

Original sponsor: Banking and Economic  
Development

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE CONCURRENT RESOLUTION NO. 12 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to Alliance Bank.

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

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

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

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

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

18 WHEREAS Alliance Bank operates an extensive network of branches in the  
19 remote, rural, and southeast parts of the state; in several locations  
20 served by Alliance Bank, there is only one other bank, and the next closest  
21 competitor is hundreds of miles away; and

22 WHEREAS there has been vocal community support in rural Alaska for  
23 Alliance Bank, and there have been requests for Alliance Bank to service  
24 additional rural communities; and

25 WHEREAS Alliance Bank, in conjunction with the Alaska Department of  
26 Community and Regional Affairs, handles a majority of the outstanding loans  
27 for rural borrowers of the state; and

28 WHEREAS Alliance Bank has been, and continues to be, a major provider  
29 of mortgage servicing in the state and is servicing over \$1,500,000,000

1 worth of loans; the failure of Alliance Bank would severely disrupt the  
2 servicing of these loans and would cause additional financial strain on  
3 government agency loans, including loans from the state Department of  
4 Community and Regional Affairs, the Alaska Housing Finance Corporation, the  
5 public employees' retirement system (AS 39.35), and the teachers' retire-  
6 ment system (AS 14.25); and

7 WHEREAS the failure of Alliance Bank would hinder the economic re-  
8 covery of the state, and the closure of the bank would result in a loss of  
9 jobs for the 460 employees of Alliance Bank and a loss of \$20,000,000 in  
10 wages;

11 BE IT RESOLVED that the Alaska State Legislature encourages the Gover-  
12 nor to support a stable and competitive banking environment in the state by  
13 working closely with Alliance Bank and the Federal Deposit Insurance Corpo-  
14 ration to ensure that every reasonable approach is taken to continue the  
15 operation of the bank, consistent with prudent banking practices.

16 COPIES of this resolution shall be sent to the Honorable Willis Kirk-  
17 patrick, the Director of the Division of Banking, Securities, and Corpo-  
18 rations of the Alaska Department of Commerce and Economic Development; to  
19 the Honorable L. William Seidman, Chair of the Board of Directors of the  
20 Federal Deposit Insurance Corporation; and to the Honorable Alan Greenspan,  
21 Chair of the Board of Governors of the Federal Reserve Board; and to the  
22 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and  
23 the Honorable Don Young, U.S. Representative, members of the Alaska delega-  
24 tion in Congress.