

## LEGISLATIVE BILL 1226

Approved by the Governor March 21, 1972

Introduced by Glenn A. Goodrich, 20th District

AN ACT to amend section 8-152, Reissue Revised Statutes of Nebraska, 1943, relating to banks; to provide additional authority to make loans on real estate; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-152, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-152. A bank may make loans secured by real estate or may participate with other institutions in such loans whether such participation occurs at the inception of the loan or at any time thereafter subject to the following:

(1) Such loans, when secured by a first mortgage on improved real estate which is a first lien and under the terms of which installment payments required are sufficient to amortize the entire principal of the loan within the period thereof, may be made in an amount not to exceed eighty per cent of the appraised value of the real estate offered as security and for a term not to exceed twenty-five years;

(2) Such loans, when secured by a first mortgage on improved real estate which is a first lien and under the terms of which installment payments required are sufficient to amortize forty per cent of the principal of the loan within a period of ten years from the date of the loan may be made in an amount not to exceed eighty per cent of the appraised value of the real estate offered as security and for a term not to exceed ten years;

(3) Such loans, when secured by a mortgage on improved real estate which is not a first mortgage but under the terms of which installment payments required are sufficient to amortize the entire principal of the loan within the period thereof, may be made when the aggregate of the lien being taken by the bank and the record amount of all liens prior thereto does not exceed eighty per cent of the appraised value of the real estate offered as security and for a term not to exceed ten

years;

(4) Such loans, when secured by a first mortgage on real estate which is a first lien, may be made for not to exceed seventy-five per cent of the appraised value of the real estate offered as security and for a term not to exceed five years, whether or not provision is made for amortization of such loan;

(5) Such loans, when secured by a first mortgage on improved real estate consisting of residential real property of single family or two family residences, may be made for not to exceed ninety-five per cent of the appraised value of the real property offered as security and for a term not longer than thirty years; Provided, that the loan is secured by an amortized mortgage, deed of trust or other such instrument under the terms of which the installment payments are sufficient to amortize the entire principal of the loan within the period ending on the date of its maturity; and provided further, that at least twenty-five per cent of the loan is insured by a financially responsible private mortgage insurance company authorized to do business in this state;

(5) (6) Such loans may be made to finance the construction of manufacturing, commercial, or industrial structures for a period not to exceed thirty-six months or for the construction of residential or farm buildings for a term not to exceed eighteen months when there is a valid and binding agreement entered into by a financially responsible lender to advance the full amount of such loan upon the completion of construction, or when the bank at the time of making the construction loan has entered into a commitment to make a loan under the provisions of subdivisions subdivision (1), (2), (3), or (4), or (5) of this section upon the completion of construction; and

(6) (7) The provisions of sections 8-711 to 8-713.

The aggregate limitation of all loans made under the provisions of subdivisions (1), (2), (3), and (4), and (5) of this section shall be the greater of one hundred per cent of paid-in capital, surplus, and undivided profits, or seventy per cent of the total of savings and time deposits, or twenty per cent of the total deposits of such bank.

Sec. 2. That original section 8-152, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 3. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.