FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of COLUMBIA SAVINGS AND LOAN ASSOCIATION MILWAUKEE, WISCONSIN (Wisconsin Chartered Insured Nonmember Association)	)	CONSENT ORDER FDIC-18-0163b

Columbia Savings and Loan Association ("Association"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the unsafe or unsound banking practices and violations of law or regulation alleged to have been committed by the Association in the area of consumer protection and compliance, and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF A CONSENT ORDER ("STIPULATION") with counsel for the Federal Deposit Insurance Corporation ("FDIC"), dated December 12, 2018, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of unsafe or unsound banking practices and violations of law or regulation relating to weaknesses in the area of consumer protection and compliance, the Association consented to the issuance of a CONSENT ORDER ("ORDER") by the FDIC.

The FDIC considered the matter and determined to accept the STIPULATION.

Having also determined that the requirements for issuance of an order under 12 U.S.C. § 1818(b) have been satisfied, the FDIC HEREBY ORDERS that the Association, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, take affirmative action as follows:

BOARD OVERSIGHT

1. (a) From the effective date of this ORDER, the Association's Board of Directors ("Board") shall increase its participation in the oversight of the Association's compliance management system ("Compliance Management System"), as described in Section II of the FDIC's Compliance Examination Manual ("Compliance Management System Guidance"), to include full responsibility for the approval of sound policies and objectives and for the supervision of all of the Association's compliance-related activities, consistent with the role and expertise commonly expected for directors of financial institutions of comparable size.

(b) Within thirty (30) days of the effective date of this ORDER, the Board shall have and maintain a compliance committee ("Compliance Committee") comprised of at least two (2) directors who are not active officers of the Association and at least one (1) member of senior management, plus the compliance officer ("Compliance Officer") retained pursuant to this ORDER.

(i) The Compliance Committee shall meet no less frequently than monthly during which, at a minimum, the following areas shall be reviewed and approved: minutes of the Compliance Committee, Compliance Officer written reports, Compliance Management System policies and procedures, compliance monitoring results, training records, and compliance with this ORDER. The Compliance Committee shall summarize its discussions and actions in monthly written minutes.

(ii) The Compliance Committee shall provide its monthly approved minutes to the Board at each regularly scheduled Board meeting and the Board shall document the review of the minutes and the approval of the actions taken by the Compliance Committee, including the names of any dissenting directors.

(iii) The Board, in conjunction with the Compliance Committee, shall allocate additional resources to the compliance area that are:

(A) Commensurate with the level of complexity of the Association's operations to ensure the adequate modification and implementation of the Compliance Management System, including procedures ensuring the Association's compliance with all federal consumer protection and compliance laws, rules, and regulations ("Consumer Laws"); and

(B) Sufficient to ensure the Association's timely compliance with the provisions of this ORDER.

(iv) The Board, in conjunction with the Compliance Committee, shall:

(A) Ensure that the duties and responsibilities of the Compliance Officer are clearly defined and communicated, providing for accessibility to both the Board and senior management;

(B) Require the Compliance Officer to provide to the Compliance Committee monthly written reports on all aspects of the Compliance Management System and compliance with this ORDER;

(C) Ensure that the Compliance Officer has and retains sufficient authority and independence to adopt, modify, and implement specific guidelines and policies related to Consumer Laws and to institute corrective action as needed. This authority shall include the ability to cross departmental lines, have access to all areas of the Association's operations, and effectuate corrective action upon discovering deficiencies; and

(D) Ensure the Compliance Officer receives immediate and ongoing training, sufficient time, and adequate resources to effectively oversee, coordinate, and implement the Association's Compliance Management System.

(c) The existence of the Compliance Committee in no way diminishes the responsibility of the entire Board for ensuring compliance with the provisions of this ORDER.

(d) The Board shall hold employees accountable for following adopted policies, procedures, and regulatory requirements related to the Association's Compliance Management System.

MANAGEMENT

2. While this ORDER is in effect, the Association shall have and retain qualified management. Each member of Management shall have full authority to implement the provisions of this ORDER. The qualifications of management shall be assessed on its ability to comply with the requirements of this ORDER.

COMPLIANCE OFFICER

3. (a) Within thirty (30) days of the effective date of this ORDER, the Board shall have and maintain a qualified, full-time Compliance Officer who shall be given sufficient written authority by the Board to adopt, implement, modify, and supervise the Association's Compliance Management System, including but not limited to, providing training, including appropriate cross-training, to the Board and employees for all Consumer Laws and establishing controls and procedures to prevent violations of Consumer Laws. The Compliance Officer shall report directly to the Board and shall possess the requisite knowledge, capacity, and experience to administer and oversee an effective Compliance Management System.

(b) The Association shall ensure the Compliance Officer is sufficiently trained, on an ongoing basis, to perform the duties of a Compliance Officer. All training received by the Compliance Officer shall be documented and maintained for review at subsequent FDIC compliance examinations or visitations.

(c) The assessment of whether the Association has a qualified and sufficiently trained Compliance Officer shall be based upon the Association's record in complying with: (i) the requirements of this ORDER; and (ii) applicable Consumer Laws.

(d) The Association may fulfill its requirement to have and maintain a Compliance Officer with multiple compliance officers, provided the compliance officers constitute, at a minimum, one full-time equivalent position.

COMPLIANCE POLICY AND PROCEDURES

4. Within sixty (60) days from the effective date of this ORDER, the Association shall develop and/or review, update, adopt, and implement its compliance policy and procedures ("Compliance Policy and Procedures"). At a minimum, the Compliance Policy and Procedures shall require the maintenance of a comprehensive Compliance Management System, which will be reviewed and approved annually by the Board. The Compliance Policy and Procedures shall be acceptable to the Regional Director as determined at subsequent FDIC compliance examinations or visitations.

COMPLIANCE MONITORING

5. Within ninety (90) days from the effective date of this ORDER, the Association shall ensure that effective compliance monitoring procedures are developed and instituted throughout the Association. The procedures required by this paragraph shall be acceptable to the Regional Director as determined at subsequent FDIC compliance examinations or visitations.

(a) At a minimum, monitoring procedures should include ongoing reviews of:

(i) Banking transactions that constitute the routine daily activities of employees for all applicable departments;

(ii) disclosures and calculations for various loan and deposit products;

(iii) document filing and retention procedures;

(iv) marketing literature and advertising; and

(v) the internal compliance communication system that provides updates resulting from revisions to Consumer Laws to appropriate Association personnel.

(b) The monitoring procedures shall ensure that:

(i) the Association's actual practices reflect the Compliance Policy and Procedures; and

(ii) all Consumer Laws are being followed.

(c) The procedures shall also ensure that the monitoring of specific bank transactions concerning loan and deposit products is conducted by personnel unrelated to the transaction so that an independent review is ensured. This independent review, at a minimum, shall:

(i) be comprehensive in scope;

(ii) identify the number of transactions reviewed by category or product type;

(iii) identify deficiencies;

(iv) provide descriptions of or suggestions for corrective actions and time frames for correction and establish follow-up procedures to verify that corrective actions are implemented and effective.

(d) Reviews of the routine daily activities of employees in all operating units of the Association shall be conducted at the transactional level on a regular basis, but not less often than monthly.

(e) Regular reports shall be made to the Compliance Committee and the Board regarding independent monitoring results and corrective procedures taken to address deficiencies. Such reports shall include the: scope of the monitoring; number of transactions reviewed; deficiencies identified; corrective action undertaken; and follow-up procedures implemented.

(f) A copy of the reports concerning independent monitoring presented to the Compliance Committee and the Board, along with the Board's response thereto, shall be submitted to the Regional Director quarterly as part of the progress reports required under Paragraph 8 of this ORDER.

TRAINING PROGRAM

6. Within sixty (60) days from the effective date of this ORDER, the Association shall review, revise and implement its training program relating to Consumer Laws for all Association personnel commensurate with their individual job functions and duties.

(a) The training program, at a minimum, shall address the violations contained in the FDIC's Compliance Report of Examination of the Association as of June 11, 2018 ("Compliance Report"), and any deficiencies found through internal monitoring or independent reviews, and shall address updates to Consumer Laws and the Association's policies and procedures.

(b) The training program shall provide for training of all Association personnel, including senior management and the Board, commensurate with their individual job functions and duties. All training shall be documented and maintained for review at all subsequent FDIC compliance examinations or visitations.

(c) The training program shall include cross-training, where appropriate, to ensure an adequate number of knowledgeable employees in all areas relating to consumer compliance.

(d) All training efforts and activities shall be reported to the Board and documented in Board minutes.

(e) The training program required by this paragraph shall be acceptable to the Regional Director as determined at subsequent FDIC compliance examinations or visitations.

CORRECTION OF VIOLATIONS

7. Within sixty (60) days from the effective date of this ORDER, the Association shall eliminate or correct all violations of Consumer Laws identified in the Compliance Report.

PROGRESS REPORTS

8. Within thirty (30) days from the end of the first calendar quarter following the effective date of this ORDER, and within thirty (30) days after the end of each successive calendar quarter thereafter, the Association shall furnish written progress reports to the Regional Director detailing the form and manner of any action taken to secure compliance with this ORDER and the results thereof.

CLOSING PARAGRAPHS

The effective date of this ORDER shall be the date of its issuance by the FDIC.

The provisions of this ORDER shall be binding upon the Association, its institution-affiliated parties, successors, and assigns.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision of this ORDER shall have been modified, terminated, suspended, or set aside by the FDIC.

Pursuant to delegated authority.

Dated this 17th day of December, 2018.

/s/
Teresa M . Sabany
Deputy Regional Director
Chicago Regional Office
Federal Deposit Insurance Corporation