

First Extraordinary Session, 2005

HOUSE CONCURRENT RESOLUTION NO. 12

BY REPRESENTATIVE BRUNEAU

COMMERCIAL REGULATIONS: Urges and requests the state Office of Financial Institutions, the Federal Deposit Insurance Corporation, and the federal Office of the Comptroller of the Currency to provide flexibility for the modification of loan terms for entities and persons affected by Hurricane Katrina or Rita

1 A CONCURRENT RESOLUTION

2 To urge and request the Office of Financial Institutions, the Federal Deposit Insurance
3 Corporation, and the federal Office of the Comptroller of the Currency to provide
4 flexibility for the modification of loan terms for entities and persons affected by
5 Hurricanes Rita and Katrina.

6 WHEREAS, Hurricanes Katrina and Rita struck the state of Louisiana causing severe
7 flooding and damage to the southern part of the state that has threatened the safety and
8 security of the citizens of the affected areas of the state of Louisiana, along with private
9 property and public facilities; and

10 WHEREAS, since Hurricanes Katrina and Rita, many banks and other lenders have
11 offered relief to borrowers by allowing forbearances of up to three months to lessen the
12 financial strain on such borrowers who may have lost homes, motor vehicles, and other
13 valuable possessions because of the storms; and

14 WHEREAS, the citizens of the state of Louisiana will undoubtedly have to face
15 further financial hardship as they work to restore Louisiana's economy; and

16 WHEREAS, as the three month forbearance period expires, many banks and other
17 lenders in Louisiana want the opportunity to provide as many options for repayment of the
18 principal and interest owed as a result of the forbearance, in order to help minimize the
19 hardships endured; and

1 WHEREAS, in many places in Louisiana, large areas are without power,
2 government, infrastructure, and many of the businesses that existed prior to the storms,
3 including legal and notarial services; and

4 WHEREAS, it will be difficult to effect the changes to the vast number of loans
5 whose terms will be modified when the time comes to repay the money owed as a result of
6 the emergency forbearance.

7 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
8 urge and request the Office of Financial Institutions, the Federal Deposit Insurance
9 Corporation, and the federal Office of the Comptroller of the Currency to provide flexibility
10 to banks and other lenders to obtain proper documentation of changes in loan terms to give
11 borrowers in the areas affected by Hurricanes Katrina and Rita more options for repayment.

12 BE IT FURTHER RESOLVED that copies of this Resolution be delivered to the
13 commissioner of the Office of Financial Institutions, the Federal Deposit Insurance
14 Corporation, and the federal Office of the Comptroller of the Currency.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Bruneau

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Urges and requests the Office of Financial Institutions, the Federal Deposit Insurance Corporation, and the federal Office of the Comptroller of the Currency to provide flexibility for the modification of loan terms for entities and persons affected by Hurricanes Rita and Katrina.