



NEWS RELEASE

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FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS VICTIMIZED BY COALINGA, CALIFORNIA EARTHQUAKE DISASTER

Regional Director Charles E. Doster of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors who suffered earthquake-related losses in the vicinity of Coalinga, 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 the earthquake in Fresno County, which was declared a major disaster area by the President on May 5, 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 May 5, 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.