

February 21, 1996 LB 965, 1028, 1169

allow; and also to allow the rule, the rights of subrogation to an issuer who has been, who has honored a letter of credit. There are benefits to applicants, and they include warranties on the letter of credit that has been honored, a direct cause of action for fraud or forgery, a requirement of strict compliance with the terms and conditions of a letter of credit clarifies that applicant's right of subrogation to use that as a form of remedy should they be injured in some way in the transaction, and there are benefits to beneficiaries. A letter of credit is now deemed irrevocable unless it expressly states that it is revocable. It allows a timely examination of any discrepancies within a reasonable time to see to it that the terms, pursuant to the letters of credit, have been met. And it allows for attorneys' fees and expenses in the damages that beneficiaries can receive should they need to file suit over letters of credit. Understand that the uniform state law commissioners have announced this rule for the states and that although the Nebraska Bankers Association was neutral at the time of the public hearing, they are now supportive because they have had a chance to meet and endorse this change in our law. I would urge the adoption of 1028.

SENATOR CROSBY: Thank you, Senator Landis. Discussion on LB 1028. Seeing none, Senator Landis.

SENATOR LANDIS: Let me close by saying that the State Chamber of Commerce also endorses LB 1028. They didn't at the time of the hearing because it was an early hearing, but they've had a chance to meet, review the provisions, and endorse it. I would ask for the advancement of LB 1028.

SENATOR CROSBY: Thank you, Senator Landis. You've heard the closing. The question is the advancement to E & R Initial of LB 1028. All in favor vote aye, opposed no. Record please.

CLERK: 26 ayes, 0 nays, Madam President, on the advancement of LB 1028.

SENATOR CROSBY: Mr. Clerk, do you have items for the record?

CLERK: I do. Education Committee reports LB 1169 as indefinitely postponed, that's signed by Senator Bohlke. Priority bill designations: Senator Dierks, as Chair of Agriculture, has selected LB 965 as the second committee