FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

In the Matter of	)	CONSENT ORDER
BANK OF ENGLAND ENGLAND, ARKANSAS	)	FDIC-23-0022b
(Insured State Nonmember Bank)	)	

The Federal Deposit Insurance Corporation ("FDIC") is the appropriate Federal banking agency for BANK OF ENGLAND, ENGLAND, ARKANSAS ("Bank"), under 12 U.S.C. § 1813(q).

The Bank, by and through its duly elected and acting board of directors ("Board"), has executed a Stipulation to the Issuance of a Consent Order ("STIPULATION"), dated August 17, 2023, that is accepted by the FDIC. With the STIPULATION, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices, or violations of law or regulation relating to weaknesses in the Bank's Compliance Management System ("CMS"), to the issuance of this CONSENT ORDER ("ORDER") by the FDIC.

Having determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) have been satisfied, the FDIC hereby orders that:

COMPLIANCE MANAGEMENT SYSTEM

1. (a) Within ninety (90) days from the effective date of this ORDER, the Bank shall develop and implement a CMS that is commensurate with the level of complexity of the Bank's operations. The CMS shall:

(1) Include oversight by the Bank's board of directors and management that

includes the following actions:

a. Ensures the Bank adheres to all the provisions of this ORDER and recommendations for corrective actions contained in the FDIC's Compliance Report of Examination dated April 6, 2022 ("Report");

b. Ensures the Bank operates with an adequate CMS as described in the FDIC's Compliance Examination Manual, Tab II, titled ("Consumer Compliance Examinations – Compliance Management System"), pages II-3.1-3.5;

c. Ensures the Bank demonstrates clear and unequivocal expectations about compliance, not only within the Bank but also to third-party providers, as applicable;

d. Ensures effective oversight of the Bank's mortgage operations, which includes all of the Bank's Loan Production Offices, and third-party relationships, as applicable;

e. Ensures the Bank adopts clear policy statements;

f. Ensures the Bank maintains a Director of Compliance with authority and accountability;

g. Ensures the Bank allocates resources to compliance functions commensurate with the level and complexity of the Bank's operations;

h. Ensures anticipation and evaluation of changes in the Bank's operating environment and implementation of responses across impacted lines of business;

i. Ensures the Bank identifies and addresses compliance risk in its products, services, and other activities, and responds to deficiencies and violations;

j. Ensures the Bank conducts periodic compliance audits; and

k. Ensures the Bank provides for recurrent reports by the Director of Compliance to the Board.

(2) Include the development and implementation of a Compliance Program that is reviewed and approved annually by the Bank's Board, with the Board's approval reflected in the minutes of the Bank's Board. Ensure the Compliance Program includes a comprehensive risk identification and mitigation process relating to the Bank's mortgage operations, Loan Production Offices, and third-party relationships. The Compliance Program shall include the following components:

a. Written policies and procedures that shall:

i. Reflect changes, based on periodic updates, in the Bank's business and regulatory environment, including all lending operations;

ii. Provide Bank personnel with sufficient information as needed to perform a business transaction; and

iii. Incorporate and clearly convey to Bank personnel applicable regulatory requirements.

b. Implementation and maintenance of a training program that:

i. Includes timely, specific, comprehensive training in laws and regulations, and internal policies and procedures, for all Bank personnel, including management and the Board, that directly affects their jobs;

ii. Includes comprehensive training for all Bank loan product offerings for marketing and advertising, including telemarketing activities of Loan Production Offices;

iii. Provides for the Director of Compliance to be responsible for the administration of the training program, and establishment of a regular training schedule for the Board, management, and employees, as well as for third-party service providers, where appropriate;

iv. Provides for the Director of Compliance to periodically assess Bank employees on their knowledge and comprehension of the subject matter once they have been trained on a particular subject; and

v. Is frequently updated with current, complete, and accurate information on products and services and business operations of the Bank, consumer protection laws and regulations, internal policies and procedures, and emerging issues in the public domain.

c. Compliance monitoring and/or audit procedures that are appropriate for the Bank's size, complexity, and risk profile.

i. At a minimum, monitoring and/or audit procedures should include ongoing reviews of:

- Applicable departments and branches, Loan Production Offices, and third party relationships;
- Disclosure and calculations for various product offerings;
- Document filing and retention procedures;
- Posted notices, marketing literature, and advertising;
- Internal compliance communication system that provides to Bank personnel appropriate updates resulting from revisions to applicable consumer laws and regulations.

ii. Audits should be independent, comprehensive, and written commensurate with the level of complexity of the Bank's operations. The Bank's board shall document its efforts, including the review of, and corrective measures made pursuant to, the audit's findings, in the minutes of the Bank's Board of directors. That audit shall:

- Provide for sufficient transactional testing, as appropriate, for all applicable consumer compliance areas, including those areas identified in the Report;

- Identify the causes that resulted in the violations of law or exceptions noted in the Report, or any audit findings, as applicable, with sufficient information to provide management direction in formulating corrective action.

iii. Include the development and implementation of effective procedures to handle consumer complaints.

(b) Within ninety (90) days after the effective date of this ORDER, the Bank shall eliminate or correct all violations of consumer laws and regulations identified in the Report, and ensure that the Bank's Compliance Program will facilitate compliance with all applicable consumer laws and regulations in the future.

SHAREHOLDER NOTIFICATION

2. After the effective date of this ORDER, the Bank shall send a copy of this ORDER, or otherwise furnish a description of this ORDER, to its shareholders (a) in conjunction with the Bank's next shareholder communication and (b) in conjunction with its notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe the ORDER in all material respects. The description and any accompanying communication, statement, or notice shall be sent to the FDIC Accounting and Securities Disclosure Section, Washington, D.C. 20429, for review at least twenty (20) days prior to dissemination to shareholders. Any changes requested by the FDIC shall be made prior to dissemination of the description, communication, statement, or notice.

PROGRESS REPORTS

3. Within thirty (30) days after the end of the first calendar quarter following the effective date of this ORDER, and within thirty (30) days after the end of each successive calendar quarter, the Bank shall furnish written progress reports to the Regional Director detailing the form and manner of any actions taken to secure compliance with this ORDER and the results thereof. Such reports may be discontinued when the corrections required by the ORDER have been accomplished and the Regional Director has released the Bank in writing from making additional reports.

4. The Bank shall notify the FDIC in writing at least 30 days prior to the addition, or replacement of a board member, or the employment or change in responsibilities of anyone who is, who will become, or who performs the duties of a senior executive officer. For purposes of this ORDER, "Senior Executive Officer" is defined as in Section 303.101(b) of the FDIC Rules and Regulations, 12 C.F.R. § 303.101(b).

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC or any other Federal or state agency or department from taking any other action against the Bank or any of the Bank's current or former institution-affiliated parties.

This ORDER shall be effective on the date of issuance.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC.

Issued pursuant to the delegated authority this 24th day of August, 2023.

/s/________________________________
David E. Wright
Deputy Regional Director
Dallas Region
Federal Deposit Insurance Corporation

/s/________________________________
Susannah T. Marshall
Bank Commissioner
Arkansas State Bank Department