

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)

PEOPLES STATE BANK)
HAMTRAMCK, MICHIGAN)

(INSURED STATE NONMEMBER BANK))
_____)

ORDER TO PAY
CIVIL MONEY PENALTY

FDIC-06-046k

PEOPLES STATE BANK, HAMTRAMCK, MICHIGAN ("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. § 4012(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 \$2,100 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 the Bank failed to obtain flood insurance at origination, or failed to obtain an adequate amount of flood insurance, on four loans secured by buildings or mobile homes located in a special flood hazard area, and the Bank failed to provide the required notification to the Borrower on six loans secured by properties located in special food hazard areas.

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 CIVIL MONEY PENALTY

IT IS HEREBY ORDERED, that PEOPLES STATE BANK, HAMTRAMCK, MICHIGAN, be, and hereby is, assessed a civil money penalty \$2,100, pursuant to the Flood Act, 42 U.S.C. § 4012a, section 8(i)(2) of the FDIC 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 Washington, D.C., this 28 day of March, 2007.

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