

February 7, 1980

LB 491

SENATOR DWORAK: I have a question of Senator Fowler.

SPEAKER MARVEL: Senator Fowler, do you yield?

SENATOR DWORAK: Senator Fowler, you mentioned other reasons that they may allow a new bank in a community other than convenience of additional location, what would some of these reasons be?

SENATOR FOWLER: I guess....

SENATOR DWORAK: It says, "in effect", I am having a little problems with the intent of the amendment.

SENATOR FOWLER: I was talking about reasons to refuse the charter application, if they did not meet any of the....

SENATOR DWORAK: What are some of those reasons that they would refuse a charter application other than...go ahead, what are some?

SENATOR FOWLER: I would assume inadequate capitalization would be one. A question of whether or not they could in fact, the people applying, could maintain the bank charter and maintain the bank services would be an example of a reason they could be turned down.

SENATOR DWORAK: Reasons for asking for an additional charter might be not enough convenient locations from existing facilities, would that be a possibility of a reason for that new charter?

SENATOR FOWLER: Yes, I was talking about reasons for denial, that they could deny it for any of the other reasons but they could not deny it simply because there is also an application for an auxiliary teller. It would give a preference, if you are asking the question, it would give a preference to a new charter over an auxiliary teller as far as convenience.

SENATOR DWORAK: Is this desirable for the community to split that capitalization and split that base so that you would have a smaller capitalization which would result in the existing bank's diminishing ability to make loans?

SENATOR FOWLER: I think that is exactly the issue we are facing. Do we want...let's take Lincoln as a community. Do we want basically to have ten or twelve chartered banks, let them expand into new tellers, and those ten or twelve