



Federal Housing Finance Agency

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FINAL SUSPENSION ORDER

The Federal Housing Finance Agency (FHFA), as safety and soundness regulator of Fannie Mae, Freddie Mac, and the eleven Federal Home Loan Banks (the “regulated entities”), is issuing this order pursuant to the following legal authorities:

1. Section 1313B of the Federal Housing Enterprises Financial 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).
2. Section 1313G 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 Edward Woodard, Jr. 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. The Bank of the Commonwealth (the “Bank”), headquartered in Norfolk, Virginia, had a business relationship with a former member of the Federal Home Loan Bank of Atlanta.
2. Edward J. Woodard, Jr. served as the Bank’s Chief Executive Officer and Chairman of the Board of Directors for over 30 years until he resigned from the board in or about April 2010 and retired from the Bank in or about December 2010.
3. During Edward J. Woodard, Jr.’s tenure with the Bank, he co-schemed with other Bank insiders to knowingly and willfully mask the Bank’s true financial

conditions. This included overdrawing demand deposit accounts to make loan payments; using funds from related entities to make loan payments, at times without authorization from the borrower; using change in term agreements to make loans appear current; extending new loans or additional principal on existing loans to cover payment shortfalls; and providing preferential financing to troubled borrowers so they could purchase Bank-owned property.

4. On November 8, 2013, the United States District Court Eastern District of Virginia, Norfolk Division, convicted Edward Woodard, Jr. of one count of conspiracy to commit bank fraud, one count of false entry in a bank record, one count of unlawful participation in a loan, two counts of aiding and abetting in making false statements to a financial institution, two counts of aiding and abetting in misapplication of bank funds, three counts of aiding and abetting in unlawful participation in a loan and one count of bank fraud.
5. As described in the Superseding Indictment filed in the United States District Court Eastern District of Virginia, Norfolk Division, on December 20, 2012, the conduct underlying the conviction described in this Final Order occurred in connection with a mortgage, mortgage business, mortgage securities, or other lending product.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Edward J. Woodard, Jr. indefinitely, beginning on November 25, 2015. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Edward J. Woodard, Jr.

This Final Order's requirement for regulated entities to cease any business relationship with Edward J. Woodard, 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 Edward J. Woodard, 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.



Alfred M. Pollard
Suspending Official

10-9-15

Date: