

HM 913

2009

## 1 House Memorial

2 A memorial to the Congress of the United States, urging  
3 Congress to enacting a homeowners and banks protection  
4 act.

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

10 WHEREAS, millions of American citizens are threatened with  
11 foreclosure and loss of their homes over the upcoming months,  
12 and

13 WHEREAS, this financial crisis is now threatening the  
14 integrity of both state and federally chartered banks, as  
15 typified by the run on deposits of Countrywide Financial in  
16 California during the month of August 2007, and such a banking  
17 collapse would wipe out the life savings of American citizens  
18 and drastically undermine the economic stability of our states  
19 and cities, and

20 WHEREAS, under a similar financial crisis in the 1930s,  
21 President Franklin D. Roosevelt successfully intervened to  
22 protect banks and homeowners, introducing legislation as a  
23 "declaration of national policy" on April 13, 1933, which stated  
24 that "the broad interests of the Nation require that special  
25 safeguards should be thrown around home ownership as a guarantee  
26 of social and economic stability", NOW, THEREFORE,

27  
28 Be It Resolved by the Legislature of the State of Florida:

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30 That the Florida Legislature finds that the current  
31 economic crisis in this country requires emergency action that  
32 only the United States Congress can enact and believes that  
33 Congress must move quickly in order to keep people in their  
34 homes and avert social chaos; and, therefore, the Florida  
35 Legislature strongly urges Congress to take emergency action to  
36 protect homeowners and banks by enacting a homeowners and banks  
37 protection act that, at a minimum:

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

46 (2) Freezes, during the transitional period, all  
47 individual homeowner foreclosures, allowing American families to  
48 retain their homes. Monthly payments, the equivalent of rental  
49 payments, shall be made to designated banks, which can use the  
50 funds as collateral for normal lending practices, thus  
51 recapitalizing the banking systems. Ultimately, these affordable  
52 monthly payments will be factored into new mortgages, reflecting  
53 the deflating of the housing bubble, the establishment of  
54 appropriate property valuations, and the reduction in fixed  
55 mortgage interest rates. Because this adjustment will take  
56 several years to achieve, in the interim no homeowner shall be

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57 | evicted from his or her property, and the federal and state  
58 | chartered banks shall be protected so that they can resume their  
59 | traditional functions, serving local communities and  
60 | facilitating credit for investment in productive industries,  
61 | agriculture, infrastructure, and other prudent areas of the  
62 | economy in need of financing.

63 |       (3) Authorizes state governors to assume the  
64 | administrative responsibilities for implementing the program,  
65 | including the "rental" assessments to designated banks, with the  
66 | Federal Government providing the necessary credits and  
67 | guarantees to ensure a successful transition.

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