



Federal Housing Finance Agency

Constitution Center
400 7th Street, S.W.
Washington, D.C. 20219
Telephone: (202) 649-3800
Facsimile: (202) 649-1071
www.fhfa.gov

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 Johnny R. Peele 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. Johnny R. Peele was a real estate developer and homebuilder.
2. Johnny R. Peele, along with others, executed HUD-1 settlement statements (“HUD-1”) reflecting that straw buyers were making down payments on properties, when, in fact, the down payments were made by others.
3. Johnny R. Peele, along with others, received funds transmitted via interstate wires from banks and lenders who approved falsified HUD-1 documents.
4. On October 28, 2014, Johnny R. Peele was sentenced in the United States District Court, Eastern District of North Carolina, for Conspiracy to Commit Mail, Wire, and Bank Fraud to thirty (30) months imprisonment and five (5) years of supervised release.

5. On May 14, 2015, the U.S. Department of Housing and Urban Development (“HUD”) debarred Johnny R. Peele 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.
6. As described in the Statement of Information filed in the United States District Court, Eastern District of North Carolina, and the HUD Notice of Proposed Debarment, the conduct underlying the conviction and debarment 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 Johnny R. Peele indefinitely, beginning on September 20, 2017. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Johnny R. Peele.

The Final Order’s requirement for regulated entities to cease any business relationship with Johnny R. Peele 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 Johnny R. Peele 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

7-17-2017
Date