

HM 9D

2007

## 1 House Memorial

2 A memorial to the Congress of the United States, urging  
3 Congress to take emergency action to protect homeowners  
4 and banks and to enact a Homeowners and Bank Protection  
5 Act.

6  
7 WHEREAS, the onrushing financial crisis involving home  
8 mortgages, debt instruments of all types, and the banking system  
9 of the United States threatens to set off an economic collapse  
10 worse than the Great Depression of the 1930s, and

11 WHEREAS, millions of Americans will be faced with  
12 foreclosures and the loss of their homes over the coming months,  
13 and

14 WHEREAS, hedge funds, which spread this financial collapse  
15 among markets worldwide by dominating speculation in those  
16 markets, are now going bankrupt and demanding government bailout  
17 of their securities and derivatives, with the nominal value of  
18 the derivatives based on mortgages alone equal to the size of  
19 the combined gross domestic product (GDP) of the nations of the  
20 world, and

21 WHEREAS, this financial crisis threatens the integrity of  
22 both federal and state chartered banks, as typified by the run  
23 on deposits of Countrywide Financial Corporation in California  
24 during August 2007, which could wipe out the life savings of  
25 many American people and drastically undermine the economic  
26 stability of our states and cities, and

27 WHEREAS, under similar circumstances in the 1930s,  
28 President Franklin D. Roosevelt successfully intervened to

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29 | protect banks and homeowners, addressing Congress with a  
30 | declaration of national policy on April 13, 1933, which stated  
31 | "that the broad interests of the Nation require that special  
32 | safeguards should be thrown around home ownership as a guarantee  
33 | of social and economic stability and that to protect homeowners  
34 | from inequitable enforced liquidation in a time of general  
35 | distress is a proper concern of the Government," NOW, THEREFORE,  
36 |

37 | Be It Resolved by the Legislature of the State of Florida:  
38 |

39 |       That the Congress of the United States is requested to take  
40 | emergency action to protect homeowners and banks and enact a  
41 | Homeowners and Bank Protection Act specifically to:

42 |       1. Establish a federal agency to place federal and state  
43 | chartered banks under protection, freeze all existing home  
44 | mortgages for a period of time, adjust mortgage values to fair  
45 | prices, restructure existing mortgages at appropriate interest  
46 | rates, and write off speculative debt obligations of mortgage-  
47 | backed securities, financial derivatives, and other forms of  
48 | financial pyramid schemes that have brought the banking system  
49 | to the point of bankruptcy;

50 |       2. Declare a moratorium on all home foreclosures for the  
51 | duration of the transitional period, allowing families to retain  
52 | their homes, and provide for monthly payments that are the  
53 | equivalent of rental payments to be made to designated banks,  
54 | which can use the funds as collateral for normal lending  
55 | practices, thus recapitalizing the banking system. These  
56 | affordable monthly payments shall be factored into new

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57 mortgages, reflecting the orderly deflating of the housing  
58 bubble and the establishment of appropriate property valuations  
59 and reduced fixed mortgage interest rates. During the interim  
60 period needed to achieve these requirements, no homeowner shall  
61 be evicted from his or her property, and the federal and state  
62 chartered banks shall be protected so that they can resume their  
63 traditional functions of serving local communities and  
64 facilitating credit for investment in productive entities; and

65 3. Authorize state governors to assume the administrative  
66 responsibilities for implementing the act, including the  
67 establishment of payment of rental assessments to designated  
68 banks, with the Federal Government providing the necessary  
69 credits and guarantees to ensure the successful transition.

70 BE IT FURTHER RESOLVED that copies of this memorial be  
71 dispatched to the President of the United States, to the  
72 President of the United States Senate, to the Speaker of the  
73 United States House of Representatives, and to each member of  
74 the Florida delegation to the United States Congress.