

March 7, 1979

LB 87

SPEAKER MARVEL: Senator DeCamp, do you have...Senator Newell, do you want to...do you want...your light is on.

SENATOR NEWELL: Am I the last light?

SPEAKER MARVEL: Yes, sir.

SENATOR NEWELL: That's enough then.

SPEAKER MARVEL: Okay. Senator DeCamp...no, I'm sorry, Senator Fowler, do you wish to close on your amendment?

SENATOR FOWLER: I'm afraid I haven't followed Iran as close as Senator DeCamp has, but just because Postal Finance and AFCO Finance are going to have a tough time in Tehran making loans, I don't think it's a good reason for us to adjust interest rates here as great as they are. If, indeed, those loan companies are having problems in Iran, they could hire Walt Radcliffe and send him over there to try and negotiate an acceptable deal, and if he does as well there as he's doing here, I'm sure interest rates will rise in Iran despite the Moslem law. It seems to me that there are different ways to look at this amendment. Several people have said that I am reducing the term and that I am reducing the maximum amount. I think Senator Chambers makes a very good point. This bill is not law. The DeCamp amendments are not adopted. What is the maximum amount in the State of Nebraska right now is three thousand dollars. What is the maximum term is thirty-six months. The ten thousand dollars and the ten years is the industry's wish list. It's their hope. It's their goal. But it's not law. My amendment doesn't reduce anything. My amendment and the amendment that is sponsored by several others, considerably raises that maximum from three thousand to seven thousand dollars. Last year the small loan industry was willing to settle for five thousand dollars. Now I don't see how suddenly they can't survive on seven if five was acceptable just a year ago. And last year they were willing to accept the sixty months. This year they came in asking in the original bill, I believe, for a hundred forty-four months...twelve years, in the hope that somehow we would compromise back to something like ten years. But right now in the State of Nebraska it's only three years, and I don't think a case has been made despite circumstances in Iran, for these loan companies to be able to make ten year loans. I think that's a substantial change in the character of the small loan industry, and I think it's a major step against the consumer. And I don't care how many subsequent consumer "amendments" are adopted, the heart of the bill, I think, is the interest rate, the maximum size of the loan and the term. This amendment gives the small loan industry