

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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| In the Matter of |) | |
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| PEOPLES BANK |) | ORDER TO PAY |
| ELKHORN, WISCONSIN |) | |
| |) | FDIC-08-081k |
| (Insured State Nonmember Bank) |) | |
| _____ |) | |

Peoples Bank, Elkhorn, Wisconsin ("Respondent") has been advised that a penalty under the Flood Disaster Protection Act ("FDPA") as amended, 42 U.S.C. § 4012a(f), and Part 339 of the FDIC Rules and Regulations, 12 C.F.R. Part 339, may be issued only after a notice detailing the violations and an opportunity for a hearing on the record. Having waived those rights, the Respondent and a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC") executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("CONSENT AGREEMENT") dated December 29, 2008, whereby Respondent, solely for the purpose of this proceeding and without admitting or denying any violation of law for which civil money penalties may be assessed, consented and agreed to pay a civil money penalty in the amount specified below to the Treasury of the United States.

The FDIC has reason to believe that the Respondent has violated the FDPA and Part 339 of the FDIC Rules and Regulations. Specifically, on loans secured by property located in flood hazard areas 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 at origination in seven instances;
- Section 339.9(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.9, by failing to provide the required notice to borrowers on loans secured by property located in a special flood hazard area prior to origination and/or renewal in nine instances;
- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a) by failing to maintain adequate flood insurance in five instances; and
- Section 339.3(a) of the FDIC Rules and Regulations, 12 C.F.R. § 339.3(a) by failing to maintain adequate flood insurance during the term of the loan in one instance;

