

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY**

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**In the Matter of:** )  
Community First Bank )  
Pikesville, Maryland )

AA-EC-2012-124

**CONSENT ORDER**

**WHEREAS**, the Comptroller of the Currency of the United States of America (“Comptroller”), through his duly authorized representatives, has supervisory authority over Community First Bank, Pikesville, Maryland (“Bank”);

**WHEREAS**, the Bank, from on or about June 15, 2010 through March 31, 2011, implemented and maintained a mortgage lending policy that discriminated on the basis of race and sex, and the Bank and the Comptroller wish to remediate harm suffered by Bank borrowers as a result of these practices;

**WHEREAS**, the Bank, by and through its duly elected and acting Board of Directors (“Board”), has executed a Stipulation and Consent to the Issuance of a Consent Order dated March 18, 2013 (“Stipulation and Consent”), that is accepted by the Comptroller; and

**WHEREAS**, by this Stipulation and Consent, which is incorporated by reference, the Bank has consented to the issuance of this Consent Order by the Comptroller.

**NOW, THEREFORE**, pursuant to the authority vested in him by the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818, the Comptroller hereby orders that:

**ARTICLE I**

**COMPTROLLER'S FINDINGS**

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) From June 15, 2010 through March 31, 2011, the Bank implemented a mortgage lending policy that limited the loan compensation percentage, based on the combination of discretionary origination fees and yield spread premiums as a percentage of the loan amount, to 2.5 percent for loans to female and minority Bank borrowers.

(2) Pursuant to the Bank's mortgage lending policy, the Bank provided a lender credit to female and minority Bank borrowers if their loan compensation percentage exceeded 2.5 percent.

(3) The Bank did not provide the lender credit to similarly situated non-minority males and female-male couples.

(4) The Bank's mortgage lending policy adversely affected sixty-four (64) Bank borrowers, who paid approximately seventy-three thousand two hundred and sixty-five dollars (\$73,265) in fees and charges directly related to receiving a loan compensation percentage that exceeded 2.5 percent.

## ARTICLE II

### COMPLIANCE COMMITTEE

(1) Within ten (10) days, the Board shall appoint a Compliance Committee to be responsible for monitoring and coordinating the Bank's adherence to the provisions of the Consent Order. The Compliance Committee shall consist of at least five (5) directors. Upon appointment, the names of the members of the Compliance Committee and, in the event of a change of the membership, the name of any new member shall be submitted in writing to the Associate Deputy Comptroller, Office of the Comptroller of the Currency ("Associate Deputy Comptroller").

(2) The Compliance Committee shall meet at least monthly.

(3) Within thirty (30) days of the date of this Consent Order and every thirty (30) days thereafter, the Compliance Committee shall submit a written progress report to the Board setting forth in detail:

- (a) a description of the actions needed to achieve full compliance with each Article of this Consent Order;
- (b) actions taken to comply with each Article of this Consent Order; and
- (c) the results and status of those actions.

(4) The Board shall forward a copy of the Compliance Committee's report, with any additional comments by the Board, to the Associate Deputy Comptroller within ten (10) days of receiving such report.

### ARTICLE III

#### CONSUMER RESTITUTION

(1) Within fifteen (15) days, the Bank shall deposit into a segregated escrow account an amount not less than seventy-three thousand two hundred and sixty-five dollars (\$73,265), which represents an estimate of the maximum potential restitution that may be required by this Article. Additional amounts shall be deposited into a segregated escrow account as necessary to fully comply with this Article.

(2) Funds deposited into the segregated escrow account pursuant to Paragraph (1) of this Article shall be used to make full restitution to each "eligible borrower," in accordance with the Restitution Plan required by Paragraph (4) of this Article. "Eligible borrower," for purposes of this Consent Order, is defined as any individual or individuals who:

- (a) from April 01, 2010 through March 31, 2011, applied for and received a mortgage loan from the Bank in which the loan compensation percentage, defined as the sum

of discretionary origination fees and yield spread premiums, divided by the loan amount, exceeded 2.5 percent; and

- (b) did not receive a lender credit equal to the amount of the loan compensation percentage that exceeded 2.5 percent.

(3) Restitution shall be paid to fully reimburse each eligible borrower an amount that will be no less than the difference between the loan compensation percentage for the eligible borrower's mortgage loan and 2.5 percent.

(4) Within thirty (30) days, the Bank shall develop a restitution plan ("Restitution Plan"), approved by its Board, and submit it to the Associate Deputy Comptroller for prior written determination of supervisory non-objection. The Restitution Plan shall include the following:

- (a) a description of the methods to be used, and the time necessary to compile a list of eligible borrowers, reasonably verify each eligible borrower's address and issue checks to these eligible borrowers;
- (b) a description of the procedures for issuance and tracking of restitution payments to eligible borrowers, including procedures for handling undeliverable and non-negotiated reimbursement checks; and
- (c) a description of the procedures for monitoring compliance with the Restitution Plan.

