



# 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), 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).
2. Section 1313B of the 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).
3. 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).
4. 12 CFR § 1227.6, FHFA’s regulation governing the 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 John B. Padilla (“Padilla”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Padilla was a resident of Lawton, Oklahoma, and employed by BancFirst (the “Bank”) as a senior vice president and commercial loan officer.
2. The Bank was a financial institution, insured by the Federal Deposit Insurance Corporation (“FDIC”).
3. Beginning in 2013 and continuing through December 2019, Padilla recruited borrowers to apply for loans from the Bank. Most of these borrowers were not creditworthy and would

not have been approved for the loans but for Padilla approving them. Many of these borrowers were Padilla's friends and associates.

4. Padilla would often explain to the borrowers that he would use the loan proceeds to invest in his real estate venture and then pay the borrowers a percentage of the profit. Padilla also assured these borrowers that he would make all the payments toward the outstanding balance on each loan. Padilla often listed collateral on these loan applications to secure the loans, despite knowing that the collateral did not exist. Additionally, in the event the borrower did own certain collateral, Padilla would often list this collateral on the loan application.
5. Padilla often waived the need for a credit report for these borrowers. Padilla also instructed these borrowers what to represent as the purpose of the loan even though he received and used most of the loan proceeds almost exclusively to support his personal gambling habit. Further, Padilla often used loan proceeds from unauthorized loans he had approved to make payments toward earlier unauthorized loans he had approved, thus enabling the scheme to continue undetected.
6. On August 30, 2024, Padilla consented to the issuance of the Prohibition Order by entering into a Stipulation and Consent to the Issuance of an Order of Prohibition from Further Participation with the FDIC on January 17, 2025.

The FDIC determined, and Padilla neither admitted nor denied, that:

- a. As an employee of the Bank, Padilla converted the proceeds from multiple loans made to other borrowers to his own personal use. As a result of these conversions, the Bank suffered a loss of approximately \$ 465,216.
- b. As described in paragraph a., Padilla violated the law in connection with the Bank.
- c. Padilla's violations caused the Bank to suffer financial loss, and Padilla received financial gain.
- d. Padilla's violations involved personal dishonesty and demonstrated Padilla's willful or continuing disregard for the safety and soundness of the Bank.

Based on these determinations, the FDIC prohibited Padilla from participating in any manner in the conduct of the affairs of any financial institution or organization, and exercising certain voting rights in any such financial institution or organization enumerated in 12 U.S.C. § 1818(e)(7)(A).

7. Based on this misconduct and pursuant to a guilty plea, on December 16, 2024, Padilla was convicted by the United States District Court for the Western District of Oklahoma of bank fraud and he was sentenced to sixteen (16) months of imprisonment followed by three (3) years of supervised release.
8. The conduct underlying the conviction described above occurred in connection with a lending product.

9. 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 John B. Padilla indefinitely, beginning on February 24, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with John B. Padilla 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 John B. Padilla 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