

SENATOR BARRETT: Yes, it would appear to me, Senator Landis, that that particular section of the amendment appears to try to circumvent the most favored lender doctrine and my question was simply, why? What is the need? What is the philosophy behind this?

SENATOR LANDIS: The most favored lender doctrine is an attempt by federally chartered banks and federal courts to analyze state law and to make and draw comparisons and where they find comparisons between rates, they will say to a lender, although you may have a strict statutory rate, we find that elsewhere in the state law that governs that area that you do business in a rate that is relatively comparable and since other lenders in that state may use that rate and since you are a federally chartered institution, we will permit you to use any rate that we believe to be analogous to that rate that you operate under in that state. So that the state then has a superior deciding force, juggling its rates, looking to those different rates and trying to draw comparisons and then allowing the federally chartered facilities to utilize whatever rates the feds decide have comparability. In this, I think it is significant to attempt to outline what we intend to be comparable rates and what we do not intend to be comparable rates. If we intended bank credit cards in this state to be used at a rate of 24% we would have put it in the bank credit card rate but we didn't. We created a small loan rate. I would contend this body had no intention at the time it raised the small loan rate that it also was having a concomitant legislative intent to raise the bank credit card rate. I never heard that mentioned once. Nobody in this body, to my knowledge, ever thought they were raising the bank credit card rate when they voted for a higher small loan rate.

SPEAKER MARVEL: You have fifteen seconds left.

SENATOR LANDIS: Because that is the case, because I don't think this body intended for there to be a comparison, I wanted that to be reflected clearly, that it is not our state policy that those two rates are comparable and that if the feds wish to do so, they are doing that without any attempt to analyze state legislative intent.

SENATOR BARRETT: Thank you, Senator Landis, excellent.

SPEAKER MARVEL: There is an amendment on the Clerk's desk. Mr. Clerk. Senator Stoney, you are next on the sheet.

SENATOR STONEY: Thank you, Mr. Speaker, a question of Senator DeCamp if he would respond, please.

SENATOR DeCAMP: Sure.