

SENATOR LANDIS: Yeah, I can respond to that, and I can respond to it in this way. In the event the bill does not pass, the future would be very clear, and that is that the S & Ls could be purchased by only very, very large banks. They would have no market to sell off the branches, so that you would take some large bank that now exists, and if it purchases an S & L, a set of S & Ls, it will have an immediate statewide set of branches in every city that those S & Ls exist in, or a large institution out of state would be authorized to buy those institutions. In other words, if the bill does not pass, you take out all of the small banks as players. You take out the prospect of piecemeal branch by branch acquisition, and you make sure that the formation of the new banking structure following the S & L bailout is all in the hands of large, large institutions. Now, if you asked me to predict, all I can say is this, that 956 allows an alternative future to be positive; first, that the RTC might sell on a piecemeal basis and that our smaller banks would be able to purchase; or, secondly, there would be a large first-time purchaser who would then sell branches to smaller banks, and that, by the way, is the more likely of the two. In other words, if you don't pass 956, there is really no future for small bank acquisitions. There will be a large statewide presence for any major S & L chain that might have to be sold, and with 956, you put the small banks into the game.

SENATOR SCHIMEK: I appreciate that explanation and I wonder if you could use the rest of my time, Senator Landis, excuse me, to answer Senator Bernard-Stevens' question.

SENATOR LANDIS: Sure, let me answer, Senator Bernard-Stevens asked the question, well, okay, Dave, I understood you have got this phased-in set of capitalization, but where is the trigger, where does it come from, how does it work? The capitalization standards are federal in source, and I believe it is the comptroller of the currency. I am not sure exactly what the...maybe it is the Resolution Trust Corporation, itself, but a federal regulator sets the phased-in capitalization standards. Now should a bank wish to sell in contemplation of those phased-in limitations, they would go to Cynthia Milligan. Cynthia Milligan would say, wait a second, are you undercapitalized now? Have you failed to meet one of these federal standards? Yes, you have. Nebraska law, 956 authorizes the sale. I am the person who gives the state approval or not. I can see the federal trigger. I can take a look at the balance