

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

|                                |   |                     |
|--------------------------------|---|---------------------|
| _____                          | ) |                     |
| In the Matter of               | ) |                     |
|                                | ) |                     |
| CITIZENS BANK                  | ) | ORDER TO PAY        |
| HARTSVILLE, TENNESSEE          | ) | CIVIL MONEY PENALTY |
|                                | ) | FDIC-09-054k        |
| (Insured State Nonmember Bank) | ) |                     |
| _____                          | ) |                     |

CITIZENS BANK, HARTSVILLE, 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 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 \$4,000 related to the violations of the

Flood Act and Part 339. The FDIC has reason to believe that the Bank has violated the Flood Act and Part 339 in that:

- violated 12 C.F.R. § 339.3(a) by failing to obtain flood insurance on 2 designated loans;
- violated 12 C.F.R. § 339.3(a) for allowing the required flood insurance to lapse on 5 designated loans;
- violated 12 C.F.R. § 339.3(a) by failing to obtain insurance in a timely manner on 2 designated loans;
- violated 12 C.F.R. § 339.3(a) by failing to obtain adequate flood insurance on 1 designated loan;
- violated section 339.9 of the FDIC Rules and Regulations, 12 C.F.R. § 339.9(a) by failing to provide notice to borrowers on 1 designated loan prior to consummation of the loans;
- violated 12 C.F.R. § 339.7 by failing to force place insurance on 3 designated loans.

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, HARTSVILLE, TENNESSEE, be, and hereby is, assessed a civil money penalty of \$3,000, 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 issuance.

Pursuant to delegated authority.

Dated at Dallas, Texas, this 1<sup>st</sup> day of May, 2009.

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Julie V. Banfield  
Deputy Regional Director  
Division of Supervision and Consumer Protection  
Dallas Regional Office