HomeStreet, Inc.
Form 10-Q
November 03, 2017
false--12-31Q320172017-09-300001518715Accelerated
Filer000001600000001600000002680018326884402268001832688440200000.49100.27400.3210003461500070020009939900
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

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
stpr:CA 2017-09-30 0001518715 us-gaap:CommercialRealEstateMember stpr: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
stpr:WA 2016-12-31 0001518715 us-gaap:FairValueInputsLevel3Member
us-gaap:FairValueMeasurementsRecurringMember 2016-12-31 0001518715 us-gaap:CommercialRealEstateMember
stpr:WA 2016-12-31 0001518715 us-gaap:FederalReserveBankAdvancesMember 2017-09-30 0001518715
us-gaap:FederalReserveBankAdvancesMember 2016-12-31 0001518715 us-gaap:ResidentialMortgageMember
stpr: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

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

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

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

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

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

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

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

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

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

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

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

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 x No o

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 x No o

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	o	Accelerated Filer	x
Non-accelerated Filer	o	Smaller Reporting Company	o
Emerging growth Company	x		

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.	x

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

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

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

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

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
ASSETS		
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
LIABILITIES AND SHAREHOLDERS’ EQUITY		
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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share data)	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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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)

	Nine Months Ended September 30,	
(in thousands)	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)

	Nine Months Ended September 30,	
(in thousands)	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.

	At September 30, 2017			
(in thousands)	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

(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.

	At September 30, 2017					
	Less than 12 months		12 months or more		Total	
(in thousands)	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					
	Less than 12 months		12 months or more		Total	
(in thousands)	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.

	At September 30, 2017									
	Within one year		After one year through five years		After five years through ten years		After ten years		Total	
(dollars in thousands)	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 %

	At December 31, 2016									
	Within one year		After one year through five years		After five years through ten years		After ten years		Total	
(dollars in thousands)	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,	
(in thousands)	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

[1] Includes $5.5 million and $18.0 million at September 30, 2017 and December 31, 2016, respectively, 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.

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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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

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

	Three Months Ended September 30, 2017				
(in thousands)	Beginning balance	Charge-offs	Recoveries	(Reversal of) Provision	Ending balance
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

	Three Months Ended September 30, 2016				
(in thousands)	Beginning balance	Charge-offs	Recoveries	(Reversal of) Provision	Ending balance
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

	Nine Months Ended September 30, 2017				
(in thousands)	Beginning balance	Charge-offs	Recoveries	(Reversal of) Provision	Ending balance
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

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

	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.

	At September 30, 2017					
(in thousands)	Allowance: collectively evaluated for impairment	Allowance: individually evaluated for impairment	Total	Loans: collectively evaluated for impairment	Loans: 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.

	At December 31, 2016					
(in thousands)	Allowance: collectively evaluated for impairment	Allowance: individually evaluated for impairment	Total	Loans: collectively evaluated for impairment	Loans: 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.

	At September 30, 2017		
(in thousands)	Recorded investment[1]	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".

	At December 31, 2016		
(in thousands)	Recorded investment[1]	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.

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	
Consumer loans	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
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	
Consumer loans	Average Recorded Investment	Interest Income Recognized	Average Recorded Investment	Interest Income Recognized
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.

S*ubstandard.* 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.

	At September 30, 2017				
(in thousands)	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.

	At December 31, 2016				
(in thousands)	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.

	At September 30, 2017						
(in thousands)	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

	At December 31, 2016						
(in thousands)	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	$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

(1) 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.

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

	At September 30, 2017		
(in thousands)	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

	At December 31, 2016		
(in thousands)	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.

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	$ —

	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	$ —

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.

	Three Months Ended September 30,			
	2017		2016	
(dollars in thousands)	Number of loan relationships that re-defaulted	Recorded investment	Number of loan relationships that re-defaulted	Recorded investment
Consumer loans				
Single family	8	$ 1,743	7	$ 1,173
	8	$ 1,743	7	$ 1,173

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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 MSRs, 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.

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

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

(1) Includes cash collateral of $26.8 million and $48.0 million at September 30, 2017 and December 31, 2016 respectively, as part of the 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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2017	2016	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 MSRs.
(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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2017	2016	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.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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

[1] Comprised of gains and losses on interest rate lock and purchase loan commitments (which considers the value of servicing), single family 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.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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 MSRs.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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 MSRs due to modeled amortization [1]	(9,167)	(8,925)	(26,596)	(23,940)
Amortization of multifamily MSRs	(811)	(661)	(2,503)	(1,946)
	6,502	4,518	19,537	13,574
Risk management, single family MSRs:				
Changes in fair value of MSRs 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 MSRs are initially measured and recorded at fair value at the time loans are sold. Single family MSRs are subsequently carried at fair value with changes in fair value reflected in earnings in the periods in which the changes occur, while multifamily MSRs are subsequently carried at the lower of amortized cost or fair value.

