



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 and after consideration of the Appeal submitted to and addressed by the Director under FHFA procedures, it has been determined that any business relationship between David McMaster 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. David McMaster was the vice president in charge of operations of American Mortgage Specialists, Inc. (“AMS”), a company in the business of originating residential real estate mortgage loans to borrowers in Arizona and other states and then selling the loans to institutional investors.
2. David McMaster, and a co-conspirator, caused AMS to send false information to BNC National Bank (“BNC”), a member of the Federal Home Loan Bank of Des Moines, in order for AMS to continue to obtain mortgage funding from that financial institution.

3. David McMaster, and a co-conspirator, also provided materially false and misleading information to BNC about AMS' operations and financial condition in order to reach minimum requirements in its financial covenants with that financial institution.
4. On June 28, 2013, David McMaster was convicted in the United States District Court, District of North Dakota, of one count of Conspiracy to Commit Bank Fraud and Wire Fraud Affecting a Financial Institution; Forfeiture Allegation.
5. As described in the Plea Agreement filed in the United States District Court for the District of North Dakota, Southwestern Division on October 19, 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 David McMaster indefinitely, beginning on May 17, 2017. This date extends the date of final suspension first proposed and is inclusive of the forty-five (45) day time frame referenced in 12 C.F.R. 1227.6(g).

This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of David McMaster.

The Final Order's requirement for regulated entities to cease any business relationship with David McMaster 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 David McMaster 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

May 16, 2017
Date: