

10 **A RESOLUTION CONCERNING THE FAILURE OF CONGRESS TO ACT TO**
20 **PREVENT THE ECONOMIC CRISIS OF 2008**

30 **WHEREAS:** While not being the full causal factor in the economic crisis of this year,
40 Congress failed to act to reign in the dangerous sub prime lending being
50 performed by Fannie Mae and Freddie Mac; and,

60 **WHEREAS:** Barney Frank is the Chair of the House Financial Services Committee; and,

70 **WHEREAS:** Frank has resisted continued attempts to reign in Fannie and Freddie's sub prime
80 mortgage lending, continuing to say, through July 14th, 2008, that Fannie and
90 Freddie “were essentially sound and in no danger of collapse, and promised
100 action to improve their prospects”; and,

110 **WHEREAS:** Frank has received in excess of \$42,000 in campaign contributions from Fannie
120 and Freddie since 1989; and,

130 **WHEREAS:** Frank's former partner Herb Moses served with Fannie Mae from 1991 to 1998,
140 Frank pushed for reduced restriction on two- and three-family home mortgages in
150 1991, the year Moses was hired by Fannie, even though they were defaulting at
160 two to five times the rate of single-family home defaults; and,

170 **WHEREAS:** This is a clear example of a conflict of interest, with Barney Frank putting his
180 own special interests above what is best for the American people and the
190 American economy; and,

200 **WHEREAS:** Chris Dodd is the number one recipient of campaign contributions from Fannie
210 Mae and Freddie Mac in all of Congress (\$133,000); and,

220 **WHEREAS:** Like Barney Frank, Chris Dodd maintained, throughout the crisis, that the
230 fundamentals of Mae and Mac were essentially strong, and ignored numerous
240 warning signs that the firms were in trouble; and,

250 **WHEREAS:** Due to his powerful position in Congress, Dodd also received extremely
260 favorable, below market-rate mortgages on his homes from Countrywide Home
270 Loans; and,

280 **WHEREAS:** Dodd has received a combined \$91,000 in campaign contributions from
290 Countrywide and Bank of America (who purchased countrywide); and,

300 **WHEREAS:** In September 2008, Dodd introduced legislation that would provide relief to
310 firms such as Countrywide, representing another conflict of interest; and,

320 **WHEREAS:** Frank and Dodd, along with all of the other Senators and Representatives who
330 refused to act to prevent this crisis because of their links to special interests, have
340 let the foundations of the American economy crumble while they served their
350 special interests.

360 **THEREFORE BE IT RESOLVED:** That the Maryland Student Legislature urges
370 President Bush and whomever is elected his successor, to launch a Department of
380 Justice Investigation into the circumstances surrounding the Sub prime Mortgage
390 calamity and press charges where it is appropriate.

400 **MANDATES:**
410 President George W. Bush
420 Senator John McCain
430 Senator Barack Obama

SPONSOR:
Paul R. Schuman
Governor's Chief of Staff
Speaker Pro Tem
Chairman of the Ways and Means Committee
Tory Caucus Leader