

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of)	
THE CITIZENS BANK OF PHILADELPHIA,)	ORDER TO PAY
MISSISSIPPI)	CIVIL MONEY PENALTY
PHILADELPHIA, MISSISSIPPI)	
(Insured State Nonmember Bank))	FDIC-11-155k
_____)	

THE CITIZENS BANK OF PHILADELPHIA, MISSISSIPPI, PHILADELPHIA, MISSISSIPPI (“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 \$15,030.00 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 engaged in a pattern or practice of committing violations of Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, which implements section 102 of the FDPA, 42 U.S.C. § 4012a. The Bank violated sections 339.3 and 339.9 of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), 339.9, which apply to 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 (“designated loans”). Specifically, the Bank:

- violated 12 C.F.R. § 339.3(a) by failing to obtain flood insurance on 10 designated loans;
- violated 12 C.F.R. § 339.3(a) by allowing the required coverage to lapse on 9 designated loans during the period of the loan;
- violated 12 C.F.R. § 339.3 (a) by failing to obtain adequate flood insurance on 9 properties securing the designated loans;
- violated 12 C.F.R. § 339.9 for failing to send any notice to the borrower regarding the flood insurance requirements on 9 designated loans;
- violated section 339.9 of the FDIC Rules and Regulations, 12 C.F.R. § 339.9(a) by failing to provide timely notice to borrowers of the flood insurance requirement on 1 designated loans prior to consummation of the loans; and,
- violated 12 C.F.R. § 339.7 by failing to force place insurance on 5 properties

securing 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 THE CITIZENS BANK OF PHILADELPHIA, MISSISSIPPI, PHILADELPHIA, MISSISSIPPI, be, and hereby is, assessed a civil money penalty of \$15,030.00, 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 31st day of May, 2011.

/s/

Kristie K. Elmquist
Acting Regional Director
Dallas Regional Office