

NLC RESOLUTION #2010-1

REGARDING THE CLOSURE OF POST OFFICES

WHEREAS, the United States Postal Service (USPS) faces a severe fiscal crisis; and

WHEREAS, USPS is facing a deficit of \$7 billion in FY 2010 even after achieving savings of \$6 billion; and

WHEREAS, the Government Accountability Office recently added USPS to its list of “high-risk” federal agencies and issued a report calling on USPS to develop and implement a broad restructuring plan; and

WHEREAS, as part of its plan to address this fiscal crisis USPS is studying closing 1,000 of its 37,000 postal facilities; and

WHEREAS, USPS is also looking at consolidating mail processing facilities, realigning carrier routes, increased automation and reduction of mail service from six to five days per week; and

WHEREAS, as it studies postal facility closures, USPS is reviewing several factors including mail volume, proximity to other postal facilities and potential savings in labor and utility costs; and

WHEREAS, postal facilities often serve as an anchor of many central business districts and as a major focal point of urban commercial neighborhoods; and

WHEREAS, the loss of a postal facility can severely impact the health of a central business district or urban commercial neighborhoods and pose a setback to local government community and economic development plans; and

WHEREAS, postal facilities located in central business districts and urban commercial neighborhoods are often more accessible to the elderly, people with disabilities and households without a motor vehicle than other post offices; and

WHEREAS, many low- and moderate-income households do not have Internet access; and

WHEREAS, under current law USPS must undertake a formal public notification and comment period prior to closing a post *office*; and

WHEREAS, Representative Albio Sires (D-NJ) has introduced legislation to require USPS to undertake a formal public notification and comment period prior to closing any postal *facility*.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) understands the severity of the fiscal crisis USPS is facing and the need for USPS to take drastic action to address it;

BE IT FURTHER RESOLVED that NLC urges USPS to consider impacts on local government community and economic development plans and impacts on low- and moderate income households, the elderly and the disabled as it studies postal facility closures;

BE IT FURTHER RESOLVED that NLC supports legislation that would create a formal public notification and comment period prior to the closure of any postal *facility*;

BE IT FURTHER RESOLVED that NLC urges USPS to take a comprehensive approach to restructuring that does not rely disproportionately on postal facility closures; and

BE IT FURTHER RESOLVED that NLC urges USPS and Congress to prevent disproportionate impacts on cities and neighborhoods as USPS is restructured.

NLC RESOLUTION #2010-2

**IN SUPPORT OF FEDERAL SUPPORT FOR A
MUTUAL BOND INSURANCE COMPANY**

WHEREAS, the municipal bond market has been devastated by the downgrades of every single municipal bond insurance company resulting in many small, infrequent, and lower-rated issuers of municipal bonds no longer having access to the market or only at rates that are significantly higher than they were prior to the downgrades of the bond insurers; and

WHEREAS, the economic crisis has put state and local governments across the country under great fiscal stress and this stress imperils (1) essential government services that taxpayers, rate payers and their families rely on and (2) governments' ability to pay for them such that prudent steps must be taken to alleviate the cost burdens of state and local governments including the cost of tax-exempt borrowing; and

WHEREAS, there continue to be market conditions that threaten the continuing viability of existing insurers and the ability of new insurers to succeed in the market; and

WHEREAS, alternative sources of credit enhancement, letters and lines of credit, from banks and other providers are insufficient to meet borrowers' needs, are only available at very high rates, or may only be available to issuers who are able to link depository relationships with these credit facility providers; and

WHEREAS, it is in the national interest to restore market access at lower borrowing costs for municipal issuers to support the financing of billions of dollars of infrastructure and other essential governmental projects that will create jobs and support national economic growth; and

WHEREAS, the National League of Cities (NLC) has proposed an alternative insurance mechanism, a mutual bond insurance company, which is a business structure that has proven to be successful, stable and policy-holder focused and provides greater service and lower cost to the purchasers of insurance; and

WHEREAS, NLC seeks \$5.0 billion in financing from the federal government to provide the capital necessary to create the first-ever mutual bond insurance company, Issuers Mutual Bond Assurance Company, that will help return stability to the municipal market, reduce borrowing costs, stimulate job creation, and contribute to the nation's economic recovery.

NOW, THEREFORE, BE IT RESOLVED that NLC urges Congress and the Administration to provide the financial support necessary to provide a strong capital base for a new bond insurance company that will be mutually owned by state and local government bond issuers and will serve the public by providing market access for these issuers and reducing the cost of borrowing for essential governmental projects.

NLC RESOLUTION #2010-3

IN SUPPORT OF THE MUNICIPAL BOND FAIRNESS ACT

WHEREAS, recent downgrades of the major bond insurers have caused considerable—and costly—problems for many governments; and

WHEREAS, state and local governments and authorities face many challenges in the changing municipal securities market; and

WHEREAS, it is important to state and local governments and the municipal bond market to address problems associated with different credit rating scales for different securities and the issues raised relating to bond insurance industry practices; and

WHEREAS, efforts to review the fundamentals of the market, and create improvements and safeguards in the credit rating and bond insurance industries are valuable to many state and local governments; and

WHEREAS, efforts to improve credit ratings of municipal bonds will likely lead to lower borrowing costs for communities across the nation, and provide benefits to their citizens in a more cost efficient manner; and

WHEREAS, the default rate on municipal securities is a fraction of that for corporate securities while at the same time the recovery rate is higher; yet, many government securities are rated lower than their corporate counterparts; and

WHEREAS, a substantial portion of municipal debt is backed by the full faith and credit and taxing power of the issuing governments, making default, for all practical purposes, virtually nonexistent; and

WHEREAS, placing additional and unnecessary regulatory burdens on municipal bond issuers, will not rid the sector of its current problems, but will instead take money away from funding important infrastructure such as roads, schools, public buildings, parks, hospitals, affordable housing and higher education facilities; and

WHEREAS, the Municipal Bond Fairness Act will significantly assist state and local governments and authorities in many ways such as ensuring that the rating agencies use "uniform and accurate credit rating(s)" for all securities will lower borrowing costs and make it easier for new investors to participate in the municipal securities market.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) supports the policies brought forward in the Municipal Bond Fairness Act to create a uniform rating system for all securities and we encourage Congress to reject ill-conceived efforts to impose new regulatory burdens on state and local governments; and

BE IT FURTHER RESOLVED that NLC firmly opposes any efforts to impose new regulatory burdens on the municipal bond community that are unjustified and costly to state and local governments.

NLC RESOLUTION #2010-4

**GOVERNMENTS WORKING TOGETHER:
AN INTERGOVERNMENTAL PARTNERSHIP**

WHEREAS, local governments provide services, solve day-to-day public problems, and respond directly to the needs of their citizens and a well-functioning intergovernmental system; and

WHEREAS, the intergovernmental system includes many sets of relationships that should enable governments to work together effectively to serve the American people; and

WHEREAS, the intergovernmental partnership is under stress from:

- (1) declining federal funding for local governments and local programs,
- (2) increasing federal regulation of local activities,
- (3) the loss of key institutions that previously provided forums for intergovernmental information, deliberation, and policymaking; and
- (4) a lost sense of partnership among all levels of government;

WHEREAS, over the past three decades, federal aid and transfers as a share of municipal revenues have been cut by two-thirds, from 15 percent in 1977 to approximately 5 percent today; and

WHEREAS, other federal programs supporting local governments have also been reduced over time, including, for example, funds for the Community Development Block Grant program, Community Oriented Policing Services program, and other housing and local law enforcement-related grant programs; and

WHEREAS, as federal funding for local governments and programs was decreasing, federal regulatory activity – in the form of unfunded mandates and preemptions of local authority – in the local arena was in the midst of a longer-term increase; and

WHEREAS, the intergovernmental partnership has suffered over time through the loss of key institutions such as the U.S. Advisory Commission on Intergovernmental Relations, which created a forum for analysis, deliberation, consensus building, and policymaking among intergovernmental stakeholders; and

WHEREAS, local governments and the citizens they serve have been suffering the consequences of the unraveling intergovernmental partnership; and

WHEREAS, local governments applaud steps President Obama has taken to restore the partnership, including reinvigorating the White House Office of Intergovernmental Affairs; establishing a White House Office of Urban Affairs; and issuing a memorandum stating the “general policy of my Administration [is] that preemption of State law...should be undertaken

only with full consideration of the legitimate prerogatives of the States and with sufficient legal basis for preemption.”

