



# Federal Housing Finance Agency

Constitution Center

400 7<sup>th</sup> Street, S.W.

Washington, D.C. 20219

Telephone: (202) 649-3800

Facsimile: (202) 649-1071

[www.FHFA.gov](http://www.FHFA.gov)

## 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 the regulated entities. *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 German Lopez-Velasquez (“Lopez-Velasquez”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Lopez-Velasquez was a licensed real estate salesperson in California.
2. Between 2016 and August 2019, Lopez-Velasquez conspired with others to execute a scheme and artifice to defraud financial institutions (the “lenders”), and to obtain moneys, funds, credits, assets, and property owned by, and under the custody and control of, financial institutions, by means of materially false and fraudulent pretenses, representations, and promises, in violation of Title 18, United States Code, Section 1349.
3. As part of the scheme, Lopez-Velasquez identified individuals who were interested in buying or selling real estate and helped prospective borrowers obtain mortgage loans they

were not qualified for by fraudulent means. During the scheme, Lopez-Velasquez knowingly, and with intent to defraud, caused the submission of loan application packages containing material misstatements to the lenders to induce origination of mortgage loans to borrowers who were not otherwise qualified to receive the loans. These misstatements included, but were not limited to, false statements regarding income (such as falsified W-2's, earnings statements, and payroll checks), assets (such as falsified gift letters), employment status (such as falsified verifications of employment), and other documents (such as falsified diplomas and transcripts). Lopez-Velasquez knowingly, and with the intent to defraud, caused the lenders to fund loans for the purchase of real properties based on such false and fraudulent information.

4. In furtherance of the scheme to defraud, Lopez-Velasquez created and used email accounts and a controlled phone number to impersonate fictitious individuals. For example, Lopez-Velasquez utilized identities "Andrew Collins" and "Michael Jenkins," falsely claiming they worked for "Collins Software Engineering Co.," a non-existent company based in San Rafael, California. Lopez-Velasquez knew that "Collins Software Engineering Co." was a fictitious company and did not exist. Lopez-Velasquez controlled email accounts and a phone number falsely represented as belonging to these individuals and the fictitious company. Lopez-Velasquez also prepared false paychecks and employment documents purportedly from "Collins Software Engineering Co." for submission to the lenders.
5. Lopez-Velasquez also utilized another fictitious company, "Solpen Molecular Labs," as the purported employer for other borrowers. Lopez-Velasquez caused a telephone number to be listed online for "Solpen Molecular Labs," to mislead the lenders and others into believing it was a legitimate business. Lopez-Velasquez caused calls placed to that telephone number, including verification calls from the lenders, to be redirected to Lopez-Velasquez or to third parties acting at his direction, who falsely confirmed borrowers' employment.
6. In furtherance of the scheme to defraud, Lopez-Velasquez enlisted family members and others to pose as employers and falsely verify borrowers' employment. Lopez-Velasquez also utilized straw buyers –both actual and fictitious individuals – to obtain and transfer ownership of real estate.
7. Based on this misconduct and pursuant to a guilty plea, on November 20, 2024, Lopez-Velasquez was convicted by the United States District Court for the Eastern District of California of conspiracy to commit bank fraud and was sentenced to imprisonment for a term of eighteen (18) months, followed by thirty-six (36) months of supervised release.
8. On January 25, 2025, the U.S. Department of Housing and Urban Development ("HUD") finalized debarment for a five-year period from July 15, 2024, the date of Lopez-Velasquez's suspension. During his debarment, Lopez-Velasquez is excluded from procurement and nonprocurement transactions, as either a principal or participant, with HUD and throughout the Executive Branch of the Federal Government.
9. The conduct underlying the conviction described above occurred in connection with a mortgage business and real estate transactions.

10. 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 German Lopez-Velasquez indefinitely, beginning on May 6, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with German Lopez-Velasquez 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 German Lopez-Velasquez 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