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FLOOR DEBATE

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amendment on page 37 by striking lines 8 through 20. While it's a simple amendment, it might take me a minute or two to explain it. As Senator Mines mentioned, the original version of the bill, as introduced, would require banks and savings associations to have federal deposit insurance on accounts...or of accounts, but it said there will be no impact on existing entities as currently all but one of these institutions have such insurance, and the bill proposes to grandfather the one existing uninsured savings and loan while continuing the existing customer notice provisions regarding the lack of insurance. And I'm simply putting the grandfather clause back in, as the bill was originally introduced, and deleting that language, the grandfather clause...or the elimination of the grandfather clause language from the committee amendment, and I do this for several reasons. There's only one state-chartered mutual building and loan company that this would apply to, and it happens to be up in Benson, and this company called me the other day and they indicated that if this amendment goes, they would not be able to afford the assessment put on them by the federal government and they would actually close and cease doing business. So my objection to this being in the committee amendment was that it was not in the original bill so there was no benefit of a hearing to this entity that is being impacted. I was talking to the committee counsel, who's been here a number of years, to the Banking and Insurance Committee and he mentioned that in the mid-eighties this provision was put into statute that required all entities, banks and savings and loan associations to have FDIC insurance. And he mentioned that this company, it's called Metropolitan Savings and Loan, they came to the Capitol and they brought literally two busloads of their account holders, and in this type of an entity an account holder is actually an owner of the company, and they brought two busloads down here of account holders and asked for this grandfather clause which would allow them to continue to remain in business without insurance, provided that the entity gives notice once a year to the account holders. And so what I'm simply doing with this amendment is striking the language in the committee amendment that takes away this grandfather provision. I'm simply maintaining the status quo, as was established a number of years ago, that grandfathered this...these entities in. As times...as time has evolved and gone on, these entities