

ONE HUNDRED SECOND LEGISLATURE - FIRST SESSION - 2011
COMMITTEE STATEMENT
LB77

Hearing Date: Monday January 24, 2011
Committee On: Banking, Commerce and Insurance
Introducer: Pahls
One Liner: Change debt cancellation contract and debt suspension contract provisions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pankonin,
Pirsch, Utter

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Rich Pahls
Polly Biehl
Robert Hallstrom
Loy Todd

Representing:

Introducer
Central States of Omaha
NE Bankers Assn
NE New Car & Truck Dealers Assn

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB77 (Pahls) would amend provisions regarding installment sales and installment loans.

Sections 1 and 2 would amend sections 45-335 and 45-336 of the Installment Sales Act to:

(1) provide that debt cancellation contracts and debt suspension contracts are included in the definition of "basic time price" and therefore may be financed;

(2) provide that electronic title and lien services are included in the definition of "basic time price" and in the description of the installment sales contract and therefore may be financed; and

(3) provide that installment sales licensees, as well as financial institutions, may enter into debt cancellation contracts and debt suspension contracts.

Sections 3 and 4 would amend sections 45-1002 and 45-1024 of the Nebraska Installment Loan Act to:

(1) provide that installment loan licensees, as well as financial institutions, may enter into debt cancellation contracts and debt suspension contracts; and

(2) provide that fees and expenses charged for electronic title and lien services may be included, in the principal balance

of the loan.

Explanation of amendments:

The committee amendments (AM76) would amend the provisions of section 45-1024 in section 4 of the bill to correct an oversight by providing that an internal reference to a federal regulation is the regulation as it existed on January 1, "2011" rather than as it existed on January 1, "2006."

Rich Pahls, Chairperson