NOW, THEREFORE, BE IT RESOLVED that the leaders of the nation’s municipalities call for a broader national discussion on strengthening the intergovernmental partnership; and

BE IT FURTHER RESOLVED that in order to strengthen and revitalize the intergovernmental partnership, NLC recommends the following:

1. Local, state, and federal leaders should convene a summit to discuss the intergovernmental partnership, the principles and practices of federalism, and the steps they will take to ensure an effective partnership on behalf of the American people.
2. Reaffirm the policies and principles of federalism as set forth in Executive Order 13132, an executive order originally issued by President Reagan and subsequently updated by President Clinton, designed to guide the actions of executive departments and independent agencies regarding the implementation of laws and regulations that affect state and local government.
3. Create a permanent venue that:
 - (a) Is comprised of representatives of local, state, and federal leaders, as well as private citizens;
 - (b) Fosters improved relations, consensus-building, and generation of policy solutions among local, state, and federal leaders; and
 - (c) Provides quality and timely information, data, and analysis about the health of the intergovernmental system, including an annual report to the President and the Congress on the status of the intergovernmental system.

NLC RESOLUTION #2010-5

SUPPORTING THE 2010 CENSUS

WHEREAS, the U.S. Census Bureau is required by the Constitution of the United States of America to conduct a count of the population; and

WHEREAS, the operations for the 2010 Census are currently underway; and

WHEREAS, the U.S. Census is of the highest importance to America's cities and towns as it provides vital information that is critical to many cities activities such as community planning and redistricting; and

WHEREAS, the census affects political representation and directs the allocation of billions of dollars to cities in government funding; and

WHEREAS, an accurate census count helps to ensure that cities and towns receive their fair share of important services and resources such as funding for new hospitals, schools, other services; and

WHEREAS, training for census workers should recognize that people from many nationalities will be surveyed who speak different languages and have different customs; and

WHEREAS, the U.S. Census Bureau has made significant efforts to partner with state, local and tribal government officials to educate the nation about the 2010 Census and to keep our constituencies informed about the uses, benefits and protections the 2010 Census affords.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) supports full-funding of decennial census budgets for the 2010 Census and the U.S. Census Bureau's recruiting efforts; and

BE IT FURTHER RESOLVED that NLC seeks continued partnership with the U.S. Census Bureau's national and regional partnership programs to promote the 2010 Census and the timely release of Census data.

NLC RESOLUTION #2010-6

SUPPORTING FEDERAL TAX REFORM

WHEREAS, present federal budget policies are unsustainable, out of balance and continue to run large deficits to the detriment of future generations, and there is an immediate need to reexamine and update dated tax systems to reflect the needs of today's global economy and the demands associated with America's aging population; and

WHEREAS, in October, the Office of Management and Budget and the Department of the Treasury announced that the federal budget deficit for 2009 was \$1.4 trillion, 10.0 percent of gross domestic product (GDP) and Government Accounting Office simulations show that by 2040 the national deficit will be so large that balancing the budget could require cuts in total federal spending levels of as much as 60 percent, or raising taxes to almost two times today's levels; and

WHEREAS, outlays for Social Security, Medicare, and Medicaid accounted for about 9 percent of GDP in 2009 and spending for those programs is expected to rise rapidly over the next 10 years, totaling nearly 12 percent of GDP by 2019 and could total 17 percent of GDP by 2035; and

WHEREAS, revenue streams provided under today's tax laws are insufficient to pay for the promises that successive Congresses and Administrations have built into new and current programs; and

WHEREAS, current legislative activity continues to include proposals to maintain or increase benefits and other spending or tax cuts that further destabilize the long-term fiscal outlook; and

WHEREAS, unabated escalating debt/deficit will have significant, lasting consequences for federal, state and local governments, as well as contribute to the further breakdown of intergovernmental relationships in the face of increased parochialism; and

WHEREAS, state and local budgets face significant uncertainty and serious risk because of linkages to unsustainable federal policies; and

WHEREAS, an increasing number of states are at risk of a structural deficit resulting from increased Medicaid burdens and revenue growth not keeping pace with the cost to maintain current service levels; and

WHEREAS, since 1998, the National League of Cities (NLC) has been working to raise awareness of this growing national financial crisis and believes that reform of the public finance system is essential to ensuring economic growth and sustaining and improving the quality of life for all Americans in the years ahead; and

WHEREAS, NLC further believes intergovernmental partnerships must be strengthened to provide a framework of economic growth that balances the critical role of each level of government in the economic health of the nation, while also preserving important principles of federalism.

