



# Federal Housing Finance Agency

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## FINAL SUSPENSION ORDER

The Federal Housing Finance Agency (FHFA), as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial 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).
2. Section 1313G 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 Patrick Mansell 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. Coastal States Mortgage Corporation (“Coastal”) was a licensed mortgage brokerage incorporated in the state of Florida that was co-owned by Patrick J. Mansell and a business partner. Coastal was a counterparty of Freddie Mac and Fannie Mae (the “Enterprises”).
2. From on or about April 2007 through February 2012, Coastal’s primary business activity was servicing mortgage loans for the Enterprises. This activity included collecting monthly mortgage payments and mortgage loan payoffs on behalf of the Enterprises. Coastal was required to then remit these funds, less fees earned by Coastal, to custodial bank accounts maintained by the company for the Enterprises.

3. As described in the Stipulated Statement of Facts in Support of Plea Agreement dated August 6, 2013, Patrick Mansell and co-conspirators caused millions of dollars in funds received by Coastal for mortgage loan payoffs that were due to the Enterprises within 48 hours of receipt to be retained by Coastal. These funds were used for Coastal's business purposes for varying periods of times before being remitted to the Enterprises. By February 2012, Coastal had failed to remit a total of \$18,735,903.77 to the Enterprises.
4. On October 30, 2013, the United States District Court, Southern District of Florida, convicted Patrick Mansell of one count of Conspiracy to Defraud the United States (18 U.S.C. 371).
5. As described in the Stipulated Statement of Facts in Support of Plea Agreement referenced above, the conduct underlying the conviction described in this Final Order occurred in connection with a mortgage business.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Patrick Mansell for 10 years, beginning on November 25, 2015. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Patrick Mansell.

This Final Order's requirement for regulated entities to cease any business relationship with Patrick Mansell 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 Patrick Mansell 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.

  
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Alfred M. Pollard  
Suspending Official

10-9-15  
Date: