

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
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March 27, 1997      LB 452, 555

further?

CLERK: Nothing further.

SPEAKER WITHEM: Senator Wesely, do you have closing? Closing is waived. The question is, shall LB 452 be advanced? All of those in favor vote aye. Opposed vote nay. Record, Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on the advancement of 452.

SPEAKER WITHEM: LB 452 advances. Mr. Clerk, LB 555.

CLERK: (LB) 555 by Senator Landis. (Read title.) The bill was introduced on January 21, referred to the Banking Committee, advanced to General File. I have no amendments to the bill, Mr. President.

SPEAKER WITHEM: Senator Landis, to open on the bill.

SENATOR LANDIS: Mr. Speaker, members of the Legislature. Advanced unanimously by the Banking, Commerce, and Insurance Committee, this bill was supported by the Nebraska Financial Services Association. It makes some changes in our installment loans. These are loans that you'd pay back in increments. First, it says the default charge shall not exceed five percent of the installment. Secondly, our current five-day provision for delinquency charges is raised to ten days. So if you are delinquent the fee kicks in at ten days, not five. The increase on the bad check charge goes from 5 to 15 dollars under this amendment, and it requires the disclosure of the maximum amount of the prepayment penalty. There are occasions where you have prepayment penalties and this says you have to disclose the total amount, the maximum amount of that penalty. The reason that we use the maximum is because in some cases, they're figured on a daily basis, and it would be hard to tell them the exact amount. This says, look, this is the maximum you're liable for. And lastly, it defines the principle amount of a loan to clarify that a licensee, a holder of this kind of license, may not charge a new origination fee when it rolls over, alone, that had an origination fee to begin with. It's a mixed bag. In some cases fees go up, but in other cases