

February 8, 1982

LB 778

CLERK: 5 ayes, 30 nays, Mr. President.

SENATOR CLARK: Motion lost. We are back on the bill, 778, for the advancement. Did you want to close on the advancement of the bill?

SENATOR DeCAMP: Yes, I will close on the advancement. Mr. President and members of the Legislature, I don't think a closing is necessary from a standpoint of maybe getting votes because I think there is enough people understand it but I think it is necessary from the standpoint of making sure that you do understand this bill because I swear to you this is a pro consumer bill and it is rather depressing to me that a couple individuals are seeing it otherwise. Senator Burrows walks into his bank and says, look, I want a loan, operating loan, for the next eight or nine months for my farm and he says, by golly, I don't want you playing around with any of that variable interest rate. The banker says, fine, Bill, fine with us. We are happy. And Bill says, what is the interest rate? The banker says, well, I don't know what the interest rate is going to be next month or four months from now but I will tell you this, Bill, I know what it is today and I know what I think it might get up to and I am just going to give you an interest rate that will make sure that I don't have any losses. In other words, under the present system he is going to make that interest rate guaranteed high enough for the period of time to make sure there isn't any possibility he is wrong. And so if everybody else is getting their money at fourteen or fifteen or sixteen, Bill is probably going to get his at eighteen or nineteen if he wants the term. The other option Bill has is the banker can say, Bill, I don't know what the interest rates are going to be for six months but I will give you a thirty day note and you can come in and renew it in thirty days. That is where you are at. This is a clearly, strictly optional provision. Bill can insist on the other system and the bank can follow the other system exclusively if they want, and when I say the bank I mean more than just a bank, lending institutions. This is simply an alternative way to lend money and I guarantee you if you will think about it it is clearly pro consumer. Now sometimes you use circumstantial evidence to prove your case and I am going to use a little circumstantial evidence in this one and it goes something like this. Vard Johnson everybody would agree is a pretty bright fellow. Davey Landis is on the Banking Committee as a lawyer and one of the things he specializes and really puts his heart into has to do with interest rates and what is happening there. Peter Hoagland is no dummy. He is a bright young lawyer, too, Harvard, Yale, whatever. Everyone of those