



U.S. FEDERAL HOUSING FHFA

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May 27, 2025

The Honorable Pamela J. Bondi
The Honorable Todd Blanche
Department of Justice
950 Pennsylvania Avenue, NW
Washington, D.C. 20530

RE: CRIMINAL REFERRAL

Dear Attorney General Bondi and Deputy Attorney General Todd Blanche:

Pursuant to my authority as Director of the U.S. Federal Housing Finance Agency (“U.S. Federal Housing” or “FHFA”), I am referring the matter below. As regulator of Fannie Mae, Freddie Mac, and the Federal Home Loan Banks, we take very seriously allegations of mortgage fraud or other criminal activity. Such misconduct jeopardizes the safety and soundness of FHFA’s regulated entities and the security and stability of the U.S. mortgage market.

In the course of exercising U.S. Federal Housing’s authorities under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, U.S. Federal Housing has identified matters that are appropriate for referral to the U.S. Department of Justice for consideration of criminal prosecution.

Based on media reports, Mr. Adam B. Schiff has, in multiple instances, falsified bank documents and property records to acquire more favorable loan terms, impacting payments from 2003-2019 for a Potomac, Maryland-based property.

Background:

8204 Windsor View Terrace, Potomac, MD 20854

On May 9, 2003, Mr. Adam B. Schiff and his wife, Mrs. Eve M. Schiff purchased a property at 8204 Windsor View Terrace, Potomac, Maryland 20854 for \$870,000. **See Exhibit A.** On June 5, 2003, they entered into a Fannie Mae-backed mortgage agreement with B. F. Saul Mortgage Company for \$610,000 at a rate of 5.625% over a term of 30 years. **See Exhibit B.** According to a Fannie Mae/Freddie Mac Form 3021, they affirmed this would be their primary/principal residence. **See Exhibit C.** Further, Mr. Schiff and his wife reaffirmed the Potomac, Maryland property as their principal residence in mortgage refinancings in 2009, 2011, 2012, and 2013 despite being an elected official representing the state of California at the same

time. **See Exhibits D, E, F, and G.** It was not until a 2020 mortgage refinancing when Mr. Schiff noted the Potomac, Maryland property as his secondary residence. **See Exhibit H.**

However, according to media reports, over that same time frame Mr. Schiff took a homeowner's tax exemption on a condo that he owns in Burbank, California, also claiming that home as his primary residence for a \$7,000 reduction off the 1% property tax. And in 2023, a spokesperson for Mr. Schiff asserted that "Adam's primary residence is Burbank, California, and will remain so when he wins the Senate seat."

Primary residence mortgages receive more favorable loan terms, including lower interest rates, than secondary residence mortgages. Lenders view secondary residence mortgages as significantly riskier, as a borrower is more likely to continue paying off a primary residence mortgage during any financial hardship. Interest rates on secondary residence mortgages are typically between 0.25-0.50% higher than their primary residence counterparts; however, this gap can widen depending on the lender.

Analysis:

Mr. Schiff appears to have falsified records in order to receive favorable loan terms, and also appears to have been aware of the financial benefits of a primary residence mortgage when compared to a secondary residence mortgage as a spokesperson in 2023 told the media outlet CNN that, "Adam's California and Maryland addresses have been listed as primary residences for loan purposes because they are both occupied throughout the year and to distinguish them from a vacation property."

U.S. Federal Housing FHFA believes this alleged misconduct could be violations of the criminal code under 18 U.S.C. § 1343 (wire fraud), 18 U.S.C. § 1341 (mail fraud), 18 U.S.C. § 1344 (bank fraud), 18 U.S.C. § 1014 (false statements to a financial institution), and/or other relevant state and federal laws.

There are unfortunately too many examples of individuals who commit fraud or mortgage fraud. Just last year, a federal jury convicted Marilyn J. Mosby of Baltimore, Maryland, on the federal charge of making a false mortgage application when she was Baltimore City State's Attorney, relating to the purchase of her property in Florida. Just a month ago, after the hard work of our agency's IG and the DOJ, a St. Louis man plead guilty to fraudulently obtaining home mortgages.

As always, we look forward to cooperating with the Department of Justice to support any actions that the Department of Justice finds appropriate. U.S. Federal Housing FHFA appreciates the Department of Justice's support in ensuring the protection of American homebuyers and taxpayers from mortgage fraud and other financial misconduct.

Respectfully submitted,

William J. Pulte
Director, U.S. Federal Housing FHFA