

By: Representatives Gibbs, Arinder, Bailey, Clarke, Evans (70th), Hines, Middleton, Thomas To: Rules

HOUSE CONCURRENT RESOLUTION NO. 5

1 A CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO
2 TAKE EMERGENCY ACTION TO PROTECT HOMEOWNERS AND BANKS BY ENACTING
3 A HOMEOWNERS AND BANK PROTECTION ACT.

4 WHEREAS, the onrushing financial crisis engulfing home
5 mortgages, debt instruments of all types, and the banking system
6 of the United States, threatens to set off an economic depression
7 worse than the 1930s; and

8 WHEREAS, millions of American citizens are threatened with
9 foreclosure and loss of their homes over the upcoming months; and

10 WHEREAS, the hedge funds which spread this financial collapse
11 among markets worldwide, by dominating speculation in all those
12 markets, are now going bankrupt and demanding government bailout
13 of their securities and derivatives and the nominal value of the
14 derivatives based on mortgages alone is the size of the combined
15 GDP of the nations of the world; and

16 WHEREAS, this financial crisis is now threatening the
17 integrity of both state and federally chartered banks, as typified
18 by the run on deposits of Northern Rock Mortgage Bank in Britain
19 in September and Countrywide Financial in California during the
20 month of August; and such a banking collapse would wipe out the
21 life savings of American citizens, and drastically undermine the
22 economic stability of our states and cities; and

23 WHEREAS, under similar financial crisis in the 1930s,
24 President Franklin D. Roosevelt successfully intervened to protect
25 banks and homeowners, addressing Congress with a "declaration of
26 national policy" on April 13, 1933, which stated "that the broad
27 interests of the Nation require that special safeguards should be



28 thrown around home ownership as a guarantee of social and economic
29 stability, and that to protect homeowners from inequitable
30 enforced liquidation in a time of general distress is a proper
31 concern of the Government":

32 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
33 REPRESENTATIVES OF THE STATE OF MISSISSIPPI, THE SENATE CONCURRING
34 THEREIN, That we do hereby urge the United States Congress to take
35 emergency action to protect homeowners and banks by enacting a
36 Homeowners and Banks Protection Act specifically to:

37 1. Establish a federal agency to place the federal and state
38 chartered banks under protection, freezing all existing home
39 mortgages for a period of time, adjusting mortgage values to fair
40 prices, restructuring existing mortgages at appropriate interest
41 rates and writing off all of the speculative debt obligations of
42 mortgage-backed securities, financial derivatives and other forms
43 of financial pyramid schemes that have brought the banking system
44 to the point of bankruptcy.

45 2. During the transitional period, all foreclosures shall be
46 frozen, allowing American families to retain their homes. Monthly
47 payments, the equivalent of rental payments, shall be made to
48 designated banks, which can use the funds as collateral for normal
49 lending practices, thus recapitalizing the banking systems. These
50 affordable monthly payments will be factored into new mortgages,
51 reflecting the deflating of the housing bubble, the establishment
52 of appropriate property valuations and reduced fixed mortgage
53 interest rates. This shakeout will take several years to achieve.
54 In the interim period no homeowner shall be evicted from his or
55 her property, and the federal and state chartered banks shall be
56 protected, so they can resume their traditional functions, serving
57 local communities, and facilitating credit for investment in
58 productive entities.

59 3. Authorize state governors to assume the administrative
60 responsibilities for implementing the program, including the



61 "rental" assessments to designated banks, with the federal
62 government providing the necessary credits and guarantees to
63 assure the successful transition.

64 BE IT FURTHER RESOLVED, That we urge the Congress of the
65 United States to pass legislation embodying these three principles
66 immediately, as emergency legislation, halting a "tsunami" of
67 foreclosures, keeping millions of American families in their homes
68 to avert social chaos, and protecting chartered lending banks of
69 the United States and the states.

70 BE IT FURTHER RESOLVED, That copies of this resolution be
71 furnished to the President of the United States Senate, the
72 Speaker of the United States House of Representatives, the members
73 of the Mississippi Congressional Delegation and to the members of
74 the Capitol Press Corps.

