

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
FARMERS DEPOSIT BANK OF	)	ORDER TO PAY
MIDDLEBURG, INC.	)	
MIDDLEBURG, KENTUCKY	)	FDIC-08-184k
	)	
(Insured State Nonmember Bank)	)	
	)	

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Farmers Deposit Bank of Middleburg, Inc., Middleburg, Kentucky ("Respondent") has been advised that a penalty under the Flood Disaster Protection Act ("FDPA") as amended, 42 U.S.C. § 4012a(f), and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, may be issued only after a notice detailing the violations and an opportunity for a hearing on the record. Having waived those rights, the Respondent and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("CONSENT AGREEMENT") dated March 26, 2009, whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violation of law for which civil money penalties may be assessed, consented and agreed to pay a civil money penalty in the

amount specified below to the Treasury of the United States.

The FDIC has reason to believe that the Respondent has violated the FDPA and Part 339 of the FDIC Rules and Regulations. Specifically, 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, and property located in non-participating communities, the Respondent violated:

- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to require flood insurance at origination in three instances; and
- Section 339.9(c) of the FDIC Rules and Regulations, 12 C.F.R. § 339.9(c), 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 four instances.

After taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of the Respondent, the gravity of the violations by the Respondent, the history of previous violations by the Respondent, and such other

