

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of )	
FIRST STATE BANK OF DECATUR )	ORDER TO PAY
DECATUR, MICHIGAN )	CIVIL MONEY PENALTY
(Insured State Nonmember Bank) )	FDIC-14-0009k
_____ )	

First State Bank of Decatur, Decatur, 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 issued by the Federal Deposit Insurance Corporation ("FDIC") pursuant to section 102(f)(4) of the Flood Disaster Protection Act of 1973, as amended ("FDPA"), 42 U.S.C. § 4012a(f)(4) 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 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 April 28, 2014, 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") 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 and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339. Specifically, on loans secured by property located in a flood hazard area in which flood insurance has been made available under the National Flood Insurance Act of 1968, the Respondent violated:

- section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to obtain flood insurance on a building securing a designated loan at the time of the origination, extension or renewal of two (2) loans;
- section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a), by failing to obtain adequate flood insurance at the time of the origination of two (2) loans; and
- section 339.7 of the FDIC Rules and Regulations, 12 C.F.R. § 339.7, by failing to follow force placement flood insurance procedures for one (1) loan.

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 \$6,200 is assessed against the Bank. The Bank shall pay such amount to the Treasury of the United States.

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

The provisions of this ORDER 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).

Pursuant to delegated authority.

Dated at Chicago, Illinois this 29th day of May, 2014.

/S/ \_\_\_\_\_  
Regional Director