

I bet we stuck in there at the rate specified in Section 45-104. That is our standard delinquency rate. I think it was a drafting error. What they did is they stuck the delinquency rate not at the delinquency period for this statute, but in a bill drafting piece they went in and they stuck it on the due date. My guess is that the reason it's a very distinctive situation, it's a bill drafting error, when the delinquency rate was misapplied to the due date for this kind of district, but that's just a guess.

SENATOR PIRSCH: Thank you, Senator Landis, and I do tend to agree with you that this would probably make it consistent with the other practices that we have in our improvement districts and I will support LB 63.

PRESIDENT MOUL: Thank you, Senator Pirsch. Now recognize Senator Hall.

SENATOR HALL: Thank you, Madam Chair. Just an example that maybe would work that might help clear things up. You have a mortgage payment that is due, at least I do, I don't know, maybe some of you don't have a mortgage payment that is due, and if you don't get that mortgage payment paid, for example, in some cases 10 to 15 days, then you have what they tack on to many of the savings and loan is a late fee and the bond interest could represent the late fee, the rate that the board could set that LB 63 would allow. If you don't then pay that late fee and your mortgage payment, then your loan becomes delinquent at some point in the future. Here, as in statute, it says 50 days down the road. That's the point in time where the 14 percent delinquency rate would kick in. Now in the case of the savings and loan they'd probably try to foreclose on your home, but here what we're talking about is just another step along the way before that delinquency rate kicks in. I mean, granted, you're still due on your payment, it is still owed, but the rate at which it is owed is basically the market rate, the cost of the loan, the cost of the bond. That is all it does and it doesn't put the delinquency percentage into effect until it would be put into effect statutorily any other time for any other kind of improvement. I think it seems much more complicated than it really is. The effect is, is that through the passage of LB 63 you're going to see individuals like this rural road improvement district be able to basically provide improvements to their areas at a more reasonable rate or at least a cost that reflects a more reasonable rate. I would be very supportive and would