The fair value of MSRs is determined based on the price that would be received to sell the MSRs 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 MSRs 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 MSRs were as follows.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(rates per annum) [1]	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 MSRs 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 MSRs 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 MSRs 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.

The changes in single family MSRs measured at fair value are as follows.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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 MSRs 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.

MSRs 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 MSRs are amortized in proportion to, and over, the estimated period the net servicing income will be collected.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	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 MSRs was 10.28 years. Projected amortization expense for the gross carrying value of multifamily MSRs 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.

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		
Investment securities available for sale	Observable market prices of identical or similar securities are used where available. If market prices are not readily available, value is based on discounted cash flows using the following significant inputs: • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	Level 2 recurring fair value measurement.
Investment securities held to maturity	Observable market prices of identical or similar securities are used where available. If market prices are not readily available, value is based on discounted cash flows using the following significant inputs: • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	Carried at amortized cost. Estimated fair value classified as Level 2.
Loans held for sale		
Single family loans, excluding loans transferred from held for investment	Fair value is based on observable market data, including: • Quoted market prices, where available • Dealer quotes for similar loans • Forward sale commitments	Level 2 recurring fair value measurement.
	When not derived from observable market inputs, fair value is based on discounted cash flows, which considers the following inputs: • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	Estimated fair value classified as Level 3.
Loans originated as held for investment and transferred to held for sale	Fair value is based on discounted cash flows, which considers the following inputs: • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	Carried at lower of amortized cost or fair value. Estimated fair value classified as Level 3.
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.	Carried at lower of amortized cost or fair value. Estimated fair value classified as Level 2.

Asset/Liability class	**Valuation methodology, inputs and assumptions**	**Classification**
Loans held for investment		
Loans held for investment, excluding collateral dependent loans and loans transferred from held for sale	Fair value is based on discounted cash flows, which considers the following inputs: • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	For the carrying value of loans see Note 1–Summary of Significant Accounting Policies of the 2016 Annual Report on Form 10-K. Estimated fair value classified as Level 3.
Loans held for investment, collateral dependent	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: • 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	Carried at lower of amortized cost or fair value of collateral, less the estimated cost to sell. Classified as a Level 3 nonrecurring fair value measurement in periods where carrying value is adjusted to reflect the fair value of collateral.
Loans held for investment transferred from loans held for sale	Fair value is based on discounted cash flows, which considers the following inputs: • Current lending rates for new loans • Expected prepayment speeds • Estimated credit losses • Market liquidity adjustments	Level 3 recurring fair value measurement.
Mortgage servicing rights		
Single family MSRs	For information on how the Company measures the fair value of its single family MSRs, including key economic assumptions and the sensitivity of fair value to changes in those assumptions, see Note 7, *Mortgage Banking Operations*.	Level 3 recurring fair value measurement.
Multifamily MSRs and other	Fair value is based on discounted estimated future servicing fees and other revenue, less estimated costs to service the loans.	Carried at lower of amortized cost or fair value. Estimated fair value classified as Level 3.
Derivatives		
Eurodollar futures	Fair value is based on closing exchange prices.	Level 1 recurring fair value measurement.
Interest rate swaps Interest rate swaptions Forward sale commitments	Fair value is based on quoted prices for identical or similar instruments, when available. 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: • Forward interest rates • Interest rate volatilities	Level 2 recurring fair value measurement.

Asset/Liability class	**Valuation methodology, inputs and assumptions**	**Classification**
Interest rate lock and purchase loan commitments	The fair value considers several factors including: • 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. Estimated fair value classified as Level 2.
Deposits		
Demand deposits	Fair value is estimated as the amount payable on demand at the reporting date.	Carried at historical cost. Estimated fair value classified as Level 2.
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.	Carried at historical cost. Estimated fair value classified as Level 2.
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.	Carried at historical cost. Estimated fair value classified as Level 2.
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.	Carried at historical cost. Estimated fair value classified as Level 2.

