



# NEWS RELEASE

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## FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY ARIZONA FLOODING

Regional Director Anthony Scalzi of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors in Arizona who suffered losses as a result of storms and flooding temporary exemption from the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity. This waiver is limited to depositors who suffered storm and flood related losses in Maricopa, Mohave, and Yuma counties, which were designated major disaster areas by Presidential declaration effective January 16, 1985.

Insured State-chartered banks that are not members of the Federal Reserve System, whether or not they are located in the immediate disaster area, 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 any penalty. Depositors seeking to avail themselves of the suspension will be required to furnish their banks with proof of losses occasioned by this particular disaster.

This suspension will be in effect for six months from January 16, 1985. This will provide eligible depositors sufficient time to determine their losses and their need for funds.

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