

February 9, 1982

LB 623

the buyer and the seller. That is what the rates are. But we do have the flexibility in the future to make alterations or changes should we desire should conditions change. So, Senator Burrows, on your kill motion be aware of the fact, be aware of the fact that those rates are eliminated. I know you and a lot of others seem to think that there is a 16 percent rate out there because we passed the law, didn't we? Bernice voted for it. I voted for it. Larry Stoney voted for it. My golly, there has got to be a 16 percent law. That has been eliminated by federal preemption. Okay, so start the circle again, number one, we are taking back the control to the state, but, number two, in order to prevent chaos having taken control back, we are saying rates will be at least for right now as negotiated between buyer and seller of money. I think that makes a workable solution now and for the future and we do get state control back. So I would urge you to support the bill and not vote for the kill motion. I think, Senator Burrows, you really don't want to kill this bill. I think the only one that really would be happy, totally happy killing the bill, to be real honest with you, is the banking industry. They would be perfectly satisfied if this bill were dead because then the federal preemptions will take over forever and there will be no rates on the area that they are concerned about.

SENATOR NICHOL: Senator Burrows, did you wish to close?

SENATOR BURROWS: Yes, Senator DeCamp's arguments really don't spell much with me on the idea that we couldn't get this issue handled in the first 60 days of the next session. It is a banking issue that would get top priority in this Legislature and move right across the board, but it would leave it open to moderate the usury rates on the basis of the need at that point. In fact, what it does for the following 10 months or 11 months that are left, it really doesn't change anything. Its impacts don't happen until more than a year from now and there is no need of flying the usury rates off. They could be intelligently discussed at what level in the next session early in the Legislature and meet the federal preemption qualifications. I would urge the body to kill the bill, think this over for the next ten months, and come up with legislation the first of the year that is much more reasonable that would set workable standards on the basis of what the interest rates are in the State of Nebraska and nationally nine or ten months from now. I urge you to vote to indefinitely postpone LB 623. Thank you.

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