

**UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION**

In the Matter of)	Order No.: WE-07-008
)	
WASHINGTON MUTUAL BANK,)	Effective Date: October 17, 2007
Henderson, Nevada.)	
)	
OTS Docket No.: 08551)	

CONSENT ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY

WHEREAS, Washington Mutual Bank, Henderson, Nevada, OTS Docket No. 08551 (Institution), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation); and

WHEREAS, the Institution, by executing the Stipulation, has consented and agreed to the issuance of this Order of Assessment of Civil Money Penalty (Order) by the Office of Thrift Supervision (OTS), pursuant to 42 U.S.C. § 4012a(f); and

WHEREAS, the Director of the OTS has delegated to the Regional Directors of the OTS the authority to issue consent orders on behalf of the OTS.

NOW THEREFORE, IT IS ORDERED THAT:

1. Payment of Civil Money Penalty.

Within ten (10) calendar days after the date of this Order, the Institution shall pay the sum of Sixty Thousand Four Hundred and Forty-Five Dollars (\$60, 445) by tendering a certified check or bank draft made payable to the order of the National Flood Insurance

Program – Mitigation Fund, together with a copy of the executed CMP Order and a cover letter referencing Washington Mutual Bank, Henderson, Nevada, OTS Docket No. 08551, to: Kevin Montgomery, Financial Management Specialist, Federal Emergency Management Agency, National Flood Insurance Program, 7700 Hubble Drive, Lanham, Maryland 20706. A copy of the certified check or bank draft and the cover letter shall be provided by U.S. Mail or overnight courier to James A. Hendriksen, Regional Enforcement Counsel, Office of Thrift Supervision, 2001 Junipero Serra Boulevard, Suite 650, Daly City, CA, 94014-3897.

2. Duration, Termination or Suspension of Order.

This Order is and shall become effective on the date it is issued, as shown in the caption hereof.

THE OFFICE OF THRIFT SUPERVISION

By: _____/s/
Darrel W. Dochow
Regional Director

(Wamu CMP Order)

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STIPULATION AND CONSENT TO ISSUANCE OF
AN ORDER OF ASSESSMENT OF A CIVIL MONEY PENALTY

WHEREAS, the Office of Thrift Supervision (OTS), based upon information derived from the exercise of its regulatory responsibilities, is of the opinion that grounds exist to initiate a civil money penalty assessment proceeding against Washington Mutual Bank, Henderson, Nevada, OTS Docket No. 08551 (Institution), pursuant to 42 U.S.C. § 4012a(f); and

WHEREAS, the Institution desires to cooperate with the OTS and to avoid the time and expense of such administrative proceeding; and

WHEREAS, the Institution enters into this Stipulation and Consent to the Issuance of an Order of Assessment of a Civil Money Penalty (Stipulation): (1) without any adjudication on the merits; (ii) without admitting or denying that grounds exist to initiate an administrative cease and desist proceedings; and (iii) without admitting or denying the Findings of Fact, except as to jurisdiction (¶1 below), which jurisdiction is admitted;

NOW, THEREFORE, the Institution hereby stipulates and agrees as follows:

1. Jurisdiction.

(a) The Institution is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4) and a “regulated lending institution” as that term is defined at 12 U.S.C. § 4003(a)(10).

(b) Pursuant to 12 U.S.C. § 1813(q) and 42 U.S.C. § 4003(a)(5), the Director of the OTS is the “appropriate Federal Banking agency” and the “Federal entity for lending regulation” to initiate and maintain a civil money penalty proceeding against the Institution pursuant to 42 U.S.C. § 4012a(f).

(c) The Director of the OTS has delegated to the Regional Director of the West Region of the OTS or his designee (Regional Director) the authority to issue civil money penalty assessment orders where a savings association has consented to the issuance of the order.

2. OTS Findings of Fact. The Institution failed to comply with the requirements set forth in 42 U.S.C. §§ 4001-4128, and the OTS implementing regulations set forth at 12 C.F.R. Part 572. Specifically, the OTS finds that, despite knowing that one hundred and fifty-seven (157) designated loans had no or inadequate flood insurance, the Institution failed to notify the respective borrowers of the need to obtain flood insurance, or, if the borrowers were so notified and did not obtain flood insurance, failed to purchase insurance on the borrowers’ behalf as required by 42 U.S.C. § 4012a(e) and 12 C.F.R. § 572.7. The OTS finds that such behavior constituted a pattern or practice of violations under 42 U.S.C. § 4012a(f)(1).

3. Consent. The Institution consents to the issuance by the OTS of the accompanying Consent Order of Assessment of a Civil Money Penalty (Order). The Institution

further agrees to comply with the terms of the Order upon issuance and stipulates that the Order complies with all requirements of law.

4. Finality. This Order is issued by the OTS under the authority of 42 U.S.C. §§ 4012a(f)(1) and 4012a(f)(5). Upon its issuance by the Regional Director, it shall be a final order, effective and fully enforceable by the OTS pursuant to 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f).

5. Waivers. The Institution waives the following:

(a) The right to be served with a written notice of OTS's assessment of a civil money penalty against it as provided by 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4);

(b) The right to an administrative hearing of the OTS's charges against it as provided by 12 U.S.C. § 1818(i), 12 C.F.R. Part 509, and 42 U.S.C. § 4012a(f)(4);

(c) The right to seek judicial review of the Order or otherwise to challenge the validity of the Order; and

(d) Any and all claims against the 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 Order, whether arising under common law, or under the term of any statutes including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504, or 28 U.S.C. § 2412.

6. OTS Authority Not Affected. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar or otherwise prevent the OTS from taking any other action affecting the Institution if at any time OTS deems it appropriate to do so to fulfill the responsibilities placed upon OTS by law.

7. Other Governmental Actions Not Affected. Institution acknowledges and agrees that its consent to the issuance of the Order does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Institution 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.

8. Miscellaneous.

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

(b) If any provision of this Stipulation and the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his sole discretion determines otherwise;

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

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

(e) The terms of this Stipulation and the Order represent the final agreement of the parties with respect to the subject matters hereof and constitute the sole agreement of the parties with respect to such subject matters.

9. Signature of Directors.

Each Director signing this Stipulation attests that he or she voted in favor of a resolution

authorizing the consent of the Institution to the issuance of the Order and the execution of the Stipulation.

WHEREFORE, the Institution, by a majority of its directors, executes this Stipulation and Consent to Issuance of an Order of Assessment of a Civil Money Penalty.

Washington Mutual Bank
Henderson, Nevada

Office of Thrift Supervision
West Region

Accepted by a majority of its directors:

By: _____
Darrel W. Dochow
Regional Director, West

By:

Dated: _____

/s/
Director

Director

(Wamu CMP Stip)