

## LEGISLATIVE BILL 141

Approved by the Governor February 2, 1973

Introduced by Wiltse, 1

AN ACT to amend sections 8-815 and 8-823, Reissue Revised Statutes of Nebraska, 1943, relating to banking; to provide that a personal loan shall include loans made for a period of up to one hundred twenty-one months; to repeal the original sections; and to declare an emergency.

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

Section 1. That section 8-815, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-815. As used in sections 8-815 to 8-829, unless the context otherwise requires:

(1) Department shall mean the Department of Banking of the State of Nebraska;

(2) Bank shall mean the banks and trust companies organized under the laws of this state and national banks doing business in this state;

(3) Registered bank shall mean any bank which has in effect a registration under sections 8-816 and 8-817;

(4) Unregistered bank shall mean any bank which has not registered under sections 8-816 and 8-817, or the registration of which is not in effect because of action taken under section 8-827; and

(5) Personal loan shall mean a loan, and the contract evidencing the same, which is repayable, pursuant to a contract or understanding, in two or more installments, and within eighty-five one hundred twenty-one months, but shall not include any loan on which the interest does not exceed nine per cent per annum.

Sec. 2. That section 8-823, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-823. The following provisions shall apply to loans made under section 8-820:

(1) Every such loan shall be repayable within a period of ~~eighty-five~~ one hundred twenty-one months in approximately equal or declining installments of principal or of principal and charges combined, at approximately equal intervals and may be prepaid in whole or in part at any time. One or more of the periodic installments may be accelerated or deferred when the borrower's chief source of income makes such arrangement necessary, if the note or contract so provides and approximately (a) one half of the entire amount be payable in the first half of the full period of the loan and (b) approximately one half of the entire amount be payable in the last half of the full period of the loan;

(2) The bank shall give the borrower a receipt showing the date and amount of each payment made, on account of any such loan;

(3) No bank shall take, in connection with any such loan, any confession of judgment, power of attorney to confess judgment, power of attorney to appear for a borrower in a judicial proceeding, or agreement to pay the costs of collection or the attorney's fees; and

(4) No bank shall take a lien upon real estate as security for any such loan.

Sec. 3. That original sections 8-815 and 8-823, Reissue Revised Statutes of Nebraska, 1943, are repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.