



Federal Housing Finance Agency

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FINAL SUSPENSION ORDER

The Federal Housing Finance Agency, as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (collectively the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act), which authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of the regulated entities. *See* 12 U.S.C. § 4513(a)(2);
2. Section 1313B of the Safety and Soundness Act, which authorizes FHFA to establish standards for the regulated entities regarding prudential management of risks. FHFA is authorized to issue orders requiring the regulated entities to take any action that will best carry out the purposes of that section. *See* 12 U.S.C. § 4513b(b)(2)(B)(iii); and
3. Section 1319G of the Safety and Soundness Act, which authorizes FHFA to issue any orders necessary to ensure that the purposes of the Safety and Soundness Act are accomplished. *See* 12 U.S.C. § 4526(a).

Consistent with these authorities, FHFA has determined that any business relationship between Kelly Michael Huffman and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. On or about January 29, 2021, in the District of North Dakota, Kelly Michael Huffman, individually, and by aiding and abetting, being an officer, director, agent, and employee of First Security Bank - West (FSB-W), a financial institution, whose deposits were insured by the Federal Deposit Insurance Corporation, with the intent to deceive FSB-W's officers, directors, and examiners, willfully misapplied moneys, funds, assets, security, and credits belonging to FSB-W, all in violation of 18 U.S.C. §§ 656 and 2.
2. On June 22, 2022, pursuant to a guilty plea, Kelly Michael Huffman was convicted by the United States District Court for the District of North Dakota of misapplication of bank funds and was sentenced to time served and twelve (12) months supervised release, unsupervised.
3. The conduct underlying the conviction described above occurred in connection with financial transactions.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Kelly Michael Huffman indefinitely, beginning on December 27, 2023. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Kelly Michael Huffman's.

The Final Order's requirement for regulated entities to cease any business relationship with Kelly Michael Huffman does not apply to the existing or future purchase, sale, modification, foreclosure alternative transaction, or other foreclosure-related transaction of a residential mortgage loan owned by a regulated entity if Kelly Michael Huffman is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.

This Final Order is a final action of the Federal Housing Finance Agency.

Clinton Jones,
Suspending Official