



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 Cephus Sylvester Chapman, Jr. and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Cephus Sylvester Chapman, Jr. owned and controlled Cephus Chapman Realty, LLC, a real estate agency.
2. Cephus Sylvester Chapman, Jr. and others facilitated the submission of fraudulent real estate agent representation information in connection with numerous real estate contracts.
3. Cephus Sylvester Chapman, Jr. and others sought to and did enrich themselves by receipt of substantial commissions and revenues associated with these real estate and loan transactions.
4. On October 6, 2021, Cephus Sylvester Chapman, Jr., at the conclusion of a jury trial, was convicted of conspiracy to commit wire fraud and wire fraud by the United States District Court for the Northern District of Georgia.

5. On February 24, 2022, Cephus Sylvester Chapman, Jr. was sentenced to imprisonment for a term of twelve (12) months and one (1) day and supervised release for a term of three (3) years.
6. The conduct underlying the conviction described above occurred in connection with a mortgage business and financial transactions.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Cephus Sylvester Chapman, Jr. for a term of five (5) years, beginning on February 28, 2023. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Cephus Sylvester Chapman, Jr.'s.

The Final Order's requirement for regulated entities to cease any business relationship with Cephus Sylvester Chapman, Jr. 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 Cephus Sylvester Chapman, Jr. 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