

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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| In the Matter of |) | |
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| FINANCE FACTORS, LTD. |) | ORDER TO PAY |
| HONOLULU, HAWAII |) | CIVIL MONEY PENALTY |
| |) | |
| (INSURED STATE NONMEMBER BANK) |) | FDIC-10-835k |
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Finance Factors, Ltd., Honolulu, Hawaii ("Bank"), having 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. § 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. § 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 \$8,450.00 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 violated Sections 339.3(a) and 339.7, 12 C.F.R. §§ 339.3(a) and 339.7, which apply to loans secured by improved real estate located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards in which flood insurance has been made available under the National Flood Insurance Act of 1968 (“designated loans”), as follows:

- 8 instances in which the Bank failed to obtain flood insurance on designated loans at the time of origination, in violation of Section 339.3(a);
- 14 instances in which the Bank failed to maintain sufficient flood insurance on designated loans for the term of such loans, in violation of Section 339.3(a);
- 3 instances in which the Bank failed to provide written notifications to borrowers that they should obtain flood insurance, in violation of Section 339.7.

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 Finance Factors, Ltd., Honolulu, Hawaii, be, and hereby is, assessed a civil money penalty of \$8,450.00, 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. §§ 308 and 339. The Bank shall pay the civil money penalty to the

