

RESOLUTION NO. 157

RESOLUTION TO UNITED STATES CONGRESS

HOMEOWNERS AND BANK PROTECTION ACT OF 2007

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

WHEREAS, millions of American citizens are threatened with foreclosure and loss of their homes over the upcoming months, according to studies released by Realty Trac and Moody's Economy.com; and

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

WHEREAS, in a similar financial crisis in the 1930's, President Franklin D. Roosevelt intervened to protect banks and homeowners; for example in April, 1933 he introduced legislation as a "declaration of national policy...that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability..."; and

WHEREAS, the Board of Aldermen of the City of St. Louis, State of Missouri hereby endorses the Homeowners and Bank Protection Act of 2007, as initiated by economist Lyndon H. LaRouche, Jr. This crisis is such that it requires emergency action that only the United States Congress has the capability to enact. Congress must move quickly to keep people in their homes and avert social chaos. This act includes the following provisions:

Congress must establish a Federal agency to place the Federal and state chartered banks under protection, freezing all existing home mortgages for a period of how ever many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.

During the transitional period, all foreclosures shall be frozen, allowing American families to retain their homes. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner shall be evicted from his or her property, and the Federal and state chartered banks shall be protected, so they can

resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.

State governors shall assume the administrative responsibilities for implementing the program, including the “rental” assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

NOW, THEREFORE BE IT RESOLVED by the Board of Aldermen of the City of St. Louis that we pause in our deliberations to urge the Congress of the United States to make all foreclosures frozen, allowing American families to retain their homes.

Introduced on the 21st day of September, 2007 by:

Honorable Charles Quincy Troupe, Alderman 1st Ward

Adopted this the 21st day of September, 2007 by: