

January 11, 1980

LB 306

what the problem is. You know when I looked at this bill, Senator Johnson, I didn't look at it from the point of view of historic precedent because that didn't mean much to me in light of the equity of what I thought were the equities of the bill.

PRESIDENT: About a half a minute, Senator Johnson.

SENATOR BEUTLER: You know, it is related to a very simple principle. You borrow money. You tell someone you pay them back, you should pay them back. You know, it is as simple as that.

SENATOR JOHNSON: I understand that. I understand that. My comments are these. I'm glad I had this little colloquy with Senator Beutler. He at least has cleared up some of the ambiguities in the drafting by indicating that the word "joint owner" does only include joint tenancy property with right of survivorship and not tenancy in common. The concept of net contributions is still totally ambiguous. It has not been defined. It has not been worked out and finally, the statute itself at least has some possible unconstitutional antecedents that certainly ought to be examined.

PRESIDENT: The Chair recognizes Senator Dworak. All right, the Chair recognizes Senator Cope.

SENATOR COPE: Mr. President and members, I support 306 for the reason that we criticize the lending institutions for a lot of things but remember this, all of us. If you have \$5.00 or \$10,000.00 or any amount of money you wanted protected when it is in the bank or any lending institution and the only way that this institution can protect the money that you have in their bank is to not take any risks and I see a possibility of risk without 306. Not too many years ago it was much simpler. With the new federal laws as I understand it, it is a little more difficult and much more stringent. I see it also in the sense as a customer protection bill and that may sound strange but here is the reason. Any time that a lending institution thinks they may have any problem whatsoever when someone comes in to borrow money, they are going to have to charge a higher rate for the risk that is involved and I don't think we are protecting them when we do that. I think that that is one of the reasons for this bill and possibly in some cases, not get a loan at all when they need it desperately. I think this 306 is a good bill. I think that we should support it.

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