

banks says that national banks will have the same structure rights as state banks have. This is contained in the McFadden Act. The McFadden Act goes on to define what a state bank is. And unlike your definition and my definition of a bank, the McFadden Act's definition is broad enough to include savings and loans, which means that national banks operating in Nebraska under the McFadden Act have the same rights for branching that state banks and state S & L's have. In this state, state S & L's have the right to branch de novo. There are 4 state S & L's, none of them have branches, 1 of them has been in existence for over 100 years, none of them have ever exercised these rights, but they have them on the books. Because they have them on the books, national banks, according to this line of decision, have the same rights as state S & L's. Which means a national bank, if they go to their regulator, makes application, will be given the right to branch any place in the state de novo. Now, you can't find exactly a statute that says that, you have to take into account recent legis...I'm sorry, recent judicial action interpreting national law. The first case was in Mississippi in which a national bank asked to do so, the court, in the federal district court system, and then to the appellate court ruled that the branching rights existed for the national bank, and they were granted. This has been followed by action in Missouri and Indiana where courts have allowed de novo branch banking as a response to this situation. Two states faced with similar court challenges took a different turn. Rather than authorizing broad de novo branching, they cut down their state S & L branching rights. Arkansas and Oklahoma did this. Those are the two options, either allow de novo branch banking, or trim your state S & L powers, thereby trimming national banking powers. LB 470, with this amendment, would choose the latter course, trimming state S & L powers which are not now exercised by any state S & L. And say to them you'll have the same branching authority as state banks. State S & L's and state banks will have exactly the same authority and it will be contained in this amendment and in 470; which also then means that national banks will have exactly the same branching rights in Nebraska. We will have foreclosed what has been called the Walthill loophole. A national bank in Walthill that has prepared to make an attempt to get a national regulator to recognize their right to move into Sioux City. That case has not been filed. I understand it is in preparation. What are the pieces in this amendment? First, it closes the Walthill loophole by saying that state S & L branching rights are the same as state banking branching rights. Secondly, there are