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 Jeffrey J. Budzik ("Budzik") and any of the regulated entities would present excessive risk to their safety and soundness.

This determination is based on the following findings:

1. Budzik was an attorney licensed to practice law in the State of Illinois until he was disbarred on consent by the Supreme Court of Illinois on May 18, 2016.

2. From approximately March 2007 through July 2012, Budzik and others knowingly participated in a scheme to defraud financial institutions, and to obtain money and funds owned by and under the custody and control of financial institutions by means of materially false and fraudulent pretenses, representations, and promises.

3. From February 2008 to February 2009, Budzik attended closing and represented buyers

purchasing condominium units in Chicago. Budzik rarely met the buyers prior to the closings and had almost no interactions with them. Budzik knew that the buyers submitted checks falsely identifying themselves as the remitters of down payment funds, when, in fact, the funds were supplied by a co-conspirator. In addition, Budzik often knew that the true source of the down payment funds was concealed from the lenders. Likewise, Budzik knew that additional fees were not being disclosed to lenders on settlement statements.

4. Budzik and his co-conspirators caused buyers to fraudulently obtain approximately 45 mortgage loans to purchase units in a condominium in Chicago, totaling at least $15,646,824. Budzik acknowledged that the lenders and their successors, including the Federal Home Loan Mortgage Corporation ("Freddie Mac"), incurred losses of approximately $8,931,575.

5. Budzik and his co-conspirators caused buyers to fraudulently obtain approximately eleven mortgage loans totaling approximately $4,800,000 to purchase condominium units at another Chicago development. Budzik acknowledged that the lenders sustained losses of approximately $2,035,863.

6. Based on this misconduct and pursuant to a guilty plea, judgment was entered against Budzik on July 25, 2023. Budzik was convicted by the United States District Court for the Northern District of Illinois of bank fraud in violation of Title 18, U.S.C. § 1344. Budzik was sentenced to time served, followed by six (6) months of supervised release. Restitution was ordered in the amount of $10,698,698.

7. The above-referenced conviction constitutes covered misconduct, as that term is defined at 12 CFR § 1227.2, and 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 covered transaction with Jeffrey J. Budzik indefinitely, beginning on August 26, 2026.

The Final Order's requirement for the regulated entities to indefinitely cease engaging in any covered transaction with Jeffrey J. Budzik 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 Jeffrey J. Budzik 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,
Suspending Official