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 (collectively the “regulated entities”), is issuing this Final Order pursuant to the following legal authorities:

1. Section 1313 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (Safety and Soundness Act) authorizing FHFA to exercise such incidental powers as may be necessary in the supervision and regulation of the regulated entities. See 12 U.S.C. 4513(a)(2);

2. Section 1313B of the Safety and Soundness Act of 1992 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(2)(B)(iii); and

3. Section 1319G of the Safety and Soundness Act authorizing 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).

Consistent with these authorities, FHFA has determined that any business relationship between Arman Hayrapetyan and the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Arman Hayrapetyan, and other co-conspirators, fraudulently obtained federal disaster relief funds distributed through the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan Program (EIDL).

2. The relevant lending institutions were financial institutions insured by the Federal Deposit Insurance Company and PPP lenders approved by the United States Small Business Administration (SBA).

3. Beginning in or around March 2020 and continuing at least until in or around October 2020, Arman Hayrapetyan, together with other co-conspirators, submitted and caused the submission of fraudulent PPP and EIDL loan applications, which caused the SBA and SBA-approved lenders, including lenders who were federally-insured financial
institutions, to wire loan proceeds to bank accounts in the names of the entities used to obtain such loans.

4. Arman Hayrapetyan, with other co-conspirators spent the PPP and EIDL fraud proceeds for their own personal benefit and for the benefit of their co-conspirators, including for expenses prohibited under the requirements of the PPP and EIDL programs, such as the purchase of residential properties.

5. Arman Hayrapetyan was sentenced by the United States District Court for the Central District of California to (10) months of probation.

6. The conduct underlying the conviction described above occurred in connection with a financial transaction.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any business relationship with Arman Hayrapetyan for a term of five (5) years, beginning on August 15, 2022. This suspension extends to any individual, company, partnership or other group that FHFA determines to be an affiliate of Arman Hayrapetyan.

The Final Order’s requirement for regulated entities to cease any business relationship with Arman Hayrapetyan 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 Arman Hayrapetyan 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.

Clinton Jones, Suspending Official