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FLOOR DEBATE

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there was no requirement that they evolve or change; they simply maintain the business on a going-forward basis. Let me tell you a little bit about the bank, and the name of the bank is Metropolitan Savings and Loan Association. It is a state-chartered mutual building and loan. It's the only one in the state. This bank makes only first mortgages and they make first mortgages where they require at least a 10, 10 to 25 percent down payment, so they make very secure first mortgage loans. They...in fact, they have probably the most conservative loan to value ratio in the entire state. The federal government requires a 2 percent loan to value, this is called reserve to asset ratio, and Metropolitan has an 11 percent reserve to asset ratio. The liquidity that they have, which is the 11 percent, that is invested in other banks. It's invested in CDs at other banks who do have insurance. All the other assets of the bank's...all the bank has, other than the first mortgages and the liquidity, is in the form of drawer cash, and that's covered by the bonding scheme that everybody knows about. Again, Metro, this bank, only loans on houses. They don't do any risky loans, and that's the reason that we've put in the requirement everybody have insurance, so that you risk...you loan on cattle or you loan on land speculation, things of that nature, it makes it more risky. Well, this isn't that. So again, I'm simply saying that if we, in an Executive Session of a legislative committee add a requirement without the benefit of a hearing that's going to close an entity down, I think that's inappropriate and I'm asking for your support on this floor amendment to the bill. It would maintain the status quo. The shareholders, the owners of this institution, are aware of this and I think it's a reasonable request. And I'm a little surprised with Senator Mines. I did speak with him yesterday and he...maybe I, in my youthful enthusiasm I misinterpreted, but as I understood it, he was supportive of this concept yesterday. But again, I'd like all of you to ask yourself, is it appropriate to do this, to put this on a business that in a sense they tell me it's going to, the assessment, will cause them to close? They won't...they just will cease to exist. They'll sell the loans or whatever. But is it appropriate to do this without giving them a voice down here in the Legislature, and I suggest it's not. So I ask for your support of this floor amendment to the committee bill...or the committee amendment,