

1 IN THE HOUSE BY C.DAVIS, FURNACE, AND FOSTER
2 HOUSE JOINT RESOLUTION NO. 55
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - FIRST SESSION
5 Urging the Federal Deposit Insurance
6 Corporation to reconsider its policies
7 for the delinquent loans that it holds
8 in the state.
9 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 WHEREAS the state continues to experience a severe economic crisis and
11 the real estate market continues to be severely depressed; and
12 WHEREAS the crisis has caused the failure or instability of many
13 financial institutions in the state, and the Federal Deposit Insurance
14 Corporation (FDIC) has found it necessary to close or restructure several
15 of these financial institutions; and
16 WHEREAS as a result of closing and restructuring these financial
17 institutions, the FDIC presently holds many delinquent loans for persons
18 and businesses in the state and controls many pieces of real estate in the
19 state that are in danger of foreclosure or that have already been fore-
20 closed; and
21 WHEREAS due to the number of loans and the amount of real property
22 that the FDIC holds in the state, the FDIC plays a significant role in the
23 economic recovery of the state; and
24 WHEREAS the FDIC has a policy of expeditious treatment of delinquent
25 loans and the liquidation of the security for the loans; and
26 WHEREAS the FDIC has not generally allowed extensions of time for
27 borrowers to arrange to refinance their delinquent loans before the FDIC
28 liquidates the security for the loans; and
29 WHEREAS the FDIC has not generally allowed borrowers to negotiate new

1 and more feasible terms for their delinquent loans that would enable the
2 borrowers to handle the repayment of the loans without liquidation; and

3 WHEREAS the failure of the FDIC to be more flexible in the handling of
4 these delinquent loans is contributing to the continuation of the economic
5 crisis in the state;

6 BE IT RESOLVED that the Alaska State Legislature urges the Federal
7 Deposit Insurance Corporation to reevaluate its present approach to delin-
8 quent loans in the state and its present liquidation policies for the
9 property securing these loans and to allow borrowers

10 (1) to receive extensions of time to refinance their delinquent
11 loans so that liquidation can be avoided; and

12 (2) to negotiate more reasonable terms for repaying their delin-
13 quent loans to enable them to continue to meet their obligations without
14 losing the security they have provided for the loans.

15 COPIES of this resolution shall be sent to the Honorable George Bush,
16 President of the United States; the Honorable Dan Quayle, Vice-President of
17 the United States and President of the U.S. Senate; the Honorable Jim
18 Wright, Speaker of the U.S. House of Representatives; to the Honorable L.
19 William Seidman, Chair of the Board of Directors of the Federal Deposit
20 Insurance Corporation; and to the Honorable Ted Stevens and the Honorable
21 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Repre-
22 sentative, members of the Alaska delegation in Congress.