there any motions on the desk?

CLERK: I have nothing further on the bill.

SENATOR CLARK: Senator DeCamp, do you want to explain the bill?

SENATOR DeCAMP: Well, Vard has an amendment but I will go ahead on the bill for awhile unless he wants to...I'll just deal with the bill for awhile. Mr. President, LB 271 is the result of an interim study conducted by the Banking, Commerce and Insurance Committee this past interim, a study centered primarily around the application of the Uniform Consumer Credit Code, UCCC, to the credit industry in Nebraska. The study reveals that it would not be advisable to attempt a complete restructuring of the credit industry in this state. However, there were some benefits which would have been derived from adoption of the UCCC which could be accomplished through amendment to the existing Nebraska statutes. LB 271 is a result of that study. Specifically, it permits preauthorized loans by the consumer finance industry. These types of loans are offered by other lending institutions and this bill merely establishes parity between the various lenders in the state. We have adopted the committee amendments that make it clear that credit cards aren't to be involved in any way nor intended. The bill essentially provides then that a preauthorized loan would be allowed for these people. What is a preauthorized loan? A preauthorized loan is a loan which is similar in fashion to a line of credit. That is a customer makes the loan application in the normal fashion and qualifies for that amount of credit for which he or she applied. Thereafter the borrower may take either, all or any part of that amount as he or she desires. This type of credit is more convenient both for the consumer and for the lending institution. The loan is one which is easier to set up on a computer basis and does not require a set number and amount of payments each month. Rather it may be paid in equal or unequal installments by the customer depending upon each customer's desire and ability to pay. The bill does not raise rates in any way, and in addition, this type of loan may be prepaid at anytime without penalty depending upon the customer's preference. The disclosure and charges under the loan are identical to the current truth in lending requirements for revolving type credit accounts. Each month the borrower knows exactly how much interest and principal remain as well as the interest rate being charged. This bill is especially a consumer convenience when the customer is financing a purchase which may take place over an extended period of time or in several installments, such as remodeling, and I think