



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 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 Jose Alfonso Tellez (“Tellez”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Tellez was a loan officer in the State of California, licensed on September 23, 2019 by the California Department of Financial Protection and Innovation.
2. Starting no later than 2019 and continuing through no earlier than 2022, Tellez agreed with a co-conspirator to help originate home mortgage loans for individuals based on false and fraudulent income information submitted to him by a co-conspirator and others.
3. During the 2019 to 2022 time period, Tellez worked as a Loan Officer for a mortgage lender, where his job was to receive home mortgage loan applications and supporting

documentation to determine if an individual qualified for a home mortgage loan based on the lender's and Federal Housing Administration ("FHA") rules and guidelines.

4. During the period referenced above, Tellez agreed to and in fact did help originate approximately 30 home mortgage loans based on false and fraudulent income information for mortgage applicants submitted to him by a co-conspirator and others.
5. Tellez knew that the individuals applying for home mortgage loans through the co-conspirator could not qualify for home mortgage loans using their truthful income information.
6. Tellez knew that the co-conspirator and others falsely and fraudulently inflated borrowers' income on mortgage applications he helped originate by: (1) creating fraudulent judicial divorce decrees showing applicants had been divorced from individuals who, in fact, had never been married to them; (2) inserting significant alimony and child support judgments into those decrees based on fictitious children to falsely inflate applicants' income; (3) fabricating alimony and child support checks and bank statements to show payments and deposits; and (4) submitting these false documents to mortgage origination companies in order to qualify borrowers for home mortgage loans they were not entitled to.
7. Tellez knew that the fraudulent judgments and income documents significantly inflated applicants' income and enabled them to qualify for home mortgage loans with his employer. Tellez knew that he was required to stop and flag applications based on false and fraudulent representations about income, but instead, he knowingly assisted in originating and funding those loans. By assisting the co-conspirator in originating home mortgage loans based on fraudulent income information, Tellez participated in a scheme to defraud the mortgage company/lender, for which he worked. Tellez knew that the false and fraudulent income information provided for the co-conspirator's clients were material—that is, capable of influencing the lender to approve and fund home loans—he acted with the intent to deceive and cheat his employer, the lender.
8. Tellez earned approximately \$134,000 in commissions on the 30 fraudulently obtained mortgage loans he originated, many of which he helped originate for the co-conspirator and his clients were insured by the FHA.
9. Based on this misconduct and pursuant to a guilty plea, on December 2, 2024, Tellez was convicted by the United States District Court for the Northern District of California of conspiracy to commit wire fraud and was sentenced to imprisonment for a term of twelve (12) months and one day, followed by three (3) years of supervised release.
10. On January 25, 2025, the U.S. Department of Housing and Urban Development (HUD) debarred Tellez for ten (10) years, beginning on August 23, 2024, and continuing to August 22, 2034, from participation in procurement and nonprocurement transactions as a participant or principal with HUD and throughout the Executive Branch of the Federal Government.

11. The conduct underlying the conviction described above occurred in connection with a mortgage business and real estate transactions.
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 Jose Alfonso Tellez indefinitely, beginning on May 14, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with Jose Alfonso Tellez 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 Jose Alfonso Tellez 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