

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
MURPHY BANK	)	ORDER TO PAY
FRESNO, CALIFORNIA	)	CIVIL MONEY PENALTY
	)	
(INSURED STATE NONMEMBER BANK)	)	FDIC-10-919k
	)	
_____	)	

Murphy Bank, Fresno, California ("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. 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 \$11,000.00 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 failed to secure flood insurance coverage at origination on eight loans when the building or mobile home securing the loan is located or to be located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards;
- The Bank failed to notify the borrower on 12 loans of the need to obtain adequate flood insurance coverage when the property securing the loan is located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards due to a map change subsequent to loan origination;
- The Bank failed to force place flood insurance on the borrower's behalf on 14 loans when the borrower failed to obtain flood insurance coverage within 45 days of the notification to the borrower; and
- The Bank failed to provide written notice within a reasonable time to the borrower on seven loans of Special Flood Hazards and Availability of Flood Disaster Relief Assistance.

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 Murphy Bank, Fresno, California, be, and hereby is, assessed a civil money penalty of \$11,000.00, 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

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Treasury of the United States. This Order to Pay Civil Money Penalty (“Order to Pay”) shall be effective upon issuance.

Pursuant to delegated authority.

Dated at San Francisco, California, this 11<sup>th</sup> day of January, 2011.

/s/

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Frank A. Hartigan  
Deputy Regional Director  
Division of Supervision and Consumer Protection  
San Francisco Region  
Federal Deposit Insurance Corporation