

1 IN THE HOUSE

BY THE RULES COMMITTEE BY REQUEST
OF THE HOUSE MEMBERS OF THE JOINT
COMMITTEE ON ECONOMIC RECOVERY

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HOUSE JOINT RESOLUTION NO. 73

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

5

Urging the Federal Home Loan Bank Board

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to consider extension of assistance to

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Alaska financial institutions similar to

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the board's "Southwest Plan."

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BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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WHEREAS some areas of the state are experiencing a severe economic

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crisis, as evidenced by bankruptcies, foreclosures, business failures, and

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the loss of homes and property values; and

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WHEREAS the state's financial system has been severely strained by the

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extraordinary economic events precipitated by the collapse of world oil

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prices; and

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WHEREAS several banks have closed, to the disadvantage of the families

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and businesses that banked and borrowed at those banks; and

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WHEREAS further erosion of the state's banking system is not in the

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best interests of the state's businesses, homeowners, and a competitive

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banking system; and

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WHEREAS the economic distress because of the unprecedented economic

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contraction within the state is not unlike the economic distress that has

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been experienced by other petroleum-producing states, notably those in the

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South and Southwest; and

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WHEREAS, among other responses to the economic downturn in the South

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and Southwest, the Federal Home Loan Bank Board, the federal agency that

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regulates and supervises the federal home loan banks that provide a flexi-

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ble credit reserve for member savings institutions as a principal financing

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source for lending institutions, has determined that the region, comprising

1 the states of Arkansas, Louisiana, Mississippi, New Mexico, and Texas,
2 warrants special assistance due to its economic difficulties; and

3 WHEREAS the board has fashioned and implemented a "Southwest Plan"
4 that has provided economic and noneconomic assistance to thrift insti-
5 tutions in that region, partially offsetting the effects of the economic
6 slump; and

7 WHEREAS one of the principal purposes of the "Southwest Plan" is to
8 lower costs for both the Federal Home Loan Bank Board and the lending
9 institutions through an infusion of capital, while preserving adequate
10 services, competition, and basic structure; and

11 WHEREAS the reforms proposed within the "Southwest Plan" should assist
12 thrift institutions in that region to reduce operating costs while main-
13 taining a competitive environment, and improve public confidence in those
14 institutions during a period of economic difficulty;

15 BE IT RESOLVED that the Alaska State Legislature respectfully requests
16 the Alaska delegation in Congress to request the Federal Home Loan Bank
17 Board to consider extension of assistance to financial institutions in
18 Alaska similar to the "Southwest Plan."

19 COPIES of this resolution shall be sent to M. Danny Wall, chairman,
20 and Roger F. Martin and Lawrence J. White, members, Federal Home Loan Bank
21 Board; and to the Honorable Ted Stevens and the Honorable Frank Murkowski,
22 U.S. Senators, and the Honorable Don Young, U.S. Representative, members of
23 the Alaska delegation in Congress.