FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of **EARLHAM SAVINGS BANK** **WEST DES MOINES, IOWA** **(Insured State Nonmember Bank)**	))))))))	**ORDER TO PAY** **CIVIL MONEY PENALTY** **FDIC-12-281k**

Earlham Savings Bank, West Des Moines, Iowa ("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 $3,740 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:

(a) It has made, increased, extended or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without requiring that the collateral be covered by flood insurance;

(b) It has made, increased, extended or renewed loans secured by a building or mobile home located or to be located in a special flood hazard area without notifying the borrower and/or the servicer whether flood insurance is available for the collateral;

(c) It has made, increased, extended or renewed a loan secured by a building or mobile home located or to be located in a special flood hazard area without notifying the borrower and/or the servicer within a reasonable time whether flood insurance is available for the collateral;

(d) It has failed to notify the borrower that the borrower should obtain flood insurance, at the borrower’s

expense, upon determining that the collateral was not covered by flood insurance at some time during the term of the loan;

(e) It has failed to retain a record of the receipt of notices by the borrowers and/or servicer for the requisite period of time;

which violations were cited at the FDIC's January 31, 2012, examination.

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 the Earlham Savings Bank, West Des Moines, Iowa, be, and hereby is, assessed a civil money penalty of $3,740, 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 this 11th day of July, 2012.

/s/

Todd L. Hendrickson
Deputy Regional Director
Kansas City Regional Office