



Federal Housing Finance Agency

Constitution Center

400 7th Street, S.W.

Washington, D.C. 20219

Telephone: (202) 649-3800

Facsimile: (202) 649-1071

www.FHFA.gov

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), which authorizes 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, which 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); and
3. Section 1319G of the Safety and Soundness Act, which 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).

Consistent with these authorities, FHFA has determined it is appropriate to prohibit the regulated entities from engaging in any new business relationship with Fredrick Schulman.

This determination is based on the following findings:

1. Fredrick Schulman, of New York, was, during all relevant times, a managing member of Rhodium Capital Advisors LLC, a real estate investment firm with a registered address in New York, New York.
2. Fredrick Schulman and other co-conspirators intentionally misled mortgage lenders as to the co-conspirators’ ownership interests in the entity purchasing an apartment complex in Cincinnati, Ohio.
3. Fredrick Schulman and his co-conspirators provided lenders with fictitious documents, including purchase and sale contracts with inflated purchase prices, to obtain larger loans on properties than the properties would have otherwise qualified for and to enrich themselves with the inflated loan proceeds generated by the fraudulently obtained loans.
4. Fredrick Schulman and his co-conspirators engaged in “flip” transactions, including one in which the identity of another individual was stolen and utilized to purchase a multifamily property before selling or flipping the property to a co-conspirator. In the flip transactions,

the purchase price was falsely presented to lenders as the price negotiated to purchase the property at arm's length, i.e., by a buyer without a preexisting familial or business relationship with the seller. The purchase prices were key inputs used by lenders to determine the market value of the properties. Members of the conspiracy purposely misled and concealed the true sales prices.

5. It was further a part of the conspiracy that based on the conspirators' false statements, on or about March 8, 2019, lenders funded a loan to an entity which was managed by a co-conspirator, for the purchase of an apartment complex in Cincinnati, Ohio. The conspirators further misrepresented the purchase prices to lenders.
6. Based on this misconduct and pursuant to a guilty plea, on August 1, 2024, Fredrick Schulman was convicted by the United States District Court for the District of New Jersey of conspiracy to commit wire fraud affecting a financial institution and was sentenced to imprisonment for 12 months, 1 day and supervised release for 1 year.
7. The conduct underlying the conviction described above occurred in connection with mortgage lending.
8. The above-referenced conviction constitutes covered misconduct, as that term is defined at 12 CFR 1227.2, that is of a type that would be likely to cause significant financial or reputational harm to a regulated entity or otherwise threaten the safe and sound operation of a regulated entity.

With this Final Order, FHFA is directing each regulated entity to cease or refrain from engaging in any new business relationship with Fredrick Schulman indefinitely, beginning on October 1, 2025.

The Final Order's requirement for the regulated entities to cease any new business relationship with Fredrick Schulman 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 Fredrick Schulman 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