

January 18, 1973

SPEAKER: Thank you. The Chair recognizes Senator Fred Carstens. Then Senator Nore.

SENATOR FRED CARSTENS: May I ask a question of Senator Cal Carsten?

SPEAKER: Senator Carsten, will you yield to a question?

SENATOR CARSTEN: Yes sir.

SENATOR FRED CARSTENS: I didn't understand exactly what you said about your concern or apprehension about what did you say that would encourage.

SENATOR CARSTEN: I said Senator Carstens, that I didn't believe that we are in a position to help or advise or suggest the control of the family's expenditure of their income, this is the problem, we have seen families run into and eventually they develop into a serious situation and foreclosure, etc., proceeds. However, as you said in our hearing you pick the \$8,000.00 figure out of the air with no deep thought about it, and I believe we concurred your thinking was good, that it needed to be up-dated, but it did seem to me that we would be encouraging less thought towards the balancing of individual budgets, if we went to the \$8,000.00 figure.

SENATOR FRED CARSTENS: Well that's what I thought you said, and I want to make sure that I left this out before, now anyone who buys real estate and has given a mortgage, has borrowed money, and secured this by mortgage, is not exempt, and those cases the homestead exemption is always waved. I checked with Mr. Brandt, who is the representative here in these parts, around here for the Nebraska Bankers Association, he said they have no objection to the bill, I did not poll the State Savings and Loan Association, but I did speak to the treasurer of the largest savings and loan association in Nebraska, and I also spoke to the president of the next to the largest savings and loan association in Nebraska, and neither one of them expressed any opposition and in fact not even any concern about this exemption. Now in case of the, where the family has given a mortgage to security for borrowing money and goes into foreclosure, this exemption does not apply.

SPEAKER: The Chair recognizes Senator Nore and we are still speaking on the Epke amendment to LB 15.

SENATOR NORE: Mr. President may I ask Senator Carstens a question?

SPEAKER: Senator Carstens will you yield to a question?

SENATOR CARSTENS: Yes, I will yield.

SENATOR NORE: Will this jeopardize the borrowing of money by young families, that want to buy a home, will it increase the interest rates, now interest is in proportion to the risk, of a young family, let's set up a hypothetical (inaudible) buys a home and then goes into bankruptcy are they released of \$8,000.00 of liability?

SENATOR CARSTEN: No it wouldn't have any effect on borrowed money at all, nor on interest rates.

SPEAKER: Is there any further discussion of the Epke amendment? Senator Epke do you wish to close on your amendment? Senator Epke is closing on his amendment.

SENATOR EPKE: Mr. President and members, in closing I would like to bring out that the bill following 15, LB 16 is on the personal property exemption, this I think was updated three or four years ago from \$500.00 to \$1,000.00 and this was an added exemption. Again I would like to reiterate that the \$4,000.00 is 100% increase and I feel that at this time this is adequate.