

March 5, 1980

LB 279

The Rule of 78s inevitably works to the advantage of the creditor and to the detriment of the borrower and we have concluded collectively that the Rule of 78s ought not to be a part of the small loan practice because last year we specifically replaced the Rule of 78s with the actuarial method of calculating the interest allowance on an early payment of a loan. It would seem to me only fit and proper that the same rule apply across the board to industrial loans, to personal bank loans and to revolving, I am sorry, and to retail installment loans, retail sales installment loans. That is what this amendment does. It simply replaces the Rule of 78s that still exists in our statute with the actuarial method for computing interest allowances on an early payment of a loan. I would ask this support for the amendment.

SPEAKER MARVEL: Are you passing the amendment out now, Senator Johnson?

SENATOR JOHNSON: Yes, the amendment is being passed out.

SPEAKER MARVEL: Senator DeCamp, do you wish to speak to the Johnson amendment?

SENATOR DeCAMP: Yes. We got the major bill through this morning and I hope it continues to move and I am going to kind of sit quiet on this bill for awhile and kind of watch.

SPEAKER MARVEL: The motion is the Johnson amendment to the committee amendments, is that right? Do you have any close? Okay. All those in favor of the Johnson amendment to the committee amendments vote aye, opposed vote no. Have you all voted? Record, Pat.

CLERK: 14 ayes, 0 nays, Mr. President.

SPEAKER MARVEL: The amendment is adopted. The motion carried. The amendment is adopted.

CLERK: No, Mr. President, we have to adopt the committee amendments now as amended.

SPEAKER MARVEL: Senator DeCamp moves the adoption of the committee amendments to LB 279. Do you have any other comments, Senator DeCamp? You are closing.

SENATOR DeCAMP: Yes, my closing, I thought the bill was in pretty good form the way it was offered and maybe you guys