

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
)	
PROGRESSIVE-HOME FEDERAL SAVINGS & LOAN ASSOCIATION,)	Re: Order No. NE-05-10
Pittsburgh, Pennsylvania (OTS No. 00495))	and
)	Order No. NE-05-11
)	Dated: June 30, 2005

STIPULATION AND CONSENT TO ISSUANCE OF AN ORDER TO CEASE AND DESIST AND TO AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

This Stipulation and Consent to Issuance of an Order to Cease and Desist and to an Order of Assessment of Civil Money Penalties ("Stipulation") is submitted by PROGRESSIVE-HOME FEDERAL SAVINGS & LOAN ASSOCIATION, Pittsburgh, Pennsylvania (the "Savings Association" or "Progressive-Home", OTS No. 00495), to the Office of Thrift Supervision ("OTS"), which is acting through its Northeast Regional Director ("Regional Director"). This Stipulation concerns the accompanying two administrative orders: (1) Order to Cease and Desist (the "C&D Order") and (2) Order of Assessment of Civil Money Penalties (the "CMP Order" and collectively with the C&D Order, the "Orders").

WHEREAS, the OTS, based upon information derived from the exercise of its regulatory responsibilities, has informed Progressive-Home that the OTS is of the opinion that grounds exist to initiate administrative cease-and-desist proceedings and civil-money-penalty assessment proceedings against Progressive-Home pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2),¹ and

WHEREAS, Progressive-Home desires to cooperate with the OTS and to avoid the time and expense of such administrative proceedings; and

WHEREAS, Progressive-Home, while admitting that the OTS has jurisdiction with respect to this matter (as addressed in Paragraph 1 below), neither admits nor denies (i) that the above-mentioned grounds exist, or (ii) the OTS Findings of Fact (in Paragraph 2 below), and, is of the understanding that this settlement is subject to Rule 408 of the Federal Rules of Evidence.

NOW, THEREFORE, Progressive-Home hereby stipulates and agrees to the following terms:

¹ All references in this Stipulation and in the Order are to the United States Code as amended.

1. Jurisdiction.

(a) Progressive-Home Federal Savings & Loan Association is a "savings association" within the meaning of 12 U.S.C. § 1813(b), and 12 U.S.C. § 1462(4). Accordingly, Progressive-Home is an "insured depository institution" as that term is defined in 12 U.S.C. § 1813(c).

(b) Pursuant to 12 U.S.C. § 1813(q), the OTS is the "appropriate Federal banking agency" with jurisdiction to maintain administrative enforcement proceedings against savings associations. Therefore, Progressive-Home is subject to the authority of the OTS to initiate and maintain administrative cease-and-desist and civil-money-penalty-assessment proceedings against it pursuant to 12 U.S.C. §§ 1818(b) and 1818(i)(2).

2. OTS Findings of Fact.

The OTS finds that, during 2004, the Savings Association violated the following Federal law and regulations to which it is subject: 12 U.S.C. § 1817(a) (concerning reports of condition, *i.e.*, TFRs), 12 C.F.R. §§ 560.160 (asset classifications and ALLL), 560.172 (requiring appraisals of real estate owned), 563.177(c)(2) (requiring independent testing for BSA compliance), 563.180 (requiring accurate regulatory reports), 573.4(a) (requiring issuance of initial privacy notices), 203.4(a) (requiring collection of certain information under the Home Mortgage Disclosure Act), as well as 12 C.F.R. Part 202 (Equal Credit Opportunity Act regulations) and 12 C.F.R. Part 226 (Truth-in-Lending regulations). The OTS further finds that, during 2004, the Savings Association engaged in unsafe or unsound practices with respect to: (i) its underwriting and origination of certain non-owner-occupied real-estate-secured loans, and (ii) its loan-portfolio-management practices resulting in an unsafe concentration of higher-risk loans.

3. Consent.

(a) The Savings Association hereby consents to the issuance by the OTS of the Orders.

(b) The Savings Association further agrees to comply with the terms of the Orders upon their issuance. The Savings Association further stipulates and agrees that the Orders comply with all requirements of law, as applicable.

4. Finality.

The C&D Order is issued by the OTS under the authority of 12 U.S.C. § 1818(b), and the CMP Order is issued by the OTS under the authority of 12 U.S.C. § 1818(i)(2). Upon the issuance of the Orders by the OTS, acting by and through the undersigned Regional Director (which term also

shall refer to the Regional Director's authorized designees), both of the Orders shall be final orders, effective and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

5. Waivers.

The Savings Association hereby waives the following:

- (i) The right to be served with a written notice of the OTS's charges;
- (ii) The right to an administrative hearing of the OTS's charges concerning the basis for issuance of the Orders;
- (iii) The right to seek judicial review of the Orders, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Orders; and
- (iv) Any and all claims against OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Orders, whether arising under federal statutes (e.g., the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412), under common law, or otherwise.

6. Other Government Actions Not Affected; Scope of OTS Release.

(a) Upon the OTS's issuance of the accompanying C&D Order and CMP Order, following the OTS's acceptance of this Stipulation executed by the Savings Association, OTS does release and discharge Progressive-Home from all administrative enforcement claims and charges that have been or might have been asserted by the OTS, based on the alleged violations and practices during August 1, 2003, through January 31, 2005, described in the "OTS Findings of Fact" set forth in Paragraph 2 of this Stipulation, to the extent known to the OTS as of the Effective Date of such Orders. Notwithstanding such release, however, the violations and unsafe or unsound practices alleged in the "OTS Findings of Fact" (§ 2 hereof) may be utilized by the OTS in future enforcement actions to establish a pattern or practice of violations or the continuation of a pattern or practice of violations. This release shall not preclude or affect any right of the OTS to determine and ensure compliance with the terms and provisions of the Orders and this Stipulation.

(b) The Savings Association acknowledges and agrees that its consent to the issuance of the Orders does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Savings Association that arise pursuant to this action or otherwise, and that may be or have been brought by any other government entity other than the OTS.

7. Miscellaneous.

(a) The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Orders.

(b) The Board of Directors of the Savings Association has duly authorized the Savings Association to execute this Stipulation and to consent the OTS's issuance of the Orders. The Savings Association is submitting herewith a certified copy of said duly adopted board resolutions.

(c) All references to the OTS in this Stipulation and in the Orders shall also mean any of the OTS's predecessors, successors, and assigns.

(d) The section and paragraph headings in this Stipulation and in the Orders are for convenience only, and such headings shall not affect the interpretation of this Stipulation or the Orders.

(e) The terms of this Stipulation and of the Orders represent the final written agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

(f) This Stipulation and the Orders shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Director, Regional Director, or other authorized representative. The CMP Order, however, will terminate automatically at 11:59 pm on the date on which the Government/OTS receives full payment of the penalty assessed by the CMP Order.

WHEREFORE, the Savings Association executes this Stipulation, intending to be legally bound hereby.

PROGRESSIVE-HOME FEDERAL
SAVINGS & LOAN ASSOCIATION

By: Gerald E. Benn
Gerald Benn
President

Date: June 29, 2005

Accepted by:
OFFICE OF THRIFT SUPERVISION

By: Robert C. Albanese
Robert C. Albanese
Regional Director

Date: See the date in the caption hereof

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of _____
PROGRESSIVE-HOME FEDERAL _____
SAVINGS & LOAN ASSOCIATION, _____
Pittsburgh, Pennsylvania _____
(OTS No. 00495) _____

Order No. NE-05-11

Date: June 30, 2005

ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES

WHEREAS, PROGRESSIVE-HOME FEDERAL SAVINGS & LOAN ASSOCIATION (“Progressive-Home”, OTS No. 00495), Pittsburgh, Pennsylvania, has executed a STIPULATION AND CONSENT TO THE ISSUANCE OF AN ORDER TO CEASE AND DESIST AND OF AN ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES (“Stipulation”); and

WHEREAS, PROGRESSIVE-HOME, by its execution of the Stipulation has consented and agreed to the issuance of this ORDER OF ASSESSMENT OF CIVIL MONEY PENALTIES (“Order”) by the Office of Thrift Supervision (“OTS”), pursuant to Section 8(i)(2) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(i)(2).¹

NOW THEREFORE, IT IS ORDERED that:

1. Assessment of Civil Money Penalties.

Within ten (10) calendar days of the Effective Date of this Order, PROGRESSIVE-HOME shall pay the civil money penalty assessed hereby in the sum of Seven Thousand Five Hundred Dollars (\$7,500.00), by tendering to the Office of Thrift Supervision a certified check (or bank draft) in said amount made payable to the order of the Treasurer of the United States. PROGRESSIVE-HOME, using a reputable overnight delivery service, shall send (i) the above-required certified check (or bank draft), (ii) a cover letter referring to this Order and (iii) a copy of this Order, to the following address: Controller’s Division, Office of Thrift Supervision, 1700 G Street, N.W., Washington, D.C., 20552. On the same day PROGRESSIVE-HOME sends the payment to the OTS’s Controller’s Division, it also shall send, by postage prepaid U.S. Mail, a copy of the certified check (or bank draft) and the related cover letter to Steven A. Rosenberg, Regional Enforcement Counsel,

Office of Thrift Supervision, Harborside Financial Center Plaza Five, Suite 1600, Jersey City, New Jersey 07311.

2. Stipulation Incorporated.

The Stipulation is made a part hereof and is incorporated herein by this reference.

3. Effectiveness of Order.

This Order is and shall become effective on the date it is issued (the "Effective Date"), which date is shown in the caption hereof.

OFFICE OF THRIFT SUPERVISION

By: 
Robert C. Albanese
Regional Director, Northeast Region

¹ All references to the United States Code (U.S.C.) are as amended.