



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) authorizing 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 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); and
3. Section 1319G of the Safety and Soundness Act authorizing 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 Philip Puccio, Jr. and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Philip Puccio, Jr. was a loan officer at two mortgage brokerage firms and controlled, had a financial interest in, and was associated with several home repair and remodeling companies, including Puccio Remodeling, LLC, and a financial services company, Elite Financing, LLC.
2. Philip Puccio, Jr. and others submitted false and fraudulent documents, including loan applications, to lenders to influence their decision to approve and fund FHA Home Equity Conversion Mortgages (HECM) for homeowners.
3. Philip Puccio, Jr. and others prepared and caused to be prepared inflated real estate appraisals that falsely increased the value of the properties securing the HECMs, thereby influencing each lender’s decision to provide loans in amounts greater than what would otherwise be available.

4. Philip Puccio, Jr. and others caused the submission of false and fraudulent HUD-1 settlement statements to lenders to conceal the disbursement of loan proceeds to others, to himself, and entities they had control.
5. On October 20, 2021, Philip Puccio, Jr. was sentenced by the United States District Court for the District of New Jersey to imprisonment for a term of time served and two (2) years supervised release for Conspiracy to Commit Bank Fraud.
6. The conduct underlying the conviction described above occurred in connection with real estate transactions.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Philip Puccio, Jr. for a term of five (5) years, beginning on August 15, 2022. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Philip Puccio, Jr.

The Final Order's requirement for regulated entities to cease any business relationship with Philip Puccio, Jr. 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 Philip Puccio, Jr. 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