

April 12, 1979

LB 390

decide to renew it and extend it for another year, or whatever. I think that the general policies and interest of the people as we approach the twelve percent interest rates that the questions are always there whether we're helping people out by giving them loans at higher interest rates and the problems that go with repaying these rates, and the general public, I think, historically has been protected in this state with moderate usury rates and I think it would just be good business for this Legislature to make the proponents of higher usury rates come before us year by year to make these increases and allow the interest rates to return to eleven percent at the end of August, 1980...a sunset provision for the increase on the usury rate, and I so move that this provision be included in the bill. Thank you.

SPEAKER MARVEL: Senator Cope and then Senator Murphy.

SENATOR COPE: Mr. President and members, I really don't believe that we need this. Competition is going to take care of the rate that people pay for money, and it's as simple as that. It's like any other commodity. If it's short it costs more and if you have an abundance it costs less, and there is no other way in the world to figure it. It's the same as a bushel of corn or a bushel of wheat, and I think this is unneeded, an unneeded amendment. We do need a raise in the usury rates. Money is flowing out of the state and it will continue to flow out and that is going to hurt the State of Nebraska, homebuilding, any variety of different businesses. Now it's unfair from the reason that a large corporation, a large business, can borrow money today and they pay whatever rate is necessary. Who this is really hurting are the people who are buying homes, small businesses that are trying to keep the doors open. So I don't like higher rates any more than anyone else, but I think it's a fact of life and I think we should accept it. We have to accept it if we're going to continue the economy in Nebraska.

SPEAKER MARVEL: Senator Murphy.

SENATOR MURPHY: Well I think that probably what Senator Burrows is saying is true. This Legislature should by all means be watchful and aware of what is happening in the economy today. This morning the news was that the federal government had just issued 9.4 percent tenure instruments which is the highest rate of interest that they had ever had to pay for them. Now what Senator Burrows is suggesting I think this Legislature could accomplish