

SAMPLE FDIC SUPERVISORY ACTIONS RE: CRA

- 1. [Faint text]
- 2. [Faint text]
- 3. [Faint text]
- 4. [Faint text]
- 5. [Faint text]
- 6. [Faint text]
- 7. [Faint text]
- 8. [Faint text]
- 9. [Faint text]
- 10. [Faint text]

MEMORANDUM OF UNDERSTANDING

This Memorandum constitutes an Agreement between the _____ and the Regional Director of the _____ Regional Office of the Federal Deposit Insurance Corporation. This Agreement is designed to address certain conditions disclosed in the Compliance Report prepared as of the close of business, _____, 1988, by Examiner _____.

1. Within 60 days of the date of this Agreement, the Bank shall adopt a written Compliance Policy establishing its goals in the compliance area. This policy will provide for the appointment of a Compliance Officer and will set forth the duties and responsibilities of the Compliance Officer.
2. The Board and Bank Management shall provide continuing review over compliance matters and guidance to the Compliance Officer.
- 3.
4. Within 90 days of the date of this agreement, the Board shall reassess the Bank's CRA performance and make the operating and policy changes considered necessary to improve that performance, consistent with the safe and sound operation of the Bank. A written report of that reassessment should address each of the assessment factors outlined in Section 345.7 of the Federal Deposit Insurance Corporation's Rules and Regulations. That report should be submitted to the Regional Director.
5. The Bank shall provide the Compliance Officer with adequate time and training to become familiar with the various laws and regulations and to satisfactorily discharge his or her duties.
6. The Bank shall direct the Compliance Officer that within 120 days of the date of this Agreement, the Compliance Officer shall prepare a training program and participate in the training of other officers and employees on a continuing basis.
7. The Bank shall direct the Compliance Officer that within 120 days of the date of this Agreement, the Compliance Officer shall prepare a schedule of the continuing requirements of each regulation (type and timing of disclosures, approvals, etc.) so that all involved employees will be informed of the regulations requirements.
8. The Bank shall direct the Compliance Officer that within 120 days of the date of this Agreement, the Compliance Officer shall prepare written procedures for continuing follow-up and review to ensure that adopted policies are being followed on a consistent basis.

9. The Bank shall direct the Compliance Officer that within 60 days of the receipt of the Compliance Report, the Compliance Officer shall ensure corrective action has been taken on each type of violation reported by supervisory authorities, including each exception listed in the report, dated: _____, 1988.
10. Within 90 days of the date of this Agreement, the Compliance Officer shall begin to make periodic reports to the Board on performance of the above duties and all other matters relating to compliance.
- 11.

It is agreed that within 60 days of the date of this agreement, the Bank shall furnish to the _____ Regional Director a written report detailing the form and manner of the Bank's compliance with all of the foregoing provisions. Additional reports will be provided every 60 days thereafter until all the provisions of the Agreement have been met. This Agreement is effective upon acceptance by the Regional Director of the _____ Region.

FEDERAL DEPOSIT INSURANCE CORPORATION

Accepted: _____

Regional Director

Date

Date

PURSUANT TO RESOLUTION ADOPTED BY BOARD
OF DIRECTORS OF THE
IT'S DIRECTORS MEETING HELD
AT THE _____ ON _____, 1988

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D. C.

In the Matter of

(INSURED STATE NONMEMBER BANK)

ORDER TO CEASE AND DESIST
FDIC-

("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing alleged charges of unsafe or unsound banking practices and apparent violations of laws and regulations by the Bank and of its right to a hearing regarding such alleged charges under section 8(b)(1) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b)(1), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("CONSENT AGREEMENT") with a representative of the Legal Division of the Federal Deposit Insurance Corporation ("FDIC"), dated _____, 1988, whereby solely for the purpose of this proceeding and without admitting or denying the alleged charges of unsafe or unsound banking practices and apparent violations of applicable laws and regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC.

The FDIC considered the matter and determined that it had reason to believe that the Bank had engaged in unsafe or unsound banking practices and committed violations of applicable laws and regulations.

The FDIC, therefore, accepted the CONSENT AGREEMENT and issued the following:

PAGES 2 THROUGH 6 DELETED

Examination Report; and (3) reporting at each Board meeting the results of such review procedures for inclusion in the minutes. Such monthly reports submitted by the compliance officer to the Board must include at a minimum: (1) each law or regulation reviewed; (2) details of exceptions noted; (3) any corrective action taken; (4) any training activity conducted during the period, indicating the subject matter and the names and job titles of employees in attendance; and (5) the compliance officer's opinion of the adequacy of the compliance operating procedures and the bank's current level of compliance.

7. As of the effective date of this ORDER, the Bank's Board of Directors shall require the designated compliance officer (1) to have continuous access to all prior and future FDIC Compliance Examination Reports and official correspondence relative to the Bank's compliance administration; and (2) to be provided with sufficient delegated authority, time and resources during normal working hours to study the Bank's previously adopted comprehensive compliance manual, update any obsolete material on an ongoing basis as necessary and, thereafter, strictly implement the provisions of the program contained therein.

8. Within 90 days from the effective date of this ORDER, the Bank shall take steps to improve its Community Reinvestment Act performance in a manner consistent with the recommendations set forth on pages 3 of the FDIC Report of Examination as of

, 1987.

LAST PAGE DELETED

MEMORANDUM OF UNDERSTANDING

This constitutes an Agreement between the board of directors of the _____, and the _____ Regional Office of the Federal Deposit Insurance Corporation. This Agreement is designed to correct certain unsatisfactory conditions disclosed in the Compliance Report of Examination prepared as of the close of business _____, 1988, by Examiner _____.

It is agreed and understood that the board of directors shall, within 60 days of the date of this Agreement, take the following actions to improve the bank's compliance program:

1. Appoint a compliance officer to oversee and coordinate the bank's overall compliance efforts. The compliance officer shall be responsible for training and supervising all affected personnel in compliance related matters and shall be given necessary authority to implement appropriate compliance procedures. The compliance officer shall also be given sufficient time and resources to carry out his or her duties.
2. Ensure that the compliance officer receives necessary training as soon as possible after assuming his or her duties.
3. Adopt a compliance program that includes appropriate internal controls and training of personnel in all bank functions related to compliance.
4. Institute a review procedure whereby loan disclosure statements and adverse action notices are reviewed by a knowledgeable individual, other than the preparer.

With respect to the specific violations or exceptions disclosed in the Compliance Report of examination prepared as of the close of business _____ 1988, it is agreed and understood that the board of directors shall, within 60 days of the date of this Agreement, take the following actions:

1. Establish and implement practices and procedures sufficient to reasonably assure compliance with the Truth in Lending disclosure requirements set forth in Regulation Z, and make efforts to avoid further violations of each type of Truth in Lending disclosure requirement, described in the Compliance Report.
2. Furnish a complete and accurate adverse action notice to applicants for credit as required in Section 202.9 of Regulation B, which implements the Equal Credit Opportunity Act.
3. Establish and implement practices and procedures necessary to comply with the provisions of Part 339 of the FDIC Rules and Regulations relating to loans in areas having special flood hazards.
4. Obtain, record and maintain the information on home loan applicants to the extent necessary to comply with provisions of Section 338.4 of the Fair Housing regulations.
5. Direct management to correct all other violations listed in the Compliance Report and institute appropriate procedures to prevent their recurrence.

In addition, the board of directors shall monitor and confirm the completion of actions taken by management to comply with the terms of this Agreement. The board shall so certify in writing to the Regional Director when the above actions have been accomplished. All actions taken by the board pursuant to this Agreement shall be duly noted in the minutes of its meetings. This Agreement is effective upon acceptance by the Regional Director of the _____ Region.

MEMORANDUM OF UNDERSTANDING

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DATED _____

Comprising the Board of Directors
of _____

Regional Director
Federal Deposit Insurance Corporation

Original
Copy

MEMORANDUM OF UNDERSTANDING

This constitutes an Agreement between the Board of Directors of the [redacted], and the [redacted] Regional Office of the Federal Deposit Insurance Corporation. In accordance with this Agreement, the bank will immediately undertake to, and, in no case later than 60 days from the date of this Agreement, take the following actions to improve the bank's compliance program:

1. Establish and implement practices and procedures sufficient to reasonably assure compliance with the Truth in Lending disclosure requirements set forth in Regulation Z, and make efforts to avoid further violations of each type of Truth in Lending disclosure requirement, described in the Compliance Report prepared at the [redacted], 1988 examination.
2. Establish and implement internal procedures to ensure compliance with Section 202.7(d) of Regulation B which implements the Equal Credit Opportunity Act.
3. Adhere to the provisions of the Community Reinvestment Act (CRA). Also, correct all violations of CRA described in the [redacted], 1988 Compliance report.
4. Furnish the Good Faith Estimate and completed Uniform Settlement Statement (HUD-1) to the applicable borrower and/or seller as required by provisions of Sections 3500.7 and 3500.8, respectively, of Regulation X, which implements the Real Estate Settlement Procedures Act.
5. Correct all other violations listed in the Compliance Report of Examination and institute appropriate procedures to prevent their recurrence.
6. Appoint a compliance officer to oversee and coordinate the bank's overall compliance efforts. The compliance official shall be responsible for training and supervising all affected personnel in compliance related matters and shall be given necessary authority to implement appropriate compliance procedures. The compliance officer shall also be given sufficient time and resources to carry out his or her duties.
7. Ensure that the compliance officer receives necessary training as soon as possible after assuming his or her duties.
8. Adopt a written compliance program that includes appropriate internal controls and training of personnel in all bank functions related to compliance.
9. Institute a review procedure whereby loan disclosure statements and related documentation are reviewed by a knowledgeable individual, other than the preparer, prior to issuance.

In addition, the Board of Directors shall monitor and confirm the completion of actions taken by management to comply with the terms of this agreement. The Board shall so certify in writing to the Regional Director when the above actions have been accomplished. All actions taken by the Board pursuant to this agreement shall be duly noted in the minutes of its meetings. This agreement is effective upon acceptance by the Regional Director of [redacted], and shall remain in effect until terminated in writing by the Regional Director.

MEMORANDUM OF UNDERSTANDING

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This Memorandum of Understanding shall remain in effect until terminated in writing by the Regional Director, or until the Regional Director shall receive written notice of rescission by unanimous action by the board of directors.

DATED _____ Comprising the Board of Directors
of

Federal Deposit Insurance Corporatio