



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY FLOODING IN THE COMMONWEALTH OF VIRGINIA

Regional Director Edwin B. Burr of the Federal Deposit Insurance Corporation today announced that on November 9, 1985 the President declared the Commonwealth of Virginia a major disaster area due to the prolonged rain which began on November 3, 1985 and caused extensive flooding in areas of Virginia. Temporary exception from the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity will be waived for individual assistance for the following counties in Virginia: Allegheny, Botetourt, Chesterfield, Franklin, King George, Mathews, Northumberland, Richmond, Roanoke, Surrey, Westmoreland, and York. Also the cities of Bedford, Buena Vista, Clifton Forge, Covington, Harrisonburg, Richmond, Roanoke, and Salem. On November 13, 1985, the waiver was amended to include the following counties for public assistance: Albemarle, Amherst, Augusta, Bath, Craig, Highland, Franklin, Madison, Montgomery, Nelson, Page, Rockingham, Shenandoah, Warren and the cities of Lynchburg and Waynesboro.

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.

This suspension is retroactive to November 3, 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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