



NEWS RELEASE

FOR IMMEDIATE RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY CALIFORNIA STORM RELATED DISASTER

Regional Director Charles E. Doster of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors who suffered storm-related losses in California 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 depositors who suffered losses as a result of severe storms, high tides, wave action, mudslides and flooding in Alameda, Butte, Colusa, Contra Costa, Glenn, Kern, Kings, Lake, Los Angeles, Marin, Mendocino, Monterey, Orange, San Benito, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Sonoma, Sutter, Tehema, and Ventura Counties, which were declared major disaster areas by the President on February 9, 1983 and as subsequently amended.

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 February 9, 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.

Similar action is being taken by the Board of Governors of the Federal Reserve System with respect to banks which belong to the Federal Reserve System.

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