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only to those families that have an income of X number of dollars. Senator Newell has picked \$26,000. That happens to be \$2000 less than the current standard applied. So far as I am concerned, that is a very respectable standard. Now if in the next year or two or three inflationary pressures plus tremendously rising costs in housing construction plus increases in interest rates makes more and more housing unavailable to persons of higher income levels, then it may be appropriate for this Legislature to set...to change and to set the income standard. But I really think this is a very appropriate legislative function. It is a function best in a body of elected officials and not a function appropriate to an administrative board. It is for that reason that I can support the Newell amendment.

PRESIDENT: The Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. Speaker and members of the Legislature, I continue to oppose the Mortgage Fund altogether, and the really, really sad thing about the whole affair is that we are self-defeating, we are creating vicious cycles that defeat our own best interests, including the best interests of the homebuilders and the best interests of the people trying to buy houses. And let me try to describe to you two of those cycles that we are creating that make this whole thing ridiculous whether you limit it to low income or not. You issue tax exempt bonds. Who pays for it? It's not the people who buy the tax exempt bonds because you are exempting their income from taxation. Once you do that, the income that is exempted from the taxation of the rich has to be paid by somebody else. It's paid by the middle class American. That's who it's paid by, and you increase their taxes which makes their ability to buy a home more and more the impossible dream, and when you make their ability to buy a home more impossible, you create a worse situation for the homebuilder, you create a greater need for more funds of this same type. You make the government the banker. You rely on the government, and the whole cycle perpetuates itself and you need the government again because you are taxing the middle class and taking away their money so they can't buy houses on the free enterprise market. That's the first cycle. The second cycle is that this kind of a fund is completely contrary to national policy. Why are the interest rates high? They are high because we have high inflation and we are trying to stop inflation. You create this fund which counteracts the national policy which has the effect