

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of:)	
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FREEDOM BANK)	ORDER TO PAY
COLUMBIA FALLS, MONTANA)	CIVIL MONEY PENALTY
)	
(INSURED STATE NONMEMBER BANK))	FDIC-22-0045k
)	
_____)	

FREEDOM BANK, COLUMBIA FALLS, MONTANA (“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, executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY (“CONSENT AGREEMENT”), dated May 20, 2022. With the CONSENT AGREEMENT, the Bank has consented, without admitting or denying any violations of law or regulation, to the issuance of this ORDER TO PAY CIVIL MONEY PENALTY (“ORDER”) by the FDIC.

The FDIC 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, as follows:

- (1) 12 C.F.R. § 339.3(a), by making, increasing, extending, or renewing designated loans when the building or mobile home or any personal property securing the loan was not covered by flood insurance for the term of the loan in an amount equal to the lesser of the outstanding principal balance of the designated loan or the maximum limit of coverage available for the particular type of loan under the Act;
- (2) 12 C.F.R. § 339.7(a), by failing to notify the borrower that the borrower should obtain flood insurance, at the borrower's expense, in an amount at least equal to the amount required under §339.3, for the remaining term of the loan, upon determining that the building or mobile home or any personal property securing the designated loan is not covered by flood insurance or is covered by flood insurance in an amount less than the amount required under §339.3;
- (3) 12 C.F.R. § 339.7(a), by failing to purchase flood insurance on the borrower's behalf upon the borrower's failure to obtain flood insurance within 45 days after notification;
- (4) 12 C.F.R. § 339.9(a), by failing to notify the borrower whether or not flood insurance is available under the Act for the collateral securing the loan when making, increasing, extending, or renewing a loan secured by a building or a mobile home located or to be located in a special flood hazard area; and

- (5) 12 C.F.R. § 339.9(c), by failing to timely notify the borrower whether or not flood insurance is available under the Act for the collateral securing the loan when making, increasing, extending, or renewing a loan secured by a building or a mobile home located or to be located in a special flood hazard area.

The FDIC accepts the CONSENT AGREEMENT and hereby issues the following:

ORDER TO PAY CIVIL MONEY PENALTY

IT IS ORDERED that by reason of the violations of law and/or regulations set forth herein, pursuant to 42 U.S.C. § 4012a(f), a penalty of \$8,250 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 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 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.

Dated this 24th day of May, 2022.

/s/

Janet R. Kincaid
Deputy Regional Director