

Original sponsor: Rules/House Members
of the Joint Committee on
Economic Recovery

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR HOUSE JOINT RESOLUTION NO. 73 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 Urging the Federal Home Loan Bank Board
6 to consider extension of assistance to
7 Alaska financial institutions similar to
8 the board's "Southwest Plan."

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

10 WHEREAS some areas of the state are experiencing a severe economic
11 crisis, as evidenced by bankruptcies, foreclosures, business failures, and
12 the loss of homes and property values; and

13 WHEREAS the state's financial system has been severely strained by the
14 extraordinary economic events precipitated by the collapse of world oil
15 prices; and

16 WHEREAS several banks have closed, to the disadvantage of the families
17 and businesses that banked and borrowed at those banks; and

18 WHEREAS further erosion of the state's banking system is not in the
19 best interests of the state's businesses, homeowners, and a competitive
20 banking system; and

21 WHEREAS the economic distress because of the unprecedented economic
22 contraction within the state is not unlike the economic distress that has
23 been experienced by other petroleum-producing states, notably those in the
24 South and Southwest; and

25 WHEREAS, among other responses to the economic downturn in the South
26 and Southwest, the Federal Home Loan Bank Board, the federal agency that
27 regulates and supervises the federal home loan banks that provide a flexi-
28 ble credit reserve for member savings institutions as a principal financing
29 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; and

15 WHEREAS extension of a program similar to the "Southwest Plan" ini-
16 tiatives by the Federal Home Loan Bank Board to Alaska, including infusion
17 of capital from the Federal Home Loan Bank Board to assist Alaska thrift
18 institutions to maintain and improve their loan portfolios, would similarly
19 benefit Alaska institutions and would sustain public confidence in those
20 institutions and the banking system generally;

21 BE IT RESOLVED that the Alaska State Legislature respectfully requests
22 the Alaska delegation in Congress to request the Federal Home Loan Bank
23 Board to consider extension of assistance to financial institutions in
24 Alaska similar to the "Southwest Plan."

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