

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

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| In the Matter of: |) | |
| |) | |
| Citibank, National Association |) | AA-EC-2019-91 |
| Sioux Falls, South Dakota |) | |
| |) | |

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over Citibank, National Association (“Bank”);

WHEREAS, the OCC intends to initiate a civil money penalty action against the Bank pursuant to section 102(f) of the Flood Disaster Protection Act, as amended, (“Flood Act”) (42 U.S.C. § 4012a(f)) for a pattern or practice of violations of the Flood Act and its implementing regulations, specifically 12 C.F.R. § 22.7(a);

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, without admitting or denying any wrongdoing, has agreed to execute this Consent Order (“Order”); and

NOW, THEREFORE, in consideration of the above premises, the Comptroller, through his duly authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is a national banking association, chartered and examined by the Comptroller pursuant to the National Bank Act of 1864, as amended, 12 U.S.C. § 1 *et seq.* Accordingly, the Bank is an “insured depository institution” as that term is defined in 12 U.S.C.

§ 1813(c)(2) and is a “regulated lending institution” as that term is defined in 42 U.S.C § 4003(a)(10).

(2) Pursuant to 42 U.S.C. §§ 4003(a)(5) and 4012a(f), the Comptroller is the appropriate “Federal entity for lending regulation” to maintain an enforcement proceeding against the Bank for Flood Act violations.

ARTICLE II

COMPTROLLER’S FINDINGS

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

(1) The Bank makes, increases, extends, and renews loans secured by buildings or mobile homes (“Collateral”) located in in a special flood hazard area in which flood insurance is available under the Flood Act (“Designated Loans”) and employs a Flood Act compliance program to monitor its Designated Loans.

(2) The Bank has a Flood Act compliance program to monitor its Designated Loans to ensure the Collateral securing the Designated Loans are appropriately covered by flood insurance. As part of its Flood Act compliance program, the Bank utilized a third-party to service Designated Loans within its residential lending units to notify the borrowers and force place flood insurance when the flood insurance failed to appropriately cover the Collateral.

(3) In 2017, the OCC commenced an examination of the Bank’s Flood Act compliance program and found the Bank’s policies and procedures allowed its third-party servicer to extend the 45-day period after notification to the borrower resulting in the untimely force placement of flood insurance on Designated Loans.

(4) Since at least 2014, the Bank failed to force place insurance in a timely manner on residential Designated Loans and engaged in a pattern or practice of violations of the Flood Act

and its implementing regulations, including 12 C.F.R. § 22.7(a) (Force placement of flood insurance).

ARTICLE III

ORDER FOR A CIVIL MONEY PENALTY

The Bank hereby consents, and the Comptroller orders that:

(1) The Bank shall make payment of a civil money penalty in the total amount of seventeen million nine hundred ninety-eight thousand five hundred ten dollars (\$17,998,510.00), which shall be paid upon the execution of this Order.

(2) Such payment shall be made in full by check made payable to the National Flood Insurance Program and shall be delivered to: Kevin Montgomery, Federal Emergency Management Agency, 400 C Street S.W., 3rd Floor, Washington, D.C., 20472. The docket number of this case (AA-EC-2019-91) shall be entered on the check. A copy of the check shall be sent immediately, by overnight delivery, to the Director of Enforcement, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, D.C. 20219.

(3) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§1818(h) and (i) and 42 U.S.C. § 4012a.

ARTICLE IV

WAIVERS

(1) The Bank, by executing and consenting to this Order, waives:

- (a) the right to the issuance of a Notice under 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4), and recognizes that the OCC letter dated October 23,

2019, from Gregory Coleman, Deputy Comptroller, constitutes a valid substitute notice (“Notice Letter”);

- (b) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818, 12 C.F.R. Part 19, and 42 U.S.C. § 4012a(f)(4);
- (c) any and all rights to seek any type of administrative or judicial review of this Order;
- (d) any and all rights to in any way contest the validity of this Order; and
- (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this 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.

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

(3) It is hereby agreed that the provisions of this Order constitute a settlement of the civil money penalty proceeding contemplated by the Comptroller on the basis of the Bank’s violations of the Flood Act and regulations as described in this Order and in the Notice Letter. However, the specific violations described herein may be used by the Comptroller in future enforcement actions to establish a pattern or practice of misconduct or the continuation of a pattern or practice of misconduct.

(4) It is further agreed that the provisions of this Order shall not be construed as an adjudication on the merits and, except as set forth above in paragraph (3) of this Article, shall not

inhibit, estop, bar, or otherwise prevent the Comptroller from taking any action affecting the Bank if, at any time, he deems it appropriate to do so to fulfill the responsibilities placed upon him by the several laws of the United States of America.

(5) The Bank understands that nothing herein shall preclude any proceedings brought by the Comptroller to enforce the terms of this Order, and that nothing herein constitutes, nor shall the Bank contend that it constitutes, a waiver of any right, power, or authority of any other representatives of the United States or agencies thereof, including the Department of Justice, to bring other actions deemed appropriate.

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

//S// Digitally Signed, Date: 2020.01.17

Gregory J. Coleman
Deputy Comptroller
Large Bank Supervision

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

| | |
|------------------------------------|-----------------|
| /S/ | 1/16/2020 |
| _____ Barbara J. Desoer (Chair) | _____ Date |
| /S/ | Jan 16, 2020 |
| _____ Ellen M. Costello | _____ Date |
| /S/ | 1/16/2020 |
| _____ Duncan P. Hennes | _____ Date |
| /S/ | 16 January 2020 |
| _____ S. Leslie Ireland | _____ Date |
| /S/ | 1/16/2020 |
| _____ Mary McNiff | _____ Date |
| /S/ | 1/16/20 |
| _____ Eugene M. McQuade | _____ Date |
| /S/ | 1/16/2020 |
| _____ James S. Turley | _____ Date |
| /S/ | 1/16/20 |
| _____ Deborah C. Wright | _____ Date |