

loans will be available to the people that need them and I think this was a fair bill and it is true that we do have the balloon payment on now and I think at this present time those customers that are applying for these loans and need these loans need the balloon payment deal and they also need the extra two months. Senator Fowler said we put no limit on a contract or a loan on a mobile home and this is true, but I am sure that the customer knows this in the contract that he signs with this financial institution, therefore, I would urge you to oppose this amendment.

PRESIDENT: The Chair recognizes Senator DeCamp. The Chair recognizes Senator Goodrich.

SENATOR GOODRICH: Mr. President and members of the body, I just wanted to add a couple of comments relative to the comments that were made by Senator Fowler regarding these loans and the effect of these loans. First of all, let me state that I have no problem at all with LB 214. I intend to fully support the bill. I see nothing wrong with balloon payments. I use that kind of financing structure quite frequently. Whenever I need to acquire a piece of equipment before I am really ready to pay for it, this is the ideal way to buy it, to buy it in such a way to get the lowest minimum output of dollars until you have say finished a contract and you have got the money with which to buy the equipment to pay it off. That balloon payment structure is made just ideal for that kind of an acquisition. I think that should be available to everybody. Now as far as what Senator Fowler points out here which is absolutely correct, mathematically correct, but the one point that did not come out and I thought the body ought to know about it and that is the fact that the average loan in an installment loan operation only stays on the books for about 62% of the time that it was originally set up for. In another words if you set up a hundred loans on the books for say, a hundred and forty-five months, at the end of 62% of the time half of those loans will have been paid off. So the fact that you set up a loan for a hundred and forty-five months doesn't mean that it is going to go that long or even if we set it up for a hundred and twenty-one months it doesn't mean it is going to go that long but at least you make it available to the public and I don't really see anything wrong with making the additional plan available for the convenience of the public. I wholeheartedly support LB 214.

PRESIDENT: The Chair recognizes Senator Vard Johnson.

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I