

# DEPARTMENT OF JUSTICE



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FOR IMMEDIATE RELEASE

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## **FLORIDA REALTOR PLEADS GUILTY TO MAKING A FALSE STATEMENT TO A FINANCIAL INSTITUTION**

Tampa, Florida – Brannon Rue (47, Oviedo) has pleaded guilty to making a false statement to a financial institution. He faces a maximum penalty of 30 years in federal prison. A sentencing date has not yet been set.

According to the plea agreement, Rue executed a scheme to influence financial institutions to approve short sales of real estate at a loss by making false statements on various documents. In furtherance of his scheme, Rue formed and controlled Hatley Partners, which he used to mask his role as the true purchaser of short-sale properties and to profit from the subsequent sale of the properties.

The purchase contracts for the short sales that were submitted to the financial institutions falsely represented that someone other than Rue was the buyer's/seller's agent. The related HUD-1 Settlement Statements also falsely stated that real estate agent commissions were to be paid to third-party realtors. In reality, Rue was the real estate agent who should have been listed on the purchase contracts and the HUD-1s because Rue ultimately received the real estate commissions.

Additionally, each short sale transaction included a Short Sale Affidavit signed and certified by Rue, stating that no relationship existed between the buyer/seller and the real estate agents. Rue falsely certified the affidavits to influence the financial institutions to approve the short sales. The Federal Housing Administration, Fannie Mae, or Freddie Mac insured or guaranteed the balance and interest for the mortgage loans associated with the affected properties.

This case was investigated by the Federal Housing Finance Agency – Office of Inspector General and the U.S. Department of Housing and Urban Development – Office of Inspector General. It is being prosecuted by Special Assistant United States Attorney Chris Poor.