

March 5, 1980

LB 793

by the National Credit Union Administration or in the alternative administered by the Nebraska Depository Institution Guarantee Corporation. As you can see if you look at the amendment, a variety of institutions are allowed to receive state monies for investment purposes. Savings and loans are, banks are and right on down the line and this, frankly, is nothing more than an extension of that particular law.

SPEAKER MARVEL: Senator Beutler and then Senator Murphy.

SENATOR BEUTLER: Just a couple of questions, if I could, of Senator Johnson. The insurable amounts under the...I don't fully understand the extent to which deposits are secured under either the Nebraska Depository Institution Guarantee Corporation act or the National Credit Union Administration. I mean, this is not the same as the FDIC.

SENATOR JOHNSON: No, sir, it is not the same as the FDIC. It is my understanding that under the FDIC deposits of up to \$40,000 are insured by the federal government and that has been the law of the land for some time. It is my further understanding that within the last five years credit unions have, in effect, obtained insurance coverage for their shares or their loans as the case may be and the coverage also goes up to a certain sum. That is the extent, of course, of the allowable investment, as you can see, to the extent that such accounts are insured by the National Credit Union Administration. I, frankly, cannot tell you, Senator Beutler, what the ceiling limitation is, I just don't know.

SENATOR BEUTLER: But do you know whether it is a certain amount, a set certain amount?

SENATOR JOHNSON: It is my belief that it is a sum certain.

SENATOR BEUTLER: Okay, because some of these guarantee funds I think have a certain amount in the fund, but if that is not enough to go around, that is just too bad and I guess I am interested in the question of whether the fund is sizeable enough, if the assets of the fund are such that we can be assured that it is the same kind of a guarantee as an FDIC guarantee.

SENATOR JOHNSON: I don't have the answer to the question. I can try to get it for you later on.