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 States of Micronesia created the Banking Board, hereinafter referred to as the Board, and that same title vests in and imposes upon the Board certain powers and duties; and

2 WHEREAS, section 504 imposes upon the Board the duty to determine whether a bank applying for renewal of its license has "served the needs of its community"; and

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

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

5 WHEREAS, it is the intent of the Congress of the Federated States
of Micronesia to increase the usury limit, pursuant to Public Law 
No. 2-33, to enable the banks to generate more money to be made 
available to the citizens and residents of the Federated States of 
Micronesia who are interested in applying for loans; now, therefore, 
BE IT RESOLVED by the Third Congress of the Federated States 
of Micronesia, First Special Session, 1983, that the Congress directs 
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; and 

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

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

Date: 5/28/83

Introduced by:  

Tony Otto