") ⁽²⁾ | 13.24 % | 14.77 % | 13.34 % | 15.67 % |
| Discount rate ⁽³⁾ | 10.28 % | 10.19 % | 10.29 % | 10.34 % |

(1) Weighted average rates for sales during the period for sales of loans with similar characteristics.

(2) Represents the expected lifetime average.

(3) Discount rate is a rate based on market observations.

Key economic assumptions and the sensitivity of the current fair value for single family MSR to immediate adverse changes in those assumptions were as follows.

| (dollars in thousands) | At September 30, 2017 |
|--|-----------------------------|
| Fair value of single family MSR | \$ 244,106 |
| Expected weighted-average life (in years) | 5.96 |
| Constant prepayment rate ⁽¹⁾ | 13.09 % |
| Impact on 25 basis points adverse change in interest rates | \$ (18,776) |
| Impact on 50 basis points adverse change in interest rates | \$ (39,646) |
| Discount rate | 10.40 % |
| Impact on fair value of 100 basis points increase | \$ (8,442) |
| Impact on fair value of 200 basis points increase | \$ (16,324) |

(1) Represents the expected lifetime average.

These sensitivities are hypothetical and subject to key assumptions of the underlying valuation model. As the table above demonstrates, the Company's methodology for estimating the fair value of MSR is highly sensitive to changes in key assumptions. For example, actual prepayment experience may differ and any difference may have a material effect on MSR fair value. Changes in fair value resulting from changes in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the MSR is calculated without changing any other assumption; in reality, changes in one factor may be associated with changes in another (for example, decreases in market interest rates may provide an incentive to refinance; however, this may also indicate a slowing economy and an increase in the unemployment rate, which reduces the number of borrowers who qualify for refinancing), which may magnify or counteract the sensitivities. Thus, any measurement of MSR fair value is limited by the conditions existing and assumptions made as of a particular point in time. Those assumptions may not be appropriate if they are applied to a different point in time.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The changes in single family MSR's measured at fair value are as follows.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|------------|------------------------------------|------------|
| | 2017 | 2016 | 2017 | 2016 |
| Beginning balance | \$ 236,621 | \$ 130,900 | \$ 226,113 | \$ 156,604 |
| Additions and amortization: | | | | |
| Originations | 17,679 | 23,020 | 49,345 | 54,600 |
| Purchases | — | — | 565 | — |
| Changes due to modeled amortization ⁽¹⁾ | (9,167) | (8,925) | (26,596) | (23,940) |
| Net additions and amortization | 8,512 | 14,095 | 23,314 | 30,660 |
| Changes in fair value of MSR's due to changes in market inputs and/or model updates ⁽²⁾ | (1,027) | 4,915 | (5,321) | (37,354) |
| Ending balance | \$ 244,106 | \$ 149,910 | \$ 244,106 | \$ 149,910 |

(1) Represents changes due to collection/realization of expected cash flows and curtailments.

(2) Principally reflects changes in market inputs, which include current market interest rates and prepayment model updates, both of which affect future prepayment speed and cash flow projections.

MSR's resulting from the sale of multifamily loans are recorded at fair value and subsequently carried at the lower of amortized cost or fair value. Multifamily MSR's are amortized in proportion to, and over, the estimated period the net servicing income will be collected.

The changes in multifamily MSR's measured at the lower of amortized cost or fair value were as follows.

| (in thousands) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|-------------------|-------------------------------------|-----------|------------------------------------|-----------|
| | 2017 | 2016 | 2017 | 2016 |
| Beginning balance | \$ 21,600 | \$ 16,366 | \$ 19,747 | \$ 14,651 |
| Origination | 3,177 | 1,886 | 6,722 | 4,886 |
| Amortization | (811) | (661) | (2,503) | (1,946) |
| Ending balance | \$ 23,966 | \$ 17,591 | \$ 23,966 | \$ 17,591 |

At September 30, 2017, the expected weighted-average life of the Company's multifamily MSR's was 10.28 years. Projected amortization expense for the gross carrying value of multifamily MSR's is estimated as follows.

| (in thousands) | At September 30, 2017 |
|-----------------------------------|-----------------------------|
| Remainder of 2017 | \$ 824 |
| 2018 | 3,254 |
| 2019 | 3,152 |
| 2020 | 3,078 |
| 2021 | 2,868 |
| 2022 and thereafter | 10,790 |
| Carrying value of multifamily MSR | \$ 23,966 |

NOTE 8—COMMITMENTS, GUARANTEES AND CONTINGENCIES:

Commitments

Commitments to extend credit are agreements to lend to customers in accordance with predetermined contractual provisions. These commitments may be for specific periods or contain termination clauses and may require the payment of a fee by the borrower. The total amount of unused commitments do not necessarily represent future credit exposure or cash requirements in that commitments may expire without being drawn upon.

The Company makes certain unfunded loan commitments as part of its lending activities that have not been recognized in the Company's financial statements. These include commitments to extend credit made as part of the Company's lending activities on loans the Company intends to hold in its loans held for investment portfolio. The aggregate amount of these unrecognized unfunded loan commitments existing at September 30, 2017 and December 31, 2016 was \$91.5 million and \$42.6 million, respectively.

In the ordinary course of business, the Company extends secured and unsecured open-end loans to meet the financing needs of its customers. Undistributed construction loan commitments, where the Company has an obligation to advance funds for construction progress payments, were \$680.8 million and \$603.8 million at September 30, 2017 and December 31, 2016, respectively. Unused home equity and commercial banking funding lines totaled \$426.1 million and \$289.3 million at September 30, 2017 and December 31, 2016, respectively. The Company has recorded an allowance for credit losses on loan commitments, included in accounts payable and other liabilities on the consolidated statements of financial condition, of \$1.1 million and \$1.3 million at September 30, 2017 and December 31, 2016, respectively.

Guarantees

In the ordinary course of business, the Company sells loans through the Fannie Mae Multifamily DUS[®] that are subject to a credit loss sharing arrangement. The Company services the loans for Fannie Mae and shares in the risk of loss with Fannie Mae under the terms of the DUS[®] contracts. Under the program, the DUS[®] lender is contractually responsible for the first 5% of losses and then shares in the remainder of losses with Fannie Mae with a maximum lender loss of 20% of the original principal balance of each DUS[®] loan. For loans that have been sold through this program, a liability is recorded for this loss sharing arrangement under the accounting guidance for guarantees. As of September 30, 2017 and December 31, 2016, the total unpaid principal balance of loans sold under this program was \$1.21 billion and \$1.11 billion, respectively. The Company's reserve liability related to this arrangement totaled \$2.0 million and \$1.8 million at September 30, 2017 and December 31, 2016, respectively. There were no actual losses incurred under this arrangement during the three and nine months ended September 30, 2017 and 2016.

Mortgage repurchase liability

In the ordinary course of business, the Company sells residential mortgage loans to GSEs and other entities. In addition, the Company pools FHA-insured and VA-guaranteed mortgage loans into Ginnie Mae guaranteed mortgage-backed securities and pools conventional loans into Fannie Mae and Freddie Mac guaranteed mortgage-backed securities. The Company has made representations and warranties that the loans sold meet certain requirements. The Company may be required to repurchase mortgage loans, or indemnify loan purchasers, or FHA or VA due to defects in the origination process of the loan, such as documentation errors, underwriting errors and judgments, early payment defaults and fraud.

These obligations expose the Company to mark-to-market and credit losses on the repurchased mortgage loans after accounting for any mortgage insurance that we may receive. Generally, the maximum amount of future payments the Company would be required to make for breaches of these representations and warranties would be equal to the

unpaid principal balance of such loans that are deemed to have defects that were sold to purchasers plus, in certain circumstances, accrued and unpaid interest on such loans and certain expenses.

The Company does not typically receive repurchase requests from the FHA or VA. As an originator of FHA-insured or VA-guaranteed loans, the Company is responsible for obtaining the insurance with the FHA or the guarantee with the VA. If loans are later found not to meet the requirements of the FHA or VA, through required internal quality control reviews or through agency audits, the Company may be required to indemnify the FHA or VA against losses. The loans remain in Ginnie Mae pools unless and until they are repurchased by the Company. In general, once an FHA or VA loan becomes 90 days past due, the Company repurchases the FHA or VA residential mortgage loan to minimize the cost of interest advances on the loan. If the loan is cured through borrower efforts or through loss mitigation activities, the loan may be resold into a Ginnie Mae pool. The Company's liability for mortgage loan repurchase losses incorporates probable losses associated with such indemnification.

The total unpaid principal balance of loans sold on a servicing-retained basis that were subject to the terms and conditions of these representations and warranties totaled \$21.97 billion and \$19.56 billion as of September 30, 2017 and December 31, 2016, respectively. At September 30, 2017 and December 31, 2016, the Company had recorded a mortgage repurchase liability for loans sold on a servicing-retained and servicing-released basis, included in accounts payable and other liabilities on the consolidated statements of financial condition, of \$2.5 million and \$3.4 million, respectively.

Contingencies

In the normal course of business, the Company may have various legal claims and other similar contingent matters outstanding for which a loss may be realized. For these claims, the Company establishes a liability for contingent losses when it is probable that a loss has been incurred and the amount of loss can be reasonably estimated. For claims determined to be reasonably possible but not probable of resulting in a loss, there may be a range of possible losses in excess of the established liability. At September 30, 2017, we reviewed our legal claims and determined that there were no material claims that were considered to be probable or reasonably possible of resulting in a loss. As a result, the Company did not have any material amounts reserved for legal claims as of September 30, 2017.

NOTE 9—FAIR VALUE MEASUREMENT:

For a further discussion of fair value measurements, including information regarding the Company's valuation methodologies and the fair value hierarchy, see Note 17, *Fair Value Measurement* within our 2016 Annual Report on Form 10-K.

Valuation Processes

The Company has various processes and controls in place to ensure that fair value measurements are reasonably estimated. The Finance Committee of the Board provides oversight and approves the Company's Asset/Liability Management Policy ("ALMP"). The Company's ALMP governs, among other things, the application and control of the valuation models used to measure fair value. On a quarterly basis, the Company's Asset/Liability Management Committee ("ALCO") and the Finance Committee of the Board review significant modeling variables used to measure the fair value of the Company's financial instruments, including the significant inputs used in the valuation of single family MSRs. Additionally, ALCO periodically obtains an independent review of the MSR valuation process and procedures, including a review of the model architecture and the valuation assumptions. The Company obtains an MSR valuation from an independent valuation firm monthly to assist with the validation of the fair value estimate and the reasonableness of the assumptions used in measuring fair value.

The Company's real estate valuations are overseen by the Company's appraisal department. The appraisal department maintains the Company's appraisal policy and recommends changes to the policy subject to approval by the Company's Loan Committee and the Credit Committee of the Board. The Company's appraisals are prepared by independent third-party appraisers and the Company's internal appraisers. Single family appraisals are generally reviewed by the Company's single family loan underwriters. Single family appraisals with unusual, higher risk or complex characteristics, as well as commercial real estate appraisals, are reviewed by the Company's appraisal department.

We obtain pricing from third party service providers for determining the fair value of a substantial portion of our investment securities available for sale. We have processes in place to evaluate such third party pricing services to ensure information obtained and valuation techniques used are appropriate. For fair value measurements obtained from third party services, we monitor and review the results to ensure the values are reasonable and in line with market experience for similar classes of securities. While the inputs used by the pricing vendor in determining fair value are not provided, and therefore unavailable for our review, we do perform certain procedures to validate the values received, including comparisons to other sources of valuation (if available), comparisons to other independent

market data and a variance analysis of prices by Company personnel that are not responsible for the performance of the investment securities.

Estimation of Fair Value

Fair value is based on quoted market prices, when available. In cases where a quoted price for an asset or liability is not available, the Company uses valuation models to estimate fair value. These models incorporate inputs such as forward yield curves, loan prepayment assumptions, expected loss assumptions, market volatilities, and pricing spreads utilizing market-based inputs where readily available. The Company believes its valuation methods are appropriate and consistent with those that would be used by other market participants. However, imprecision in estimating unobservable inputs and other factors may result in these fair value measurements not reflecting the amount realized in an actual sale or transfer of the asset or liability in a current market exchange.

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following table summarizes the fair value measurement methodologies, including significant inputs and assumptions, and classification of the Company's assets and liabilities.

| Asset/Liability class | Valuation methodology, inputs and assumptions | Classification |
|---|--|---|
| Cash and cash equivalents | Carrying value is a reasonable estimate of fair value based on the short-term nature of the instruments. | Estimated fair value classified as Level 1. |
| Investment securities | Observable market prices of identical or similar securities are used where available. | |
| Investment securities available for sale | <p>If market prices are not readily available, value is based on discounted cash flows using the following significant inputs:</p> <ul style="list-style-type: none"> • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments <p>Observable market prices of identical or similar securities are used where available.</p> | Level 2 recurring fair value measurement. |
| Investment securities held to maturity | <p>If market prices are not readily available, value is based on discounted cash flows using the following significant inputs:</p> <ul style="list-style-type: none"> • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Carried at amortized cost.</p> <p>Estimated fair value classified as Level 2.</p> |
| Loans held for sale | Fair value is based on observable market data, including: | |
| Single family loans, excluding loans transferred from held for investment | <ul style="list-style-type: none"> • Quoted market prices, where available • Dealer quotes for similar loans • Forward sale commitments <p>When not derived from observable market inputs, fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Level 2 recurring fair value measurement.</p> <p>Estimated fair value classified as Level 3.</p> |
| Loans originated as held for investment and transferred to held for sale | <p>Fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Carried at lower of amortized cost or fair value.</p> <p>Estimated fair value classified as Level 3.</p> |
| Multifamily loans (DUS [®]) and other | The sale price is set at the time the loan commitment is made, and as such subsequent changes in market conditions have a very limited effect, if any, on the value of these loans carried on the consolidated statements of financial condition, which are typically sold within 30 days of origination. | <p>Carried at lower of amortized cost or fair value.</p> <p>Estimated fair value classified as Level 2.</p> |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| Asset/Liability class | Valuation methodology, inputs and assumptions | Classification |
|--|--|--|
| Loans held for investment | <p>Fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>For the carrying value of loans see Note 1–Summary of Significant Accounting Policies of the 2016 Annual Report on Form 10-K.</p> |
| Loans held for investment, excluding collateral dependent loans and loans transferred from held for sale | <p>Fair value is based on appraised value of collateral, which considers sales comparison and income approach methodologies. Adjustments are made for various factors, which may include:</p> <ul style="list-style-type: none"> • Adjustments for variations in specific property qualities such as location, physical dissimilarities, market conditions at the time of sale, income producing characteristics and other factors • Adjustments to obtain “upon completion” and “upon stabilization” values (e.g., property hold discounts where the highest and best use would require development of a property over time) • Bulk discounts applied for sales costs, holding costs and profit for tract development and certain other properties <p>Fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Estimated fair value classified as Level 3.</p> <p>Carried at lower of amortized cost or fair value of collateral, less the estimated cost to sell.</p> |
| Loans held for investment, collateral dependent | <p>Fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Classified as a Level 3 nonrecurring fair value measurement in periods where carrying value is adjusted to reflect the fair value of collateral.</p> |
| Loans held for investment transferred from loans held for sale | <p>Fair value is based on discounted cash flows, which considers the following inputs:</p> <ul style="list-style-type: none"> • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments | <p>Level 3 recurring fair value measurement.</p> |
| Mortgage servicing rights | <p>For information on how the Company measures the fair value of its single family MSR, including key economic assumptions and the sensitivity of fair value to changes in those assumptions, see Note 7, <i>Mortgage Banking Operations</i>.</p> | <p>Level 3 recurring fair value measurement.</p> |
| Single family MSR | <p>Fair value is based on discounted estimated future servicing fees and other revenue, less estimated costs to service the loans.</p> | <p>Carried at lower of amortized cost or fair value.</p> |
| Multifamily MSR and other | | <p>Estimated fair value classified as Level 3.</p> |
| Derivatives | | |
| Eurodollar futures | <p>Fair value is based on closing exchange prices.</p> <p>Fair value is based on quoted prices for identical or similar instruments, when available.</p> | <p>Level 1 recurring fair value measurement.</p> |
| Interest rate swaps | <p>When quoted prices are not available, fair value is based on internally developed modeling techniques, which require the use of multiple observable market inputs including:</p> <ul style="list-style-type: none"> • Forward interest rates • Interest rate volatilities | <p>Level 2 recurring fair value measurement.</p> |
| Interest rate swaptions | | |
| Forward sale commitments | | |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

