

Really look at the bill. It is 24 and 23 plus 7 and that is 30 and 31% interest. Is playing usury making it legal collectible through the courts? And if this body thinks that people want higher interest rates with that sort of a jump you are doing no one a favor by going to 30 and 31% interest on these small loans. Sure some of the small loan companies have some problems but what about the problems with the people that are borrowing the thousand to seven thousand dollars at 30 and 31% in the future year that aren't going to be able to pull it back either? There is no answer by just raising interest rates again and again across the board in this body to solve our problems of credit. I think it is bad enough when you talk about loan sharks outside the law but what are we making? We're making the lender the legally collectible loans right up with what any loan sharks would ask for outside. There was an article in the Wall Street Journal about a week and a half ago that discussed the states that have taken off the usury rates. Some of them had gone to over 30% on automobile loans. It quoted one lady that had an automobile financed at 52%. The history of this state is such that it has shown some protection for people that were down and out and subject to whatever the lenders would lay on them. The philosophy of this bill is to turn it loose and legally collect any contract that can be worked on somebody that is really short of credit and really needs the money. I would urge this body to indefinitely postpone this bill and if they can't do that to at least amend it downward to where you are not making an impossible pay back situation for everyone that borrows money on a small loan from a small loan company. I think it is ridiculous that we have a measure like this before the body and please look at the bill. It is not 23 and 24% interest. It is 30 and 31% it allows with that 7% originated fee plus some other fees, plus striking language where you could hook in both husband and wife with the higher rates on the lower loans and turning it wide open for other games that can be played in the language that goes in this bill. It is taking away the total concept of consumer protection. I urge you to vote to indefinitely postpone LB 702 and let them come in with something reasonable if they want something reasonable in a future year. Thank you.

SENATOR NICHOL: Senator Cope. Ladies and gentlemen, what I am doing is getting your statements to whether you are speaking for or against it and alternating so that we will have a good mixture.

SENATOR COPE: Mr. President, members, I am against the kill motion. I would agree with Senator Burrows that people, if they are going to pay that amount of interest shouldn't be borrowing money. I think that is what he was saying and I