



# 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 Christopher R. Schaller and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Christopher R. Schaller was a loan officer at Diamond Residential Mortgage Corporation (Diamond), a loan services company based in Lake Forest, Illinois, with branches in various states throughout the country. One such branch was located in Springfield, Illinois, and was managed by Schaller.
2. Christopher R. Schaller’s compensation was determined, in part, by the volume of mortgages that customers secured through Diamond on which Schaller served as the loan officer. As such, Schaller had a financial incentive to ensure that mortgage applications of his customers secured approval.
3. Christopher R. Schaller routinely committed fraud related to mortgage applications of his customers. He did this in order to improve the appeal of mortgage applicants and increase the likelihood of their applications securing approval, or to assist his applicants in securing external funding for down payments, such that mortgages were more accessible to them.

4. On June 9, 2022, Christopher R. Schaller, pursuant to a guilty plea, was convicted by the United States District Court for the Central District of Illinois of wire fraud and was sentenced to imprisonment for a term of thirty (30) months and supervised release for a term of three (3) years.
5. 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 Christopher R. Schaller for a term of ten (10) 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 Christopher R. Schaller's.

The Final Order's requirement for regulated entities to cease any business relationship with Christopher R. Schaller 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 Christopher R. Schaller 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