

institutions. We also have the problem of helping those institutions in Nebraska who are in the business helping us cope with those problems as well. It seemed to me to make sense that we have in place in Nebraska a policy that would permit, in this case, probably our largest holding company the opportunity to participate in the takeover of those obligations. Also in the process of that, the more we discuss this we understand the problems with a cap that taking over those institutions could create. So right now, rather than going into my support for the first section of the amendment, I would simply rise to say that the bill in its present form as I took as a priority, Senator Schmit's bill, should be approved, and I will discuss in my opinion justification for the first section as well when we discuss the divided question.

PRESIDENT: Thank you. Senator Wesely, please, followed by Senator Schmit.

SENATOR WESELY: Yes, Mr. President, and members, I guess I would like to ask Senator Schmit to yield to a question but I don't see him on the floor. Well, I will frame the question, and when he gets to follow, then maybe he can address that. The question Senator Landis has asked is why do we need the increase from 12 to 15 percent when we can already provide for the RTC failing S & Ls to be purchased by the section of the amendment that we now are looking at. The question I have got is, if the bank holding company that is at over 11 percent, close to 12 percent, purchases a RTC failing S & L, thus going above 12 percent, let's say goes to 13 percent, maybe something like that, then does that get exempted out forevermore from that 12 percent lid so that they can go out and buy a healthy institution, and the answer is, probably not, that it would be too difficult to provide an ongoing evaluation of the exemption so that you would be able to allow that institution to purchase healthy institutions up to the limit that we had envisioned on previous legislation. So here is the problem, if you have a situation where you have got a holding company that wants to look at purchasing a RTC failing S & L versus a healthy institution, a bank or whatever, that they are now able to purchase, which way are they going to go? Well, most likely they will go with the healthy institution. They will most likely buy the bank that is healthy and not be as interested in the failing S & L. And so one of the things I think there may be some virtue in doing both is the question of being able to buy both a healthy and a weak institution, thus making it more