



# 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 Sung M. Kang 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. Sung M. Kang (aka “Andrew Kang”) was a mortgage loan originator who organized a fraudulent mortgage loan scheme. Specifically, Mr. Kang organized a mortgage scheme, whereby lenders were provided false information, which the lenders relied upon to originate mortgage loans.
2. As of October 27, 2014, Sung M. Kang was convicted in the Circuit Court of Cook County, State of Illinois for violating Chapter 720, Act 5, 16H-55 of the Illinois Compiled Statutes, 1999, as amended [Organizer Financial Crimes Enterprise] and sentenced to six (6) years of imprisonment.

4. As of January 16, 2013, the debarment of Sung M. Kang from procurement and nonprocurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of Federal Government was made effective for ten (10) years.
5. 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 Sung M. Kang indefinitely, beginning on March 25, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Sung M. Kang.

The Final Order's requirement for regulated entities to cease any business relationship with Sung M. Kang 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 Sung M. Kang 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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Alfred M. Pollard, Suspending Official

*2-8-2019*  
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Date: