

March 7, 1984

LB 1026

SENATOR DECAMP: Well, rather than me give you my description, let's get the exact standards from the Banking Department. If you give me two minutes, the Banking Director...

SENATOR CHAMBERS: Sure.

SENATOR DECAMP: ...is in the back of the rotunda, I will bring him...I mean I will go get an exact definition of when it is insolvent.

SENATOR CHAMBERS: Then let me ask you a different question so you won't have to do that. Do you really mean to say that the only time the provisions of LB 1026 will come into play is when an institution is insolvent? Now you didn't really mean that, did you?

SENATOR DECAMP: I did not say that.

SENATOR CHAMBERS: What did...say what you said or what you feel you said.

SENATOR DECAMP: I said it was insolvent or I said language, I said words to the effect that or when it was in danger of failing, becoming insolvent, reasonable danger of that.

SENATOR CHAMBERS: Mr. Chairman....

SENATOR DECAMP: The debate will reflect that for you.

SENATOR CHAMBERS: Thanks, Senator DeCamp. Mr. Chairman and members of the Legislature, 1026 refers to other sections of the banking law, Chapter 8-1506 to 8-15...something or other, and in 1506 and 1507 you find these reasons or bases for an institution to justify the declaration of an emergency, capital is impaired, without giving any guidelines as to what impaired capital means. So it is a basis for a subjective judgment by some banking director who may want to have a certain institution taken over. The banking director is appointed by the Governor and the third member of the trio is the secretary of state who may belong to a different political party. But in any form of election