

FEDERAL RESERVE BANK  
OF NEW YORK

*Aff. Cir. No. 9964-A*  
December 4, 1985

**Temporary Suspension of Regulation Q Early Withdrawal Penalty  
for Disaster Areas in New York**

*To All Member Banks, and Others Concerned,  
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has approved the temporary suspension — *until 12 midnight, April 22, 1986* — of the Regulation Q penalty normally imposed upon the early withdrawal of time deposit funds, for depositors in the New York counties of Nassau and Suffolk affected by Hurricane Gloria.

This action will permit a member bank, *wherever located*, to pay a time deposit before maturity without imposing the Regulation Q penalty, upon a showing that the depositor has suffered property or other financial loss in those counties as a result of Hurricane Gloria. The suspension is retroactive to October 18, 1985.

Printed on the reverse side is the text of the official notice of suspension; it has been reprinted from the *Federal Register* of November 26, 1985. Questions thereon may be directed to our Regulations Division (Tel. No. 212-791-5914).

E. GERALD CORRIGAN,  
*President.*

(Over)

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 217

[Reg. Q; Docket No. R-0559]

#### Interest on Deposits; Temporary Suspension of Early Withdrawal Penalty

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Temporary suspension of the Regulation Q early withdrawal penalty.

**SUMMARY:** The Board of Governors, acting through its Secretary, pursuant to delegated authority, has suspended temporarily the Regulation Q penalty for the withdrawal of time deposits prior to maturity from member banks for depositors affected by Hurricane Gloria in the New York counties of Nassau and Suffolk.

**EFFECTIVE DATE:** October 18, 1985.

**FOR FURTHER INFORMATION CONTACT:** Daniel L. Rhoads, Senior Attorney (202/452-3711) or Patrick J. McDivitt, Attorney (202/452-3818), Legal Division, or Joy W. O'Connell, Telecommunication Device for the Deaf (202/452-3244), Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** On October 18, 1985, pursuant to section 301 of the Disaster Relief Act of 1974 (42 U.S.C. 5141) and Executive Order 12148 of July 15, 1979, the President, acting through the Director of the Federal Emergency Management Agency, designated the counties of Nassau and Suffolk, New York major disaster areas. The Board regards the President's action as recognition by the Federal government that a disaster of major proportions had occurred. The President's designation enables victims of the disaster to qualify for special emergency financial assistance. The Board believes it appropriate to provide an additional measure of assistance to victims by temporarily suspending the Regulation Q early withdrawal penalty (12 CFR 217.4(d)). The Board's action permits a member bank, wherever located, to pay a time deposit before maturity without imposing this penalty

upon a showing that the depositor has suffered property or other financial loss in the disaster areas as a result of Hurricane Gloria beginning on or about September 27, 1985. A member bank should obtain from a depositor seeking to withdraw a time deposit pursuant to this action a signed statement describing fully the disaster-related loss. This statement should be approved and certified by an officer of the bank. This action will be retroactive to October 18, and will remain in effect until 12 midnight, April 22, 1986.

#### List of Subjects in 12 CFR Part 217

Advertising, Banks, Banking, Federal Reserve System, Foreign banking.

In view of the urgent need to provide immediate assistance to relieve the financial hardship being suffered by persons in the counties directly affected by Hurricane Gloria, good cause exists for dispensing with the notice and public participation provisions in section 553(b) of Title 5 of the United States Code with respect to this action. Because of the need to provide assistance as soon as possible and because the Board's action relieves a restriction, there is good cause to make this action effective immediately.

By order of the Board of Governors, acting through its Secretary, pursuant to delegated authority, November 20, 1985.

**William W. Wiles,**

*Secretary of the Board.*

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