



# NEWS RELEASE

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PR-152-85 (10-17-85)

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

Regional Director Edward T. Lutz of the Federal Deposit Insurance Corporation (FDIC) today announced that the FDIC has granted bank depositors who suffered storm-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 public assistance for depositors who suffered losses as result of severe flooding on or about September 27, 1985 in Lackawanna, Luzerne and Wayne counties; and to individual assistance for depositors who suffered related losses in Susquehanna county. These counties were declared major disaster areas by the President on October 8, 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 October 8, 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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