



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY SEVERE STORMS AND FLOODING IN THE STATE OF VIRGINIA

Regional Director Kenneth L. Walker of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors in Virginia, who suffered losses as a result of severe storms and flooding, temporary exemption from the interest rate regulations that penalize holders of time deposits for withdrawal of funds prior to maturity. The waiver is limited to depositors in Buchanan, Dickenson and Washington Counties.

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 disasters 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 losses occasioned by these particular disasters.

This suspension is retroactive to May 23, 1984, 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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