

quite frankly wants to take this money back. What is the Mortgage Finance Fund, particularly as it operates here in Nebraska? It simply means that Bernice Labeledz with her million dollars or ten million goes out, her private money, she buys bonds. She buys bonds and earns interest on them. Who sold those bonds? This Legislature set up a nonprofit state corporation to sell the bonds. What happens to the money? We take the money and we loan it or that corporation loans it to purchase houses in the State of Nebraska. So how does that benefit the economy? Well, because they can get the house bought with ten or twelve percent interest instead of fifteen or sixteen percent interest. It provides a broader base of buyers because they have a much lower monthly payment and it actually provides the money available to do it, to make the loans, which is in short supply in many cases, particularly during the last time the fund was used. Now why does Bernice buy that bond with her ten million dollars or whatever? Why doesn't she take her money and put it somewhere else? That is what the federal government would like her to do. They'd like her to buy something that is just as tax free but they would like it to be a government bond of some kind or other and then they could use the money for more deficit financing and then they could do what Davie Newell wants to do. They could run it through the Farmers Home Administration with a 235 loan or whatever with that puzzle palace on the Potomac that they use this for. What we are doing is bypassing, at least the way the fund functions now, we are bypassing the federal government, getting money directly into the state, and we are not giving Bernice any special benefit that she wouldn't get from the federal government. All the federal government wants to do, basically, is take all that money so they can borrow it rather than us borrowing it or having it available in the State of Nebraska and the other states. So, indeed, it is a sorry state that we reach this situation. Sure is! But we didn't create it. What we are doing is saying, hey, look, this is the best thing we can do under the circumstances. We need to solve our problems internally in Nebraska and make this state survive, our housing industry and whatever, and at least in 1980 and 81, this is the best we can do. Indeed it is not perfect, and as I say, it is unfortunate that through deficit spending and everything else we ever reached the situation where such things have to exist. Those are the facts of life. So I submit to you that all you are doing if you would go the way the federal government wants, just saying, Bernice, you can only buy government bonds and then we will run the money through the feds, this kind of thing. There is about so much money out there. We want to have some system to try to get some of it back. Within, and I think you can check this out with your local banker at home,