



# NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-85-85 (7-30-85)  
AMENDMENT to  
PR-83-85 (6-6-85)

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

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 AMENDMENT of PR-83-85 (6-6-85) is limited to public assistance for depositors who have suffered losses as result of torrential rains, flooding, land slides and mud slides on or about May 16, 1985, in the Puerto Rico municipalities of Anasco, Barranquitas, Las Piedras, Villalba, and Yabucoa. These municipalities were declared major disaster areas by the President June 13, 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 particular disaster.

This suspension is retroactive to June 13, 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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