

February 8, 1982

LB 778

SENATOR BURROWS: Yes.

SENATOR CLARK: Wait one moment. Senator Vickers, your light has never been turned off. I didn't know what you wanted.

SENATOR VICKERS: Thank you, Mr. President. Mr. President and members, I rise to support Senator Burrows in his kill motion for many of the same reasons as just pointed out by Senator Kahle. It seems to me that what we are doing here is guaranteeing that the banks will certainly make money, and as to how in the world we are going to be able to figure our costs when we consider our cost of interest as part of our operational cost, and by the way that cost is one of the larger costs that at least my operation has any more. Another point that I think needs to be brought out, if it is so great for them to have a variable...the ability to have a variable interest rates changing on ten days notice, then why don't they also get that same provision for people with savings account so that the interest rate that they are paying for their money to an individual that is putting money into a savings account could be on a variable rate and go up right along with the cost of money. If it is fair on one side, it would seem to me that it should be fair on the other side, too, so I am going to support Senator Burrows in his kill motion on LB 778.

SENATOR CLARK: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, if you will look in your book as to the proponents, there is one proponent, Bill Brandt from the Nebraska Bankers Association. There was not a consumer, if he is a consumer proponent, I think we are in real trouble in this legislative body because I don't think we can look to the Nebraska Bankers Association to protect the consumers and consumer interest on interest legislation in this Legislature. I would like to correct some fallacies, I think, presented by Senator Haberman. Production Credit and Federal Land Bank borrow on a national money market. They do have a rationale for variable interest loans but they don't hop around every month or every two weeks or every week which this bill would provide the option to do. There is a strict difference between the way most of the bank's money is purchased. Most of it comes from depositors and is on a fixed rate of interest. That bank has a fixed rate of interest on that CD, on the deposit money in that bank when he makes out his note and there is no rationale that he should quickly be moving because of a small portion of