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LB 276

am not providing the kind of protections to the small borrower that I know you and I have agreed that should be done. So my amendment is very simple. It just says simply that the usury ceiling shall only apply when the principle of the indebtedness is \$25,000 or less as opposed to the way the bill is presently drafted which says, the usury ceiling shall not apply when the aggregate, that means all the loans, principle, is \$25,000 or less. I move the amendment.

CLERK: Mr. President, the Johnson amendment strikes the word "aggregate" in line 7, page 5.

SPEAKER MARVEL: Okay, we are on the Johnson amendment. Senator Kahle, do you wish to speak to the Johnson amendment?

SENATOR KAHLE: Mr. Speaker, I would like to ask Senator Johnson a little bit more about that. What does the word "aggregate" do to it?

SENATOR JOHNSON: Right now the law reads, Senator Kahle, that we exempt from usury loans made when the principle amount of the indebtedness is \$100,000 or more, all right. Now we are going to amend that and it is going to read, "loans made when the "aggregate principle amount of the indebtedness is \$25,000 or more." I have construed the word "aggregate", and I have talked to people in the banking industry, to mean the principle from more than one indebtedness, when there are several indebtednesses which the borrower has with the lender, then they shall all be aggregated and when their total amount exceeds \$25,000 then the usury ceiling shall not apply. That is how I have construed the word "aggregate" and I want to take it out.

SENATOR KAHLE: So you would have to borrow the full amount at one time if you wanted to stay below the \$25,000, you would have to borrow it...you couldn't borrow \$10,000 and then another \$5,000 and then another \$6,000 or whatever until you got to the \$25,000?

SENATOR JOHNSON: That is right.

SENATOR KAHLE: Well how would this help a small borrower?

SENATOR JOHNSON: Well as I see it right now the small borrower goes in and borrows his \$10,000 and the usury ceiling applies and later on he goes back and he borrows another \$10,000 and the usury ceiling applies. Now he goes and he borrows his third \$10,000 and with the use of the word "aggregate" the usury ceiling does not apply. So at that time the