



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 Proposed 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 Eric Sijohn Brown 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. Eric Sijohn Brown and co-conspirators created a real estate settlement company, REGGL Inc. d/b/a/ KREW Settlement Services (“KREW”), which had its office in Philadelphia, PA.
2. Eric Sijohn Brown and others operated a second real estate settlement company, Briser Abstract Company (“Briser Abstract”), out of KREW’s office in Philadelphia, PA. Briser Abstract was incorporated by Eric Sijohn Brown and generally operated under the KREW name.
3. Eric Sijohn Brown held himself out as a contractor who renovated residences primarily in Philadelphia, Pennsylvania.

4. Eric Sijohn Brown and co-conspirators assembled and submitted loan applications containing false information to lenders to dupe the lenders into loaning funds to purchase real properties within the Eastern District of Pennsylvania, the Eastern District of Virginia, the District of New Jersey, and elsewhere.
5. Eric Sijohn Brown and a co-conspirator created false invoices showing extensive home improvements on the properties that had never been done, in order to support payments to Mr. Brown and a co-conspirator on fraudulent Forms HUD-1.
6. Eric Sijohn Brown and co-conspirators arranged and facilitated fraudulent sales of properties from one straw buyer to another straw buyer and fraudulent refinancing of properties.
7. On October 28, 2014, Eric Sijohn Brown was sentenced by the United States District Court, Eastern District of Pennsylvania to 180 months imprisonment and five (5) years of supervised release.
8. On June 12, 2015, the United States Department of Housing and Urban Development (“HUD”) issued a Notice of Final Determination which debarred Eric Sijohn Brown from procurement and nonprocurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of the Federal Government indefinitely, beginning June 12, 2015.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Eric Sijohn Brown indefinitely, beginning on December 12, 2018. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Eric Sijohn Brown.

The Final Order’s requirement for regulated entities to cease any business relationship with Eric Sijohn Brown 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 Eric Sijohn Brown 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

10-24-2018

Date: