

UNITED STATES OF AMERICA
BEFORE THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

In the matter of)	Docket No. 22-031-CMP-SM
)	
REGIONS BANK,)	Order of Assessment of a Civil
Birmingham, Alabama)	Money Penalty Pursuant to the
)	National Flood Insurance Act, as
A State Member Bank)	Amended, and the Federal Deposit
)	Insurance Act, as Amended

WHEREAS, pursuant to Section 102(f) of the National Flood Insurance Act, 42 U.S.C. § 4012a(f) (the “Flood Act”), the Board of Governors of the Federal Reserve System (the “Board of Governors”) issues this Order of Assessment of a Civil Money Penalty (the “Order”) upon the consent of Regions Bank, Birmingham, Alabama (“Regions” or the “Bank”), a state member bank, in connection with the Bank’s pattern or practice of violations of Regulation H, 12 C.F.R. § 208.25, which implements the requirements of the Flood Act;

WHEREAS, where a pattern or practice of violations under Section 102(f)(2) of the Flood Act, 42 U.S.C. § 4012a(f)(2), is found, the Flood Act requires that civil money penalties be imposed of up to \$2,000 for each violation under Section 102(f)(5) of the Flood Act, 42 U.S.C. § 4012a(f)(5);

WHEREAS, in addition to the violations above, over a period of more than one year, as a result of changes in loan servicing platforms and third-party service providers, Regions did not effectively monitor a significant number of home equity loans and home equity lines of credit subject to the Flood Act for compliance with Regulation H;

WHEREAS, after discovering that certain home equity loans and home equity lines of credit were not being properly monitored for compliance with Regulation H, Regions addressed the monitoring failure and enhanced its flood compliance program by 2017;

WHEREAS, pursuant to Section 8(i) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(i) (the “FDI Act”), the Board of Governors issues this Order upon the consent of the Bank in connection with the Bank’s failure to effectively monitor the loans described above for compliance with Regulation H;

WHEREAS, by affixing its signature hereunder, the Bank has consented to the issuance of this Order by the Board of Governors, and consented to comply with each and every provision of this Order, and waived any and all rights it might have pursuant to 42 U.S.C. § 4012a(f)(4), 12 U.S.C. § 1818, and 12 C.F.R. part 263, or otherwise: (a) to the issuance of a notice of assessment of a civil money penalty; (b) to a hearing for the purpose of taking evidence with respect to any matter implied or set forth in this Order; (c) to obtain judicial review of this Order or any provision hereof; and (d) to challenge or contest in any matter the basis, issuance, validity, effectiveness, collectability, or enforceability of this Order or any provision hereof.

NOW, THEREFORE, before the filing of any notices, or the taking of any testimony or adjudication of or finding on any issue of fact or law herein, and without the Bank admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settlement of this matter without a formal proceeding being filed and without the necessity for protracted litigation or extended hearings,

IT IS HEREBY ORDERED, pursuant to Section 102(f) of the Flood Act, 42 U.S.C. § 4012a(f) and Section 8(i) of the FDI Act, 12 U.S.C. § 1818(i), that:

1. The Bank is assessed and shall pay a civil money penalty in the amount of \$2,945,500. This penalty is a penalty paid to a government agency for a violation of law for purposes of 26 U.S.C. § 162(f) and 26 C.F.R. §§ 1.162-21.

2. The amount of \$58,000 in civil money penalty shall be remitted in full, at the time of the Bank's execution of this Order, payable to the "National Flood Insurance Program" and forwarded with the Bank's executed copy of this Order, to Ann E. Misback, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Consistent with the requirement of Section 102(f)(8) of the Flood Act, 41 U.S.C. § 4012a(f)(8), the Board of Governors shall remit the payment to the Federal Emergency Management Agency, Federal Insurance and Mitigation Administration for deposit into the National Flood Mitigation Fund.

3. The amount of \$2,887,500 in civil money penalty shall be remitted in full, at the time of the Bank's execution of this Order, by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond ABA No. 051000033, beneficiary, Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)).

4. The provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, or any Federal or state agency or department from taking any other action affecting the Bank, provided, however, that the Board of Governors shall not take any further action against the Bank based upon information presently known by the Board of Governors relating to the flood insurance regulatory violations addressed by this Order.

5. Each provision of this Order shall remain effective and enforceable until stayed, modified, terminated or suspended in writing by the Board of Governors.

By order of the Board of Governors of the Federal Reserve System, effective this 14th day of August, 2023.

REGIONS BANK
BIRMINGHAM, ALABAMA

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

By: /s/ Tara Ann Plimpton
Tara Ann Plimpton
Senior Executive Vice President,
Chief Legal Officer & Corporate
Secretary

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board