



# 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 Shaun R. Hayes 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. Excel Bank was a financial institution and insured bank, the deposits of which were insured by the Federal Deposit Insurance Corporation (FDIC). Excel Bank was chartered by the State of Missouri. Excel Bank was the wholly-owned subsidiary of Investors Financial Corporation of Pettis County, Inc., (IFC) a Missouri corporation and registered bank holding company.
2. IFC received funds from the Troubled Asset Relief Program (TARP) and Excel Bank was eventually closed by the Missouri Division of Finance, with the FDIC named as the receiver.

3. Shaun R. Hayes was an agent and employee of Excel Bank and Shaun R. Hayes was connected to Excel Bank as a consultant, as an owner and director of the bank holding company which owned Excel Bank, and through which he exercised substantial control over loans made by Excel Bank.
4. Shaun R. Hayes and co-conspirators caused false statements to be made to Excel Bank and false entries placed into the books and records of Excel Bank.
5. Shaun R. Hayes and co-conspirators jeopardized the financial soundness of Excel Bank by causing Excel Bank to purchase millions of dollars in notes and loans, said loans and notes being adversely classified by regulators as substandard and harmful to the bank.
6. Shaun R. Hayes and co-conspirators caused contracts and transactions to be concealed from the Excel Bank board of directors and to be withheld from being recorded in the normal course of the bank's business.
7. Shaun R. Hayes and co-conspirators executed a scheme and artifice to defraud Excel Bank to obtain moneys, funds, credits, assets, securities and other property owned by, and under the custody and control of Excel Bank by means of materially false and fraudulent pretenses, representations and promises.
8. On May 29, 2018, Shaun R. Hayes was sentenced in the United States District Court, Eastern District of Missouri, to 68 months imprisonment and five (5) years supervised release for Bank Fraud and Misapplication by Bank Officer.
9. The conduct underlying the conviction listed above occurred in connection with financial transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Shaun R. Hayes indefinitely, beginning on November 5, 2019. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Shaun R. Hayes.

This Final Order's requirement for regulated entities to cease any business relationship with Shaun R. Hayes 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 Shaun R. Hayes 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

9-19-2019  
Date: