

February 7, 1980

LB 491

Department of Banking will in fact disregard a full service facility which can provide all the services of a bank if I were to apply for a charter and locate it in similar neighborhood?

SENATOR DWORAK: I guess I am not that familiar with the bill, Senator Schmit. Does the Banking Department have to approve specifically each additional full service facility?

SENATOR SCHMIT: Oh, yes, but what I am referring to here, Senator, is (interruption).

SENATOR DWORAK: So you are saying that if a new charter is granted and then an existing bank wants a full service facility near that new charter, would they deny it?

SENATOR SCHMIT: No, I am looking at it from the other point of view, that if there were an existing....

SENATOR DWORAK: Full service facility?

SENATOR SCHMIT: Well, under the present law, it is a teller facility, but if we pass LB 491, we make it a full service facility. In effect, we make it a branch bank. Then do you believe that with this amendment if I chose to apply for a charter in that area that the Banking Department would in fact say, well, we will disregard the Columbus Bank's full service facility and give Schmit a charter there anyway because he will provide more competition or do you think they will say, well, the services and the needs, the convenience and necessity of the people are being met by that facility?

SENATOR DWORAK: I think the Banking Department should take all factors in consideration and I don't think they should be excluded from any factor in making that decision. I think the number of facilities and the convenience people have to those facilities is a part of the consideration of charters. There may be existing competition, enough existing competition within a city, that may be, but because of the location of those existing banking institutions, the Banking Department may say, hey, there is a geographical area here not being served so another charter should be granted based on the reason, based on the reason that of convenience to people. That could be a consideration and I just have a little trouble, Senator Schmit, just like 319 yesterday when we start taking flexibility away from the Banking Department. I think I will probably