

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )	
)	
UNION BANK AND TRUST COMPANY )	ORDER TO PAY
POTTSVILLE, PENNSYLVANIA )	CIVIL MONEY PENALTY
)	
(Insured State Nonmember Bank) )	FDIC-09-636k
_____ )	

UNION BANK AND TRUST COMPANY, POTTSVILLE, PENNSYLVANIA ("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. § 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 \$8,575 related to the violations of the Flood Act and Part 339. The FDIC has reason to believe that the Bank committed the following violations of the Flood Act and Part 339:

(a) the Bank violated 12 C.F.R § 339.3(a) by making three loans secured by one or more buildings located in a special flood hazard area without having an adequate flood insurance policy in place;

(b) the Bank violated 12 C.F.R. § 339.3(a) by failing to maintain adequate flood insurance for the entire term of the loan on six loans secured by one or more buildings located in a special flood hazard area;

(c) the Bank violated 12 C.F.R. § 339.3(a) by failing to maintain adequate flood insurance on five loans secured by one or more buildings located in a special flood hazard area;

(d) the Bank violated 12 C.F.R. § 339.7 on six

occasions by failing to provide written notice to borrowers that the building, mobile home, or personal property that is collateral for their loan was either not covered or insufficiently covered by flood insurance, and that their failure to obtain adequate insurance in a timely manner authorizes the Bank to force place insurance;

(e) the Bank violated 12 C.F.R. § 339.7 on one occasion by failing to force place insurance after a borrower did not obtain adequate flood insurance within 45 days of receiving a force place insurance notice; and

(f) the Bank violated 12 C.F.R. § 339.9(d) on 10 occasions by failing to maintain adequate records that borrowers received written notice that the building or mobile home that serves as collateral for their loan was located in a special flood hazard area and is eligible for flood insurance coverage.

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:

