

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
HOMESTREET BANK	)	
SEATTLE, WASHINGTON	)	ORDER TO PAY
	)	CIVIL MONEY PENALTY
	)	
	)	
(INSURED STATE NONMEMBER BANK)	)	FDIC-18-0142k
_____	)	

The Federal Deposit Insurance Corporation (“FDIC”) is the appropriate Federal banking agency under section 3(q) of the Federal Deposit Insurance Act (“FDI Act”), 12 U.S.C.

§ 1813(q), for HomeStreet Bank, Seattle, Washington (“Bank”). The FDIC determined that the Bank, through its now discontinued Home Loan Center-based mortgage banking business line, has engaged in violations of the Real Estate Settlement Procedures Act, 12 U.S.C. § 2607, and its implementing regulation, Regulation X, 12 C.F.R. Part 1024, by entering into certain co-marketing agreements using online platforms and desk rental agreements that resulted in the payment of fees to real estate brokers and home builders for their referrals of mortgage loan business. All of the subject agreements have been terminated.

The Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY (“CONSENT AGREEMENT”), dated November 1, 2019, that is accepted by the FDIC. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any charges of unsafe or unsound banking practices or violations of law or

regulation, to the issuance of this ORDER TO PAY CIVIL MONEY PENALTY by the FDIC.

Having determined that the requirements for issuance of an order under sections 8(i)(2) of the FDI Act, 12 U.S.C. § 1818(i)(2), have been satisfied, the FDIC hereby issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that by reason of the violations of law and/or regulations set forth herein, and after taking into account the appropriateness of the penalty with respect to the size of the financial resources and good faith of the Bank, the gravity of the violations, the history of previous violations by the Bank, and such other matters as justice may require, including the severity of the risks to and losses by consumers, pursuant to 12 U.S.C. § 1818(i)(2), a penalty of \$1.35 million 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 be effective upon issuance.

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

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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).

Issued pursuant to delegated authority this 6<sup>th</sup> day of November, 2019.

/s/

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Todd L. Hendrickson  
Senior Deputy Director  
Division of Depositor and Consumer Protection