

SPEAKER MARVEL: Senator Lewis.

SENATOR LEWIS: Mr. Chairman, I oppose the Newell amendment. One of the most important parts of this bill deals with that limit and deals with that limit for home ownership and if you don't think there is demand and a cry for people to buy homes now that have been precluded from doing so, look at the record this past week in terms of those people who gobbled up as quickly as possible the loans from the Mortgage Board. Those loans and that bill was probably the most important that we passed and it provided, it provided an opportunity for \$15,000 and \$16,000 a year employees to buy a home which are precluded from doing so now. Senator Newell's amendment is a good political amendment but it is an ostrich amendment. Not only is it an ostrich, it is a big ostrich. Bury your head in the sand. Now if Senator Newell is serious and wants to make this a political issue he will make it \$200,000 and he will make it 3%. Now that is what is popular. It is important now as new homes in Sarpy County, Senator Stoney, Senator Stoney, the new house price is about \$70,000, about \$70,000. If we pass the amendment at \$50,000 where people are assuming homes, the answer is simply they will not buy them. The money will not be available. Those are the choices. Senator DeCamp is absolutely correct. I was at a meeting all day Friday in Chicago and as I walked out of that meeting and walked to the airport about seven-thirty, I just happened to see the headlines in one of the newspapers holders there that said prime rate went to 18%. The question is not what the price is. The question is where the availability is and we can get involved in the issue of trying to set it at a rate that we think it ought to be. I just think it is unbelievable right now but I also know the state can't do one thing about it by setting some artificial rate. I think it is important, particularly in Sarpy County where the fourth largest industry is the building and buying of homes, that we make it available to those who want to build or buy at the rate that is available and in defense of the mortgage money, the mortgage money is that money that closely follows the market. That money is the money that closely follows the market and I want you to remember that. When we do installment sales it usually goes to the max. When we do credit cards it usually goes to the max but usually money market for mortgages follows what the trends are in terms of the cost and the availability of money. I think Senator Newell's amendment would be extremely detrimental in terms of those of us that want to continue the ongoing opportunity for folks to buy homes at a reasonable rate and I would suspect that when a person starts to make the biggest lifetime decisions in terms of money that he is