

March 11, 1991

LB 279A, 292, 297, 823A
LR 49, 50

of hearing, as does Judiciary, signed by the respective chairs. New resolutions. (Read brief summary of LR 49 and LR 50.) Those will be laid over. New A bills. (LB 279A and LB 823A by title for the first time.) The last item, Mr. President, are amendments to be printed to LB 297 by Senator Hall. (See pages 990-98 of the Legislative Journal.)

Mr. President, the next bill on General File this morning is LB 292 introduced by Senator Landis. (Read title.) The bill was introduced on January 15, referred to the Banking Committee for public hearing. The bill was advanced to General File. I do have committee amendments pending by the Banking Committee, Mr. President.

SPEAKER BAACK: The Chair of the Banking Committee, Senator Landis.

SENATOR LANDIS: Thank you, Speaker Baack, members of the Legislature. LB 292 is the Credit Service Organization Act, and it seeks to plug a hole in our law which allows fraudulent operations with respect to credit repair organizations from flourishing in Nebraska to the detriment of our consumers. Let me...I'll broadly outline the bill, and then talk about the committee amendments. Hopefully, we'll adopt those, and then discuss the bill in its entirety. What we have in recent years is the growth of a lot of credit repair scams out there, basically, because we have a lot of people in credit trouble, who have tortured credit histories, difficulty finding credit cards or the like. And in a number of states we have had experience of large telemarketing operations which promise special credit repair services, and a number of those have gone belly up, injuring a number of consumers. The kinds of things that, for example, occur is a request by televised advertisement for an individual to call to get assistance in getting a loan, the cost of the call is \$10 which is then charged onto the consumer's telephone bill, but the charge goes to the company who is making this advertisement. And when the individual calls up their name and address is given, and they are sent a loan form for a local bank with a list of the local banks. The local banks have never been talked to, they've never been approached, they've never indicated any special information, any special relationship. In fact, what it is is somebody going in and Xeroxing or printing a large number of bank loan forms, and then printing a list of the banks in the area and mailing these out at a cost of maybe 40 cents. And what it really is is a