



City of Oak Park

"The Family City"

Sandra Gadd, City Clerk

Mayor
Gerald E. Naftaly
Mayor Pro Tem
Willie Horton
Council Members
Angela Diggs Jackson
Paul H. Levine
Michael M. Seligson

RW

CM-04-131-08

RESOLUTION IN SUPPORT OF HOMEOWNER AND BANK PROTECTION ACT - ADOPTED

Motion by Horton, seconded by Seligson, CARRIED UNANIMOUSLY: To adopt the following resolution in support of Homeowner and Bank Protection Act.

CITY OF OAK PARK OAKLAND COUNTY, MICHIGAN

RESOLUTION IN SUPPORT OF HOMEOWNER AND BANK PROTECTION ACT

- WHEREAS, A financial crisis involving home mortgages, debt instruments and the United States banking system threatens economic stability;
- WHEREAS, The financial crisis threatens the integrity of federal and chartered banks such that consumers' deposits and life savings are jeopardized;
- WHEREAS, Millions of Americans and thousands of Michigan residents are facing foreclosures on their homes;
- WHEREAS, Under similar circumstances in the 1930s, President Franklin D. Roosevelt successfully intervened to protect banks and homeowners, addressing Congress with a "declaration of national policy" on April 13, 1933, which stated 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 that to protect homeowners from inequitable enforced liquidation in a time of general distress is a proper concern of the government"; and
- WHEREAS, The State is in the midst of an unprecedented economic crisis. Michigan has lost more than 336,000 jobs in the past six years and is expected to lose another 127,000 in the next two years. That would be the longest stretch of job loss in the state since the 1929 stock market crash. Michigan is among the leaders in the nation in foreclosures. Tens of thousands of homes statewide are without heat and electricity. Child poverty in Michigan has risen to nearly 20%.
- NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Oak Park, Michigan, call upon the United States Congress to take emergency action to protect homeowners by enacting a Homeowners and Banks Protection Act, specifically to:

1. Establish a federal agency to place Federal and State chartered banks under protection, freezing all existing home mortgages for a period of time, adjusting mortgage values to fair prices, restructuring existing mortgages at appropriate interest rates and writing off speculative debt obligations of mortgage-backed securities, financial derivatives, and other forms of financial pyramid schemes that have brought the banking system to the point of bankruptcy;
2. Declare a moratorium on all home foreclosures for the duration of the transitional period, allowing families to retain their homes;
3. Require affordable monthly home mortgage payments, the equivalent of "rental payments," to be made to designated banks for use as collateral in normal lending practices for recapitalization of the banking industry, and to factor such affordable payments into new mortgages, thereby deflating the housing bubble, establishing appropriate property valuation and reducing fixed mortgage interest rates;
4. Provide an interim period during which homeowners may not be evicted from their homes, and protection to banks, pending the resumption of traditional banking functions, including serving local communities and facilitating credit for investment in productive entities;
5. Authorize state governors to administer the implementation of programs, including provisions for "rental" assessments payable to specific banks and with provisions for necessary federal guarantees and credits to assure successful transition;

NOW, THEREFORE, BE IT FURTHER RESOLVED that, the City of Oak Park, Michigan, hereby endorses adoption of a Homeowners and Bank Protection Act. This crisis is such that it requires emergency action that only the United States Congress has the capability to enact. Congress must act quickly to keep people in their homes and avert social chaos.

BE IT FURTHER RESOLVED that, this resolution shall serve as notice that the City Council of the City of Oak Park, Michigan, shall continue to be vigilant as guardians of the public interest of the citizens of Oak Park, Michigan, in all matters to the extent legally feasible and possible.

BE IT FINALLY RESOLVED that, the City Clerk of the City of Oak Park, Michigan, is hereby directed to transmit a true and correct copy of the adopted resolution to members of the United States Senate, House of Representatives, and surrounding communities.

I, Sandra K. Gadd, duly authorized City Clerk of the City of Oak Park, Michigan, do hereby certify that the above is a true and correct copy of a resolution adopted by the Oak Park City Council, at a Regular Meeting, held on April 7, 2008.



Sandra K. Gadd, City Clerk