

## LEGISLATIVE BILL 623

Approved by the Governor March 24, 1982

Introduced by DeCamp, 40

AN ACT relating to interest; to provide an additional exception to the limitation of the rate of interest; to reject the federal provisions on interest rates as prescribed; to amend section 45-101.04, Revised Statutes Supplement, 1980; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 45-101.04, Revised Statutes Supplement, 1980, be amended to read as follows:

45-101.04. The limitation on the rate of interest provided in section 45-101.03 shall not apply to:

(1) Other rates of interest authorized for loans made by any licensee or permittee operating under a license or permit duly issued by the Department of Banking and Finance pursuant to subsection (4) of section 8-319, sections 8-401 to 8-417, 8-815 to 8-823, 8-825 to 8-829, 21-1760 to 21-1764, 21-1766 to 21-1796, 21-1799 to 21-17,108, 21-17,110 to 21-17,119, 45-114, 45-116 to 45-140, or 45-142 to 45-155;

(2) Loans made to any corporation, partnership, or trust;

(3) The guarantor or surety of any loan to a corporation, partnership, or trust;

(4) Loans made when the aggregate principal amount of the indebtedness is twenty-five thousand dollars or more of the borrower to any one financial institution, licensee, or permittee;

(5) Loans insured, guaranteed, sponsored, or participated in, either in whole or part, by any agency, department, or program of the United States or state government;

(6) Loans or advances of money, repayable on demand, which are made solely upon securities, as defined in subdivision (12) of section 8-1101, pledged as collateral for such repayment and in which such loans or advances are used by the borrower only for the purchase of securities as so defined. It shall be lawful to contract for and receive any rate of interest on such

transaction as the parties thereto may expressly agree;

(7) Interest charges made on open credit accounts by a person who sells goods or services on credit when the interest charges do not exceed one and one-third per cent per month for any charges which remain unpaid for more than thirty days following rendition of the statement of account;

(8) A minimum charge of ten dollars per loan which may be charged by the lender in lieu of all interest charges; or

(9) Loans described in subsection (4) of section 8-319 made by a state or federal savings and loan association at a rate not to exceed nineteen per cent per annum; or =

(10) Loans made primarily for business or agricultural purposes or loans secured by real estate when such loans are made (a) by a licensee or permittee operating under a license or permit duly issued by the Department of Banking and Finance, (b) by any bank or savings and loan association chartered by the United States, or (c) by any lender approved by the Federal Housing Administration or Veterans' Administration.

Sec. 2. The federal limits on interest rates as provided in P.L. 96-221 shall not apply to loans, mortgages, credit sales, and advances made in Nebraska and are hereby rejected by the State of Nebraska pursuant to this act. The State of Nebraska elects to retain the power to establish or not establish usury limits provided under the Nebraska statutes and the Nebraska Constitution and retains the power to have such limits, if any, apply to any loan, mortgage, credit sale, or advance made in this state after the effective date of this act.

Sec. 3. That original section 45-101.04, Revised Statutes Supplement, 1980, is repealed.