

# Senate Joint Memorial 10

Sponsored by Senator EDWARDS (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Urges Congress to enact legislation to assist Federal Deposit Insurance Corporation and National Credit Union Share Insurance Fund in establishing voluntary system of full insurance for public funds accounts.

## JOINT MEMORIAL

To the President of the United States and the Senate and the House of Representatives of the United States of America, in Congress assembled:

We, your memorialists, the Seventy-sixth Legislative Assembly of the State of Oregon, in legislative session assembled, respectfully represent as follows:

Whereas the State of Oregon and its local governments have hundreds of millions of dollars held in banks and credit unions that serve as public depositories; and

Whereas those funds are secured by a public funds collateral pool among all of Oregon's public depositories, which has been tested by economic conditions and bank failures and found to be secure; and

Whereas providing that security comes at the cost of a further constriction of capital available for lending and takes hundreds of millions of dollars out of circulation; and

Whereas collateralization rules vary widely from state to state, creating a myriad of different systems that discourage bank and credit union participation; and

Whereas the Federal Deposit Insurance Corporation recently established the Temporary Liquidity Guarantee Program to fully insure personal and public deposits at participating depositories; and

Whereas a nationally standardized system would increase bank and credit union participation and provide additional depository options for local governments without a loss of available capital; now, therefore,

### **Be It Resolved by the Legislative Assembly of the State of Oregon:**

(1) The Congress of the United States of America is urged to enact legislation that:

(a) Assists the Federal Deposit Insurance Corporation and the National Credit Union Share Insurance Fund in establishing a voluntary system of full insurance for public funds accounts; and

(b) Allows, but does not require, states to discard state-specific public fund depository collateralization in favor of the new Federal Deposit Insurance Corporation or National Credit Union Share Insurance Fund system on a permanent basis, thereby freeing up capital used as collateral.

(2) A copy of this memorial shall be sent to the President of the United States, the Senate Majority Leader, the Speaker of the House of Representatives and each member of the Oregon Congressional Delegation.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.