Federal Housing Finance Agency
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In the Matter of:
Armando Xavier Martinez

Matter No. 2026-SCP-00093

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 suspension order (the "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.

Consistent with these authorities, FHFA has determined that Armando Xavier Martinez ("Martinez") engaged in 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.

This determination is based on the following findings:

1. Martinez was a resident of Florida who was a certified residential appraiser until his appraiser license was revoked by the Florida Real Estate Appraisal Board in February 2020. *See U.S. v. Armando Xavier Martinez*, No. 8:25-cr-00488 (M.D. Fla. Oct. 15, 2025), ECF No. 5 (Plea Agreement). Martinez was also a licensed residential property appraiser in Texas. *See U.S. v. Armando Xavier Martinez*, No. 4:22-cr-0088 (E.D. Tex. Dec. 9, 2025), ECF No. 52 (Factual Basis). Proceedings were instituted against Martinez in federal district courts in Florida and Texas. The Florida action was transferred to the United States District Court for the Eastern District of Texas.

2. Martinez owned and operated Martinez & Associates Appraisal Group, Inc. ("Martinez & Associates"), a Florida corporation that Martinez formed and controlled. *Martinez*, 8:25-cr-00488, (E.D. Tex.) ECF No. 5.

3. Martinez & Associates is an affiliate of Martinez's as that term is defined at 12 CFR § 1227.2, as evidenced by his position as owner and operator of the company and his use of it to facilitate the scheme detailed below.

4. On or about and between October 23, 2016, and June 13, 2019, Martinez knowingly and intentionally made and published statements to the U.S. Department of Housing and Urban Development ("HUD") that Martinez knew to be false. Specifically, during the course of his appraisals, Martinez reported that he personally observed residential properties in Texas and Florida, while knowing that he made no physical observation of the residential properties in question. *See Martinez*, No. 4:22-cr-00088, ECF No. 52.

5. Martinez knew that his statements about the physical observations of the properties were material to the lender and to HUD in making lending decisions, because lenders and HUD required only licensed appraisers to perform physical observation of properties, and the appraisals needed to be completed in person in order to certify an accurate valuation, in compliance with applicable FHA/HUD policies and regulations. *Id*.

6. Between approximately October 2016 and June 2019, Martinez reportedly appraised 179 FHA properties located in Texas and Florida, with a total assessed value of approximately $38 million. Of these 179 appraisals, 99 properties were never personally observed by Martinez, despite affirming otherwise on the appraisal reports. Martinez, however, received an average of $500 per appraisal he reportedly completed. *Id*.

7. Based on this misconduct and pursuant to a guilty plea, judgment was entered against Martinez on June 24, 2026. Martinez was convicted by the United States District Court for the Eastern District of Texas of bank fraud and aiding and abetting in violation of 18 U.S.C. §§ 1344 and 2, and of false statement to HUD in violation of 18 U.S.C. § 1010. Martinez was sentenced to twenty (20) years in prison, followed by supervised release for five (5) years. Restitution was ordered in the amount of $157,529.20 and a special assessment in the amount of $400. *See Martinez*, No. 4:22-cr-00088, ECF No. 65.

8. 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 directs each regulated entity to indefinitely cease or refrain from engaging in any covered transaction with Armando Xavier Martinez, beginning on November 20, 2026.

The Final Order shall have no effect on any transaction involving a residential mortgage loan if the loan is secured by Armando Xavier Martinez's personal or household residence.

This Final Order shall not limit the authority of FHFA to pursue any other regulatory or supervisory action with respect to any regulated entity or any other person and any affiliates thereof, whether instead of or in addition to this action. Likewise, this Final Order shall not limit the authority of any regulated entity to take any action it determines appropriate to address risks from any person and any affiliates thereof with which it engages in covered transactions.

This Final Order is a final action of the Federal Housing Finance Agency.

CLINTON JONES

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Clinton Jones,
Suspending Official