

corps deposits such as bankers, such as savings and loans. No one deposits money with the small loan companies. They have to go out and get their money on the market like you or I would have to do. They have been paying up to 19% interest but they could only collect 16% interest over seven thousand dollars. Now you can readily see that you are not going to borrow money at 19 and put it out at 16% interest. They have lost \$2 million attempting that. Now anything over \$25 thousand dollars at the present time is a negotiable interest rate, whatever the borrower is willing to pay and whatever the lender is willing to loan it at. That is true today and banks, savings and loans or any other place including small loan companies, that is not the people that go to small loan companies. Small loan companies take those people that really have no other avenue of credit with a bank or anyone else. Now if they have a necessity to buy something they ought to have an avenue of credit and it should be up to the individual whether he wants to pay 23% or not, not up to a legislator. Now I am sure that Senator Burrows will say let's set this down at a rate that people can afford to pay. I would love to do that but it is an artificial rate, absolutely an artificial rate. Why don't you set it at 10%? Everyone would be happy except that you cannot get any money. You have to set it so that money is available, it is a commodity. You are going to have to set it so that these particular people will have some avenue of credit. Now if they can go to a bank and borrow it at 17% that is fine or 16%, wherever they can do it, but at the present time they cannot do it. I will be glad to answer any questions on the floor on this particular bill. I would move for the advancement of the bill.

SENATOR NICHOL: Senator Hefner.

SENATOR HEFNER: Mr. President, members of the body, I wholeheartedly support this bill that was introduced by Senator Clark and of course now it has been amended but this would boost the interest ceiling on loans made by loan companies and finance companies. I believe that the small loan companies in Nebraska need a little relief. They have had a very rough year. The consumer finance industry has lost a lot of money the past few years. I am told that they lost over \$2 million last year and of course from time to time there are cases in which individuals see benefits from making a purchase at a high interest rate and what are these? Sometimes they may want to settle other debts and so they need to go to a small loan company to get this money or maybe they want to buy some things that they are in dire need of and this happens occasionally. But really I feel that we need to let the citizens