

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

In the Matter of)	
)	
MOUNTAIN HERITAGE BANK)	ORDER TO PAY
CLAYTON, GEORGIA)	FDIC-06-093k
)	
(Insured State Nonmember Bank))	

MOUNTAIN HERITAGE BANK, CLAYTON, GEORGIA ("Bank"), has been advised that a penalty may be issued by the Federal Deposit Insurance Corporation ("FDIC") only after notice and an opportunity for a hearing on the record, pursuant to 42 U.S.C. § 4012a(f)(4), detailing the violations for which a civil money penalty may be assessed against the Bank pursuant to the Flood Disaster Protection Act of 1973 ("Flood Act"), as amended, 42 U.S.C. § 4012a, and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, and has been further advised of the right to a hearing on the alleged charges under the Flood Act, 42 U.S.C. § 4012a(f), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308.

Having waived those rights, the Bank entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY ("CONSENT AGREEMENT") with a representative of the Legal Division of the FDIC, whereby solely for the purpose of this proceeding and without admitting or denying any violations, the Bank

consented and agreed to pay a civil money penalty in the amount of \$1,800.00 related to (a) its failure to secure or maintain flood insurance, or have a sufficient amount of coverage on 6 out of 6 loans secured by improved real estate located in areas determined by the Director of the Federal Emergency Management Agency to have special flood hazards ("special flood hazard areas") and (b) its failure to provide borrowers with notice as to whether flood insurance was available for 6 of the 6 loans secured by property located within the special flood hazard areas.

The FDIC considered the matter and determined it had reason to believe that the Bank has engaged or participated in violations of law or regulations for which a civil money penalty of \$1,800.00 is appropriate to be assessed against the Bank, pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339.

After taking into account the CONSENT AGREEMENT, the appropriateness of the penalty with respect to the financial resources and good faith of Respondent, the gravity of the violation by Respondent, the history of previous violations by Respondent, and such other matters as justice may require, the FDIC accepts the CONSENT AGREEMENT and issues the following:

ORDER TO PAY

IT IS HEREBY ORDERED that MOUNTAIN HERITAGE BANK, CLAYTON, GEORGIA be, and hereby is, assessed a civil money penalty of

\$1,800.00, pursuant to the Flood Act, 42 U.S.C. § 4012a, and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, the receipt of which is acknowledged.

This ORDER TO PAY shall be effective upon issuance.

Pursuant to delegated authority.

Dated at Washington, D.C., this 21st day of July, 2006.

April A. Breslaw
Acting Associate Director
Division of Supervision
and Consumer Protection