

it somewhat documented that the small loan business was being destroyed in the State of Nebraska, was failing, was not serving the public as well as it should be served to this particular segment that uses these people, the Committee on Banking held an interim study and came up with legislation that totally and completely rewrites the small loan laws of the state. That is what you have on your desk in the form of the amendments and the explanation. So, in dealing with the bill, because the amendments are so major, I would prefer to give a summary of the overall legislation by saying it rewrites the small loan laws on the basis of a consumer oriented package balanced with the needs of the industry to be able to lend sufficient money at sufficient interest rates, over sufficient periods of time, to operate, hopefully, in a profitable position, because any business or industry that operates in an unprofitable position ultimately fails. Some of the major...major things involved in this legislation is a complete elimination of the rule of seventy-eights, which over the years has destroyed any possibility of changing the legislation, and has been the anathema of consumers, an elimination of revolving credit, or open-end credit, as it's commonly called, a new interest rate structure in ceiling involving higher amounts and lower rates. Finally, and maybe most important, a series of consumer protection portions, or elements, that are probably, so far as I can learn, so far as people that have studied this can learn, unlike any other in the United States, unlike any other laws in the State of Nebraska at this time. Now, why are we putting these in? Why is the industry, the small loan industry, walking forward with probably the strongest consumer protection legislation of any state in the United States, in the area of small loans? Because they realized this was the only way they were going to get legislation passed, which could save this industry, and which could give them the opportunity to loan money in the state under ways that they can survive. So how did these negotiations come about and what happened? Senator Johnson, who has been in legal aid work, legal aid groups from across the state who have traditionally opposed this legislation, gentlemen like Senator Fowler, Senator Hoagland, any number of individuals who have an interest in this subject, have had meetings, discussions, confrontations, quite frankly, and compromises and settlements. So what you're going to have offered to you today is the summary...the summary, of all these confrontations and settlements, and I think I can safely say that both sides, or the principals of both sides, have accepted all the amendments that are up there. Now, it's my understanding that Senator Fowler will offer an amendment to one of these amendments to make one change and we'll deal with that when the time comes. So with that explanation, generally,