



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), which authorizes 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, which 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, which 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).

Consistent with these authorities, FHFA has determined that any business relationship between Larry Charles Henson and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Larry Charles Henson was the President and Chairman at Valley Bank, a defunct financial institution based in Moline, Illinois, the accounts of which were insured by the Federal Deposit Insurance Corporation.
2. Larry Charles Henson, working with other employees of Valley Bank and others, sought to obtain SBA guarantees for loans that did not meet SBA's guidelines and requirements.
3. To ensure the loans appeared to meet SBA guidelines, Larry Charles Henson and his coconspirators made false statements on loan guarantee applications and purchase requests sent to the SBA about matters such as a borrower's eligibility to receive a loan and how loan proceeds would be disbursed.
4. On November 9, 2021, Larry Charles Henson, pursuant to a guilty plea, was convicted of conspiracy to commit wire fraud affecting a financial institution by the United States District Court for the Southern District of Iowa.

5. On March 8, 2022, Larry Charles Henson was sentenced to imprisonment for a term of nine (9) months and supervised release for a term of five (5) years.
6. The conduct underlying the conviction described above occurred in connection with lending products.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Larry Charles Henson for a term of ten (10) years, beginning on February 28, 2023. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Larry Charles Henson's.

The Final Order's requirement for regulated entities to cease any business relationship with Larry Charles Henson 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 Larry Charles Henson 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