

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 74

Introduced by Pirsch, 4.

Read first time January 8, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to banking; to amend section 8-133, Reissue
2 Revised Statutes of Nebraska; to authorize the pledging
3 of Federal Home Loan Bank of Topeka letters of credit
4 as security for private deposits; to repeal the original
5 section; and to declare an emergency.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 8-133, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 8-133 (1) A state-chartered bank may pay interest at any
4 rate on any deposits made or retained in the bank.

5 (2) Any officer, director, stockholder, or employee of
6 a bank or any other person who directly or indirectly, either
7 personally or for the bank, pays any money, gives any consideration
8 of value, or pledges any assets, except as provided by law, as
9 an inducement, in addition to the legal interest, for making
10 or retaining a deposit in the bank shall be guilty of a Class
11 IV felony. Any depositor who accepts any such inducement shall
12 be guilty of a Class IV felony. Deposits made in violation of
13 this section shall not be entitled to priority of payment from
14 the assets of the bank. In determining the maximum interest
15 that may be paid on deposits, the bank shall consider generally
16 recognized sound banking principles, the financial soundness of
17 banks, competitive conditions, and general economic conditions.

18 (3) A bank may secure deposits made by a trustee under
19 11 U.S.C. 101 et seq. by pledge of the assets of the bank or by
20 furnishing a surety bond as provided in 11 U.S.C. 345. A bank may
21 also secure deposits made by the United States Secretary of the
22 Interior on behalf of any individual Indian or any Indian tribe
23 under 25 U.S.C. 162a by a pledge of the assets of the bank or by
24 furnishing an acceptable bond as provided in 25 U.S.C. 162a.

25 (4) Nothing in this section shall prohibit a bank or any

1 officer, director, stockholder, or employee thereof from providing
2 to a depositor a guaranty bond or an irrevocable, nontransferable,
3 unconditional standby letter of credit issued by the Federal Home
4 Loan Bank of Topeka which provides coverage for the deposits of the
5 depositor which are in excess of the amounts insured by the Federal
6 Deposit Insurance Corporation.

7 Sec. 2. Original section 8-133, Reissue Revised Statutes
8 of Nebraska, is repealed.

9 Sec. 3. Since an emergency exists, this act takes effect
10 when passed and approved according to law.