

March 10, 1980

LB 276

Burrows amendment number two to LB 276 vote aye, opposed vote no. Have you all voted? We are voting on the second Burrows amendment to LB 276. Senator Burrows. Have you all voted? Senator Burrows. Okay, record the vote.

CLERK: 13 ayes, 18 nays on the motion to adopt, Mr. President.

SPEAKER MARVEL: The motion lost. The amendment is not adopted. Now we have number three.

CLERK: Mr. President, Senator Burrows now has a third amendment. (See page 1091 of the Journal.)

SPEAKER MARVEL: The Chair recognizes Senator Burrows on amendment number three.

SENATOR BURROWS: Okay, this is an amendment that I really wish this Legislature would take a serious look at. If I get this amendment I will support the bill, not that I will like it but I do think the lenders ought to take a look at this. They do have to have 33 votes for the E clause and I know there are at least some of us in here that are not going to vote for the total package with no compromise and see it become a permanent takeoff of the usury laws for the State of Nebraska in really any effective style. This amendment we went through and I had Bruce Cutshall go through and set September of 1983 as a reinstatement of the major interest provisions throughout the bill back to what they are now as of September 1983. This would allow us the potential of the '81, '82 and '83 sessions to deal with this if it is still a problem of high interest rates by 1983 and would either return to existing usury rates September of 1983 or leave us three sessions of the Legislature to deal with it. My biggest concerns are that I feel with this bill we are effectively in our combination of bills, eliminating the usury concept in the State of Nebraska. This will force the issue to come up again if we continue to have high interest rates and maybe be settled in a more reasonable fashion. If they have come back down it will bring the usury rate back down. I would like to explain one of the real key roles usury rate has played in the past in the state. The Farmers Home Administration provides emergency loans to farmers and operating loans. The first criteria of the Farmers Home Administration operating loans has been, you must not have reasonable credit available elsewhere. Interest rates have never been a criteria. It had to mean that that farmer to get that operating loan had to have a rejection on his interest. When a usury rate existed at slightly above the conventional going rates it prohibited any bankers that would want to charge that risk factor in on