



Federal Housing Finance Agency

Constitution Center

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CORRECTED FINAL SUSPENSION ORDER

* This Order was updated on April 8, 2026 to correct typographical errors on page one and three concerning the Jose De Jesus Alfonso Martinez name.

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 De Jesus Alfonso Martinez ("Martinez") (a/k/a "Jose D. Martinez Cardenas") and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Martinez was licensed by the California Department of Real Estate from on or about January 5, 2002, until his license was revoked effective May 23, 2024. During that time, Martinez worked as a real estate agent at a real estate agency in Daly City, California.
2. Starting in 2018 and continuing through no earlier than 2022, Martinez represented potential home buyers in selecting and purchasing homes, and received a real estate commission payment when a client obtained a loan and purchased a home.

3. Martinez referred his real estate clients to a co-conspirator, knowing the co-conspirator would prepare and submit false and fraudulent income information and supporting documents to obtain home mortgage loans for borrowers that Martinez knew would not qualify for based on their true income, enabling Martinez to earn real estate commissions.
4. In addition, Martinez obtained loans for himself as part of the scheme by submitting false and fraudulent information in his loan application materials.
5. As part of this scheme and conspiracy, the co-conspirator obtained approximately 49 loans for Martinez's real estate clients by submitting loan application materials that Martinez knew contained materially false and fraudulent information. Specifically, Martinez knew the co-conspirator and others inflated borrowers' income on mortgage applications 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 would not otherwise have qualified for based on their income.
6. Martinez knew these fraudulent materials and income documents significantly inflated applicants' income and therefore enabled them to qualify for home. By referring clients to the co-conspirator and facilitating the submission of false income information, Martinez participated in a scheme to defraud the mortgage company/lender, knowing the false information was material and intended to deceive the lender. Martinez knew that this false income information was material—that is, capable of influencing lenders to approve and fund home mortgage loans—and acted with the intent to deceive and cheat loan originators.
7. Martinez earned approximately \$589,397.67 in real estate broker commissions on the 49 fraudulently obtained mortgage loans, many of which the co-conspirator originated for his real estate clients as part of this scheme and conspiracy were insured by the Federal Housing Administration.
8. Based on this misconduct and pursuant to a guilty plea, on December 2, 2024, Martinez 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 fourteen (14) months, followed by three (3) years of supervised release.
9. On January 29, 2025, the U.S. Department of Housing and Urban Development ("HUD") debarred Martinez for five (5) years, beginning on December 19, 2024, and continuing to December 18, 2029, from participation in procurement and nonprocurement transactions as a participant or principal with HUD and throughout the Executive Branch of the Federal Government.
10. The conduct underlying the conviction described above occurred in connection with a mortgage business and real estate transactions.

11. 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 De Jesus Alfonso Martinez indefinitely, beginning on May 14, 2026.

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



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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 De Jesus Alphonso Martinez ("Martinez") (a/k/a "Jose D. Martinez Cardenas") and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Martinez was licensed by the California Department of Real Estate from on or about January 5, 2002, until his license was revoked effective May 23, 2024. During that time, Martinez worked as a real estate agent at a real estate agency in Daly City, California.
2. Starting in 2018 and continuing through no earlier than 2022, Martinez represented potential home buyers in selecting and purchasing homes, and received a real estate commission payment when a client obtained a loan and purchased a home.
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documents to obtain home mortgage loans for borrowers that Martinez knew would not qualify for based on their true income, enabling Martinez to earn real estate commissions.

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The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with Jose De Jesus Alphonso 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 De Jesus Alphonso 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**

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CLINTON JONES
Date: 2026.03.26
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Clinton Jones,
Suspending Official