

{{1-31-04 p.C-5923}}

[¶12,123] **In the Matter of Southern Heritage Bank, Cleveland, Tennessee**, Docket No. 03-094k (11-17-03).

Respondent agrees to pay civil money penalty assessed by the FDIC in the amount of \$4,900.

**In the Matter of
SOUTHERN HERITAGE BANK
CLEVELAND, TENNESSEE
(Insured State Nonmember Bank)
ORDER TO PAY CIVIL MONEY PENALTY**

FDIC-03-094k

SOUTHERN HERITAGE BANK, CLEVELAND, TENNESSEE ("BANK"), has been advised that a penalty under this subsection may be issued only after notice and an opportunity for a hearing on the record, pursuant to 42 U.S.C. §4012a(f)(4), may be 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 ("Flood Act"), as amended, 42 U.S.C. §4012a, 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 Flood Act, 42 U.S.C. §4012a(f), 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 ("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 \$4,900.00 related to its failure to secure or maintain flood insurance on four loans secured by property located in special flood hazard areas; its failure to secure adequate flood insurance on five loans secured by property located in special flood hazard areas; its failure to renew flood insurance on two loans secured by property located in special flood hazard areas, and by failing to notify such borrowers to obtain flood insurance; and by failing to notify seven borrowers that properties securing their loans were located in special flood hazard areas and that flood disaster relief assistance was available to them.

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 \$4,900.00 is appropriate to be assessed against the Bank, pursuant to the Flood Act, 42 U.S.C. §4012a, and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339.

The FDIC therefore accepts the AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that SOUTHERN HERITAGE BANK, CLEVELAND, TENNESSEE, be, and hereby is, assessed a civil money penalty of \$4,900.00, pursuant to the Flood Act, 42 U.S.C. §4012a, 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 this 17th day of November, 2003.

