

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
	)	
In the Matter of	)	
	)	
STOCKMAN BANK OF MONTANA	)	ORDER TO PAY
MILES CITY, MONTANA	)	CIVIL MONEY PENALTY
	)	
(INSURED STATE NONMEMBER BANK)	)	FDIC-14-0418K
	)	
	)	

Stockman Bank of Montana, Miles City, Montana (“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 issued by the Federal Deposit Insurance Corporation (“FDIC”) detailing the violations of law and regulation for which a civil money penalty may be assessed against the Bank pursuant to section 102(f)(1) of the Flood Disaster Protection Act of 1973, as amended (“FDPA”), 42 U.S.C. § 4012a(f)(1), and has been further advised of the right to a hearing with respect to the foregoing under section 102(f)(4) of the FDPA, 42 U.S.C. § 4012a(f)(4) and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308. The Bank, having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY (“CONSENT AGREEMENT”) with counsel for the FDIC dated January 28, 2015, whereby, solely for the purpose of this proceeding and without admitting or denying the violations of law, the Bank consented to the issuance of this ORDER TO PAY CIVIL MONEY PENALTY (“ORDER”) by the FDIC.

The FDIC considered the matter and determined that the Bank has violated the Flood Act and Part 339 in that the Bank engaged in a pattern or practice of violations in connection with 18 loans secured by collateral in a Special Flood Hazard Area, specifically 27 violations of section 339.7 of the FDIC Rules and Regulations, 12 C.F.R. § 339.7, which requires a financial institution to notify a borrower of the need to obtain flood insurance, at the borrower's expense, in an amount at least equal to the amount required under Section 339.3 whenever a building or mobile home and any personal property securing the designated loan is not covered by flood insurance or is covered by flood insurance in an amount less than the amount required by law.

The FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that, by reason of the violations of law set forth herein, pursuant to section 102(f) of the FDPA, 42 U.S.C. § 4012a(f), a penalty of \$5,400.00 is assessed against the Bank. The Bank shall pay such amount to the Treasury of the United States.

IT IS FURTHER ORDERED that the Bank is prohibited from seeking or accepting indemnification from any third party for the civil money penalty assessed and paid in this matter.

This ORDER shall become effective upon its issuance by the FDIC.

//
//
//
//
//
//
//
//
//
//
//
//
//
//
//

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, as that term is defined in Section 3(u) of the Act, 12 U.S.C. § 1813(u).

Pursuant to delegated authority.

Dated at San Francisco, California, this 29th day of January, 2015.

/s/
Frank A. Hartigan
Deputy Regional Director
Depositor and Consumer Protection
San Francisco Region
Federal Deposit Insurance Corporation