



# 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 Nathan Adam Smith 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. Nathan Adam Smith, along with co-conspirators, participated in a scheme to defraud financial institutions. As part of the scheme, Nathan Adam Smith and others fraudulently induced lenders to agree to the short sale of homes. Nathan Adam Smith, along with others, purchased the homes on short sale at below-market price and, without lenders’ knowledge, immediately resold the homes at a higher price.
2. Nathan Adam Smith, along with co-conspirators, employed material falsehoods, concealed material facts, and omitted material facts in order to defraud lenders.
3. Nathan Adam Smith signed and submitted false HUD-1 settlement statements and fraudulent checks to conceal from lenders that he and co-conspirators were immediately reselling homes at higher prices and using the proceeds to fund parts of the short sale transactions.

4. On August 3, 2016, Nathan Adam Smith was sentenced by the United States District Court, Southern District of Iowa for a total of 13 months imprisonment, followed by three years of supervised release for Bank Fraud.
5. On December 15, 2016, the U.S. Department of Housing and Urban Development debarred Nathan Adam Smith from procurement and non-procurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of the Federal Government for period of five (5) years.
6. As described in the Indictment filed in the United States District Court, Southern District of Iowa on January 15, 2015, and the HUD Notice of Proposed Debarment dated October 21, 2016, the conduct underlying the conviction and debarment 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 Nathan Adam Smith 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 Nathan Adam Smith.

The Final Order's requirement for regulated entities to cease any business relationship with Nathan Adam Smith 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 Nathan Adam Smith 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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Suspending Official:

7-16-18  
Date: