



NEWS RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY TORNADOES IN THE COMMONWEALTH OF PENNSYLVANIA

Assistant Regional Director Ralph M. Hartman of the Federal Deposit Insurance Corporation today announced that the FDIC has granted victims in Pennsylvania 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 have suffered losses in Beaver, Butler, Crawford, Erie, Forest, Lycoming, McKean, Mercer, Northumberland, Union, Venango and Warren counties, which were declared major disaster areas by the President on June 3, 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 any penalty. Depositors seeking to avail themselves of the suspension will be required to furnish their banks with proof of losses occasioned by this disaster.

This suspension is retroactive to June 3, 1985, and will be in effect for six months. This will provide eligible depositors sufficient time to determine their losses and their need for funds.

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