

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

and

STATE OF ILLINOIS

OFFICE OF BANKS AND REAL ESTATE

BUREAU OF BANKS AND TRUST COMPANIES

_____	)	
In the Matter of	)	ORDER TO
	)	CEASE AND DESIST
FIRST AMERICAN BANK	)	
CARPENTERSVILLE, ILLINOIS	)	FDIC-03-190b
	)	OBRE No. 2003-BBTC-86
(Insured State Nonmember Bank)	)	
_____	)	

First American Bank, Carpentersville, Illinois ("Bank"), having been advised of its right to a NOTICE OF CHARGES AND OF HEARING detailing the violations of laws and regulations alleged to have been committed by the Bank, and of its right to a hearing on the charges under section 8(b) of the Federal Deposit Insurance Act ("Act"), 12 U.S.C. § 1818(b), and under 38 Ill. Adm. Code, section 392.30, regarding hearings before the State of Illinois, Office of Banks and Real Estate ("OBRE"), and having waived those rights, entered into a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST ("STIPULATION") with representatives of the Federal Deposit Insurance

Corporation ("FDIC") and OBRE, dated November 18, 2003, whereby, solely for the purpose of this proceeding and without admitting or denying the charges of violations of laws and regulations, the Bank consented to the issuance of an ORDER TO CEASE AND DESIST ("ORDER") by the FDIC and OBRE.

The FDIC and OBRE considered the matter and determined that they had reason to believe that the Bank had engaged in violations of laws and regulations. The FDIC and OBRE, therefore, accepted the STIPULATION and issued the following:

ORDER TO CEASE AND DESIST

IT IS HEREBY ORDERED, that the Bank, its institution-affiliated parties, as that term is defined in section 3(u) of the Act, 12 U.S.C. § 1813(u), and its successors and assigns, cease and desist from the following violations of laws and regulations:

- A. The Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq.;
- B. The Fair Housing Act, 42 U.S.C. § 3601 et seq.;
- C. The Home Mortgage Disclosure Act of 1975, 12 U.S.C. § 2801 et seq.;
- D. The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. §§ 4001-4129; and

E. The Real Estate Settlement Procedures Act of 1974, 12 U.S.C. § 2601 et seq.

IT IS FURTHER ORDERED, that the Bank, its institution-affiliated parties, and its successors and assigns, take affirmative action as follows:

1. (a) Within 60 days of the effective date of this ORDER, the Bank shall submit to the FDIC and the OBRE an acceptable comprehensive written plan to ensure the Bank's compliance with all applicable consumer compliance laws and regulations. The plan shall respond to all criticisms and requirements set forth in the Consumer Affairs Report of Examination of the Bank for the most recent examination conducted by the Federal Reserve Bank of Chicago (the "Report of Examination"), and shall, at a minimum, include:

(i) Steps to address all violations of law and deficient practices set forth in the Report of Examination, including violations and deficiencies relating to compliance with:

(A) The Equal Credit Opportunity Act, 15 U.S.C. § 1691 et seq.;

(B) The Fair Housing Act, 42 U.S.C. § 3601 et seq.;

(C) The Home Mortgage Disclosure Act, 12 U.S.C. § 2801 et seq.;

- (D) The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. §§ 4001-4129; and
  - (E) The Real Estate Settlement Procedures Act, 12 U.S.C. § 2601 et seq.
- (ii) Board of directors and management oversight of the Bank's consumer compliance activities;
  - (iii) Allocation of adequate resources to ensure the Bank's compliance with all applicable consumer protection laws and regulations;
  - (iv) Procedures for the ongoing collection of monitoring information for all applications for all loan products as required by section 202.5 of Regulation B of the Board of Governors, 12 C.F.R. § 202.5(b)(2);
  - (v) Training for current and future directors, officers, and all relevant personnel of the Bank so that they develop and maintain a sufficient understanding of the requirements of consumer protection laws and regulations that pertain to their respective responsibilities;

- (vi) Consumer compliance reviews and audits, including, at a minimum, a comparative file analysis for fair lending and an annual independent review of the Bank's compliance with all consumer protection laws and regulations; and
- (vii) Actions designed to generate loan applications and approvals in predominantly minority census tracts, and measurable goals to enable the Bank's board of directors and management to monitor the effectiveness of these actions.

(b) The Bank shall adopt the approved plan within 10 days of approval by the FDIC and the OBRE. Thereafter, the Bank shall implement and follow the plan. During the term of this ORDER, the Bank shall not amend or rescind the approved plan without the prior written approval of the FDIC and the OBRE.

2. Within 30 days after the end of each calendar quarter following the effective date of this ORDER (December 31, March 31, June 30, and September 30), the Bank shall submit to the FDIC and the OBRE a written progress report that, at a minimum, includes corrective actions taken to comply with this ORDER, and the results

thereof, and corrective actions taken for violations and deficiencies noted by future audits or reviews of the Bank's consumer compliance activities or future compliance reports of examinations. Such reports may be discontinued when the FDIC and the OBRE have released the Bank, in writing, from making further reports.

3. All communications regarding this ORDER shall be sent to:

Scott M. Polakoff  
Regional Director  
Federal Deposit Insurance Corporation  
500 West Monroe Street, Suite 3500  
Chicago, Illinois 60661

Scott D. Clarke  
Assistant Commissioner  
State of Illinois  
Office of Banks and Real Estate  
500 East Monroe  
Springfield, Illinois 62701-1532

Roman Strzelczyk  
Senior Vice President  
First American Bank  
50 East Adams  
Chicago, Illinois 60603

4. Notwithstanding any provision of this ORDER to the contrary, the FDIC and the OBRE may, in their sole discretion, grant written extensions of time to the Bank to comply with any provision of this ORDER.

5. The provisions of this ORDER shall not bar, stop, or other otherwise prevent the FDIC, the OBRE, or any

federal or state agency or department from taking any other action affecting the Bank or any of its current or former institution-affiliated parties.

6. Following the effective date of this ORDER, the Bank shall send to its shareholders a copy or description of this ORDER: (1) in conjunction with the Bank's next shareholder communication; and (2) in conjunction with the Bank's notice or proxy statement preceding the Bank's next shareholder meeting. The description shall fully describe this ORDER in all material respects. The description and any accompanying communication, notice or statement shall be sent to the FDIC Registration and Disclosure Section, 550 17<sup>th</sup> Street, N.W., Washington, D.C. 20429 and to OBRE, 500 East Monroe, Suite 900, Springfield, Illinois 62701, for review at least 20 days prior to dissemination to shareholders. Any changes requested to be made by the FDIC and OBRE shall be made prior to dissemination of the description, communication, notice or statement.

The effective date of this ORDER shall be 10 calendar days after its issuance by the FDIC and OBRE.

The provisions of this ORDER shall be binding upon the Bank, its institution-affiliated parties, and any successors and assigns thereof.

The provisions of this ORDER shall remain effective and enforceable except to the extent that, and until such time as, any provision has been modified, terminated, suspended, or set aside by the FDIC and OBRE.

Pursuant to delegated authority.

Dated: December 9, 2003

Scott M. Polakoff  
Regional Director  
Chicago Regional Office  
Federal Deposit Insurance  
Corporation

Scott D. Clarke  
Assistant Commissioner  
State of Illinois  
Office of Banks and Real  
Estate