



NEWS RELEASE

FOR IMMEDIATE RELEASE

PR-57(7-8-83)

FDIC SUSPENDS WITHDRAWAL PENALTIES FOR BANK DEPOSITORS
VICTIMIZED BY COLORADO RIVER FLOODING

Regional Director Charles E. Doster of the Federal Deposit Insurance Corporation today announced that the FDIC has granted bank depositors in Arizona and California who suffered losses as a result of the Colorado River flooding 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 flood-related losses in La Paz, Mohave, and Yuma counties in Arizona; and Imperial, Riverside and San Bernardino Counties in California, which were declared major disaster areas by the President on July 1, 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 July 1, 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.

#