

# Press Release

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July 26, 2018

## Federal Reserve Board issues enforcement action with Community Trust Bank, Inc.

For release at 4:30 p.m. EDT

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The Federal Reserve Board on Thursday issued a consent order against Community Trust Bank, Inc. of Pikeville, Kentucky, for unfair and deceptive practices, requiring the bank to pay approximately \$4.75 million in restitution to approximately 11,000 consumers and make certain consumer compliance enhancements.

As detailed in the consent order, the bank violated section 5 of the Federal Trade Commission Act in its offering of deposit account add-on products to consumers. The bank represented to consumers that all of the add-on product benefits would be effective upon enrollment when, in fact, consumers had to take additional steps to receive some of their benefits. The bank did not adequately disclose the additional steps prior to enrollment and did not explain to consumers that they would be billed regardless of benefit activation.

The bank must begin making restitution payments to consumers after regulatory non-objection to the restitution plan, which is due within 60 days of the issuance of the consent order.

For media inquiries, call 202-452-2955.

[Attachment \(PDF\)](#)

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