



# 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 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 Victor Hugo Torres and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Victor Hugo Torres was managing member, president and key principal of Huntington Property, LLC, a Tennessee limited liability corporation with its principal place of business in Memphis, Tennessee. He owned more than a 25% interest in this company until its dissolution in August 2021.
2. Arbor Commercial Funding I, LLC (Arbor) was a mortgage lending business and as such a financial institution. Arbor was approved by Fannie Mae to originate, underwrite, close and service loans approved by Fannie Mae.
3. Victor Hugo Torres did knowingly execute and attempt to execute a scheme and artifice to obtain monies, funds, assets and credits from Arbor by means of false and fraudulent pretenses, representations, and promises. Victor Hugo Torres, on behalf of Huntington Property, LLC, submitted and caused to be submitted to Arbor an application to refinance a mortgage loan secured by property known as Huntington Hills on which he, among other things, falsely answered "no" in response to the question: "Have there been any bankruptcy proceedings that directly or indirectly involve the Borrower, Key Principal(s)

and each Principal (any person who holds an ownership interest equal or greater than 25% in the Borrower) in the past 10 years.”

4. Victor Hugo Torres, after the filing of the Huntington Bankruptcy, did knowingly and fraudulently falsify records related to the financial affairs of the debtor, Huntington Properties, LLC. More specifically, Victor Hugo Torres falsely and fraudulently altered and caused to be altered check images that were part of the debtor's bank statements.
5. Victor Hugo Torres was sentenced to imprisonment for the period of time served and three (3) years of supervised release by the United States District Court for the Western District of Tennessee.
6. The conduct underlying the conviction described above occurred in connection with a mortgage business.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Victor Hugo Torres for a term of five (5) years beginning on October 10, 2022. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Victor Hugo Torres.

The Final Order’s requirement for regulated entities to cease any business relationship with Victor Hugo Torres 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 Victor Hugo Torres 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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Clinton Jones,  
Suspending Official