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	—
Total liabilities	$24,525	$—	$24,460	$65

(in thousands)	Fair Value at December 31, 2016	Level 1	Level 2	Level 3
Assets:				
Investment securities available for sale				
Mortgage backed securities:				
Residential	$177,074	$ —	$177,074	$—
Commercial	25,536	—	25,536	—
Municipal bonds	467,673	—	467,673	—
Collateralized mortgage obligations:				
Residential	191,201	—	191,201	—
Commercial	70,764	—	70,764	—
Corporate debt securities	51,122	—	51,122	—
U.S. Treasury securities	10,620	—	10,620	—
Single family mortgage servicing rights	226,113	—	—	226,113
Single family loans held for sale	656,334	—	614,524	41,810
Single family loans held for investment	17,988	—	—	17,988
Derivatives				
Forward sale commitments	24,623	—	24,623	—
Interest rate swaptions	1	—	1	—
Interest rate lock and purchase loan commitments	19,586	—	—	19,586
Interest rate swaps	15,016	—	15,016	—
Total assets	$1,953,651	$ —	$1,648,154	$305,497
Liabilities:				
Derivatives				
Forward sale commitments	$15,203	$ —	$15,203	$—
Interest rate lock and purchase loan commitments	367	—	—	367
Interest rate swaps	26,829	—	26,829	—
Total liabilities	$42,399	$ —	$42,032	$367

There were no transfers between levels of the fair value hierarchy during the three and nine months ended September 30, 2017 and 2016.

Level 3 Recurring Fair Value Measurements

The Company's level 3 recurring fair value measurements consist of single family mortgage servicing rights, single family loans held for investment where fair value option was elected, certain single family loans held for sale, and interest rate lock and purchase loan commitments, which are accounted for as derivatives. For information regarding fair value changes and activity for single family MSRs during the three and nine months ended September 30, 2017 and 2016, see Note 7, *Mortgage Banking Operations* of this Form 10-Q.

The Company transferred certain loans from held for sale to held for investment. These loans were originated as held for sale loans where the Company had elected fair value option. The Company determined these loans to be level 3 recurring assets as the valuation technique included a significant unobservable input. The total amount of held for investment loans where fair value option election was made was $5.5 million at September 30, 2017.

The following information presents significant Level 3 unobservable inputs used to measure fair value of single family loans held for investment where fair value option was elected.

(dollars in thousands)	At September 30, 2017 Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Loans held for investment, fair value option	$5,546	Income approach	Implied spread to benchmark interest rate curve	3.73%	4.84%	4.13%

(dollars in thousands)	At December 31, 2016 Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Loans held for investment, fair value option	$17,988	Income approach	Implied spread to benchmark interest rate curve	3.62%	4.97%	4.49%

The following information presents significant Level 3 unobservable inputs used to measure fair value of certain single family loans held for sale where fair value option was elected.

(dollars in thousands)	At September 30, 2017 Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Loans held for sale, fair value option	$91	Income approach	Implied spread to benchmark interest rate curve	4.36%	4.36%	4.36%
			Market price movement from comparable bond	(0.58)%	(0.14)%	(0.36)%

(dollars in thousands)	At December 31, 2016 Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Loans held for sale, fair value option	$41,810	Income approach	Implied spread to benchmark interest rate curve	3.46%	6.14%	4.23%
			Market price movement from comparable bond	(0.49)%	(0.11)%	(0.27)%

The following table presents fair value changes and activity for Level 3 interest rate lock and purchase loan commitments.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2017	2016	2017	2016
Beginning balance, net	$22,283	$39,991	$19,219	$17,711
Total realized/unrealized gains	36,779	56,752	106,365	160,047
Settlements	(38,060)	(51,383)	(104,582)	(132,398)
Ending balance, net	$21,002	$45,360	$21,002	$45,360

The following table presents fair value changes and activity for Level 3 loans held for sale and loans held for investment.

Three Months Ended September 30, 2017	**Beginning balance**	**Additions**	**Transfers**	**Payoffs/Sales**	**Change in mark to market**	**Ending balance**
(in thousands)						
Loans held for sale	$ 29,259	$ 93	$ (303)	$ (28,913)	$ (45)	$ 91
Loans held for investment	5,134	127	303	—	(18)	5,546
Three Months Ended September 30, 2016						
Loans held for sale	$ 43,742	$ 4,579	$ (46)	$ (3,566)	$ (410)	$ 44,299
Loans held for investment	22,362	342	46	(2,005)	(198)	20,547

Nine Months Ended September 30, 2017	**Beginning balance**	**Additions**	**Transfers**	**Payoffs/Sales**	**Change in mark to market**	**Ending balance**
(in thousands)						
Loans held for sale	$ 41,810	$ 3,088	$ 12,797	$ (58,396)	$ 792	$ 91
Loans held for investment	17,988	127	(12,272)	(480)	183	5,546
Nine Months Ended September 30, 2016						
Loans held for sale	$ 49,322	$ 12,698	$ (4,654)	$ (11,926)	$ (1,141)	$ 44,299
Loans held for investment	21,544	601	4,654	(5,782)	(470)	20,547

The following information presents significant Level 3 unobservable inputs used to measure fair value of interest rate lock and purchase loan commitments.

	At September 30, 2017					
(dollars in thousands)	Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Interest rate lock and purchase loan commitments, net	$ 21,002	Income approach	Fall-out factor	0.40%	61.46%	14.18%
			Value of servicing	0.63%	2.14%	1.05%

	At December 31, 2016					
(dollars in thousands)	Fair Value	Valuation Technique	Significant Unobservable Input	Low	High	Weighted Average
Interest rate lock and purchase loan commitments, net	$ 19,219	Income approach	Fall-out factor	0.50%	60.34%	11.95%
			Value of servicing	0.65%	2.27%	1.08%

Nonrecurring Fair Value Measurements

Certain assets held by the Company are not included in the tables above, but are measured at fair value on a nonrecurring basis. These assets include certain loans held for investment and other real estate owned that are carried at the lower of cost or fair value of the underlying collateral, less the estimated cost to sell. The estimated fair values of real estate collateral are generally based on internal evaluations and appraisals of such collateral, which use the market approach and income approach methodologies. All impaired loans are subject to an internal evaluation completed quarterly by management as part of the allowance process.

The fair value of commercial properties are generally based on third-party appraisals that consider recent sales of comparable properties, including their income-generating characteristics, adjusted (generally based on unobservable inputs) to reflect the general assumptions that a market participant would make when analyzing the property for purchase. The Company uses a fair value of collateral technique to apply adjustments to the appraisal value of certain commercial loans held for investment that are collateralized by real estate. During the three and nine months ended September 30, 2017, the Company recorded adjustments ranging from 7.10% to 100.00% to the appraisal values of certain commercial loans held for investment that are collateralized by real estate. During the three and nine months ended September 30, 2016, the Company recorded no adjustment to the appraisal values of certain commercial loans held for investment that are collateralized by real estate.

The Company uses a fair value of collateral technique to apply adjustments to the stated value of certain commercial loans held for investment that are not collateralized by real estate. During the three months ended September 30, 2017, the Company applied a range of stated value adjustments of 42.2% to 100.0%, with a weighted average of 54.8%. During the nine months ended September 30, 2017, the Company applied a range of stated value adjustments of 0.0% to 100.0%, with a weighted average of 44.8%. During the three months ended September 30, 2016, the Company applied a stated value adjustment of 7.0%. During the nine months ended September 30, 2016, the Company applied a range of stated value adjustments of 7.0% to 63.4%, with a weighted average of 58.4%. During the three and nine months ended September 30, 2017, the Company did not apply any adjustment to the appraisal value of OREO. During the three and nine months ended September 30, 2016, the Company used a fair value of collateral technique to apply an adjustment to the appraisal value of certain OREO using a range of discount adjustments of 27.40% to 49.10%, with a weighted average rate of 32.10%.

Residential properties are generally based on unadjusted third-party appraisals. Factors considered in determining the fair value include geographic sales trends, the value of comparable surrounding properties as well as the condition of the property.

These adjustments include management assumptions that are based on the type of collateral dependent loan and may increase or decrease an appraised value. Management adjustments vary significantly depending on the location, physical characteristics and income producing potential of each individual property. The quality and volume of market information available at the time of the appraisal can vary from period-to-period and cause significant changes to the nature and magnitude of the unobservable inputs used. Given these variations, changes in these unobservable inputs are generally not a reliable indicator for how fair value will increase or decrease from period to period.

The following tables present assets that had changes in their recorded fair value during the three and nine months ended September 30, 2017 and 2016 and what we still held at the end of the respective reporting period.

	At or for the Three Months Ended September 30, 2017				
(in thousands)	Fair Value of Assets Held at September 30, 2017	Level 1	Level 2	Level 3	Total Gains (Losses)
Loans held for investment[1]	$2,286	$ —	$ —	$2,286	$(467)
Other real estate owned[2]	5,521	—	—	5,521	(33)
Total	$7,807	$ —	$ —	$7,807	$(500)

	At or for the Three Months Ended September 30, 2016				
(in thousands)	Fair Value of Assets Held at September 30, 2016	Level 1	Level 2	Level 3	Total Gains (Losses)
Loans held for investment[1]	$10,570	$ —	$ —	$10,570	$(750)
Other real estate owned[2]	5,755	—	—	5,755	(1,160)
Total	$16,325	$ —	$ —	$16,325	$(1,910)

	At or for the Nine Months Ended September 30, 2017				
(in thousands)	Fair Value of Assets Held at September 30, 2017	Level 1	Level 2	Level 3	Total Gains (Losses)
Loans held for investment[1]	$2,286	$ —	$ —	$2,286	$(348)
Other real estate owned[2]	5,521	—	—	5,521	(33)
Total	$7,807	$ —	$ —	$7,807	$(381)

	At or for the Nine Months Ended September 30, 2016				
(in thousands)	Fair Value of Assets Held at September 30, 2016	Level 1	Level 2	Level 3	Total Gains (Losses)
Loans held for investment[1]	$10,570	$ —	$ —	$10,570	$(827)

Other real estate owned[2]	5,755	—	—	5,755	(1,551)
Total	$16,325	$ —	$ —	$16,325	$(2,378)

[1] Represents the carrying value of loans for which adjustments are based on the fair value of the collateral.

[2] Represents other real estate owned where an updated fair value of collateral is used to adjust the carrying amount subsequent to the initial classification as other real estate owned.

Fair Value of Financial Instruments

The following presents the carrying value, estimated fair value and the levels of the fair value hierarchy for the Company’s financial instruments other than assets and liabilities measured at fair value on a recurring basis.

(in thousands)	At September 30, 2017 Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	$55,050	$55,050	$55,050	$—	$ —
Investment securities held to maturity	56,608	56,840	—	56,840	—
Loans held for investment	4,307,679	4,334,941	—	—	4,334,941
Loans held for sale – transferred from held for investment	69,450	69,450	—	—	69,450
Loans held for sale – multifamily and other	51,634	51,634	—	51,634	—
Mortgage servicing rights – multifamily	23,967	26,117	—	—	26,117
Federal Home Loan Bank stock	52,486	52,486	—	52,486	—
Liabilities:					
Deposits	$4,670,486	$4,649,934	$—	$4,649,934	$ —
Federal Home Loan Bank advances	1,135,245	1,137,651	—	1,137,651	—
Long-term debt	125,280	122,696	—	122,696	—

(in thousands)	At December 31, 2016 Carrying Value	Fair Value	Level 1	Level 2	Level 3
Assets:					
Cash and cash equivalents	$53,932	$53,932	$53,932	$—	$ —
Investment securities held to maturity	49,861	49,488	—	49,488	—
Loans held for investment	3,801,039	3,840,990	—	—	3,840,990
Loans held for sale – transferred from held for investment	17,512	17,512	—	—	17,512
Loans held for sale – multifamily	40,712	40,712	—	40,712	—
Mortgage servicing rights – multifamily	19,747	21,610	—	—	21,610
Federal Home Loan Bank stock	40,347	40,347	—	40,347	—
Liabilities:					
Deposits	$4,429,701	$4,410,213	$—	$4,410,213	$ —
Federal Home Loan Bank advances	868,379	870,782	—	870,782	—
Long-term debt	125,147	122,357	—	122,357	—

NOTE 10–EARNINGS PER SHARE:

The following table summarizes the calculation of earnings per share.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands, except share and per share data)	2017	2016	2017	2016
Net income	$13,839	$ 27,701	$34,031	$ 55,857
Weighted average shares:				
Basic weighted-average number of common shares outstanding	26,883,392	24,811,169	26,857,006	24,398,683
Dilutive effect of outstanding common stock equivalents [1]	205,648	185,578	220,026	196,665
Diluted weighted-average number of common stock outstanding	27,089,040	24,996,747	27,077,032	24,595,348
Earnings per share:				
Basic earnings per share	$0.51	$ 1.12	$1.27	$ 2.29
Diluted earnings per share	$0.51	$ 1.11	$1.26	$ 2.27

[1] Excluded from the computation of diluted earnings per share (due to their antidilutive effect) for the three and nine months ended September 30, 2017 and 2016 were certain stock options and unvested restricted stock issued to key senior management personnel and directors of the Company. The aggregate number of common stock equivalents related to such options and unvested restricted shares, which could potentially be dilutive in future periods, was 912 at September 30, 2017 and zero at September 30, 2016.

NOTE 11–BUSINESS SEGMENTS:

The Company's business segments are determined based on the products and services provided, as well as the nature of the related business activities, and they reflect the manner in which financial information is currently evaluated by management. The Company organizes the segments into two lines of business: Commercial and Consumer Banking segment and Mortgage Banking segment.

A description of the Company's business segments and the products and services that they provide is as follows.

Commercial and Consumer Banking provides diversified financial products and services to our commercial and consumer customers through bank branches and through ATMs, online, mobile and telephone banking. These products and services include deposit products; residential, consumer, business and agricultural portfolio loans; non-deposit investment products; insurance products and cash management services. We originate construction loans, bridge loans and permanent loans for our portfolio primarily on single family residences, and on office, retail, industrial and multifamily property types. We originate multifamily real estate loans through our Fannie Mae DUS® business, whereby loans are sold to or securitized by Fannie Mae, while the Company generally retains the servicing rights. This segment also reflects the results for the management of the Company's portfolio of investment securities.

Mortgage Banking originates single family residential mortgage loans for sale in the secondary markets and performs mortgage servicing on certain loans. The majority of our mortgage loans are sold to or securitized by Fannie Mae, Freddie Mac or Ginnie Mae, while we retain the right to service these loans. We have become a rated originator and servicer of jumbo loans, allowing us to sell these loans to other securitizers. Additionally, we purchase loans from WMS Series LLC through a correspondent arrangement with that company. We also sell loans on a servicing-released and servicing-retained basis to securitizers and correspondent lenders. A small percentage of our loans are brokered to other lenders or sold on a servicing-released basis to correspondent lenders. On occasion, we may sell a portion of our MSR portfolio. We reflect the results from the management of loan funding and the interest rate risk associated with the secondary market loan sales and the retained single family mortgage servicing rights within this business segment.

Financial highlights by operating segment were as follows.

	Three Months Ended September 30, 2017		
(in thousands)	Mortgage Banking	Commercial and Consumer Banking	Total
Condensed income statement:			
Net interest income [1]	$5,526	$45,314	$50,840
Provision for credit losses	—	250	250
Noninterest income	71,922	11,962	83,884
Noninterest expense	77,537	37,160	114,697
Income before income taxes	(89)	19,866	19,777
Income tax expense	34	5,904	5,938
Net income (loss)	$(123)	$13,962	$13,839
Total assets	$1,032,510	$5,763,836	$6,796,346

	Three Months Ended September 30, 2016		
(in thousands)	Mortgage Banking	Commercial and Consumer Banking	Total
Condensed income statement:			
Net interest income [1]	$7,463	$39,339	$46,802
Provision for credit losses	—	1,250	1,250
Noninterest income	101,974	9,771	111,745
Noninterest expense	82,229	32,170	114,399
Income before income taxes	27,208	15,690	42,898
Income tax expense	9,640	5,557	15,197
Net income	$17,568	$10,133	$27,701
Total assets	$1,103,899	$5,122,702	$6,226,601

	Nine Months Ended September 30, 2017		
(in thousands)	Mortgage Banking	Commercial and Consumer Banking	Total
Condensed income statement:			
Net interest income [1]	$14,693	$128,666	$143,359
Provision for credit losses	—	750	750
Noninterest income	209,690	29,663	239,353
Noninterest expense	222,554	110,261	332,815
Income before income taxes	1,829	47,318	49,147
Income tax expense	498	14,618	15,116
Net income	$1,331	$32,700	$34,031
Total assets	$1,032,510	$5,763,836	$6,796,346

(in thousands)	Nine Months Ended September 30, 2016 Mortgage Banking	Commercial and Consumer Banking	Total
Condensed income statement:			
Net interest income [(1)]	$18,597	$113,378	$131,975
Provision for credit losses	—	3,750	3,750
Noninterest income	263,334	22,595	285,929
Noninterest expense	223,880	102,903	326,783
Income before income taxes	58,051	29,320	87,371
Income tax expense	20,948	10,566	31,514
Net income	$37,103	$18,754	$55,857
Total assets	$1,103,899	$5,122,702	$6,226,601

(1) Net interest income is the difference between interest earned on assets and the cost of liabilities to fund those assets. Interest earned includes actual interest earned on segment assets and, if the segment has excess liabilities, interest credits for providing funding to the other segment. The cost of liabilities includes interest expense on segment liabilities and, if the segment does not have enough liabilities to fund its assets, a funding charge based on the cost of excess liabilities from another segment.

NOTE 12–ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):

The following table shows changes in accumulated other comprehensive income (loss) from unrealized gain (loss) on available-for-sale securities, net of tax.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2017	2016	2017	2016
Beginning balance	$(5,413)	$9,748	$(10,412)	$(2,449)
Other comprehensive income (loss) before reclassifications	1,236	(1,786)	6,597	10,474
Amounts reclassified from accumulated other comprehensive loss	(215)	(31)	(577)	(94)
Net current-period other comprehensive income (loss)	1,021	(1,817)	6,020	10,380
Ending balance	$(4,392)	$7,931	$(4,392)	$7,931

The following table shows the affected line items in the consolidated statements of operations from reclassifications of unrealized gain on available-for-sale securities from accumulated other comprehensive income (loss).

Affected Line Item in the Consolidated Statements of Operations	Amount Reclassified from Accumulated Other Comprehensive Income			
	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	2017	2016	2017	2016

Gain on sale of investment securities available for sale	$331	$48	$888	$145
Income tax expense	116	17	311	51
Total, net of tax	$215	$31	$577	$94

NOTE 13–RESTRUCTURING:

In September 2017, we implemented a restructuring plan in our mortgage banking segment to reduce our operating cost structure and improve efficiency. We recorded a total restructuring charge of $3.9 million, consisting of facility related cost of $3.3 million and severance cost of $545 thousand. We recorded these restructuring charges in the third quarter of 2017. The charges are included in the occupancy and the salaries and related costs line items on our consolidated statement of operations for that period.

The following table summarizes the restructuring charges, the restructuring costs paid or settled during the third quarter, and the Company's net remaining liability balance.

(in thousands)	Facility related costs	Personnel related costs	Total
Balance at June 30, 2017	$—	$ 71	$71
Restructuring charges	3,332	545	3,877
Costs paid or otherwise settled	(1,279)	(180)	(1,459)
Balance at September 30, 2017	$2,053	$ 436	$2,489

NOTE 14–SUBSEQUENT EVENTS:

The Company has evaluated subsequent events through the time of filing this Quarterly Report on Form 10-Q and has concluded that there are no significant events that occurred subsequent to the balance sheet date but prior to the filing of this report that would have a material impact on the consolidated financial statements.

ITEM 2 MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Consolidated Financial Statements and Notes presented elsewhere in this report and in HomeStreet, Inc.'s 2016 Annual Report on Form 10-K.

This Form 10-Q and the documents incorporated by reference contain, in addition to historical information, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements relate to our future plans, objectives, expectations, intentions and financial performance, and assumptions that underlie these statements. When used in this Form 10-Q, terms such as “anticipates,” “believes,” “continue,” “could,” “estimates,” “expects,” “intends,” “may,” “plans,” “potential,” “predicts,” “should,” or “will” or the negative of those terms or comparable terms are intended to identify such forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause industry trends or actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. Our actual results may differ significantly from the results discussed in such forward-looking statements, and we may take actions that differ from our current plans and expectations. All statements other than statements of historical fact are “forward-looking statements” for the purposes of these provisions, including:

- any projections of revenues, estimated operating expenses or other financial items;
- any statements of management's plans and objectives for future operations or programs;
- any statements regarding future operations, plans, regulatory compliance or approvals;
- any statements regarding expected cost savings from restructuring or resource optimization activities;
- any statements concerning proposed new products or services;
- any statements about the expected or estimated performance of our loan portfolio;
- any statements regarding our pending or potential expansion into other geographic markets or potential increases in personnel or business in existing markets;
- any statements regarding pending or future mergers, acquisitions or other transactions; and
- any statement regarding future economic conditions or performance, and any statement of assumption underlying any of the foregoing.

These and other forward looking statements are, among other things, attempts to predict the future and, as such, may not come to pass. A wide variety of events, circumstances and conditions may cause us to fall short of management's expectations as expressed herein, or to deviate from our current plans and intentions.

Unless required by law, we do not intend to update any of the forward-looking statements after the date of this Form 10-Q to conform these statements to actual results or changes in our expectations. Readers are cautioned not to place undue reliance on these forward-looking statements, which apply only as of the date of this Form 10-Q.

Except as otherwise noted, references to “we,” “our,” “us” or “the Company” refer to HomeStreet, Inc. and its subsidiaries that are consolidated for financial reporting purposes. Statements of knowledge, intention or belief reflect those characteristics of our executive management team based on current facts and circumstances.

You may review a copy of this Form 10-Q quarterly report, including exhibits and any schedule filed therewith, and obtain copies of such materials at prescribed rates, at the Securities and Exchange Commission's Public Reference Room at, 100 F Street, NE, Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the Securities and Exchange Commission at 1-800-SEC-0330. The Securities and

Exchange Commission maintains a website (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants, such as HomeStreet, Inc., that file electronically with the Securities and Exchange Commission. Copies of our Securities Exchange Act reports also are available from our investor relations website, http://ir.homestreet.com. Information contained in or linked from our websites is not incorporated into and does not constitute a part of this report.

