

there is really only one thing that makes any difference as to the rate of interest you are charged and that is the collateral that you can put together for it. If you have got enough collateral to back you up you can go in and negotiate your rate of interest today and it will be substantially below, substantially below the 11% rate. I do not know the total amount of bank deposits in the state today but I can assure you that they do not approach that the loan deposit ratio is not yet bumping the lid. There are some banks in my district that are loaned up 90, 95% principally because they are loaned heavily to agricultural customers but there are many banks in the State of Nebraska which are not loaned up beyond 40, 50% and they are not loaned at anywhere near the 11% rate. All we are doing, and bear this in mind, all we are doing here is that we are legalizing another 1% or 1½% interest rate and in most instances for those people who can afford it less. The major borrowers are going to negotiate their money anyway. Those individuals who have substantial collateral are going to negotiate their rate of interest. There isn't a single person around here with a substantial net worth that cannot go out and negotiate a rate of interest below the 11% but what we are saying, well there are one or two, but we are saying...

PRESIDENT: One minute, Senator Schmit.

SENATOR SCHMIT: ...is that it is okay to charge that individual who can least afford it, who can absolutely least afford it, 12%, with the Burrows amendment. With the committee amendments it is 12½%. I regret very much that I was not present when the bill was voted out of committee. I would have objected vigorously and strenuously to Senator DeCamp's efforts to amend the bill to 12½% but at this point in time I feel constrained to express my concern on the floor. So I want to reemphasize again when we talk about the usury rates we are not talking about loans in excess of \$100,000. We are not talking about corporate loans. We are talking about loans from \$100,000 down. We are talking about the loans that are made principally to people who buy homes and those people, if they must pay 12½% interest, are going to be facing a dead load that perhaps they cannot handle and as Senator Burrows has said, we may not be doing them a service. I would most vigorously ask you to support the 12% amendment of Senator Burrows and hopefully there would be a sunset provision on that, Senator Burrows, that would bring it back down to 11% at some time in the future when we could look at it again.