

LB 141
January 22, 1973

SENATOR WILTSE: I do.

SENATOR WHITNEY: I notice in the amendment also that no bank could take a lien on certain properties. Is this something additionally in the amendment and what would be the reason for it being that way?

SENATOR WILTSE: It is already covered in the original contract that is made by the individual in the purchase of particular property so we felt it wasn't necessary to have this extra statement on.

SPEAKER: Is there any further discussion? Senator Schmit.

SENATOR SCHMIT: Mr. President, members of the Legislature, I would like to ask Senator Wiltse a question.

SPEAKER: Senator Wiltse, do you yield?

SENATOR WILTSE: I do.

SENATOR SCHMIT: Will you explain to me exactly how this relates to mobile home financing, if it does that?

SENATOR WILTSE: Up to the present time, there has been no proviso for extending the period of time for those that are in need of financing of mobile homes specifically. They have been covered only through 85 month and we have extended the period to 121 months so as to reduce the principal payment that has to be made by the individual. In some cases, this is unbearable and will aid those that are not able to pay as high a principal payments as has been established before.

SENATOR SCHMIT: Do you have any knowledge as to the quality of these homes financed with this and is there reason behind this that the banking industry does not want to finance those homes for a longer period of time, perhaps due to the low-- or short life of the homes. I've had some complaints about some of these homes that were financed. In two or three years time, they were total wrecks and the financing institution was stuck or else the home owner was stuck. I think, perhaps, we should take a good look at this to determine if, in the course of events, we may not be making the financing institutions liable for a far greater amount of money than they would like to be because of the low quality of some of these homes.

SENATOR WILTSE: This is an optional bill with the financing companies and it is not obligatory for them to accept any loan that they don't want to accept. (Inaudible). This is basically the same as the automobile loan except the automobile loan is for a shorter period of time.

SENATOR SCHMIT: Is there any guarantee on these homes when they are financed as to the quality of workmanship? Are they inspected or how is it handled?

SENATOR WILTSE: All homes are inspected and have to meet the standards that are specified by their organization.

SENATOR SCHMIT: What recourse do we have if the home after being financed happens to deteriorate, does not stand up under the normal wear and tear that we should expect of it? Do we have any recourse?

SENATOR WILTSE: Are you talking about homes or mobile homes?

SENATOR SCHMIT: Mobile homes.

SENATOR WILTSE: Of course, this does not specify specifically anything to be financed but does provide the facility so it can be expanded from the 84 months to 121. This was the thought that was brought up relative to mobile homes and does not apply to them specifically.