

Reps. Lemmons, Constan, Cushingberry, Dean, Durhal, Gonzales, Haugh, Robert Jones, Leland, Smith and Switalski offered the following resolution:

House Resolution No. 35.

A resolution to memorialize the Congress of the United States to create the Homeowners and Bank Protection Act.

Whereas, The onrushing financial crisis engulfing home mortgages and the banking system of the United States threatens to set off an economic depression. Millions of American citizens are threatened with foreclosure and loss of their homes due to a financial crisis that threatens the integrity of both state and federally chartered banks. Such a banking collapse would wipe out the life savings of American citizens and undermine the economic stability of our nation; and

Whereas, The Congress of the United States should move quickly to keep people in their homes and avert economic catastrophe. Congress should establish a federal agency to place the federal and state chartered banks under protection, freeze all existing home mortgages for a period of months to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Also, the Congress should write off all speculative debt obligations of mortgage-backed securities and other schemes that have brought the banking system to the point of bankruptcy; and

Whereas, During the transitional period, all foreclosures should be frozen, allowing American families to retain their homes. Monthly payments, the equivalent of rental payments, should be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking system. These payments will be factored into new mortgages, reflecting the deflating of the housing bubble and the establishment of appropriate property valuations and reduced interest rates; and

Whereas, State governments should assume the administrative responsibilities for implementing the program, including the rental assessments to designated banks. The federal government should provide the necessary credits and guarantees to assure the successful transition; now, therefore, be it

Resolved by the House of Representatives, That we memorialize the Congress of the United States to create the Homeowners and Bank Protection Act; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.