

# HUD DIGS AN ESCAPE TUNNEL FOR JAMIE DIMON

The other day I dismissed US disdain for Mexico at its inability to keep Chapo Guzmán jailed. After all, I pointed out, we don't even try to imprison our Transnational Crime Organization bosses.

At the Intercept yesterday, DDay pointed out another example. After JP Morgan Chase and Citigroup pled guilty to forex fraud, the Department of Housing and Urban Development "changed their form" for FHA insurance, so as to permit those TCOs to continue to have taxpayers insure their customers' loans.

On May 20 of this year, JPMorgan Chase and Citigroup both entered a guilty plea on one felony count of conspiring to rig foreign currency exchange trades, the largest market on the globe.

Five days earlier, on May 15, HUD slipped a notice into the Federal Register, seeking to alter its standard loan-level certification form, known as HUD-92900-A. This form must be filled out for lenders to receive FHA insurance, which reimburses them if the homeowner falls into foreclosure.

On the current HUD-92900-A form, lenders must certify that their firm and its principals "have not, within a three-year period ... been convicted of or had a civil judgment rendered against them" for a variety of crimes, including "commission of fraud ... violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property."

JPMorgan and Citi's guilty plea would fall under the antitrust statute, and according to Brown, Warren and Waters' reading of the certification, that would make them ineligible to obtain FHA insurance on their loans.

On the updated form, this language has been excised.

As Senators Sherrod Brown and Elizabeth Warren and Congresswoman Maxine Waters read it, this will eliminate what should have been one of the biggest impacts of the TCOs' guilty plea.

Again, Jamie Dimon's tunnel may not be so spectacular as Guzmán's. But that's partly because even more parts of government are helping him to escape any punishment for his TCO's crimes.