



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) authorizing 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 of 1992 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 authorizing 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 Stephen M. Calk and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Stephen M. Calk was the chief executive officer and chairman of the board of the Federal Savings Bank (TFSB), Chicago, Illinois, as well as chief executive officer, chairman, and majority owner of TFSB’s parent holding company, National Bancorp Holdings, Inc.
2. Among other lines of business, TFSB extends residential, construction, and other commercial loans.
3. TFSB is a Federal savings association and its deposits are insured by the Federal Deposit Insurance Corporation.
4. Beginning in/or around July 2016 and approximately through January 2017, Stephen M. Calk engaged in a corrupt scheme to exploit his position as the head of both TFSB and National Bancorp Holdings, Inc. in an effort to secure a valuable personal benefit for

himself, namely, assistance from the Borrower (a lobbyist and political consultant) to obtain a senior position with the then-incoming presidential administration.

5. After he did not ultimately obtain the position with the then-incoming presidential administration, the borrower defaulted on the high-risk loans Stephen M. Calk knowingly caused to be issued, resulting in a multi-million dollar loss to TFSB.
6. To conceal the unlawful nature of his scheme, Stephen M. Calk made false and misleading statements to the Bank's primary regulator, the Office of the Comptroller of the Currency (OCC), regarding the loans to the Borrower.
7. Stephen M. Calk was sentenced by the United States District Court for the Southern District of New York to imprisonment for a term of 366 days and to two (2) years supervised release.
8. The conduct underlying the conviction described above occurred in connection with a mortgage business and a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Stephen M. Calk, for a term of five (5) years, beginning on June 22, 2022. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Stephen M. Calk, other than TFSB.

The Final Order's requirement for the regulated entities to cease any business relationship with Stephen M. Calk does not apply to an 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 Stephen M. Calk 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