FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of FIRST STATE BANK OF ILLINOIS PEORIA, ILLINOIS (Insured State Nonmember Bank)	)	ORDER TO PAY FDIC-16-0049k

First State Bank of Illinois, Peoria, Illinois ("Respondent") has been advised that a penalty under the Flood Disaster Protection Act ("FDPA") as amended, 42 U.S.C. § 4012a(f), and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, may be issued only after a notice detailing the violations and an opportunity for a hearing on the record. Having waived those rights, the Respondent and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("STIPULATION") dated December 7, 2016 whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violations of law or regulation for which civil money penalties may be assessed, consented and agreed to pay a civil money penalty in the amount specified below to the Treasury of the United States.

The FDIC has reason to believe that the Respondent has violated the FDPA and Part 339 of the FDIC Rules and Regulations. Specifically, on loans secured by property located in flood hazard areas in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Respondent violated:

- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. §339.3(a), by: failing to obtain flood insurance at origination in six instances; allowing flood insurance to lapse during the term of the loan in eleven instances; and failing to obtain adequate flood insurance in seven instances;
- Section 339.7 of the FDIC Rules and Regulations, 12 C.F.R. §339.7 by failing to purchase flood insurance in the borrower’s behalf when the borrower failed to obtain the required insurance in two instances; and

- Section 339.9(a) of the FDIC Rules and Regulations, 12 C.F.R. §339.9, by failing to provide notice to borrowers that the collateral for the loan was in a designated special flood hazard area in nine instances.

After taking into account the STIPULATION, the appropriateness of the penalty with respect to the financial resources and good faith of the Respondent, the gravity of the violations by the Respondent, the history of previous violations by the Respondent, and such other matters as justice may require, the FDIC accepts the STIPULATION and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that a civil money penalty of $32,500 be, and hereby is, assessed against Respondent pursuant to the FDPA, 42 U.S.C. § 4012a, section 8(i)(2) of the Federal Deposit Insurance 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 Respondent shall pay the civil money penalty to the Treasury of the United States.

This ORDER TO PAY shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Chicago, Illinois, this 15th day of December, 2016.

/S/
M. Anthony Lowe
Regional Director