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LB 276

SENATOR JOHNSON: Mr. Speaker, I was waiting, after I introduced this amendment and made my remarks, I was waiting for a number of other state senators to indicate their strong support for the amendment and the concept, and for some reason, I didn't hear any of those voices. I know they are there and so at this time I would like to yield one minute of my time to Senator Howard Lamb who will address the amendment.

SENATOR LAMB: Mr. President, members of the Legislature, I rise to support the Johnson amendment. Now twenty-five thousand dollars in this day and age is nothing and the issue is are you either going to take everything out from under a usury or should we have a meaningful amount. Now I will agree that you are not going to get much done out on the farm for twenty-five thousand dollars and it has been in the past a hundred thousand dollars has been this limit. We should in this day of inflation, we should be raising that from a hundred thousand to two hundred thousand dollars to stay where we were before. I disagree with some of my colleagues that usury is not helpful, the usury rate is not helpful to people down on the farm. We have been able to get credit at a reasonable rate and I think the usury law has been helpful in that regard. So I urge you to adopt the Johnson amendment. I do not think that at this point dropping it to...the amount to twenty-five thousand dollars is prudent, is necessary. I am sure the bankers can get along with the hundred thousand dollar limit, and in addition, the small banks, they are going to take the lumps at the twenty-five thousand dollar level. Then the overlining will go to the big banks and they will be able to charge a higher rate. So the small banks are going to be limited to sixteen percent. The big banks can go on up and up and up. I urge adoption of the Johnson amendment.

SENATOR JOHNSON: (Mike off) discussed at all is the effect of a usury ceiling in effect on certain kinds of loans and the ultimate effect that has on inflation. You know the number one enemy in the country today is inflation. You know what inflation is doing to our hopes for a better tomorrow. You know what it is doing to our whole concepts of thrift, our concepts of industry. You know what is happening to worker productivity. You know where the evil really lies. The real question is, are we going to have the courage and integrity to deal with it. The Federal Reserve Board has raised the rediscount rates and that in turn has caused a tremendous pressure on all of our usury ceilings. Now I, personally, think we need to