



# 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 Scott N. Powers 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. Scott N. Powers was the chief executive officer and president of American Mortgage Specialists, Inc. (AMS), a company that was in the business of originating residential real estate mortgage loans to borrowers in Arizona and other states and then selling the loans to institutional investors. AMS obtained funding for the loans by selling participation interests in the loans to financial institutions, including BNC National Bank (“BNC”).
2. Scott N. Powers, along with others, caused AMS to send false information to BNC in order to continue to obtain mortgage loan funding from BNC.
3. Scott N. Powers, along with others, misappropriated monies from BNC for their own personal use, including but not limited to, the payment of hundreds of thousands of dollars in salary and payments for personal expenses.

4. On June 28, 2013, Scott N. Powers was convicted of one count of Conspiracy to Commit Bank Fraud and Wire Fraud Affecting a Financial Institution: Forfeiture Allegation.
5. As described in the Plea Agreement filed in the United States District Court for the District of North Dakota, Southwest Division on October 19, 2012, the conduct underlying the conviction set forth above involved misappropriation of funds and the concealment of those misappropriations from financial institutions.
6. As described in the October 19, 2012, Plea Agreement, the conduct underlying the conviction listed above occurred in connection with mortgage-related transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Scott N. Powers indefinitely, beginning on August 26, 2016. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Scott N. Powers.

This Final Order's requirement for regulated entities to cease any business relationship with Scott N. Powers 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 Scott Powers 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.



Alfred M. Dollard  
Suspending Official

6-28-2016

Date