

March 4, 1980

LB 966

similar or identical system for the state banks in the State of Nebraska. Now for those of you who are concerned about negotiable orders of withdrawal, about all I can say to simplify it is, they are used out in the eastern states. A typical example and it isn't identical, but a typical example might be the program set up by, I think, First Federal of Lincoln where you had a savings account and you could also have a system whereby you wrote a check or the equivalent of a check on a bank and your account was drawing interest up until such time as they took that particular portion out to cover the check. If such a system is set up by the federal government and it appears it will, then this would direct and authorize the State Director of Banking to set up a similar system or allow it here. The second portion of the amendment seeks to save money, expedite bank examination. The State Banking Department has the direction and the authority and the burden and responsibility to examine our state banks. The Federal Deposit Insurance Corporation also examines these banks. The purpose of the amendment is to give direction and authority to the Director of the Department of Banking to have an examination, physical examination, every two years and in the other year utilize the Federal Deposit Insurance Corporation examination and, of course, bill the bank for both examinations and get paid. It also gives the bank Director more discretion in assessing or determining how much a bank should pay for an examination. Reason...sometimes a million or two or three million dollar bank might be paying an exorbitant amount of their total profit and income for the bank examination. So this would give the Director of Banking some discretion to make judgments on the basis of assets, for example, in the bank in the terms of computing costs, man hours, or time spent in the examination. Remember, we are talking about something that is paid for by the banks themselves. Banks pay for those examinations and we want a system that is as efficient, as accurate and economical as possible. We believe these additions will provide that. The committee amendments themselves merely give this same authority to the Banking Department to use this same system for credit unions which were left out and which we feel, since they have the responsibility for examining, these should be included. That is the bill. Those are the committee amendments. I would urge adoption of the committee amendments and then advancement of the bill.

SPEAKER MARVEL: The motion is the adoption of the committee amendments to LB 966 as explained by Senator DeCamp. All those in favor of adopting those amendments vote aye, opposed

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