

rise in support of Senator Fowler's amendment and his amendment in many respects is a relatively innocuous amendment because by virtue of LB 214 the passage of which is probable, any lender will be able to put a balloon payment at the end of the loan. So if you have a hundred and twenty-one month loan you can put a balloon payment at the end of the hundred and twenty-first month so that the balance then comes due. Now right now LB 214 would require a loan to be or would say that the maximum period of time for a personal loan accepting loans for mobile homes would be a hundred and forty-five months. The existing law is a hundred and twenty-one months but with the balloon payment provision which is undoubtedly going to stay in LB 214, there should not be any major problem in going to a hundred and twenty-one months but the value in keeping a shorter period of repayment time, in my opinion, is that it may well serve as a cautionary device for both bankers and consumers, for industrial lenders and consumers and the cautionary device is this. It may cause people to think about the large transaction in terms of a hundred and twenty-month repayment schedule and if that is what is considered, that would mean probably a higher monthly payment amount for both principle and interest than a hundred and forty-five month payment schedule would be and it is important, in my opinion, that the monthly payment amounts be relatively substantial so that persons will not foolishly incur debt during these inflationary times. I get back I guess to my old whipping boy and that simply is that you and I need to do what we can do to curb inflationary pressures and by keeping consumer credit relatively tight, I think that we make a contribution in that line. Right now in this country the rate or personal savings to income is 4%. We have the lowest personal savings rate of any western nation. Only 4% of our personal income is saved. This compares to Japan's 20%, to Germany's 16% and what this very low savings rate means for our country is that we don't have private dollars to invest in capital assets. If we have a bill which in a sense requires repayment schedules to be relatively high thereby discouraging borrowing, what we are encouraging is the deferral of consumer purchases and if we encourage the deferral of those purchases it means that people will have a tendency to save more of their personal income for tomorrow or for the consumer purchase and the higher savings that we have, then the more money we have to invest in capital assets and I think that is what this country needs. In my opinion it is a fairly minor amendment that Senator Fowler has offered but it is a good amendment and ought to be supported.

PRESIDENT: Senator DeCamp.