



NEWS RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK
DEPOSITORS VICTIMIZED BY FLOODING IN THE STATE OF ILLINOIS

Regional Director Paul G. Fritts of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors in Illinois, who suffered losses as a result of severe storms and flooding occurring on or after February 23, 1985, temporary exemption from the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity. The waiver is limited to depositors who have suffered losses in Brown, Calhoun, Cass, Clark, Crawford, Fulton, Green, Grundy, Jersey, La Salle, Marshall, Mason, Morgan, Peoria, Pike, Rock Island, Schuyler, Scott, Tazewell, Whiteside, Will, and Woodford Counties which were declared major disaster areas by the President on March 29, 1985.

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 their banks with proof of losses occasioned by this particular disaster.

This suspension is retroactive to March 29, 1985, for victims in the State of Illinois and will be in effect for six months. This will provide eligible depositors sufficient time to determine their losses and the need for funds.

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