



# 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 Michael Barry Slater and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Michael Barry Slater was the Founder and President of Vital Financial Services (Vital). Vital was a lending service provider (LSP) based in Clive, Iowa, within the Southern District of Iowa. As an LSP, Vital packaged, originated, disbursed, serviced, and liquidated loans guaranteed by the Small Business Administration (SBA) on behalf of their lending institution clients. Vital assisted banks in obtaining SBA loan guarantees as part of the loan origination process. Most of Vital's clients were small federally insured lending institutions located in the Midwest.
2. Valley Bank is a defunct financial institution based in Moline, Illinois, the accounts of which were insured by the Federal Deposit Insurance Corporation. Valley Bank retained Vital to assist in originating SBA loans.
3. Michael Barry Slater, working with other employees of Vital and Valley Bank, sought to obtain SBA guarantees for loans that did not meet SBA's guidelines and requirements.

4. To ensure the loans appeared to meet SBA guidelines, Michael Barry Slater and his co-conspirators 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.
5. On November 18, 2021, Michael Barry Slater, 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.
6. On April 22, 2022, Michael Barry Slater was sentenced to imprisonment for a term of fourteen (14) months and supervised release for a term of three (3) years.
7. 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 Michael Barry Slater for a term of five (5) 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 Michael Barry Slater's.

The Final Order's requirement for regulated entities to cease any business relationship with Michael Barry Slater 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 Michael Barry Slater 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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Clinton Jones,  
Suspending Official