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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS
VICTIMIZED BY FLOOD DISASTER IN THE STATE OF MISSISSIPPI

Regional Director Sandra A. Waldrop of the Federal Deposit Insurance Corporation today announced that the FDIC has granted victims in Mississippi temporary exemption for the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity. This waiver is limited to depositors who have suffered losses in Grenada County, which was declared a major disaster area by the President on December 21, 1983.

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 is retroactive to December 21, 1983, 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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