

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )	
COMMUNITY STATE BANK )	ORDER TO PAY
SPENCER, IOWA )	CIVIL MONEY PENALTY
(Insured State Nonmember Bank) )	FDIC-08-115k
_____ )	

Community State Bank, Spencer, Iowa ("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, Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339 ("Part 339"), and section 8(i)(2) of the Federal Deposit Insurance Act ("Act"), and has been further advised of its right to a hearing on the charges under the Flood Act, 42 U.S.C. § 4012a(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 CIVIL

MONEY PENALTY ("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 to the issuance of an ORDER TO PAY CIVIL MONEY PENALTY ("ORDER") by the FDIC and agreed to pay a civil money penalty in the amount of \$3,400.00.

The FDIC has reason to believe that the Bank has violated the Flood Act and Part 339 in that:

(a) it has made, increased, extended or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without requiring that the collateral be covered by flood insurance;

(b) it has made, increased, extended or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without requiring that the collateral be covered by sufficient flood insurance;

(c) it has made, increased, extended or renewed a loan secured by a building or mobile home located or to be located in a special flood hazard area without notifying the borrower and/or the servicer whether flood insurance is available for the collateral;

(d) it has failed to retain a record of the receipt of notices by the borrower and/or servicer for the requisite period of time;

which violations were cited at the FDIC's December 26, 2007, examination.

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 CIVIL MONEY PENALTY**

IT IS HEREBY ORDERED that the Bank be, and hereby is, assessed a civil money penalty in the amount of \$3,400 pursuant to section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2), the receipt of which is hereby acknowledged.

Pursuant to delegated authority.

Dated this 7<sup>th</sup> day of July, 2008.

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Robert J. Carmona  
Deputy Regional Director  
Kansas City Regional Office