(5) Upon receipt of a determination of supervisory non-objection to the Restitution Plan submitted pursuant to Paragraph (4) of this Article, the Board shall adopt, and thereafter ensure that the Bank implements and adheres to the Restitution Plan. Any proposed changes to or deviations from the approved Restitution Plan shall be submitted in writing to the Associate Deputy Comptroller for prior supervisory review and written non-objection.

(6) Within thirty (30) days of receiving the Associate Deputy Comptroller's supervisory non-objection to the Restitution Plan, the Bank shall engage an independent third party, acceptable to the Associate Deputy Comptroller, with the appropriate expertise and qualifications to analyze and assess the Bank's implementation of the Restitution Plan. The written engagement agreement shall provide that the required analysis and assessment be completed and summarized in a written report to the Board within sixty (60) days of the Bank's implementation of the Restitution Plan, with a copy simultaneously delivered to the Associate Deputy Comptroller. The Bank shall provide a copy of the proposed engagement letter or contract with the third party to the Associate Deputy Comptroller for the Associate Deputy Comptroller's review and written non-objection prior to entering into the engagement.

## ARTICLE IV

### ADMINISTRATIVE REQUESTS AND EXTENSIONS OF TIME

(1) If the Bank determines that an exception to any provision of this Consent Order is in the best interests of the Bank or customers, or requires an extension of any timeframe within this Consent Order, the Board shall submit a written request to the Associate Deputy Comptroller asking for relief.

(2) Any written requests submitted pursuant to this Article shall include a statement setting forth in detail the special circumstances that prevent the Bank from complying with any provision, that require the Associate Deputy Comptroller to exempt the Bank from any provision, or that require an extension of any timeframe within this Consent Order. All such requests shall be accompanied by relevant supporting documentation.

(3) The Associate Deputy Comptroller's decision to grant or deny the request is final and not subject to further review or appeal.

## ARTICLE V

### CLOSING

(1) Although the Bank, through its Board, is required to submit the Restitution Plan and reports to the Associate Deputy Comptroller for review or prior written determination of no supervisory objection, the Board has the ultimate responsibility for proper and sound management of the Bank, as well as compliance with all of the provisions contained in this Consent Order.

(2) It is expressly and clearly understood that if, at any time, the Comptroller deems it appropriate in fulfilling the responsibilities placed upon him by the several laws of the United States of America to undertake any action affecting the Bank, nothing in this Consent Order shall in any way inhibit, estop, bar, or otherwise prevent the Comptroller from so doing.

(3) Any time limitations imposed by this Consent Order shall begin to run from the effective date of this Consent Order, unless otherwise specified. For the purposes of this Order, "days" shall mean calendar days.

(4) The provisions of this Consent Order shall be effective upon execution by the parties hereto and its provisions shall continue in full force and effect unless or until such provisions are amended in writing by mutual consent of the parties to the Consent Order or excepted, waived, or terminated in writing by the Comptroller.

(5) In each instance in this Consent Order in which the Board is required to ensure adherence to, and undertake to perform certain obligations of the Bank, it is intended to mean that the Board shall:

(a) authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Consent Order;

- (b) require the timely reporting by Bank management of such actions directed by the Board to be taken under the terms of this Consent Order;
- (c) follow-up on any non-compliance with such actions in a timely and appropriate manner; and
- (d) require corrective action be taken in a timely manner of any non-compliance with such actions.

(6) This Consent Order is intended to be, and shall be construed to be, a final order issued pursuant to 12 U.S.C. § 1818, and expressly does not form, and may not be construed to form, a contract binding on the Comptroller or the United States.

(7) The terms of this Consent Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

(8) All reports or plans which the Bank or Board has agreed to submit to the Associate Deputy Comptroller pursuant to this Consent Order shall be forwarded, by overnight mail, to the following:

Associate Deputy Comptroller  
Comptroller of the Currency  
340 Madison Avenue, 5th Floor  
New York, NY, 10173

IT IS SO ORDERED, this 18th day of March, 2013.

s/C. Scott Schainost

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C. Scott Schainost  
Associate Deputy Comptroller  
Northeast District Office

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
COMPTROLLER OF THE CURRENCY**

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**In the Matter of:** ) AA-EC-2012-124  
Community First Bank )  
Pikesville, Maryland )

**STIPULATION AND CONSENT TO THE ISSUANCE  
OF A CONSENT ORDER**

**WHEREAS**, the Comptroller of the Currency of the United States of America (“Comptroller”) intends to initiate cease and desist proceedings against Community First Bank, Pikesville, Maryland (“Bank”), pursuant to 12 U.S.C. § 1818, through the issuance of a Notice of Charges, for violations of law and regulation relating to fair lending, including 15 U.S.C. § 1691(a)(1) and 42 U.S.C. § 3605(a);

**WHEREAS**, the Bank, in the interest of compliance and cooperation, and without admitting or denying any wrongdoing, consents to the issuance of a Consent Order, dated March 18, 2013 (“Consent Order”) by executing this Stipulation and Consent to the Issuance of a Consent Order (“Stipulation and Consent”);

**NOW THEREFORE**, the Comptroller, through his authorized representative, and the Bank, through its duly elected and acting Board of Directors, hereby stipulate and agree to the following:

**ARTICLE I**

**JURISDICTION**

(1) The Bank is a Federal savings association within the meaning of 12 U.S.C. § 1462 and an insured depository institution within the meaning of 12 U.S.C. §§ 1813(c) and 1818(b)(1).

