

**R025-0809**

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;  
70             and,

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

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

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

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

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

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

270    **WHEREAS:** Due to his powerful position in Congress, Dodd also received extremely  
280            favorable, below market-rate mortgages on his homes from Countrywide  
290            Home 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  
310            to firms such as Countrywide, representing another conflict of interest;  
320            and,

330    **WHEREAS:** Frank and Dodd, along with all of the other Senators and Representatives  
340            who refused to act to prevent this crisis because of their links to special

350 interests, have let the foundations of the American economy crumble  
360 while they served their special interests.

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

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