

# STATE OF ALASKA

## THE LEGISLATURE

1989

Source

Legislative  
Resolve No.

CSHCR 9(Fin)

2



Relating to Alliance Bank.

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

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

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

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

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

WHEREAS Alliance Bank 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

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

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

WHEREAS Alliance Bank has been, and continues to be, a major provider of mortgage servicing in the state and is servicing over \$1,500,000,000 worth of loans; the failure of Alliance Bank would severely disrupt the servicing of these loans and would cause additional financial strain on governmental agency loans, including loans from the state Department of Community and Regional Affairs, the Alaska Housing Finance Corporation, the public employees' retirement system (AS 39.35), and the teachers' retirement system (AS 14.25); and

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

BE IT RESOLVED that the Alaska State Legislature encourages the Governor to support a stable and competitive banking environment in the state by working closely with Alliance Bank and the Federal Deposit Insurance Corporation to ensure that every reasonable approach is taken to continue the operation of the bank, consistent with prudent banking practices.

COPIES of this resolution shall be sent to the Honorable Willis Kirkpatrick, the Director of the Division of Banking, Securities and Corporations of the Alaska Department of Commerce and Economic Development; to the Honorable L. William Seidman, Chair of the Board of Directors of the Federal Deposit Insurance Corporation; and to the Honorable Alan Greenspan, Chair of the Board of Governors of the Federal Reserve Board; and to the Honorable Ted Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.