

January 21, 1976

SENATOR FOWLER: Lines 16, 17 and 18. The language "if such contract is not secured by a bonafied, duly recorded mortgage on real estate owned by the borrower". That language is being struck from the statutes. I'd like to know why.

SENATOR SWIGART: I think I'll call on Mr. Murphy and see if he can help us on this line. I would, however, call the attention to the Chairman that we're talking about amendments and we haven't got into any discussion of the bill yet. I wonder if we should discuss this part until we get into the bill. Senator Murphy.

SENATOR MURPHY: Yes. Senator Fowler, I think in the past the period of time was restricted, unless the loan was secured by real estate. This would permit them to make say an automotive loan rather than a real estate loan and still extend that period of time beyond that minimum period of time. It simply strikes the requirement that a 5 year loan would have to be secured by real estate. It could be secured by other personal property such as I say a mobile home, an automobile, whatever, property that's not considered real estate.

PRESIDENT: Senator Herb Duis.

SENATOR DUIS: Thank you sir. I think probably we escape one thing here. This legislation is needed in order to keep out the shysters who would be around the corner and lend money 2:1, or something like that. At least we get these people licensed and we can control them. Therefore, there's less chance that people will be taken advantage of. I think that's very necessary that we put them up-to-date because they haven't been brought up-to-date for a number of years. Bring them up-to-date and that way we'll keep our small loan business in good hands the way it is and keep that person out of the business who takes advantage completely of the unsuspecting person. I don't know whether or not you've heard of it but there are such things as 2:1, where they can't borrow the money, they can't go a legal place, so, therefore, they find somebody that will lend them \$50 if they'll pay them back \$100. That's got to stop. This, certainly, will assist in keeping those people from praying on ... to the people who actually need to borrow money.

PRESIDENT: Senator Kelly.

SENATOR KELLY: Mr. President, I want to talk on the bill.

PRESIDENT: Senator Cavanaugh.

SENATOR CAVANAUGH: Is there a big difference between the bill and the amendments? I'd just like to ask Senator Swigart what's the reason for the bill or the amendments?