

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

|                                |   |              |
|--------------------------------|---|--------------|
|                                | ) |              |
| In the Matter of               | ) |              |
|                                | ) | ORDER TO PAY |
| THE HOME BANK                  | ) |              |
| DUCKTOWN, TENNESSEE            | ) | FDIC-06-098k |
|                                | ) |              |
| (Insured State Nonmember Bank) | ) |              |
|                                | ) |              |

THE HOME BANK, DUCKTOWN, TENNESSEE ("Bank"), has been advised that a civil money penalty may be issued by the Federal Deposit Insurance Corporation ("FDIC") only after notice and an opportunity for a hearing on the record, pursuant to 42 U.S.C. § 4012a(f)(4), detailing the violations for which the 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 and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, and has been further advised of the right to a hearing on the alleged charges under the Flood Act, 42 U.S.C. § 4012a(f) and 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 ("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 related to (a) its failure to secure or maintain adequate flood insurance on 40 of 58 loans secured by improved real estate located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards ("special flood hazard areas"); and (b) its failure to provide borrowers with timely notice as to whether flood insurance was available for 33 of the 58 loans secured by property located with the special flood hazard areas.

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 \$13,300.00 is appropriate to be assessed against the Bank, pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339.

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 violation 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

IT IS HEREBY ORDERED that THE HOME BANK, DUCKTOWN, TENNESSEE, be, and hereby is, assessed a civil money penalty of \$13,300.00 pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, the receipt of which is acknowledged.

This ORDER TO PAY shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 8<sup>th</sup> day of September, 2006.

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April A. Breslaw  
Acting Associate Director  
Division of Supervision and  
Consumer Protection