| Asset/Liability class | Valuation methodology, inputs and assumptions | Classification |
|--|---|--|
| Interest rate lock and purchase loan commitments | <p>The fair value considers several factors including:</p> <ul style="list-style-type: none"> Fair value of the underlying loan based on quoted prices in the secondary market, when available. Value of servicing Fall-out factor | Level 3 recurring fair value measurement. |
| Other real estate owned ("OREO") | Fair value is based on appraised value of collateral, less the estimated cost to sell. See discussion of "loans held for investment, collateral dependent" above for further information on appraisals. | Carried at lower of amortized cost or fair value of collateral (Level 3), less the estimated cost to sell. |
| Federal Home Loan Bank stock | Carrying value approximates fair value as FHLB stock can only be purchased or redeemed at par value. | Carried at par value. |
| Deposits | | Estimated fair value classified as Level 2. |
| Demand deposits | Fair value is estimated as the amount payable on demand at the reporting date. | Carried at historical cost. |
| Fixed-maturity certificates of deposit | Fair value is estimated using discounted cash flows based on market rates currently offered for deposits of similar remaining time to maturity. | Estimated fair value classified as Level 2. Carried at historical cost. |
| Federal Home Loan Bank advances | Fair value is estimated using discounted cash flows based on rates currently available for advances with similar terms and remaining time to maturity. | Estimated fair value classified as Level 2. Carried at historical cost. |
| Long-term debt | Fair value is estimated using discounted cash flows based on current lending rates for similar long-term debt instruments with similar terms and remaining time to maturity. | Estimated fair value classified as Level 2. Carried at historical cost. |

Edgar Filing: HomeStreet, Inc. - Form 10-Q

The following table presents the levels of the fair value hierarchy for the Company's assets and liabilities measured at fair value on a recurring basis.

| (in thousands) | Fair Value at September 30, 2017 | Level 1 | Level 2 | Level 3 |
|--|--|---------|--------------|------------|
| Assets: | | | | |
| Investment securities available for sale | | | | |
| Mortgage backed securities: | | | | |
| Residential | \$ 152,361 | \$ — | \$ 152,361 | \$ — |
| Commercial | 20,215 | — | 20,215 | — |
| Municipal bonds | 369,278 | — | 369,278 | — |
| Collateralized mortgage obligations: | | | | |
| Residential | 184,937 | — | 184,937 | — |
| Commercial | 86,817 | — | 86,817 | — |
| Corporate debt securities | 28,730 | — | 28,730 | — |
| U.S. Treasury securities | 10,750 | — | 10,750 | — |
| Agency | 9,763 | — | 9,763 | — |
| Single family mortgage servicing rights | 244,106 | — | — | 244,106 |
| Single family loans held for sale | 730,042 | — | 729,951 | 91 |
| Single family loans held for investment | 5,546 | — | — | 5,546 |
| Derivatives | | | | |
| Eurodollar futures | 135 | 135 | — | — |
| Forward sale commitments | 3,907 | — | 3,907 | — |
| Interest rate swaptions | 2 | — | 2 | — |
| Interest rate lock and purchase loan commitments | 21,067 | — | — | 21,067 |
| Interest rate swaps | 13,515 | — | 13,515 | — |
| Total assets | \$ 1,881,171 | \$ 135 | \$ 1,610,226 | \$ 270,810 |
| Liabilities: | | | | |
| Derivatives | | | | |
| Forward sale commitments | \$ 3,871 | \$ — | \$ 3,871 | \$ — |
| Interest rate lock and purchase loan commitments | 65 | — | — | 65 |
| Interest rate swaps | 20,589 | — | 20,589 | |