(2) Pursuant to Section 312 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5412, all powers, authorities, rights, and duties relating to Federal savings associations that were vested in the Office of Thrift Supervision (“OTS”) and the Director of the OTS transferred to the Comptroller on July 21, 2011.

(3) The Office of the Comptroller of the Currency is the “appropriate Federal banking agency” regarding the Bank pursuant to 12 U.S.C. §§ 1813(q) and 1818(b).

## ARTICLE II

### CONSENT

(1) The Bank, without admitting or denying any wrongdoing, hereby consents and agrees to the issuance of the Consent Order by the Comptroller.

(2) The Bank further agrees that the Consent Order shall be deemed “an order issued with the consent of the depository institution” as defined in 12 U.S.C. § 1818(h)(2), and consents and agrees that the Consent Order shall become effective upon its issuance and shall be fully enforceable by the Comptroller under the provisions of 12 U.S.C. § 1818(i).

(3) Notwithstanding the absence of mutuality of obligation, or of consideration, or of a contract, the Comptroller may enforce any of the commitments or obligations herein undertaken by the Bank under his supervisory powers, including 12 U.S.C. § 1818(i), and not as a matter of contract law. The Bank expressly acknowledges that neither the Bank nor the Comptroller has any intention to enter into a contract.

(4) The Bank declares that no separate promise or inducement of any kind has been made by the Comptroller, or by his agents or employees, to cause or induce the Bank to consent to the issuance of the Consent Order and/or execute the Consent Order.

(5) The Bank also expressly acknowledges that no officer or employee of the Comptroller has statutory or other authority to bind the United States, the United States Treasury Department, the Comptroller, or any other federal banking regulatory agency or entity, or any officer or employee of any of those entities to a contract affecting the Comptroller's exercise of his supervisory responsibilities.

(6) The terms and provisions of this Stipulation and Consent and the Consent Order shall be binding upon, and inure to the benefit of, the parties hereto and their successors in interest. Nothing in this Stipulation and Consent or the Consent Order, express or implied, shall give to any person or entity, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim under this Stipulation and Consent or the Consent Order.

### ARTICLE III

#### WAIVERS

- (1) The Bank, by consenting to this Stipulation and Consent, hereby waives:
- (a) the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818(b);
  - (b) any and all procedural rights available in connection with the issuance of the Consent Order;
  - (c) all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(b) or 12 C.F.R. Part 109;
  - (d) all rights to seek any type of administrative or judicial review of the Consent Order;
  - (e) any and all claims for fees, costs, or expenses against the Comptroller, or any of his agents or employees, related in any way to this enforcement matter or

this Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412; and

(f) any and all rights to challenge or contest the validity of the Consent Order.

## ARTICLE IV

### CLOSING

(1) The provisions of this Stipulation and Consent shall not inhibit, estop, bar, or otherwise prevent the Comptroller from taking any other action affecting the Bank if, at any time, the Comptroller deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(2) Nothing in this Stipulation and Consent shall preclude any proceedings brought by the Comptroller to enforce the terms of the Consent Order, and nothing in this Stipulation and Consent constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice, to bring other actions deemed appropriate.

(3) The terms of the Stipulation and Consent and Consent Order are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his representative, has hereunto set his hand on behalf of the Comptroller.

*s/C. Scott Schainost*

*3/18/2013*

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C. Scott Schainost  
Associate Deputy Comptroller  
Northeast District Office

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Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

s/ Malcolm C. Berman 2/21/13

Malcolm C. Berman \_\_\_\_\_ Date

s/ Michael L. Shomper 2/21/13

Michael L. Shomper \_\_\_\_\_ Date

s/ William F. Gisriel, Jr. 2/21/13

William F. Gisriel, Jr. \_\_\_\_\_ Date

s/ Robert M. Griffith 2/21/13

Robert M. Griffith \_\_\_\_\_ Date

s/ Juan M. Juanteguy 2/21/13

Juan M. Juanteguy \_\_\_\_\_ Date

s/ Terry O. Mayer 2/27/13

Terry O. Mayer \_\_\_\_\_ Date

s/ Ellwood A. Sinsky 2/28/2013

Ellwood A. Sinsky \_\_\_\_\_ Date