



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 has determined that any business relationship between Stacey Jones 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. Stacey Jones, along with others, operated Advanced Partnership Properties (APP) a mortgage processing center, and BYW Construction, a construction company.
2. Stacey Jones, along with others, knowingly and intentionally processed fraudulent loan applications for individuals to purchase properties located within the Southern District of California and elsewhere.
3. Stacey Jones, along with others, created and supplied to lenders false and fraudulent documentation and information, including false loan applications which misrepresented the borrower’s income, place and duration of employment, and source of down payment, and fraudulent documents including bank records in support of the loan applications.

4. Stacey Jones, along with others, used these fraudulent misrepresentations and omissions to induce lenders to fund over \$10 million in loans.
5. Stacey Jones, along with others, used BYW's bank accounts to divert tens of thousands of dollars per transaction from the loan proceeds for their own benefit using false claims for unsecured loans, liens and notes on construction work which was never performed.
6. On February 7, 2014, Stacey Jones was sentenced in the United States District Court, Southern District of California for conspiracy to commit wire fraud and filing a false tax return to thirty-six (36) months imprisonment and three (3) years of supervised release.
7. As described in the Indictment filed in the United States District Court, Southern District of California on April, 3, 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 Stacey Jones for ten (10) years, beginning on May 9, 2017. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Stacey Jones.

The Final Order's requirement for regulated entities to cease any business relationship with Stacey Jones 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 Stacey Jones 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.



Alfred M. Pollard
Suspending Official

3-9-2017
Date: