

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of	)	
	)	
MAGNOLIA BANK	)	ORDER TO PAY
MAGNOLIA, KENTUCKY	)	CIVIL MONEY PENALTY
	)	
(Insured State Nonmember Bank)	)	FDIC-20-0138k
	)	

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Magnolia Bank, Magnolia, Kentucky ("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 8(i)(2) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(i)(2), and has been further advised of the right to a hearing with respect to the foregoing, under section 8(i) of the Act, 12 U.S.C. § 1818(i), and the FDIC's Rules of Practice and Procedure, 12 C.F.R. Part 308. The Bank, having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO PAY CIVIL MONEY PENALTY ("STIPULATION") with counsel for the FDIC dated February 22, 2022, whereby, solely for the purpose of this proceeding and without admitting or denying the violations of law or regulation, the Bank consented to the issuance of this ORDER TO PAY CIVIL MONEY PENALTY by the FDIC.

The FDIC considered the matter and determined that the Bank violated Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45(a)(1), by deceptively advertising interest rates

and fees for residential mortgage loans as the lowest on the market, with a promise of a “best rate guarantee,” comparative shopping for such rates, and lower rates due to the bank’s fee structure.

The FDIC accepts the CONSENT AGREEMENT and issues the following:

**ORDER TO PAY CIVIL MONEY PENALTY**

IT IS HEREBY ORDERED that, by reason of the violations set forth in the STIPULATION, and after taking into account the STIPULATION, 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, pursuant to 12 U.S.C. § 1818(i)(2), a penalty of \$425,000 is assessed against the Bank. The Bank shall pay such amount via wire transfer to the FDIC, which will forward the payment to the Treasury of the United States, pursuant to the provisions of section 8(i)(2) of the Act, 12 U.S.C. § 1818(i)(2).

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 CIVIL MONEY PENALTY shall become effective upon its issuance by the FDIC.

Pursuant to delegated authority.

Dated at Washington, D.C. this 10<sup>th</sup> day of March, 2022.

/s/ \_\_\_\_\_  
G. Chris Finnegan  
Senior Deputy Director  
Division of Depositor and Consumer Protection