

interest. Now under the current law the maximum, the monthly payment, now this is talking about equal payments, not this balloon payment concept but the equal payment. If you did it in equal payments you would pay \$279.22 a month. The total payments would total \$33,785.62 and the interest cost for that loan would be \$18,785.62. Now if we add two more years to the maximum length of time that would be allowable for these loans the loan amount is \$15,000. The period of time, the only thing we change is to raise it to one hundred forty-five months, keep the interest rate at 19%, the monthly payments drop a little to \$264.62, they drop around \$15.00 a month to reflect the longer length of time. The total payments go up to \$38,369 and the interest cost goes up \$23,369. So then on a \$15,000 loan the interest cost would go up from \$18,000 to \$23,000. Essentially by extending the length of time, the maximum length two years, we have increased the amount of interest that we Nebraskans could pay \$4,600. We have almost made it so that, well in fact, the interest is 50% again as much as the value of the loan, a \$15,000 loan you would end up paying \$23,000 interest and that is the with the length of time. Now you add to this the option of balloon payments where you end up paying more at the end and, therefore, you are paying less principle as time goes on. The interest cost could even be higher and as the bill is written, I'm not sure but with mobile homes there is, in fact, no limit on the length of time and then we have to ask ourselves how much even greater interest is going to be extracted. If we are going to talk about inflation and inflationary aspects I think increasing the maximum amount of interest on a loan from \$18,000 to \$23,000, a 33% increase in the amount of interest is something that should be taken a hard look at. I do not think that the financial institutions have really justified the rationale for extending the length of time on these loans. These limits are written into law for reasons and I think that before we change those there needs to be more justification. So I move that we go back to one hundred and twenty-one months, a twelve year period for these loans. I think in so doing we could save consumers \$4600, \$4700 in interest. I move the adoption of the amendment.

PRESIDENT: The Chair recognizes Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I would have to rise to oppose this amendment by Senator Fowler and the reason that I oppose it is because it was the intention of this bill to lengthen a hundred and twenty-one payment plan to a hundred and forty-five months. This would be a two year extension and the reason that we want to lengthen this is so that more