

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

January 21, 1999 LB 107

(Read title.) Bill was introduced on January 7, referred to the Banking Committee, advanced to General File. I have no amendments to the bill, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. The Chair recognizes Senator Pedersen.

SENATOR DW. PEDERSEN: Thank you, Mr. Lieutenant Governor and members of the Legislature. LB 107 is a bill that makes minor modifications to the State Credit Union Act. It is my understanding that, during the 1996 recodification of this act, two longstanding provisions were inadvertently dropped. One of these provisions allows credit union officers a 30-day grace period during which they can act in the capacity of a loan officer while the Department of Banking processes their loan officer license application. The other provision relates to compensation of officials to clarify policies so that the smaller credit unions may utilize the same person who runs the day-to-day operations of the credit union as secretary-treasurer of the board of directors without being penalized. In addition, this bill updates the retirement plan powers of state-chartered credit unions to include the recently created medical savings accounts, educational and Roth IRAs. It also provides credit unions parity in terms of offering pre-need burial accounts. Currently, Nebraska credit unions are only...are the only federally insured financial institution prohibited from offering pre-need burial accounts, which consists of funds held in trust for the payment of funeral-related expenses. Adoption of this measure would allow federally insured credit unions to accept funds and act as trustees pursuant to the Nebraska pre-need burial sales account. Thank you.

PRESIDENT MAURSTAD: Thank you, Senator Pedersen. Chair recognizes Senator Landis.

SENATOR LANDIS: Thank you, Mr. President. This came through the Banking Committee on Tuesday and you'll see that the State Bankers Association appears in a neutral capacity. This pre-needs burial provision in the bill they raised a question on, but they took a neutral stance and they wanted to do some more checking, and that was pre-need burial accounts now are held all by institutions that have FDIC backing and credit