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LB 606

this. Which means if you want to go in and start a business, ask a bank for the extension of credit, before there is an agreement that contract needs to be reduced to writing so that both parties know what their rights are.

SENATOR PIRSCH: Is this because we have had, as tradition, oral contracts are valid unless they have (inaudible).

SENATOR LANDIS: What we've had is we've had lawsuits claiming that oral exchanges constitute contracts. But the normal practice is this, you want a commercial loan, you want to start a business, you come to see me, I'm a bank loan officer. We sit down, I ask you questions, we track out how you intend to repay it, how much you need, what it looks like to be your monthly costs. And I'm about to take it to my loan committee. I say to you, Carol, this looks good, I think we'll be able to do business. We shake hands. I go to my loan committee, they review it and say, ah, we looked at the financial form but we're not going to approve the loan. I come back and say, Carol, I'm sorry, the loan committee hasn't approved. And you say, Dave, we shook hands.

SENATOR PIRSCH: Okay.

SENATOR LANDIS: You told me that we were going to be able to do business, we've got a contract. I said, no, we don't. And you and I argue about whether a contract exist. Better that we write the contract out.

SPEAKER BARRETT: One minute.

SENATOR PIRSCH: I tend to agree and in fact I don't think I've ever been in a situation where until it was signed, sealed and delivered that I considered that I had a loan. So I appreciate your explanation. Thank you.

SPEAKER BARRETT: Senator Schmit. Senator Schmit, would you care to discuss the amend...Thank you. There are no other lights on. Senator Landis, would you care to close?

SENATOR LANDIS: I'll close. We'll adopt the committee amendments, and then I can try to explain the bill and its purposes fully to the body at that time.

SPEAKER BARRETT: The question is the adoption of the committee