

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of

SHERMAN COUNTY BANK
LOUP CITY, NEBRASKA

(Insured State Nonmember Bank)

ORDER TO PAY CIVIL MONEY PENALTY

FDIC-08-008k

Sherman County Bank, Loup City, Nebraska("Bank"), and a representative of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT"), dated February 19, 2008, whereby the Bank, solely for the purpose of this proceeding and without admitting or denying any violations of law for which a civil money penalty may be assessed, consented and agreed to pay a civil money penalty of \$4,000 to the Treasury of the United States, pursuant to the Flood Disaster Protection Act ("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 Parts 308 and 339 of the FDIC Rules and Regulations, 12 C.F.R. Parts 308 and 339.

The civil money penalty in this action relates to the following:

- (a) The Bank has made, increased, extended, or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without requiring that the collateral

be covered by flood insurance, 12 C.F.R. § 339.3(a);

- (b) The Bank has made, increased, extended, or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without furnishing a written notice to the borrower and to the servicer whether flood insurance is available under the Flood Act for the collateral securing the loan, 12 C.F.R. § 339.9(a);and
- (c) The Bank has made, increased, extended, or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without furnishing a written notice to the borrower whether flood insurance is available under the Flood Act for the collateral securing the loan, within a reasonable time before the completion of the transaction, and to the servicer as promptly as practicable after it provides notice to the borrower and in any event no later than the time it provides similar notices to the servicer regarding hazard insurance and taxes, 12 C.F.R. § 339.9(c);

which violations were identified at the FDIC's September 10, 2007 examination.

The FDIC considered the matter and determined it had reason to believe that the Bank has engaged or participated in violations of law or regulations for which a civil money penalty of \$4,000 is appropriate to be assessed against the Bank, 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.

After taking into account the CONSENT AGREEMENT, the appropriateness of the civil money penalty with respect to the financial resources and good faith of the Bank, the gravity of the violations by the Bank, the history of any 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 Sherman County Bank, Loup City, Nebraska, be, and hereby is, assessed a civil money penalty of \$4,000 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 its issuance.

Pursuant to delegated authority.

Dated this 14th day of April, 2008.

Scott D. Strockoz
Acting Associate Director
Division of Supervision and
Consumer Protection