MEMORANDUM

Agenda Item No. 11(A)(11)

TO:	Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners	**DATE:**	June 3, 2008
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution urging congress to take emergency action to protect homeowners and banks and enact a homeowner and bank protection act

The accompanying resolution was prepared and placed on the agenda at the request of Commissioner Dorrin D. Rolle and Commissioner Rebeca Sosa.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: June 3, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 11(A)(11)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(11)
6-3-08

RESOLUTION NO. _____

RESOLUTION URGING CONGRESS TO TAKE EMERGENCY ACTION TO PROTECT HOMEOWNERS AND BANKS AND ENACT A HOMEOWNER AND BANK PROTECTION ACT

WHEREAS, the escalating financial crisis involving home mortgages, debt instruments of all types and the banking system of the United States threatens to set in motion an economic downturn of significant magnitude; and

WHEREAS, millions of Americans are facing foreclosures and loss of their homes over the coming months; and

WHEREAS, hedge funds, which spread this financial collapse among markets worldwide by dominating speculation in those markets, are now going bankrupt and demanding government bailout of their securities and derivatives, with the nominal value of the derivatives based on mortgages alone equal to the size of the combined gross domestic product (GDP) of the nations of the world; and

WHEREAS, this financial crisis threatens the integrity of both federal and state chartered banks, as typified by the run on deposits of Countrywide Financial Corporation in California during August, 2007, which could wipe out the life savings of too many American people and drastically undermine the economic stability of our states and cities; and

WHEREAS, 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,"

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges Congress to take emergency action to protect homeowners and banks by enacting a Homeowners and Banks Protection Act specifically to:

1. Establish a federal agency to place federal and state chartered banks under protection, freeze all existing home mortgages for a period of time, adjust mortgage values to fair prices, restructure existing mortgages at appropriate interest rates, and write 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, and provide for monthly payments that are the equivalent of rental payments to be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalizing the banking system. These affordable monthly payments shall be factored into new mortgages, reflecting the orderly deflating of the housing bubble and the establishment of appropriate property valuations and reduced fixed mortgage interest rates. During the interim period needed to achieve these requirements, no homeowner shall be evicted from his or her property, and the federal and state chartered banks shall be protected so that they can resume their traditional functions of serving local communities and facilitating credit for investment in productive entities; and

3. Authorize state governors to assume the administrative responsibilities for implementing the act, including the establishment of payment of rental assessments to designated banks, with the Federal Government providing the necessary credits and guarantees to ensure the successful transition.

Section 2. Directs the Clerk of the Board to transmit certified copies of the resolution to the members of the Florida Congressional Delegation.

Section 3. Directs the County's federal lobbyists to advocate for the actions set forth in Section 1 and directs the Office of Intergovernmental Affairs to include this item in the 2008 Federal Legislative Package.

The foregoing resolution was sponsored by Commissioner Dorrin D. Rolle and Commissioner Rebeca Sosa and offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairman thereupon declared the resolution duly passed and adopted this 3rd day of June, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. MD
Mandana Dashtaki