



NEWS RELEASE

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PR-83(6-6-85)

FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS
VICTIMIZED BY PUERTO RICO FLOOD-RELATED DISASTER

Regional Director Edward T. Lutz of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors who suffered flood-related losses 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 losses as result of torrential rains, flooding, land slides and mud slides on or about May 16, 1985, in the Puerto Rico municipalities listed below which were declared major disaster areas by the President on May 30, 1985.

Individual Assistance:

Adjuntas
Anasco
Arecibo
Barceloneta
Jayuya
Mayaguez
Santa Isabel
Yutuado
Vega Baja

Public Assistance:

Adjuntas
Barceloneta
Ciales
Guayanilla
Jayuya
Lares
Marica
Orocovis
Utuaado

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. This will provide eligible depositors sufficient time to determine their losses and their need for funds.