

and the farmer that needs the financing, these people, do not have it available. They will not have it available. LB 276 does as follows: It allows industrial loan and investment companies to loan under the general usury provision and this section, therefore, increases the installment loan rate from the current 18-12 percent split to a straight 19 percent. This section also provides an increase from \$5 to \$10 for minimum charge in lieu of interest. It raises the credit union rate from fourteen to eighteen percent and it raises the minimum charge in lieu of interest from \$2 to \$10. Most important, most important, it raises the general usury rate from the current twelve and a half percent to sixteen percent. It provides exceptions from the general usury limitations for those licensees and permittees regulated by the Department of Banking and Finance and reduces, and this is most important too, this is the other, you might say, the major part of the bill, reduces the one hundred thousand exclusion to twenty-five thousand. What is that? At the present time, if you borrow more than one hundred thousand dollars, you borrow that money at whatever terms you and the lending institution negotiate. We would change that to twenty-five thousand. That is a controversial part of the bill needless to say. The bill also excludes open accounts unpaid for more than thirty days and provides a minimum charge for any lender of ten dollars. It raises the interest on small loans from fifteen percent to sixteen percent to correspond with the general usury and allows expenses of third party costs to be paid by borrower. It raises the rate in installment sales contract from the eighteen-twelve rate to nineteen percent. That is what this bill is. There are two other bills that deal with other usury laws. These are the critical ones that need to get passed if we are to have financing. Now there are people in this room including myself that believe it may be well impossible to borrow money at sixteen or eighteen or nineteen percent and survive in business. It just isn't in the cards. That may be true. It may be true but I assure you we aren't going to have money available by creating artificial barriers. If somebody does want to borrow that money, if somebody does want to pay that interest, they have to have the opportunity. They have to have the option available. With our present usury rate, we have denied them that. There has been \$250 million that I am aware of that has gone out of Nebraska, out of Nebraska, that would be financing farming and other things in recent months into mutual funds, money market certificates where they can get thirteen and a half and fourteen