

PRESIDENT: Back to you Senator Hasebroock.

SENATOR HASEBROOCK: Mr. President, members of the Legislature, I move that LB695 be advanced to E & R Initial. The purpose of LB695 it just makes a slight extension in section 821 of the Nebraska relating to the charges of which are now permitted to be added as charges for cost to be added in addition to the interest charges on the loan. At the present time some cost may be added to a loan such as filing fees for filing documents. This bill will add three additional items which may be added as costs and charges in addition to premium charges. These appear in subsections 4 and 5 and 6 of section one of the bill. This includes the actual cost of non-filing insurance for credit life, sickness insurance policies or for either and other charges already permitted in sections 82222. Under present banking practices, it is a rule that credit life, sickness and accident insurance policies are required by the borrower in conjunction of obtaining the loan. But no charges may be added now because of the addition of these charges which will make the loan usury. The purpose of this bill is to permit the lender to add these items to the loan.

PRESIDENT: Any further discussion of the bill? Senator Nore.

SENATOR NORE: I would like to ask Senator Hasebroock a question if he would yield.

SENATOR HASEBROOCK: Yes.

SENATOR NORE: Now this is not...this is up to the discretion of the man or the bank who is making the loan if he is credited if it is very high, he doesn't have to take this insurance?

SENATOR HASEBROOCK: This is at the option of the borrower. He has the right to, he has the right to not even take it from the bank. He can take it from his insurance.....

SENATOR NORE: It is ~~ft~~ on a competitive basis?

SENATOR HAWBERROOCK: That is right.

SENATOR NORE: So if a bank doesn't have to do this, he can if he wants to. It is permissive. A lot of them want it and then want it put on with one payment along with the interest charge.

SENATOR HASEBROOCK: Yes, many of them want it and then put in on with one payment along with the interest charge, that is right.

SENATOR NORE: The thing that I was getting at if your credit is good, you don't need to be concerned?

SENATOR HASEBROOCK: That is right.

PRESIDENT: Any further discussion of the bill? Question is then shall LB695 as amended be advanced from General File to E & R Initial. All those in favor will vote aye, those opposed will vote no. You are voting on the motion to advance LB695 as amended.

(end belt #11)

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