

1 IN THE HOUSE

BY JACKO, NAVARRE,  
AND DONLEY

2

HOUSE CONCURRENT RESOLUTION NO. 9

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

5

Relating to Alliance Bank.

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

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WHEREAS the concentration of commercial banks in the state has been  
affected during the past two years by the closing of six banks; and

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WHEREAS the legislature wants to ensure that a viable and competitive  
banking system exists throughout the state; and

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WHEREAS at the beginning of 1987, the Federal Deposit Insurance Corpo-  
ration determined that public policy considerations in the state required  
the financial restructuring of what are now known as the Alliance Bancorpo-  
ration and its wholly-owned subsidiary Alliance Bank; and

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WHEREAS these public policy considerations are still present in the  
banking market and have become more acute due to the subsequent closing of  
other commercial banks in the state; and

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WHEREAS further closure of banks in the state would have a negative  
effect on the already ailing state economy and would slow its recovery; and

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WHEREAS Alliance Bank provides a unique service in the state because  
it operates an extensive network of branches in the rural and southeast  
parts of the state; in several locations served by Alliance Bank, there is  
only one other bank, and the next closest competitor is hundreds of miles  
away; and

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WHEREAS if Alliance Bank were closed, most consumers north of the  
Yukon River would be forced to travel long distances to find another bank;  
and

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WHEREAS there has been vocal community support in rural Alaska for  
Alliance Bank, and there have been requests for Alliance Bank to service

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1 additional rural communities; and

2 WHEREAS Alliance Bank, in conjunction with the Alaska Department of  
3 Community and Regional Affairs, handles over 50 percent of the outstanding  
4 loans for rural borrowers of the state; and

5 WHEREAS Alliance Bank has been, and continues to be, the premier  
6 provider of mortgage servicing in the state and is servicing over  
7 \$1,500,000,000 worth of loans; the failure of Alliance Bank would severely  
8 disrupt the servicing of these loans and would cause additional financial  
9 strain on government agency loans, including loans from the state Depart-  
10 ment of Community and Regional Affairs, the Alaska Housing Finance Corpo-  
11 ration, the public employees' retirement system (AS 39.35), and the teach-  
12 ers' retirement system (AS 14.25); and

13 WHEREAS throughout the liquidation process Alliance Bank has made a  
14 significant effort to support real estate values for bank-owned real es-  
15 tate, and this has helped improve the economic climate in the state; and

16 WHEREAS the failure of Alliance Bank would further delay the economic  
17 recovery of the state, and the closure of the bank would result in a loss  
18 of jobs for the 460 employees of Alliance Bank and an annual loss of  
19 \$20,000,000 in wages;

20 BE IT RESOLVED that the Alaska State Legislature encourages the Gover-  
21 nor to support a stable and competitive banking environment in the state by  
22 working closely with Alliance Bank and the Federal Deposit Insurance Corpo-  
23 ration to ensure that every reasonable approach is taken to continue the  
24 operation of the bank.

25 COPIES of this resolution shall be sent to the Honorable Willis Kirk-  
26 patrick, the Director of the Division of Banking, Securities, and Corpora-  
27 tions of the Alaska Department of Commerce and Economic Development; to the  
28 Honorable L. William Seldman, Chair of the Board of Directors of the Fed-  
29 eral Deposit Insurance Corporation; and to the Honorable Alan Greenspan,

1 Chair of the Board of Governors of the Federal Reserve Board; and to the  
2 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
3 the Honorable Don Young, U.S. Representative, members of the Alaska delega-  
4 tion in Congress.