NOW, THEREFORE, BE IT RESOLVED that NLC urges the federal government to take immediate action to prepare specific plans to resolve and reduce the current and growing deficit and guarantee the ability of the federal government to meet its long-term future financial obligations while acknowledging direct linkages between federal, state and local tax systems; and

BE IT FURTHER RESOLVED that the requested process should include taxation mechanisms that will better align America with the global economy and ensure the federal tax system's level of simplicity, transparency, fairness, administrability, and efficiency, while exhibiting sufficiency of revenue.

NLC RESOLUTION #2010-7

**SUPPORTING STATE AND LOCAL GOVERNMENT AUTHORITY OVER
TAX INCENTIVES AND ECONOMIC DEVELOPMENT**

WHEREAS, state and local governments use a variety of tools to encourage and promote economic development and job creation within their boundaries for the benefit of their citizens; and

WHEREAS, the National League of Cities (NLC) has longstanding policy opposing federal government preemption over local government authority; and

WHEREAS, the U.S. Supreme Court ruled in *Wilkins, et al v. Cuno, et al.* (No. 04-1724) and its companion case, *DaimlerChrysler Corp v. Cuno et al.* (No. 04-1704) that taxpayers who challenged the constitutionality of an Ohio investment tax credit program did not have standing to bring the cases; and

WHEREAS, the U.S. Supreme Court's decision in June 2006 reversed on procedural grounds the earlier Sixth Circuit Court of Appeals decision that held Ohio's tax credit unconstitutionally discriminated against interstate commerce; however, the Court's decision did not resolve the underlying constitutional questions about the use of investment tax credits; and

WHEREAS, in defense of state and local authority, Congress is considering legislation that would maintain state and local authority over economic development tools designed to strengthen American communities; and

WHEREAS, the proposed federal legislation also clarifies that decisions regarding sovereignty over these matters are the responsibility of the legislative branch of government and should not be decided through judicial procedures.

NOW, THEREFORE, BE IT RESOLVED that NLC believes the authority to spur economic development in local communities is inherently the right of state and local governments and that they are best positioned to weigh the impact of outcomes and are held directly accountable for those outcomes;

BE IT FURTHER RESOLVED that NLC and other state and local government coalition partners support efforts in Congress to pass legislation which responds to the concerns of elected leaders and the business community by affirming that state and local governments, not the judiciary, should decide whether or not to offer tax incentives for business and economic development purposes; and

BE IT FURTHER RESOLVED that NLC encourages legislative action by Congress on this important issue.

NLC RESOLUTION #2010-8

**LOCAL GOVERNMENT OPPOSITION TO REQUIREMENTS
FOR STATE COLLECTION AND ADMINISTRATION OF LOCAL
TELECOMMUNICATIONS TAXES IN FEDERAL LEGISLATION ON
STREAMLINED SALES AND USE TAX**

WHEREAS, rapid growth in interstate commerce has complicated state and local government efforts to collect legally authorized sales and use taxes on remote transactions representing a significant loss of state and local government resources; and

WHEREAS, the University of Tennessee Center for Business and Economic Research estimates that annual national state and local sales tax losses on e-commerce will grow annually to \$11.4 billion by 2012 for a cumulative six-year total loss of \$52 billion; and

WHEREAS, the Streamlined Sales Tax Project (SSTP) adopted as its original mission the following statement: “The Streamlined Sales Tax Project will develop measures to design, test and implement a sales and use tax system that radically simplifies sales and use taxes”; and

WHEREAS, the National League of Cities (NLC) has supported the SSTP since its inception in 2000; and

WHEREAS, forty-four states and the District of Columbia approved the Streamlined Sales and Use Tax Agreement (Agreement) which sets the minimum sales and use tax statutory simplifications required of any state that wishes to participate in the simplified system; and

WHEREAS, to date, 22 state legislatures have amended their sales and use tax statutes to conform to the requirements of the Agreement; and

WHEREAS, Congress is considering “The Sales Tax Fairness Simplification Act” to provide states that are members of the Agreement and in compliance with the federal legislation the authority to require out-of-state sellers to collect and remit sales and use taxes on remote transactions attributable to those states; and

WHEREAS, the federal legislation is expected to impose additional requirements beyond those supported by the SSTP and included in the Agreement, including simplification of collection and administration of local telecommunications taxes; and

WHEREAS, the proposed requirements for state collection and administration of local telecommunications taxes are contrary to local control and propose “federalizing” traditionally local tax matters; and

WHEREAS, the proposed requirements for state collection and administration of local telecommunication taxes are directly contrary to NLC’s longstanding policy, which opposes federal efforts to curb the ability of local officials to collect local telecommunications taxes.

