

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
AMERICAN COMMUNITY BANK	)	ORDER TO PAY
GLEN COVE, NEW YORK	)	
	)	CIVIL MONEY PENALTY
	)	
(Insured State Nonmember Bank)	)	FDIC-10-741k
_____	)	

AMERICAN COMMUNITY BANK, GLEN COVE, NEW YORK ("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's 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 \$5,405 related to the violations of the Flood Act and Part 339. The FDIC has reason to believe that the Bank committed the following violations of the Flood Act and Part 339:

(a) the Bank violated 12 C.F.R. § 339.3(a) on one occasion by lending to a borrower whose loan was secured by one or more buildings or mobile homes located in a special flood hazard area without flood insurance coverage; and

(b) the Bank violated 12 C.F.R. § 339.3(a) on two additional occasions by failing to insure that borrowers had sufficient flood insurance coverage, *i.e.*, at least equal to the lesser of the outstanding principal balance of the designated loan or the maximum limit of coverage available for the particular type of property; and

(c) the Bank violated 12 C.F.R. § 339.3(a) on four additional occasions by failing to ensure that borrowers maintain flood insurance for the term of the loan; and

(d) the Bank violated 12 C.F.R. § 339.7 on four

occasions by failing to notify borrowers when flood insurance expires; and

(e) the Bank violated 12 C.F.R. § 339.7 on six additional occasions by failing to force place flood insurance on the borrower's behalf after insurance was not obtained within 45 days after notification.

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 AMERICAN COMMUNITY BANK, GLEN COVE, NEW YORK, be, and hereby is, assessed a civil money penalty of \$5,405 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 this 26th day of October, 2010.

/s/
Scott D. Strockoz
Deputy Regional Director (Compliance)
New York Regional Office
Division of Supervision and
Consumer Protection