

to be to protect themselves. Now the banks know what current law is and if they are so eager to make a loan to somebody and have the husband's share of the house be security for that loan, they can very well go out and get the husband's/wife's permission before extending that loan to the husband. What the financial institutions are asking basically is that they can sign up the family homestead, half of the family homestead as security for a loan without getting the wife's permission ahead of time. Now why don't they want to do that? I mean it seems to me that there is nothing wrong with requiring the banks to do that. I think that we have days of easy credit in our society and I think credit is too easy to get anyway and all this provision is going to do is it is going to make the banks more willing to loan money because they know the debts are going to be even better secured and it is going to be at the jeopardy of prospective widows or prospective widowers around the state who will have no idea of that transaction and have no realization of that security's being tied up. So I would urge my colleagues to vote to indefinitely postpone this bill this morning. Thank you, Mr. Speaker.

PRESIDENT: The Chair recognizes Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I would like to respond to the remarks of Senator Hoagland that he just made. Senator Hoagland remarked that banks should know very well the law in a way that widows or widowers would not and that it would be an easy matter for banks to secure the signature of spouses on loans made and that may be Mr. Hoagland's representation. However, that does not show a particularly widespread knowledge of federal regulations on exactly this issue. Federal regulation (b) which is a banking financial institution regulation, indicates in the congressional intent that a creditor may not request any information concerning the spouse or former spouse of an applicant and the way that the language of regulation (b) has been interpreted by the comptroller means that a bank, lending institution, may not compel the signature of a spouse and what is an unfortunate part of the public debate so far on this issue, is the idea that the banks have the easy response of securing the signature of the spouse as an adequate protection and as a giving of knowledge that the loan is being made. In fact, banks may not compel, may not require the signature of the spouse. As a matter of fact, they may not ask a loan applicant to have their spouse come in and sign the loan. Only if the person who is about to make the loan volunteers the spouse