



# 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 new business relationship between Boruch Elchonon Drillman (a/k/a “Barry Drillman”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Boruch Elchonon Drillman of New York conspired with others to induce lenders to issue multifamily and commercial mortgage loans to an entity managed by Drillman based on false pretenses, representations, and promises.
2. Boruch Elchonon Drillman and other co-conspirators intentionally misled mortgage lenders as to the co-conspirators’ ownership interests in the entity purchasing an apartment complex in Cincinnati, Ohio.
3. Boruch Elchonon Drillman and his co-conspirators provided the lenders with fictitious documents, including purchase and sale contracts with inflated purchase prices, to obtain larger loans on properties than the properties would have otherwise qualified for and to enrich Drillman and his co-conspirators with the inflated loan proceeds generated by the fraudulently obtained loans.

4. Boruch Elchonon Drillman and his co-conspirators engaged in "flip" transactions, including one in which they stole the identity of another individual and utilized the stolen identity to purchase a multifamily property before selling or flipping the property to Drillman. In the flip transactions, the purchase price was falsely presented to lenders as the price negotiated to purchase the property at arm's length, *i.e.*, by a buyer without a preexisting familial or business relationship with the seller. The purchase prices were key inputs used by lenders to determine the market value of the properties. Members of the conspiracy purposely misled and concealed the true sales prices.
5. It was further a part of the conspiracy that based on the conspirators' false statements, on or about March 8, 2019, lenders funded a loan to an entity which was managed by Boruch Elchonon Drillman, for the purchase of an apartment complex in Cincinnati, Ohio. The conspirators further misrepresented the purchase prices to lenders.
6. On December 13, 2023, pursuant to a guilty plea, Boruch Elchonon Drillman was convicted by the United States District Court for the District of New Jersey of conspiracy to commit wire fraud affecting a financial institution.
7. The conduct underlying the conviction described above occurred in connection with mortgages and mortgage businesses.
8. The above-referenced conviction constitutes covered misconduct, as that term is defined at 12 CFR 1227.2, that is of a type that would be likely to cause significant financial or reputational harm to a regulated entity or otherwise threaten the safe and sound operation of a regulated entity.

With this Final Order, FHFA is prohibiting each regulated entity from entering into any new business relationship with Boruch Elchonon Drillman indefinitely, beginning on October 17, 2024. This suspension extends to any individual, company, partnership or other group that FHFA determines to be a current or future affiliate of Boruch Elchonon Drillman's.

The Final Order's prohibition disallowing the regulated entities from entering into any new business relationship with Boruch Elchonon Drillman 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 Boruch Elchonon Drillman 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.

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Clinton Jones,  
Suspending Official