



Federal Housing Finance Agency

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FINAL SUSPENSION ORDER

The Federal Housing Finance Agency (“FHFA”), as safety and soundness regulator of the Federal National Mortgage Association (“Fannie Mae”), Federal Home Loan Mortgage Corporation (“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, as amended by the Housing and Economic Recovery Act of 2008, Pub. L. No. 110-289, 122 Stat. 2654 (codified as 12 U.S.C. § 4511 et seq.), (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).
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).
4. 12 CFR § 1227.6, which outlines the grounds for issuance of a final suspension order and the factors that may be considered by the suspending official.

Consistent with these authorities, FHFA has determined that any business relationship between Jackie L. Poulsen (a/k/a “Jack L. Poulsen”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Poulsen was the President of Ericson State Bank (“ESB”) from June of 2010 until September of 2019. Poulsen also served on the bank’s Board of Directors for the bank.
2. ESB was an FDIC-insured small rural bank founded in 1959 and had its sole location in Ericson, Nebraska. It was an insured member of the Federal Deposit Insurance Corporation since June 15, 1960, until its closing in February of 2020.
3. In his role as President of ESB, Poulsen was responsible for overseeing all ESB’s affairs and managing its day-to-day operations.

4. Additionally, Poulsen was responsible for informing other Board members of the bank's financial condition. As President, Poulsen had a lending authority of up to \$250,000. Any loans above this amount would require approval from the ESB loan committee. Poulsen was not allowed to be the loan officer on loans for which he would have a personal conflict of interest, including loans ESB made to parties or entities related to Poulsen.
5. Beginning in 2012, ESB began a lending relationship with an individual related to Poulsen. That relationship resulted in numerous loans being provided to this individual and his business entities.
6. Poulsen was prohibited from being the loan officer for these insider related loans. However, beginning at least in June of 2015, Poulsen began taking actions, enacting a scheme intended to defraud ESB and to interfere with the insider-related loans and accounts for the purpose of hiding the unsoundness of these insider-related loans and accounts from other members of the Board of Directors. These actions included:
 - a. Advancing ESB funds on insider-related loans in excess of the original loan amounts approved by the ESB-loan committee;
 - b. Attempting to conceal the past due status of insider-related loans from the Board of Directors by taking or directing actions to conceal, create a false impression, mislead, and otherwise deceive ESB, such as by manipulating data contained in the ESB computer system by advancing payment due dates and loan maturity dates within the bank's computer system to conceal the past due status of insider-related loans from the Board of Directors; and
 - c. Attempting to conceal insider-related overdrafts from the Board of Directors by taking or directing actions to conceal, create a false impression, mislead, and otherwise deceive ESB, such as by advancing loans over the stated note amounts and loan committee approvals.
7. This scheme continued until September of 2019 when Poulsen was removed from his positions of authority with ESB.
8. In one such execution of the scheme, on March 27, 2019, loan maintenance records were changed by Poulsen to reflect a new maturity date and a new due date. However, no paperwork was submitted nor existed to explain this extension of the next payment date and maturity date for the loan. The March 2019 Board of directors meeting was on March 27, 2019. Due to the manipulation of the loan maintenance records, the loan was not presented as "past due" to the Board during the March 2019 meeting. However, as of March 27, 2019, the loan was matured for 181 days and drawn to a balance of approximately \$1,613,000 over the approved note amount. The false entry regarding the next payment date and due date were material to the Board of Directors and to the soundness and operation of ESB as a whole.
9. At the time of ESB's failure, ESB was a state chartered financial institution regulated and examined by the Nebraska Department of Banking and Finance and it was determined that

a loss of \$815,000 was attributable to the insider-related loans which were subject to the above-described scheme.

10. Based on this misconduct and pursuant to a guilty plea, on August 1, 2024, Poulsen was convicted by the United States District Court for the District of Nebraska of bank fraud and was sentenced to eighteen (18) months of imprisonment followed by five (5) years of supervised release.
11. The conduct underlying the conviction described above occurred in connection with a lending product.
12. 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 business relationship with Jackie L. Poulsen indefinitely, beginning on February 3, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with Jackie L. Poulsen 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 Jackie L. Poulsen 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