

{{05-31-06 p.12557.1}}

[¶12,557] In the Matter of Farmers & Merchants State Bank, Boise, Idaho,
Docket No. 06-031k (3-28-06).

Respondent agrees to pay civil money penalty assessed by the FDIC in the amount of \$36,290.

**In the Matter of
FARMERS & MERCHANTS STATE BANK
BOISE, IDAHO
(Insured State Nonmember Bank)
ORDER TO PAY**

FDIC-06-031k

Farmers & Merchants State Bank, Boise, Idaho ("Bank") has been advised of the 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") 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 ("FDPA"), 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, and has been further advised of the right to a hearing on the alleged charges under the FDPA, 42 U.S.C. §4012a(f), section 8(i) of the FDI Act, 12 U.S.C. §1818(i), and the FDIC 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") dated February 16, 2006, 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 \$36,290.00, related to the Bank's failure to obtain adequate insurance, its failure to maintain continuous insurance, its failure to provide sufficient insurance coverage, its failure to make flood determinations, its failure to provide written notifications to borrowers concerning the availability of flood insurance, its failure to provide compliant standard flood notification language, its failure to make timely flood notifications to borrowers, and its failure to maintain acknowledgement of flood notifications, as evidenced by the findings of the FDIC's Compliance Examination of the Bank as of July 19, 2005.

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 \$36,290.00 is appropriate
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to be assessed against the Bank pursuant to the FDPA, 42 U.S.C. §4012a, section 8(i)(2) of the FDI Act, 12 U.S.C. §1818(i)(2), and Part 339 of the FDIC 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 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 CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that Farmers & Merchants State Bank, Boise, Idaho, be and hereby is, assessed a civil money penalty of \$36,290.00 pursuant to the FDPA, 42 U.S.C. §4012a, section 8(i)(2) of the FDI Act, 12 U.S.C. §1818(i)(2), and Part 339 of the FDIC 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 28th day of March, 2006.

Last
Updated legal@fdic.gov
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