

April 24, 1979

LB 87

round approval which raises interest rates generally from 11 I think to 12½ percent. During that discussion I heard comments made that the raise should have gone to 12 percent, if one was needed, and the extra half percent was there just in case. Then as often happens, a stratagem was worked on the Legislature, a shell game, slight of hand, by which the emergency clause was added to give that half percent immediately. I can see something which I think is devastating to the consumers and the public by these interest bills which are constantly benefiting those who are in a position not to need the help while hurting those who need it. The interest rate for those who have to loan we were told, who have to borrow, must be raised because the small loan companies are in trouble. Ironically, near the same time that that argument was being offered in the Legislature, an article came out in the paper which said, now borrowing in Nebraska is above the national average. If there is more borrowing in Nebraska than the national average, it would seem to me to indicate that these loan sharks and others do not have the problem they say. Senator DeCamp, you can quit pacing. You'll have your opportunity. What this atrocious bill does, and I'm talking about the bill not the introducers necessarily, raises the amount that the gougers can loan from \$3,000 to \$7,000. On the first \$1,000 the interest rate is 24 percent, above \$1,000 but less than \$5,000 it's 18 percent, then from \$5,000 to \$7,000 it's 15 percent, and the length of time for the loan has been extended from 36 months to 60 months. I think this is a bill, despite the fact that it was called a compromise, which gives everything...everything to the gougers and nothing to the public. I had read an encouraging article this morning in the paper, or yesterday, it was called to my attention this morning where the lobbyists now feel that they've got to give valid information and persuade senators minds before they can count on a vote. The way this bill went through the Legislature I think it was prior to that particular phenomenon occurring. This bill cannot justifiably be enacted by this Legislature. I think all of the arguments that were given, such as people needing a small loan company to go to in order to buy a car, and I forget the other kind of arguments they gave, carry no water. They are like arguments with no legs of their own to stand on. One thing I believe the Legislators ought to be aware of, if you purchase an automobile and go to a small loan company for financing, the loan company is not likely to assume responsibility for the car functioning as it should. So if you happen to purchase one of these lemons and sometimes new cars can be that, you have to deal with the dealer from whom you purchased the car, and