

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of:

FIRST NORTHERN BANK OF DIXON  
DIXON, CALIFORNIA

(INSURED STATE NONMEMBER BANK)

ORDER TO PAY CIVIL MONEY  
PENALTY

FDIC-17-0148k

FIRST NORTHERN BANK OF DIXON ("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 issued by the Federal Deposit Insurance Corporation ("FDIC") detailing the violations of law and regulation for which a civil money penalty may be assessed against the Bank pursuant to section 102(f)(1) of the Flood Disaster Protection Act of 1973, as amended ("FDPA"), 42 U.S.C. § 4012a(f)(1), and has been further advised of the right to a hearing with respect to the foregoing under section 102(f)(4) of the FDPA, 42 U.S.C. § 4012a(f)(4) and the FDIC Rules of Practice and Procedure, 12 C.F.R. Part 308. The Bank, having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("CONSENT AGREEMENT") with counsel for the FDIC dated August 11th, 2017, whereby, solely for the purpose of this proceeding and without admitting or denying the violations of law, the Bank consented to the issuance of this ORDER TO PAY CIVIL MONEY PENALTY ("ORDER TO PAY") by the FDIC.

The FDIC considered the matter and determined that the Bank has engaged in a pattern or practice of committing violations of the FDPA, the notice requirements under section 1364 of the National Flood Insurance Act of 1968, 42 U.S.C. 4104a, and Part 339 of the FDIC's Rules and

Regulations, 12 C.F.R. Part 339. The evidence shows that of one hundred and twelve (112) residential and commercial loans reviewed that were made, increased, renewed or extended over a four year period, twenty six (26) of the loan files had at least one violation of the regulations, totaling thirty (30) violations, including twelve (12) violations of Part 339.3(a) (prohibiting banks from lending in designated special flood hazard zones unless the collateral is covered by adequate flood insurance) and eighteen (18) violations of Part 339.7(a) (requiring banks to provide written notice to borrowers to obtain adequate flood insurance and to purchase such insurance if the borrower fails to do so within 45 days after notification).

The FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS HEREBY ORDERED that, by reason of the violations of law set forth herein, pursuant to section 102(f) of the FDPA, 42 U.S.C. § 4012a(f), a penalty of \$21,000 is assessed against the Bank. The Bank shall pay such amount to the Treasury of the United States.

IT IS FURTHER ORDERED that the Bank is prohibited from seeking or accepting indemnification from any third party for the civil money penalty assessed and paid in this matter.

This ORDER TO PAY shall become effective upon its issuance by the FDIC.

The provisions of this ORDER TO PAY shall not bar, estop, or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action against the Bank or any of the Bank’s current or former institution-affiliated parties, as that term is defined in Section 3(u) of the Act, 12 U.S.C. § 1813(u).

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Pursuant to delegated authority.

Dated at San Francisco, California, this 14<sup>th</sup> day of August, 2017.

/s/

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Todd L. Hendrickson  
Deputy Regional Director  
Division of Depositor and Consumer Protection  
San Francisco Region  
Federal Deposit Insurance Corporation