

March 10, 1980

LB 279

SPEAKER MARVEL: The motion is the adoption of the Johnson amendment to LB 279. Do you want to close?

SENATOR JOHNSON: No, I will waive closing, Mr. Speaker. Wait a minute. Senator Goodrich says nobody on the floor knows what the Sam heck I am doing, so I thought that I had better explain it again. It is a simple amendment. Last time round we repealed the rule of 78s which is a method of calculating the amount of interest that has been paid when there is an early payment of a loan and we changed it from the rule of 78s methodology to the actuarial method which we have done in the past with the small loan industry. Now this is a significant amendment that we affected the last time round. The banking industry has said to me personally in the rotunda that in the end they feel that this may not be a bad way to go but they need a little lead time and inasmuch as 279, if it passes, will pass with the emergency clause, they don't have enough lead time. They would like to have until October 1, 1981. I can appreciate that. They have got their computers programmed to calculate prepayments all on the rule of 78s. They've got their paper using the rule of 78s method and the like. So I am going to give them a little lead time with the amendment.

SPEAKER MARVEL: There is too much chaos on the floor. The Chair is going to entertain a motion in a moment to adjourn if we don't have a little more order in the whole operation. Now, Senator Nichol, your light is on.

SENATOR NICHOL: Mr. Chairman, members of the Legislature, I would like to have Senator Vard Johnson explain to me, please, rule 78. Now we went over this about three years ago but frankly I have forgotten what that was and I would like to have you explain that to me.

SENATOR JOHNSON: Mr. Speaker, I think I have closed. If Senator Nichol could see Senator Goodrich in the lobby it could be explained.

SPEAKER MARVEL: Do you withdraw your request?

SENATOR NICHOL: No, Mr. Chairman, if Senator Goodrich can do it that is fine with me. It is a little different than the actuarial method and I would like to have him tell us what that difference is, please.

SPEAKER MARVEL: Okay, Senator.

SENATOR GOODRICH: Mr. President and members of the body,