

to this body that upon more than one occasion it was brought out to us that certain of the banks which now are utilizing bank credit cards and the like are making money at eighteen percent, not a lot, but some. In other words, there is money to be made at eighteen percent and also remember that if you are selling goods and services, the idea is not to make money on your credit. The idea is to make it possible for people to buy the goods and the services which in the initial investment, in the initial purchase, contains the profit margin for the retailer and all credit does is to expand the group of people you can sell your products to. So for the retailer there is no reason not to suspect there shouldn't be at least a break-even point at eighteen percent. For the person who might be making an installment loan, evidence that we had before the banking committee indicates that money can still be made at eighteen percent loaning rates. If that is the case, I don't see why we have to go beyond eighteen percent in this area, and let me suggest also the danger of doing so. We have a number of related items. We are going to be hit with revolving credit. We are going to be hit with bank credit cards later on. We are going to be hit with other interest rates, and once we go to this nineteen percent rate found in this section, it will be used as the peg against us, saying, listen, you have already gone to nineteen percent with installment contracts. How can you not go to nineteen percent for us? The place to stop that is here. Now I support the majority of LB 276. I am not a critic of this bill but I am a critic of setting high noncompetitive interest rates and that is what this is. I would respectfully urge the body to adopt my amendment because I think it is reasonable, because I think it corrects the inadequacies that we previously had with respect to installment contracts and, thirdly, it does not set us up as a patsy for additional interest rates which will be demanded of us because we have gone to nineteen percent in this case. I hope the body on the basis of the testimony that was given in the Banking Committee and the arguments that I presented in my speech will consider the amendment that I have offered and to drop the installment contract rate from nineteen percent, as it is in the amendment, to eighteen percent across the board. Thank you.

SPEAKER MARVEL: Senator Kelly, do you wish to speak to the Landis amendment? Senator DeCamp, do you wish to speak to the Landis amendment?

SENATOR DeCAMP: Mr. President and members of the Legislature, I respectfully oppose Senator Landis' amendment.