

February 10, 1981

LB 214

SENATOR BEUTLER: May I just ask for an explanation of the committee amendments, if that is not asking too much.

PRESIDENT: Senator DeCamp, did you hear that?

SENATOR DeCAMP: Well, I am getting the book open here. This is Senator Hefner's bill and I have got an explanation on what it does. Let me give a general explanation of what we are dealing with. Personal loan laws for the banks. The banks came in and wanted to change the personal loan laws so, for example, on mobile homes they could charge a higher interest rate than the sixteen percent and could have an installment system where you had some unequal payments instead of every payment having to be equal or have confusion on it. Once the banks got done, then the industrial loan boys came in and said, me, too, like they always do, because if the banks were going to make loans on mobile homes under a different terms, then the industrial boys wanted it, too. So after listening to all that, the committee amendments do as follows: They amend the installment loan provisions of the industrial loan and investment companies, I mentioned the industrials came in and wanted the same privilege, to allow loans to be repayable within 145 months rather than the current 144 months, in two or more equal or unequal installments rather than the current approximately equal or declining installments. The argument for the approximately equal or declining was some of the boys said that they didn't understand just what was approximately equal or declining and they didn't want to get into a problem of saying they had a loan made wrong because they didn't have it exactly equal or didn't have it exactly declining. So we changed it to equal or unequal. So if a bank or an industrial wants to go out and buy some of this paper, they don't have to worry about whether the payment is \$95 and \$95 and then maybe later it changes to \$115 under some program. They can do it. It also amends 88-23 relating to repayment of personal loans to provide that with the exception of mobile home loans all personal loans made under the banking act should be repayable within 145 months. Now this section currently provides all personal loans be repaid within 121 months in approximately equal or declining installments in equal intervals. So we are changing the 121 to 145, changing that equal or approximately equal or declining to equal or unequal to eliminate the confusion there, and that is essentially what the committee amendments do, as I say, bring in the industrials and clear that up, and once that is adopted, Senator Hefner can explain the balance of the bill himself.

PRESIDENT: Senator Hefner, would you wish to speak to the committee amendments?