



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 Paul A. Stroble 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. Paul A. Stroble was engaged as a mortgage broker.
2. Paul A. Stroble and co-conspirators used nominee purchasers or “straw buyers” to purchase distressed properties and then directed sellers’ proceeds to accounts owned or controlled by Mr. Stroble without the knowledge of the mortgage lender.
3. Paul A. Stroble and co-conspirators caused false pay stubs, 1099 forms, 1040 forms, and Verifications of Employment to be provided to the mortgage lender in support of borrower applications from the mortgage loans initiated by Mr. Stroble and/or co-conspirators.

4. On August 28, 2014, Paul A. Stroble was sentenced by the United States District Court, Eastern District of Virginia to thirty-three (33) months imprisonment, followed by five (5) years of supervised release for Conspiracy to Commit Mail Fraud.
5. On May 21, 2015, the debarment of Paul A. Stroble by the U.S. Department of Housing and Urban Development (“HUD”) from procurement and non-procurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of the Federal Government was made effective for five (5) years beginning May 21, 2015.
6. The conduct above occurred in connection with real estate transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Paul A. Stroble for ten (10) years, beginning on March 25, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Paul A. Stroble.

The Final Order’s requirement for regulated entities to cease any business relationship with Paul A. Stroble 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 Paul A. Stroble 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



Date: