



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 (the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) 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).
2. Section 1319G of the Safety and Soundness Act 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).
3. Section 1313 of the Safety and Soundness Act authorizes FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of each regulated entity. *See* 12 U.S.C. 4513(a)(2).

Consistent with these authorities, FHFA determined that any business relationship between Menachem Yosef Levitin and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on the following findings:

1. Menachem Yosef Levitin and others engaged in a conspiracy for which the purpose and objective was to enrich themselves by obtaining millions of dollars in real estate mortgages through the use of materially false loan applications, loan documents, and HUD-1 forms, and to conceal the conspiracy from others.
2. The manner and means by which Menachem Yosef Levitin and his co-conspirators sought to accomplish the conspiracy included making or causing to be made materially false statements in the borrowers’ loan applications, HUD-1 forms, leases, and other documentation submitted to the lenders in order to obtain financing based on contract prices that were higher than actual prices sellers agreed to receive at closing.

3. It was part of the conspiracy that Menachem Yosef Levitin and his co-conspirators would and did distribute fraudulent proceeds among themselves.
4. On January 16, 2015, Menachem Yosef Levitin was sentenced by the United States District Court, District of Connecticut to a total of twenty-two (22) months of imprisonment, followed by five (5) years of supervised release for Conspiracy to Commit Wire Fraud, Mail Fraud and Bank Fraud.
5. On November 22, 2016, the U.S. Department of Housing and Urban Development (“HUD”) debarred Menachem Yosef Levitin from procurement and non-procurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of the Federal Government, for an indefinite period, beginning August 28, 2012.
6. As described in the Statement of Information filed in the United States District Court, District of Connecticut on July 5, 2012, the conduct underlying the conviction listed above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Menachem Yosef Levitin indefinitely, beginning on May 8, 2018. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Menachem Yosef Levitin.

The Final Order’s requirement for regulated entities to cease any business relationship with Menachem Yosef Levitin 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 Menachem Yosef Levitin 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.



Suspending Official

3-8-18
Date