



# 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 Diane Ludwig 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. On or about during the period from May 2014 to May 2018, in the District of Nebraska, defendant Diane Ludwig, being a director, officer and employee of, or connected in a capacity with First Community Bank of Beemer, Nebraska, whose deposits are insured by the Federal Deposit Insurance Corporation, with intent to injure and defraud First Community Bank, willfully misapplied, the sum of approximately \$491,411.03 of the moneys, funds, or credits of such First Community Bank. All in violation of Section 656 of Title 18 of the United States Code.
2. On May 31, 2019, Diane Ludwig was sentenced to imprisonment for a term of six (6) months and three (3) years of supervised release by the United States District Court for the District of Nebraska for “Information of Misapplication of Bank Funds.”

3. On December 19, 2018, the Board of Governors of the Federal Reserve System issued an Order of Prohibition Pursuant to Section 8(e) of the Federal Deposit Insurance Act as Amended in which Diane Ludwig was prohibited from engaging in specific activities indefinitely.
4. The conduct above occurred in connection with financial transactions.

With this Final Order, FHFA is directing each regulated entity to cease any business relationship with Diane Ludwig indefinitely, beginning on July 9, 2021. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Diane Ludwig.

The Final Order's requirement for regulated entities to cease any business relationship with Diane Ludwig 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 Diane Ludwig 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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Clinton Jones,  
Suspending Official