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these transactions.

SENATOR CHAMBERS: And this is typical and ordinary and well understood in this area of financial dealing?

SPEAKER BRASHEAR: This is usual and customary commerce, yes.

SENATOR CHAMBERS: Now, what is the difference between securitized, capitalized, and...okay, what's the difference between those two, if there is any difference?

SPEAKER BRASHEAR: Or if I know.

SENATOR CHAMBERS: Well, what does "securitized" mean?

SPEAKER BRASHEAR: "Securitized" means that you...that there is some...something behind the undertaking, whether it be a promise, a pledge, collateral, or cash,...

SENATOR CHAMBERS: Okay.

SPEAKER BRASHEAR: ...or cash equivalents.

SENATOR CHAMBERS: Okay.

SPEAKER BRASHEAR: That's "securitized." That's a very broad term.

SENATOR CHAMBERS: And it goes beyond simply collateral, because you said it could just be a promise or something like that, and collateral has to be something that can be liquidated, correct?

SPEAKER BRASHEAR: Yes, I think we are on...generally speaking, on the right track.

SENATOR CHAMBERS: Okay. Now on the next page, when we get into line 1, "Any expense associated with any bond insurance policy," where does the insurance policy come in, and why is that necessary, in view of the arrangement you and I just discussed?

SPEAKER BRASHEAR: This is a way of spreading risk. This is an