

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )

CITIZENS BANK OF LAFAYETTE )  
LAFAYETTE, TENNESSEE )

(INSURED STATE NONMEMBER BANK) )  
\_\_\_\_\_)

ORDER TO PAY  
CIVIL MONEY PENALTY  
FDIC-10-048K

CITIZENS BANK OF LAFAYETTE, LAFAYETTE, TENNESSEE (“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 4104a(a)(1) of the National Flood Insurance Act, as amended, 42 U.S.C. §4104a(a)(1) (“NFIA”) 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 \$8,005.00 related to the violations of the Flood Act, the NFIA, and Part 339. The FDIC has reason to believe that the Bank violated Flood Act and Part 339, as follows:

- Violated 12 C.F.R. § 339.3(a) by failing to obtain flood insurance at the time of origination on eleven (11) Designated Loans secured by real estate located in an area determined by the Director of the Federal Emergency Management Agency to be located in Special Flood Hazard Areas (“Designated Loans”);
- Violated 12 C.F.R. § 339.3(a) by failing to maintain insurance for the entire loan term on two (2) Designated Loans;
- Violated 12 C.F.R. § 339.9(a) by providing the borrowers with no notices of flood insurance requirements on three (3) Designated Loans;
- Violated 12 C.F.R. § 339.9(c) by providing borrowers with late notices of flood insurance requirements on eleven (11) Designated Loans; and
- Violated 12 C.F.R. § 339.9(d) for failure to obtain receipts of acknowledgment for flood insurance notices on one (1) Designated Loan.

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 CITIZENS BANK OF LAFAYETTE, LAFAYETTE, TENNESSEE, be, and hereby is, assessed a civil money penalty of \$8,005.00, 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 delegate authority.

Dated at Dallas, Texas, this 8<sup>th</sup> day of March, 2010.

/s/\_\_\_\_\_  
Thomas J. Dujenski  
Regional Director  
Dallas Region  
Division of Supervision and Consumer Protection