

**UNITED STATES OF AMERICA
DEPARTMENT OF THE TREASURY
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

In the Matter of:

PNC Bank, National Association
Wilmington, Delaware

)
)
) AA-ENF-2022-23
)
)

CONSENT ORDER

WHEREAS, the Office of the Comptroller of the Currency (OCC) has supervisory authority over PNC Bank, National Association (Bank);

WHEREAS, the OCC intends to initiate a civil monetary penalty action against the Bank pursuant to section 102(f) of the Flood Disaster Protection Act, as amended, (42 U.S.C. § 4012a(f)) (Flood Act) for a pattern or practice of violations of the Flood Act and its implementing regulations, specifically 12 C.F.R. § 22.7(a);

WHEREAS, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, without admitting or denying any wrongdoing, has agreed to execute this Consent Order (Order); and

NOW, THEREFORE, in consideration of the above premises, the Comptroller of the Currency (Comptroller), through his duly authorized representative, and the Bank, through its duly elected and acting Board of Directors, stipulate and agree to the following:

ARTICLE I

JURISDICTION

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a national banking association within the meaning of 12 U.S.C. § 1813(q)(1)(A), and is chartered and examined by the OCC. *See* 12 U.S.C. § 1 *et seq.*

(3) Pursuant to 42 U.S.C. §§ 4003(a)(5) and 4012a(f), the OCC is the appropriate “Federal entity for lending regulation” to maintain an enforcement proceeding against the Bank for Flood Act violations.

ARTICLE II

COMPTROLLER’S FINDINGS

The OCC finds, and the Bank neither admits nor denies, the following:

(1) The Bank makes, increases, extends, and renews loans secured by buildings or mobile homes (Collateral) located in a special flood hazard area in which flood insurance is available under the Flood Act (Designated Loans) and employs a Flood Act compliance program to monitor its Designated Loans.

(2) The Bank has a Flood Act compliance program to monitor its Designated Loans to ensure the Collateral securing the Designated Loans is appropriately covered by flood insurance. As part of its Flood Act compliance program, the Bank utilizes a third-party to service its Designated Loans within its residential lending unit to notify the borrowers and force place flood insurance when the flood insurance fails to appropriately cover the Collateral.

(3) In 2020, the OCC commenced an examination of the Bank’s Flood Act compliance program and found the Bank’s policies and procedures allowed its third-party servicer to extend the 45-day period after notification to the borrower resulting in the untimely force placement of flood insurance on Designated Loans. At the time of the examination, the Bank had self-identified this issue and had begun taking action to remediate the third-party’s practice.

(4) As a result of this practice, since at least 2016, the Bank failed to force place insurance in a timely manner on residential Designated Loans and engaged in a pattern or practice of violations of the Flood Act and its implementing regulation, specifically, 12 C.F.R. § 22.7(a) (Force placement of flood insurance.)

ARTICLE III

ORDER FOR CIVIL MONETARY PENALTY

(1) The Bank shall pay a civil monetary penalty in the amount of two million six hundred fourteen thousand four hundred fifty-six dollars (\$2,614,456.00), which shall be paid upon execution of this Order.

(2) The Bank shall make payment in full by check made payable to the National Flood Insurance Program and shall deliver the payment to: Kevin Montgomery, Federal Emergency Management Agency, 400 C Street SW, 3rd Floor, Washington, DC 20472. The docket number of this action shall be entered on the check.

(3) The Bank shall submit a copy of the check to the Director of Enforcement, Office of the Comptroller of the Currency, 400 7th Street, S.W., Washington, DC 20219.

(4) This Order shall be enforceable to the same extent and in the same manner as an effective and outstanding order that has been issued and has become final pursuant to 12 U.S.C. §§ 1818(h) and (i) and 42 U.S.C. § 4012a.

Article IV

WAIVERS

(1) The Bank, by executing and consenting to this Order, waives:

- (a) any and all rights to the issuance of a Notice under 12 U.S.C. § 1818(i) and 42 U.S.C. § 4012a(f)(4), and recognizes that the OCC letter dated December 10, 2021, from Mark D. Richardson, Deputy Comptroller,

constitutes a valid substitute notice (Notice Letter);

- (b) any and all procedural rights available in connection with the issuance of this Order;
- (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818(i), 12 C.F.R. Part 19, and 42 U.S.C. § 4012a(f)(4);
- (d) any and all rights to seek administrative or judicial review of this Order;
- (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this Order, whether arising under common law or under the terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;
- (f) any and all rights to assert these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings brought by the United States Department of Justice or any other governmental entity; and
- (g) any and all rights to challenge or contest the validity of this Order.

ARTICLE V

CLOSING

(1) This Order is a settlement of the civil monetary penalty action against the Bank contemplated by the OCC, based on the violations of law described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Bank from all potential liability for a civil monetary order that has been or might have been asserted by the OCC based on the violations described in Article II of this Order, to the extent known to the

OCC as of the effective date of this Order. Nothing in this Order, however, shall prevent the OCC from:

- (a) instituting enforcement actions other than a civil monetary penalty order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(5) Nothing in this Order is a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or any agency thereof, including, without limitation, the United States Department of Justice.

(6) This Order is:

- (a) within the meaning of 12 U.S.C. §1818(h)(2);
- (b) an "effective and outstanding... order" within the meaning of 12 U.S.C. §1818(i)(1); and
- (c) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(7) This Order is effective upon issuance by the OCC, through the Comptroller's duly authorized representative.

(8) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any office, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

(9) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of this Order.

(10) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set his signature on behalf of the Comptroller.

//s// Digitally Signed, Dated: 2022.07.18

Mark D. Richardson
Deputy Comptroller
Large Bank Supervision

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of the Bank, have hereunto set their hands on behalf of the Bank.

/s/	Jul 10, 2022
_____ Joseph Alvarado	_____ Date
/s/	Jul 11, 2022
_____ Debra A. Cafaro	_____ Date
/s/	Jul 11, 2022
_____ Marjorie Rodgers Cheshire	_____ Date
/s/	Jul 11, 2022
_____ William S. Demchak	_____ Date
/s/	Jul 11, 2022
_____ Andrew T. Feldstein	_____ Date
/s/	Jul 8, 2022
_____ Richard J. Harshman	_____ Date
/s/	Jul 10, 2022
_____ Daniel R. Hesse	_____ Date
/s/	Jul 11, 2022
_____ Renu Khator	_____ Date
/s/	Jul 8, 2022
_____ Linda R. Medler	_____ Date

/s/

Robert A. Niblock

/s/

Martin Pfinsgraff

/s/

Bryan S. Salesky

/s/

Toni Townes-Whitley

/s/

Michael J. Ward

Jul 8, 2022

Date

Jul 8, 2022

Date

Jul 8, 2022

Date

Jul 12, 2022

Date

Jul 10, 2022

Date