

March 5, 1982

LB 776

CLERK: LB 776 offered by the Banking Committee. (Read title.) The bill was first read on January 12th of this year. It was referred to the Banking Committee for hearing. The bill was advanced to General File, Mr. President. I have no amendments to the bill.

SPEAKER MARVEL: Senator DeCamp, do you wish to explain the bill?

SENATOR DeCAMP: Mr. President and members of the Legislature, LB 776 provides for the guarantee of credit union, cooperative credit association, and industrial loan investment company accounts. Section 1 provides that prior to January 1, 1983, credit unions shall maintain insurance of guarantee shares and deposits as provided under the Federal Credit Union Act or by membership in a corporation organized pursuant to the Nebraska Depository Guarantee Corporation Act. Just for your information, remember it was a few years ago we started deciding that industrials and some other people didn't have insurance. You know, you go and deposit your money in a bank and you have FDIC, so what we did was we set up by state law the national...or the Nebraska Depository Guarantee Corporation Act so that we would have the funds of these people protected, so we are expanding it with this then to make sure we can cover anybody that is involved. Okay, Section 2 states that prior to January 1, 1983, cooperative credit associations shall maintain insurance or guarantee shares and deposits by membership in a corporation organized pursuant to the NDGCA, that is that Nebraska thing we set up as I told you. Section 3 requires that prior to January 1, 1983, industrial loan and investment companies shall maintain insurance or guarantee certificates of indebtedness by membership in a corporation organized pursuant to the NDGCA. Institutions organized after January 1, 1983, will also be required to insure or guarantee shares, accounts, deposits and certificates. The Director of the Banking Department would be permitted to extend the mandatory coverage date for one year to any of the foregoing financial institutions upon certain conditions. So what we are doing is we are going to make sure that these accounts out there are insured and the people have some protection.

SPEAKER MARVEL: The motion is to advance LB 776 as explained by Senator DeCamp. All those in favor vote aye, opposed vote no. Have you all voted? Clerk, record the vote.

CLERK: 28 ayes, 0 nays on the motion to advance the bill, Mr. President.

SPEAKER MARVEL: The motion is carried and the bill is advanced. Senator Clark sent me a note that says that the