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A RESOLUTION

Directing the Banking Board and the Public Auditor of the Federated States of Micronesia to investigate the activities of the banks operating within the Federated States of Micronesia to determine whether they comply with the intent, the goals, and the objectives of the Federated States of Micronesia.

1           WHEREAS, section 201 of title 29 of the Code of the Federated  
2 States of Micronesia created the Banking Board, hereinafter referred  
3 to as the Board, and that same title vests in and imposes upon the  
4 Board certain powers and duties; and

5           WHEREAS, section 504 imposes upon the Board the duty to deter-  
6 mine whether a bank applying for renewal of its license has "served  
7 the needs of its community"; and

8           WHEREAS, said section 504 explains that "to serve the needs of  
9 its community" means, among other things, that such bank has used its  
10 best efforts to promote the citizens and residents of the Federated  
11 States of Micronesia to executive positions in the bank; that the  
12 loans made by such bank in the Federated States of Micronesia bear  
13 a reasonable relationship to such bank's deposits in the Federated  
14 States of Micronesia; and that such bank has abstained from any unfair  
15 discrimination among its customers and the people its serves; and

16           WHEREAS, the expressly stated goals of the Federated States of  
17 Micronesia are that the executive positions in all banks operating  
18 within the Federated States of Micronesia shall be occupied by  
19 citizens and residents of the Federated States of Micronesia; that  
20 at least 75 percent of the total deposits taken by a bank in the  
21 Federated States of Micronesia should be loaned to citizens and  
22 residents of and business entities located in the Federated States  
23 of Micronesia; and that no bank should discriminate unfairly among  
24 its customers and the people it serves; and

25           WHEREAS, it is the intent of the Congress of the Federated States

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1 of Micronesia to increase the usury limit, pursuant to Public Law  
2 No. 2-33, to enable the banks to generate more money to be made  
3 available to the citizens and residents of the Federated States of  
4 Micronesia who are interested in applying for loans; now, therefore,  
5 BE IT RESOLVED by the Third Congress of the Federated States  
6 of Micronesia, First Special Session, 1983, that the Congress directs  
7 the Banking Board and the Public Auditor of the Federated States of  
8 Micronesia to investigate the activities of the banks operating  
9 within the Federated States of Micronesia to determine whether they  
10 comply with the intent, the goals, and the objectives of the Federated  
11 States of Micronesia; and

12 BE IT FURTHER RESOLVED that the Banking Board and the Public  
13 Auditor of the Federated States of Micronesia be further directed to  
14 submit the reports of their findings to the Congress of the Federated  
15 States of Micronesia during the Second Regular Session of the Third  
16 Congress; and

17 BE IT FURTHER RESOLVED that certified copies of this resolution  
18 be transmitted to the President of the Federated States of Micronesia, to  
19 the Chairman of the Banking Board, to the Public Auditor of the Federated  
20 States of Micronesia, and to the Speaker of the Congress of the Federated  
21 States of Micronesia.

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23 Date: 8/28/83 Introduced by: Jony Otto

Jony Otto

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