

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )	
)	
BAYBANK )	ORDER TO PAY
GLADSTONE, MICHIGAN )	
)	FDIC-07-138k
( INSURED STATE NONMEMBER BANK )	
_____ )	

BAYBANK, GLADSTONE, MICHIGAN ("Bank") has been advised of its right to receive a NOTICE OF ASSESSMENT OF CIVIL MONEY PENALTY, FINDINGS OF FACT AND CONCLUSIONS OF LAW, ORDER TO PAY, AND NOTICE OF HEARING ("NOTICE OF ASSESSMENT") issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations for which a civil money penalty may be assessed against the Bank pursuant to the Flood Disaster Protection Act of 1973 ("Flood Act"), as amended, 42 U.S.C. § 4012a, section 8(i)(2) of the Federal Deposit Insurance Act ("FDI Act"), 12 U.S.C. § 1818(i)(2), and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339 ("Part 339"), and has been further advised of its right to a hearing on the charges under the Flood Act, 42 U.S.C. § 4012(f)(4), and Part 308 of the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308.

Having waived those rights, the Bank entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby, solely for the purpose of this proceeding and without admitting or denying any violations, the Bank consented and agreed to pay a civil money penalty in the amount of \$3,350.00 related to the violations of the Flood Act and Part 339. The FDIC has reason to believe that the Bank has violated the Flood Act and Part 339 of the FDIC's Rules and Regulations in that, on loans secured by property located in a flood hazard area in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Bank violated:

- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to maintain flood insurance in one instance;
- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to obtain flood insurance at origination in two instances;
- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to obtain an adequate amount of flood insurance in three instances; and

- Section 339.9(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.9(a), by failing to provide the required notice to borrowers on loans secured by property located in a special flood hazard area prior to origination in 10 instances.

After taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity of the violations by the Bank, the history of previous violations by the Bank, and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that BAYBANK, GLADSTONE, MICHIGAN, be, and hereby is, assessed a civil money penalty of \$3,350.00, pursuant to the Flood Act, 42 U.S.C. § 4012a, section 8(i)(2) of the FDI Act, 12 U.S.C. § 1818(i)(2), and Parts 308 and 339 of the FDIC Rules and Regulations, 12 C.F.R. Parts 308 and 339. The Bank shall pay the civil money penalty to the Treasury of the United States.

This ORDER TO PAY shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 11th day of December,  
2007.

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Michael J. Dean  
Acting Associate Director  
Division of Supervision and  
Consumer Protection