



Federal Housing Finance Agency

Constitution Center

400 7th Street, S.W.

Washington, D.C. 20219

Telephone: (202) 649-3800

Facsimile: (202) 649-1071

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 David Wu (“Wu”) and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Wu, was a mortgage broker and an institution-affiliated party as that term is defined in 12 U.S.C. § 1813(u), of Sterling Bank and Trust, FSB, Southfield, Michigan (“Sterling”), and Citizens Bank, N.A (“Citizens”) (collectively “Banks”).
2. Citizens is a Member of the Federal Home Loan Banking System.
3. While employed at Sterling, including from approximately January 2, 2021 to March 27, 2021, Wu originated loans for clients of his closely held mortgage brokerage company. Wu did not disclose his outside loan origination activities to Sterling.

4. Between approximately May 2020 and February 1, 2021, in collaboration with a person then employed as a loan officer at Citizens, Wu originated mortgage loans through Citizens using fraudulent means, including but not limited to making false statements, concealing from or otherwise not disclosing his role and fees to Citizens' underwriters, impersonating applicants or their purported employers, providing fraudulent or falsified documents, fraudulently completing E-Sign Act acknowledgements, fraudulently providing applicant intent to proceed authorizations, and fraudulently receiving certain disclosures required by law.
5. In addition, Wu improperly influenced Citizens on his personal mortgage application by masking the true source of \$390,000 in assets through a fraudulent gift letter.
6. As a result of Wu's misconduct, he received fees from the mortgage applicants and a personal mortgage from Citizens.
7. On December 20, 2024, Wu entered into a Consent Order with the Office of the Comptroller of the Currency ("OCC"). The Consent Order states that Wu engaged in violations of law or regulation and engaged in unsafe or unsound practices, which violations and practices resulted in pecuniary and financial gain as well as a loss or risk of loss to the Citizens and demonstrated personal dishonesty.
8. The conduct underlying the administrative sanction described above occurred in connection with a mortgage business.
9. The above-referenced administrative sanction 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 David Wu indefinitely, beginning on June 24, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease any business relationship with David Wu 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 David Wu 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