



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 Timothy P. Murphy 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. Excel Bank was a financial institution and insured bank, the deposits of which were insured by the Federal Deposit Insurance Corporation (FDIC).
2. Excel Bank was a Federal Home Loan Bank member bank.
3. Shaun R. Hayes held a controlling stock interest in the holding company which owned Excel Bank. At Hayes’ direction, Excel Bank opened a Loan Production Office (LPO) in Clayton, Missouri.

4. Shaun R. Hayes hired Timothy P. Murphy as the primary loan officer at the Clayton LPO and Timothy P. Murphy became an executive vice-president of Excel Bank. Timothy P. Murphy worked under Hayes's direction and control.
5. Shaun R. Hayes caused Timothy P. Murphy to make false statements to Excel Bank and exclude specific transactions from the records of Excel Bank.
6. Timothy P. Murphy made presentations to the loan committee at Excel Bank and prepared credit action forms relied upon by the committee that excluded transactions in which Shaun Hayes had an interest.
7. Timothy P. Murphy executed a scheme and artifice to defraud Excel Bank to obtain moneys, funds, credits, assets, securities and other property owned by, and under the custody and control of Excel Bank by means of materially false and fraudulent pretenses, representations and promises.
8. On April 24, 2018, Timothy P. Murphy was sentenced in the United States District Court, Eastern District of Missouri, to time served and five (5) years supervised release for Bank Fraud.
9. The conduct underlying the conviction 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 Timothy P. Murphy for 10 years, beginning on November 5, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Timothy P. Murphy.

This Final Order's requirement for regulated entities to cease any business relationship with Timothy P. Murphy 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 Timothy P. Murphy 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. Pollard, Suspending Official

9-19-2019
Date: