

creditor goes after the debtor, the creditor gets a judgment in a local court against the debtor and the creditor now attempts to reach various assets of the debtor. Nebraska exemptions will always apply to those situations, and I can guarantee you from my own experience there are many, many financially embarrassed debtors who end up satisfying in full or in part judgments taken against them rather than undergoing bankruptcy. So Nebraska exemptions are very meaningful. The increases that we have provided through the amendment now to 940 to Nebraska exemptions as Senator Landis has pointed out are justified, because those increases essentially provide cost of living increases. However, there are times in the life of many people in this state when they are so behind the "eight ball" they are compelled to undergo a bankruptcy. That is the only choice that is available to them. It is only in the context of the bankruptcy that the federal bankruptcy exemptions come into play, only in the context of the bankruptcies. That is all we are really talking about and that is all my amendment is saying. My amendment is saying very simply if somebody goes to bankruptcy, let the federal exemptions obtain...do not allow the state exemptions to obtain. You will say, why? You will say, the federal exemptions are far too generous, they clearly give the debtors too much. Well, let me ask you this, Senators from farming areas, you know the present Nebraska homestead exemption, the present Nebraska homestead exemption gives a distressed debtor \$4000 in value on the house in which the debtor resides plus a hundred and sixty acres of ground. Now the federal exemption would, in effect, increase that allowance from \$4000 to \$7500 for one debtor or if the debtor was married, to \$15,000 for the husband and wife. In many... we all know how both housing prices and land prices are inflating in value. In fact, the inflation in those prices undoubtedly is disproportionate to the kinds of cost of living changes that have occurred in this country. Is it that we want our bankruptcy laws, in effect, to say to somebody who does have some equity now in his or her property that when that person goes through bankruptcy that person can lose the property, receive very little back on the appreciating equity i.e. under the present law, \$4000, under the amended law, \$6500, or under the federal law at most \$15,000, receive very little back from the appreciating equity, lose that house or that little piece of farm ground, which undoubtedly is bearing a much lower rate of interest than our present interest is, and then have to go out and make a fresh start. I think very simply that our debtors should have a little more going for them. You know, people don't just leap into bankruptcy. People go into