

May 5, 1981

LR 64

and really does not affect most other states because they have been around a lot longer is this 1% arbitrage figure. And what that essentially means is that they issue the bonds say at 10%. Then they can only let out loans at 11% and thus have a 1% margin in which to operate the fund to provide incentive to the banker or the savings and loan to issue the loans and those sort of things and I guess the problem is basically this. They cannot administer the fund with that sort of a restriction. It is simply too much of a burden because we are a new fund and it is not working properly in regards to the fact that it is so new and so it seems to me that we can place restrictions and we can talk all we want to about shutting down these different activities that have been abused but this is a separate case. This is talking about just administering what we now have. It doesn't add anything or take away from the situation but just says the mortgage finance fund in order to operate what we already have has got to have this arbitrage figure changed and that is all we are saying in this resolution. We are not changing anything else. We are not saying it is good or bad or anything about it but we are saying that we have got a fund, it is operating, it cannot continue to operate without a change in that arbitrage figure and we have got a congressional delegation back there that is quite willing to take the lead on this but they would like to have a resolution from the Legislature saying that this is important to us and that is why again, we came in and, again Senator Newell and I sat down. Senator Newell opposed the resolution that we had originally introduced several weeks ago and after we talked to him about it he understood better the situation and I hope that you do now too, that we are talking about one primary problem. We are not talking about going back to the place where we started with this whole thing. We are just talking about taking care of the one problem that has really caused a headache for the mortgage finance fund, has basically stifled the situation and until that is changed we are in trouble with it. So, that is the resolution. That is the change. I am sorry Senator Newell is not here to express why he has changed his mind and is supporting this resolution but let me tell you that it is a very important resolution to the State of Nebraska and the mortgage finance fund.

PRESIDENT: Any further discussion on LR 64? Hearing none, Senator Wesely, I guess that is your opening and your closing unless you have another remark. The motion then is the adoption of LR 64. All those in favor vote aye, opposed nay. Have you all voted? Senator Wesely, what do you wish to do?

SENATOR WESELY: I know my speech enthralled them. They are