

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	
)	ORDER TO PAY
)	CIVIL MONEY PENALTY
CITIZENS FIRST BANK)	
WARTBURG, TENNESSEE)	
)	FDIC-09-134K
)	
(Insured State Nonmember Bank))	
_____)	

CITIZENS FIRST BANK, WARTBURG, TENNESSEE (“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 \$16,535.00 related to the violations of the Flood Act, and Part 339. The FDIC has reason to believe that the Bank violated Section 4012a(b)(2) of the Flood Act, 42 U.S.C. § 4012a(b)(2), and Section 339.3(a) of FDIC's Rules and Regulations, 12 C.F.R. § 339.3(a), in that:

- The Bank failed to obtain insurance on ten (10) Designated Loans secured by real estate located in an area determined by the Director of the Federal Emergency Management Agency to be located in Special Flood Hazard Areas (“Designated Loans”);
- The Bank failed to require insurance on ten (10) Designated Loans at the time the Designated Loans were originated; and
- The Bank failed to require an adequate amount of insurance on eleven (11) Designated Loans.

Further, the FDIC has reason to believe that the Bank violated Section 4104a(a)(1) of the National Flood Insurance Act (“NFIA”), 42 U.S.C. § 4104(a)(1), and Section 339.9(a), (c), and (d) of FDIC's Rules and Regulations, 12 C.F.R. § 339.9(a), (c), and (d) in that:

- The Bank failed to provide the borrowers on five (5) Designated Loans with notice of flood insurance requirements;
- The Bank failed to provide the borrowers on five (5) Designated Loans with notice of flood insurance requirements within a reasonable time before the Designated Loans were originated; and
- The Bank failed to retain a record of the receipt of the flood insurance notices by the borrowers on thirteen (13) Designated 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 CITIZENS FIRST BANK, WARTBURG, TENNESSEE, be, and hereby is, assessed a civil money penalty of \$16,535.00, 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 Civil Money Penalty shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Dallas, Texas, this 29th day of April, 2009.

/s/

Thomas J. Dujenski
Regional Director
Dallas Region
Division of Supervision and
Consumer Protection