

March 5, 1980

LB 793

SPEAKER MARVEL: Senator Murphy, do you have a question?

SENATOR MURPHY: Well, it went pretty much to the direction that Senator Beutler has raised and I would ask Senator Johnson to visit with the Attorney General's office because I believe he has held that in the situation dealing with these mutuals, and let's face it, their reserves are minimal, that the question has been raised and should be cleared, I think, because I think he has held that S & L's are not eligible beyond their guaranteed accounts either, the federal insurance deposit either, and I would like that clarification.

SPEAKER MARVEL: Senator Kahle, your light is on.

SENATOR KAHLE: Mr. Speaker and members, I am not a banker or know much about it but it looks to me like we are branching out so far with this so-called money that is available from the state and from other sources that we are getting it awfully thin and I still question the stability of a credit union as compared to guaranteed by the federal deposit act. So unless you can convince me that it is absolutely as safe in this situation as it is in the bank or in the SL's, and I am even concerned about them, why I would have to vote against it.

SPEAKER MARVEL: Senator Lewis.

SENATOR LEWIS: Mr. President, I am going to have to rise to oppose the bill. I think there is some serious problems that some people don't understand in some unique situations and I am going to explain one. For instance, the credit union in my area is the SAC credit union which again is composed of a lot of money that isn't involved in the community. The concern that I have is that we have diluted and diluted what has occurred to us in terms of our financial transactions between financial institutions and public entities. We don't...when we go to bid for money for the school district we don't go to the credit union and they don't bid our money. You go to the banks and they bid the money and they do it at some kind of rate that offsets deposits, both demand and time savings deposits. Now I think this is a serious, serious mistake and I would be opposed to it. I would like to ask Senator Johnson some questions. Senator Johnson, are you defending the bill?

SENATOR JOHNSON: I am defending my amendment, Senator Lewis, not the bill. This is...mine is an amendment to Senator Keyes' bill, 793.

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