

FEDERAL DEPOSIT INSURANCE CORPORATION

WASHINGTON, D.C.

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In the Matter of: )	)
FIRST FED BANK )	ORDER TO PAY CIVIL MONEY
PORT ANGELES, WASHINGTON )	PENALTY
(INSURED STATE NONMEMBER BANK) )	FDIC-23-0027k
_____ )	)

FIRST FED BANK (“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 pursuant to section 8(i)(2) of the Federal Deposit Insurance Act (“Act”), 12 U.S.C. §1818(i)(2), and has further been 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 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 (“CONSENT AGREEMENT”) with counsel for the FDIC dated March 13, 2024, 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 (“ORDER”) by the FDIC.

The FDIC considered the matter and determined that the Bank violated the following:

1. Section 5 of the Federal Trade Commission Act, 15 U.S.C. §45(a)(1), by making implied claims that credit products with non-optional debt cancellation features were

- unemployment insurance, approving consumers who did not qualify for the debt cancellation feature, and misrepresenting the fees and benefits for those products;
2. Section 8(a) of the Real Estate Settlement Procedures Act (“RESPA”), 12 U.S.C. §2607(a), and 12 C.F.R. §1024.14(b), by entering into mortgage lead generation arrangements with a real estate brokerage firm and the operator of an online loan marketplace that were used to facilitate and disguise referral payments for mortgage business.

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 of law and/or regulation set forth herein, and after taking into account the appropriateness of the penalty with respect to the financial resources and good faith of the Bank, the gravity and the number of the violations, the history of previous violations by the Bank, and such other matters as justice may require, pursuant to Section 8(i)(2) of the FDI Act, 12 U.S.C. §1818(i)(2), a penalty of \$500,000 is assessed against the Bank. The Bank shall pay the civil money penalty to the Treasury of the United States.

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 shall become effective upon its issuance by the FDIC.

The provisions of this ORDER shall not bar, estop, or otherwise prevent the FDIC or any other federal or state agency or department from taking any other action against the Bank or any of the Bank’s current or former institution-affiliated parties, as that term is defined in Section 3(u) of the FDI Act, 12 U.S.C. § 1813(u).

Issued pursuant to delegated authority.

Dated at Washington, D.C. this 26 day of March, 2024.

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