NOW, THEREFORE, BE IT RESOLVED that NLC supports efforts by states to streamline and simplify their sales and use tax collection and administration systems; and

BE IT FURTHER RESOLVED that NLC commends the Streamlined Sales Tax Governing Board for considering the challenges that the Agreement's destination sales tax sourcing requirement presents to those states using origin-based sourcing and working to identify solutions that would allow those states to participate in the Agreement; and

BE IT FURTHER RESOLVED that NLC commends Congress on recognizing the importance of the issue and introducing legislation that would grant states the authority they need to require sellers, regardless of location, to collect sales and use taxes owed to them; and

BE IT FURTHER RESOLVED that NLC strongly opposes the inclusion in federal legislation of proposed requirements for state collection and administration of local telecommunication taxes, and will oppose federal legislation that includes such requirements; and

BE IT FURTHER RESOLVED that NLC opposes the inclusion in federal legislation of any other requirements, beyond those supported by the SSTP and included in the Agreement that would preempt local government collection or administration of revenues or would diminish local government net revenues.

NLC RESOLUTION #2010-9

FEDERAL CONSENT DECREE FAIRNESS ACT

WHEREAS, consent decrees are important tools of federalism that help ensure that no state or local government is above the law and can help save enormous court costs and prevent damaging legal battles; and

WHEREAS, civil lawsuits filed against state and local government agencies often result in judicial orders reflecting agreements brokered between plaintiffs and public official or entities being sued; and

WHEREAS, newly elected officials often inherit broad or outdated consent decrees that limit their ability to govern and respond to the priorities and concerns of their constituents. Existing procedures discourage current state and local governments from trying to modify or terminate those decrees; and

WHEREAS, the Federal Consent Decree Fairness Act is bipartisan legislation that addresses weaknesses in the current system while preserving consent decrees as a valuable mechanism for settling legal disputes; and

WHEREAS, the Federal Consent Decree Fairness Act provides a three-pronged approach to address these weaknesses by:

- (1) Allowing a state or local government to file a motion in federal court to modify or vacate a consent decree after four years or after the end of the term of the highest elected local government official who provided consent, whichever comes sooner; and
- (2) After a motion to modify or vacate a consent decree has been filed, shifting the burden of proof to the plaintiffs to demonstrate why management of a program should continue to rest with the court rather than be returned to hands of elected officials; and
- (3) Setting out a series of findings to provide guidance to federal courts for future consent decrees, based on the U.S. Supreme Court's decision in *Frew v. Hawkins*, 540 U.S. 431 (2004).

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities supports the goals of Federal Consent Decree Fairness Act, and urges Congress to enact legislation, in consultation with state and local officials, to ensure that federal consent decrees are narrowly drafted, limited in duration, and respectful of state and local interests and policy judgments.

NLC RESOLUTION #2010-10

IN SUPPORT OF AMENDING 7 U.S.C. 1926(b) TO PROMOTE MUNICIPAL ECONOMIC DEVELOPMENT AND IMPROVED WATER-RELATED SERVICES TO CITIZENS IN DEVELOPING AREAS

WHEREAS, the Consolidated and Rural Development Act was passed in 1961 to enable the Secretary of Agriculture, through the Rural Utilities Service, to make and insure loans to associations providing water to rural residents in sparsely populated areas; and

WHEREAS, urban growth since 1961 has allowed full service municipal governments which often can provide water and other municipal services more economically for the residents, to grow into area served by such associations; and

WHEREAS, even though the federal loan must be fully collateralized by the customers to be served at the time of the loan, the provisions of 7 U.S.C. 1926(b) that were designed to assure repayment of federal loans, have been used for purposes unrelated to the protection of loan collateral; and

WHEREAS, rural water districts are not required to provide sewer, fire protection or other water-related services to areas within their water systems; and

WHEREAS, municipalities are increasingly frustrated in their efforts to promote economic development on their borders when rural water districts gird municipalities with monopolies on water service; and

WHEREAS, municipalities have been denied the right to purchase such loans from the Department of Agriculture and when municipalities grow into natural areas of expansion, the federally-created monopoly prohibits them from providing services to new customers in the areas with rural water districts with 1926(b) loans within their boundaries; and

