



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR ADDITIONAL BANK DEPOSITORS VICTIMIZED BY SEVERE STORMS IN THE STATE OF CALIFORNIA

Regional Director Anthony Scalzi of the Federal Deposit Insurance Corporation today announced that the FDIC has granted additional bank depositors in California, who suffered losses as a result of severe storms occurring the week of February 17, 1986, temporary exemption from the interest rate regulations that penalize holders of time deposits for withdrawals of funds prior to maturity.

The waiver is limited to depositors who suffered losses in Contra Costa, Alameda, Fresno, San Mateo, Madera and Del Norte counties.

The above were added March 11, 1986, to the twenty-eight counties - Alpine, Amadore, Butte, Calaveras, Colusa, El Dorado, Lassen, Mendocino, Placer, Plumas, San Joaquin, Sierra, Sutter, Tehama, Tuolumne, Yolo, Lake, Marin, Napa, Sacramento, Santa Clara, Santa Cruz, Solano, Sonoma, Yuba, Humboldt, Modoc and Glenn Counties which were declared disaster areas by the President on February 21, 1986.

Insured state-chartered banks that are not members of the Federal Reserve System, whether or not they are located in the immediate disaster areas, may allow depositors who can show that they have been damaged as a result of the disaster to withdraw all or part of their time deposits before maturity without paying a penalty.

Depositors seeking to avail themselves of the suspension will be required to furnish banks with proof of losses occasioned by this particular disaster. This suspension is retroactive to February 21, 1986, for victims in the state of California and will be in effect for six months. This will provide eligible depositors sufficient time to determine their losses and the need for funds.