

BY THE SENATE SPECIAL
COMMITTEE ON BANKING
AND ECONOMIC DEVELOPMENT

1 IN THE SENATE

2 SENATE RESOLUTION NO. 7

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Relating to Alaska Statebank.

6 BE IT RESOLVED BY THE SENATE:

7 WHEREAS Alaska Statebank, a state chartered bank that has been in
8 business in the state for 40 years, has long been considered one of the
9 pioneer community banks in Alaska; and

10 WHEREAS because of this pioneering role, Alaska Statebank has histor-
11 ically been a major contributor to Alaska's overall progress and economic
12 development; and

13 WHEREAS the recent drop in the world market price of crude oil has had
14 a strong adverse effect on Alaska's economy as a whole and a severe adverse
15 impact on smaller communities in particular; and

16 WHEREAS this economic downturn throughout Alaska has caused several
17 smaller banking institutions to fail; and

18 WHEREAS the same economic situation has caused Alaska Statebank to
19 suffer substantial financial distress; and

20 WHEREAS Alaska Statebank has filed an application with the Federal
21 Deposit Insurance Corporation under 12 U.S.C. 1823(c) (Federal Deposit
22 Insurance Corporation Act) for assistance in connection with a proposed
23 recapitalization of the bank; and

24 WHEREAS, with the aid of the Federal Deposit Insurance Corporation in
25 reorganization and recapitalization, it is likely that Alaska Statebank
26 will attract an infusion of private capital from in-state investors; and

27 WHEREAS the Alaskan public would continue to be well served by the
28 operation of Alaska Statebank if assistance is provided to the bank; and

29 WHEREAS reorganization of Alaska Statebank may relieve the Federal

1 Deposit Insurance Corporation of the otherwise necessary burden of managing
2 delinquent loan accounts;

3 BE IT RESOLVED that the Senate supports Alaska Statebank's request to
4 the Federal Deposit Insurance Corporation for assistance; and be it

5 FURTHER RESOLVED that the Senate respectfully urges the Chair of the
6 Board of Directors of the Federal Deposit Insurance Corporation, and the
7 state Division of Banking, Securities and Corporations to give full
8 consideration to Alaska Statebank's proposal for assistance.

9 COPIES of this resolution shall be sent to the Honorable Willis Kirk-
10 patrick, the Director of the Division of Banking, Securities, and Corpo-
11 rations of the Alaska Department of Commerce and Economic Development; to
12 the Honorable L. William Seldman, Chair of the Board of Directors of the
13 Federal Deposit Insurance Corporation; and to the Honorable Alan Greenspan,
14 Chair of the Board of Governors of the Federal Reserve Board; and to the
15 Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and
16 the Honorable Don Young, U.S. Representative, members of the Alaska delega-
17 tion in Congress.