WHEREAS, municipalities are concerned that the statute interferes with economic development and growth because the statute permits a rural association to challenge a municipality's intent to annex or extend services to new areas; and

WHEREAS, 7 U.S.C. 1926(b) is a disincentive for rural water districts to negotiate service arrangements with municipalities while such loans increasingly limit customer choice, quality of life and public safety by restricting citizens within developing areas from improved water services, fire protection, and lower costs; and

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities urges the Congress of the United States to amend Title 7 U.S.C. Section 1926(b) to:

- A) authorize municipalities to purchase and retire loans made under the Consolidated and Rural Development Act and, thus, permit the municipality to provide a full range of services to its residents; and

- B) provide that collateral for Title 7 U.S.C. Section 1926(b) loans be based on the customers of the portion of the system that is identified in the loan documents as collateral for the loan and is either (1) in existence at the time of the loan or (2) financed by the loan.

NLC RESOLUTION #2010-11

UNITED NATIONS CONFERENCE ON RACISM RESOLUTION

WHEREAS, the United Nations Conference on Racism took place in April 2009 in Geneva, Switzerland; and

WHEREAS, over 100 countries participated in the conference designed to combat racism and related forms of intolerance worldwide; and

WHEREAS, the United States boycotted the conference; and

WHEREAS, the United States also demanded that the reference to reparations for slavery be taken out of the document; and

WHEREAS, considering United States history, policy and practices of racial discrimination, there should be a ground swell of support for any world initiative designed to show a propensity for atonement for a national ill; and

WHEREAS, the United States, as a world power, should be a part of any and all discussions designed to shape world policy of any nature; and

WHEREAS, the United States should entertain the debate for the purpose of affording U.S. citizens reasonable opportunity to hear both sides of this divisive issue to enable consensus building; and

WHEREAS, the Conference was designed to help to eradicate the ills of racism; and

WHEREAS, the United States is the most powerful country in the world and should be a part of such critical world dialogue.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities supports full participation of the United States in the next world conference on racism and related intolerance and any and all world discussions of human rights and the establishment of global policy.

NLC RESOLUTION #2010-12

FEDERAL HOME LOAN BANK SYSTEM'S IMPORTANCE AS A RESOURCE FOR AMERICA'S CITIES

WHEREAS, Federal Home Loan Banks (FHLBanks) are 12 regional government sponsored enterprises (GSEs) chartered by Congress in 1932 to provide liquidity to their financial institution members and ensure the availability of funding for affordable housing and community development; and

WHEREAS, FHLBanks have over 8,100 member financial institutions including thrifts, commercial banks, insurance companies and federally insured credit unions serving every community in the United States; and

WHEREAS, FHLBanks are authorized to serve the needs of America's cities by providing to their members low-cost financing for community development lending; and

WHEREAS, FHLBanks, through their Affordable Housing Program (AHP), have helped provide shelter and stabilize neighborhoods by providing over \$3.6 billion in grants for affordable housing projects since 1990; and

WHEREAS, FHLBanks, through their members assist municipalities and their authorities to lower funding costs by credit enhancing taxable and tax-exempt bonds through use of their highly-rated Letters of Credit (LOC); and

WHEREAS, Statutory authority in Section 149(b) of the Internal Revenue Code permitting the use of FHLBank LOCs on non-housing tax-exempt bonds sunsets on December 31, 2010.

NOW, THEREFORE, BE IT RESOLVED that the National League of Cities (NLC) formally congratulates the FHLBanks and recognizes the 20 year anniversary of the FHLBank's AHP; and

BE IT FURTHER RESOLVED, that Congress should pass legislation making permanent the authority under Section 149(b) of the Internal Revenue Code, thereby permitting FHLBanks to provide LOCs, through their members on tax exempt bonds; and

BE IT FURTHER RESOLVED, that Congress, as they debate the future of our financial system, mortgage finance system and housing GSEs, should not negatively impact the FHLBanks' ability to serve the liquidity needs of their members, provide affordable housing funds through the AHP or serve the needs of cities through their investment authority and community development lending; and

BE IT FURTHER RESOLVED, that NLC supports legislation, regulatory changes and other initiatives designed to expand the FHLBanks' ability to serve the housing, community and economic development needs of cities through their investment authority, introduction of new business and activities, and development of new initiatives and products.