

RESOLUTION NUMBER: 01-22-08-01

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF PORT ISABEL URGING A MORATORIUM ON HOME FORECLOSURES AND CONGRESSIONAL ENACTMENT OF A HOMEOWNERS AND BANK PROTECTION ACT.

WHEREAS, a financial crisis involving home mortgages, debt instruments and the United States banking system threatens economic stability; and

WHEREAS, the financial crisis threatens the integrity of federal and chartered banks such that consumer deposits and life savings are jeopardized; and

WHEREAS, financial investments and home ownership are the fabric of economic stability and the stability of financial institutions; and

WHEREAS, millions of Americans and thousands of Texas residents are facing foreclosures on their homes; and

WHEREAS, historically the federal government has intervened to protect financial institutions and home ownership and to provide guarantees of social and economic stability; and

WHEREAS, the quality of life in any community can be directly related to the responsiveness of government and its ability to meet the needs and expectations of its citizens; and

WHEREAS, the citizens of Port Isabel, Texas, understand the connection and elect local leaders with certain expectations regarding the service they will provide and the role they will play in their lives; and

WHEREAS, those elected to serve the citizens of Port Isabel, Texas accept the privilege of service with the understanding of their responsibility and the expectation of the community; and

WHEREAS, the accountability for the City's viability, prosperity, and overall well-being lies with those elected to serve local government.

NOW THEREFORE, be it resolved that City Commission of the City of Port Isabel calls 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; and
- (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.

BE IT FURTHER RESOLVED that this resolution serves as notice that the City Commission of the City of Port Isabel, Texas, has been, is, and shall be vigilant as guardians of the public interest of the citizens of Port Isabel in all matters to the extent legally feasible and possible.

BE IT FINALLY RESOLVED, that the City Secretary of Port Isabel, Texas is hereby directed to transmit a true and correct copy of the adopted resolution to members of the United States Senate and the House of Representatives.

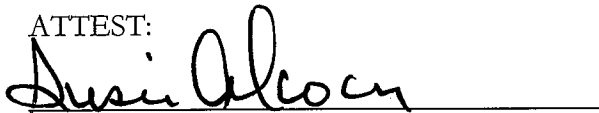
PASSED AND ADOPTED by the City Commission of the City of Port Isabel on this the 22nd day of January, 2008.

CITY OF PORT ISABEL, TEXAS



Patrick H. Marchan, MAYOR

ATTEST:



Susie Alcocer, CITY SECRETARY
CITY OF PORT ISABEL, TEXAS