

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

	)	
In the Matter of	)	
	)	
WATERSTONE BANK, SSB	)	ORDER TO PAY
WAUWATOSA, WISCONSIN	)	
	)	FDIC-10-485k
(Insured State Nonmember Bank)	)	
	)	

WaterStone Bank, SSB, Wauwatosa, Wisconsin
("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 November 16, 2010 whereby
Respondent, solely for the purpose of this proceeding and
without admitting or denying any violations of law 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 one (1) instance;
- Section 339.7 of the FDIC Rules and Regulations, 12 C.F.R. § 339.7, by failing to follow force-placement procedures in twelve (12) instances; and
- Section 339.9(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.9(a), by failing to provide to borrowers a Notice of Special Flood Hazard and Availability of Federal Disaster Relief Assistance in two (2) 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 \$5,775.00 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, IL, this 19th day of November, 2010.

/s/

M. Anthony Lowe
Regional Director
Division of Supervision and
Consumer Protection