

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

|                                |   |                     |
|--------------------------------|---|---------------------|
| _____                          | ) |                     |
|                                | ) |                     |
| In the Matter of               | ) |                     |
|                                | ) | ORDER TO PAY        |
| WELLS FARGO FINANCIAL BANK     | ) | CIVIL MONEY PENALTY |
| SIOUX FALLS, SOUTH DAKOTA      | ) |                     |
|                                | ) | Docket FDIC-09-021k |
| (INSURED STATE NONMEMBER BANK) | ) |                     |
|                                | ) |                     |
| _____                          | ) |                     |

Wells Fargo Financial Bank, Sioux Falls, South Dakota ("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 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. § 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 and agreed to pay a civil money penalty in the amount of \$125,000 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 in that: the Bank failed to secure or maintain adequate flood insurance in violation of 12 C.F.R. § 339.3(a) on more than 3,000 loans; the Bank failed to notify borrowers

of the need to obtain adequate flood insurance in violation of 12 C.F.R. § 339.7 on more than 60 loans; the Bank failed to force place flood insurance on the borrower's behalf in violation of 12 C.F.R. § 339.7 on more than 500 loans; the Bank failed to provide timely flood insurance notification to the borrower in violation of 12 C.F.R. § 339.9(c) on more than 1,400 loans; and the Bank failed to maintain a record of the borrower's receipt of flood insurance notification in violation of 12 C.F.R. § 339.9(d) on more than 700 loans.

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 Wells Fargo Financial Bank, Sioux Falls, South Dakota, be, and hereby is, assessed a civil money penalty of \$125,000, 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 CIVIL MONEY PENALTY shall be effective upon issuance.

Pursuant to delegated authority.

Dated at San Francisco, California, this 11<sup>th</sup> day of February, 2009.

---

Stan Ivie  
Regional Director  
Division of Supervision and Consumer Protection  
San Francisco Region  
Federal Deposit Insurance Corporation