



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, FHFA has determined that any business relationship between Michael J. Willoughby and a regulated entity would present excessive risk to the safety and soundness of the regulated entity.

This determination is based on findings from the Order Instituting Cease-and-Desist Proceedings Pursuant to Section 8A of the Securities Act of 1933 (“Securities Act”) and Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), Making Findings and Imposing Remedial Sanctions, Cease-and-Desist Orders, and Penalties (“Order”), which found that:

1. Michael J. Willoughby and a co-conspirator engaged in a scheme to misclassify certain loans at Region Bank that violated Section 17(a) of the Securities Act, which prohibits fraudulent conduct in the offer or sale of securities and Exchange Act Section 10(b) and Rule 10b-5 thereunder, which prohibits fraudulent conduct in connection with the purchase or sale of securities.
2. As a result of the conduct described above, Michael J. Willoughby acted through Regions Bank to make material misrepresentation in public filings, and as a result, violated Sections 20(b) and 10(b) of the Exchange Act, and Rule 10b-5 thereunder.

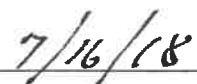
3. As result of the conduct described above, Michael J. Willoughby violated Rule 13b2-1 of the Exchange Act by directly or indirectly falsifying or causing to be falsified Region Bank's books, records and accounts related to certain loans, which were subject to Section 13(b)(2)(A) of the Exchange Act.
4. As a result of the conduct described above, Michael J. Willoughby violated Rule 13b2-2 of the Exchange Act when he directly or indirectly made or caused to be made materially false or misleading statements, or omitted to state material facts necessary in order to make statements made, in light of the circumstances under which such statements were made, not misleading to accountants in connection with the preparation of filing of documents and reports which were required to be filed with the Securities and Exchange Commission ("Commission").
5. On June 25, 2014, among other things, the Commission prohibited Michael J. Willoughby for a period of five (5) years from entry of the Order, from acting as an officer or director of any issuer that has a class of securities registered pursuant to Section 12 of the Exchange Act or that is required to file reports pursuant to Section 15(d) of the Exchange Act.
6. As described in the Order, the conduct underlying the conviction described above occurred in connection with financial transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Michael J. Willoughby for ten (10) years, beginning on August 31, 2018. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Michael J. Willoughby.

The Final Order's requirement for regulated entities to cease any business relationship with Michael J. Willoughby 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 J. Willoughby is the borrower of such residential mortgage loan and the transaction is for the borrower's own personal or household residence.



Suspending Official:



Date: