



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 and after consideration of the appeal submitted to and addressed by the Director under FHFA procedures, it has been determined that any business relationship between YiHou Han and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. YiHou Han, a former managing director of residential lending, and other loan officers of a financial institution headquartered in Southfield, Michigan, participated in a widespread conspiracy to engage in a sophisticated scheme centering on the institution’s residential loan program known as the Advantage Loan Program.
2. On May 19, 2021, pursuant to a guilty plea, YiHou Han was convicted by the United States District Court for the Eastern District of Michigan of conspiracy to commit bank fraud and wire fraud.
3. In the plea agreement, YiHou Han admitted that she falsified documents and material information about borrowers’ qualifications for mortgage loans under her employer’s Advantage Loan Program, and concealed material information about borrowers from underwriters, in order to increase her personal commissions and unlawfully enrich herself.

4. On October 28, 2022, YiHou Han entered into a Consent Order with the Office of the Comptroller of the Currency (OCC), addressing the OCC's findings of the conduct described in the plea agreement, that YiHou Han violated laws and regulations, engaged in unsafe or unsound practices, and breached her fiduciary duty to her employer. She agreed to not:
 - a. Participate in any manner in the conduct of the affairs of any insured depository institution, any institution treated as an insured bank, any insured credit union, any institution chartered under the Farm Credit Act, any appropriate Federal depository institution regulatory agency, and FHFA and any Federal Home Loan Bank;
 - b. Solicit, procure, transfer, attempt to transfer, vote, or attempt to vote any proxy, consent, or authorization with respect to any voting rights;
 - c. Violate any voting agreement previously approved by the "appropriate Federal banking agency," as defined in 12 U.S.C. § 1813(q); or
 - d. Vote for a director, or serve or act as an "institution-affiliated party," as defined in 12 U.S.C. § 1813(u).
5. The above-referenced criminal conviction in United States District Court for the Eastern District of Michigan qualifies as "covered misconduct," as defined at 12 CFR 1227.2.
6. The covered misconduct is of a type that would be likely to cause significant financial or reputational harm to an entity regulated by FHFA, or otherwise threaten the safe and sound operation of such an entity.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with YiHou Han indefinitely, beginning on March 26, 2024.

This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of YiHou Han's.

The Final Order's requirement for regulated entities to cease any business relationship with YiHou Han 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 YiHou Han 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