



NEWS RELEASE

FOR IMMEDIATE RELEASE

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**FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS
VICTIMIZED BY HURRICANE ELENA IN ALABAMA**

Regional Director Edwin B. Burr of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors in Alabama who suffered losses as a result of Hurricane Elena temporary exception from the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity. The waiver covers depositors in the South Alabama counties of Baldwin and Mobile.

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 need the funds 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 the need for the funds. The waiver applies to individual and public assistance.

This suspension is retroactive to September 7, 1985 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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