Summary Financial Data

	At or for the Three Months Ended					At or for the Nine Months Ended	
(dollars in thousands, except share data)	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
Income statement data (for the period ended):							
Net interest income	$50,840	$46,868	$45,651	$ 48,074	$ 46,802	$ 143,359	$ 131,975
Provision for credit losses	250	500	—	350	1,250	750	3,750
Noninterest income	83,884	81,008	74,461	73,221	111,745	239,353	285,929
Noninterest expense	114,697	111,244	106,874	117,539	114,399	332,815	326,783
Income before income taxes	19,777	16,132	13,238	3,406	42,898	49,147	87,371
Income tax expense	5,938	4,923	4,255	1,112	15,197	15,116	31,514
Net income	$13,839	$11,209	$8,983	$ 2,294	$ 27,701	$34,031	$ 55,857
Basic income per share	$0.51	$0.42	$0.33	$ 0.09	$ 1.12	$1.27	$ 2.29
Diluted income per share	$0.51	$0.41	$0.33	$ 0.09	$ 1.11	$1.26	$ 2.27
Common shares outstanding	26,884,402	26,874,871	26,862,744	26,800,183	24,833,008	26,884,402	24,833,008
Weighted average number of shares outstanding:							
Basic	26,883,392	26,866,230	26,821,396	25,267,909	24,811,169	26,857,006	24,398,683
Diluted	27,089,040	27,084,608	27,057,449	25,588,691	24,996,747	27,077,032	24,595,348
Shareholders' equity per share	$24.98	$24.40	$23.86	$ 23.48	$ 23.60	$24.98	$ 23.60
Financial position (at period end):							
Cash and cash equivalents	$55,050	$54,447	$61,492	$ 53,932	$ 55,998	$55,050	$ 55,998
Investment securities	919,459	936,522	1,185,654	1,043,851	991,325	919,459	991,325
Loans held for sale	851,126	784,556	537,959	714,559	893,513	851,126	893,513
Loans held for investment, net	4,313,225	4,156,424	3,957,959	3,819,027	3,764,178	4,313,225	3,764,178
Mortgage servicing rights	268,072	258,222	257,421	245,860	167,501	268,072	167,501
Other real estate owned	3,704	4,597	5,646	5,243	6,440	3,704	6,440
Total assets	6,796,346	6,586,557	6,401,143	6,243,700	6,226,601	6,796,346	6,226,601
Deposits	4,670,486	4,747,771	4,595,809	4,429,701	4,504,560	4,670,486	4,504,560
Federal Home Loan Bank advances	1,135,245	867,290	862,335	868,379	858,923	1,135,245	858,923
Shareholders' equity	$671,469	$655,841	$640,919	$ 629,284	$ 586,028	$671,469	$ 586,028
Financial position (averages):							
Investment securities	$925,545	$ 1,089,552	$ 1,153,248	$ 962,504	$ 981,223	$ 1,055,281	$ 791,749
Loans held for investment	4,242,795	4,119,825	3,914,537	3,823,253	3,770,133	4,093,588	3,616,222
Total interest-earning assets	6,098,054	5,837,917	5,782,061	5,711,154	5,692,999	5,907,168	5,171,456
Total interest-bearing deposits	3,622,606	3,652,036	3,496,190	3,413,311	3,343,339	3,590,741	3,051,279
Federal Home Loan Bank advances	1,034,634	872,019	975,914	938,342	988,358	961,070	944,020
Federal funds purchased and securities sold under agreements to repurchase	272	4,804	978	951	2,242	2,015	753
Total interest-bearing liabilities	4,783,142	4,654,064	4,598,243	4,477,732	4,459,213	4,679,288	4,089,016
Shareholders’ equity	$683,186	$668,377	$649,439	$ 616,497	$ 588,335	$667,124	$ 549,242

Summary Financial Data (continued)

	At or for the Three Months Ended					At or for the Nine Months Ended	
(dollars in thousands, except share data)	Sept. 30, 2017	June 30, 2017	Mar. 31, 2017	Dec. 31, 2016	Sept. 30, 2016	Sept. 30, 2017	Sept. 30, 2016
Financial performance:							
Return on average shareholders' equity [1]	8.10 %	6.71 %	5.53 %	1.49 %	18.83 %	6.80 %	13.56 %
Return on average assets	0.83 %	0.70 %	0.57 %	0.15 %	1.79 %	0.70 %	