

PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Thank you, Mr. President. Senator DeCamp, would you yield to a question or two?

PRESIDENT: Senator DeCamp, will you respond?

SENATOR DeCAMP: Sure, of course this is Senator Hefner's bill and I am merely advising or assisting.

SENATOR HIGGINS: Since you are advising, if I buy a mobile home and finance it for twelve years, if I want to sell it after six years would that loan be assumable like so many loans on regular houses are?

SENATOR DeCAMP: Okay, you are in a completely separate area and it would depend. They could make it that way or make any arrangements you wanted there. I would guess in almost every case they would either refinance it or arrange some assumption. I, personally just sold one and, I don't know, there were five or four years left and I just arranged with the bank that they would take the other fellow and I would stay on the paper but basically he assumed it, yes. That is a separate issue not really in the bill although.

SENATOR HIGGINS: In this bill are there any provisions for prepayment to pay the loan off in advance and if so, what kind of a penalty is there on it? Do you know? Or is there anything in the bill regarding that?

SENATOR DeCAMP: You have the general laws on that and one of the things I am hoping if Vard Johnson is listening, is that we address maybe the rule of seventy eights this year. You are familiar with the rule of seventy eights? We were going to redo that particularly on long-term loans. The rule of seventy eights becomes almost a cool killer and probably some bankers up there if there is any listening out there and some other people shudder when I say this but I wouldn't even be adverse to straighten it out on this bill and using this as the vehicle, I, personally. I know Vard is going to address one little aspect of it here in his amendment and I think nobody has any opposition to his amendment but the rule of seventy eights is what you are talking about, right, prepayment using that rule?

SENATOR HIGGINS: Right.

SENATOR DeCAMP: I am all for changing it quite frankly.