

March 18, 1980

LB 308

of his amendments and also looked at the bill at Final Reading. What happened is this very simply. I introduced an amendment, two amendments to this bill. The first one said that essentially gave grandfather rights. It said that if you had purchased some goods that even if the interest rates went up that you could not pay the new interest rate. When the amendment that Senator Koch and I offered which reduced interest rates was adopted if inadvertently struck part of that amendment and so the bill drafter just assumed my amendment was to be struck. I do not place the blame with the bill drafter's office at all but entirely it is my fault. If I had been observant I would have caught that. In addition if I had caught it on Final Reading before it was passed it would have saved the body some time, however, the amendment is needed. It is needed for this very reason. Some people have said that the amendment is redundant, that current state law provides for that. I have here a copy which was just put on my desk by Barry Lake who is the assistant director and the legal counsel for the Department of Banking stating that in certain instances, well I will read the letter. "You have asked the department if the interest rates would be increased under Section 45-207 where the interest rate could be changed on the amount of the debt existing prior to the amendment of Section 45-207. It appears from our reading of the statute that the high rate should be changed if the revolving charge agreement allowed the lender to increase the rate of interest. As you know that Section 45-205 (sic.) requires the lender to state the rate of interest but I don't think that this would prohibit the lender from also providing that the rate could be increased upon notice to the borrower. What I am saying is that there would be instances where this amendment is needed. I apologize again to the body for that. I would ask that the bill be brought back, this amendment be adopted. It is not a delaying tactic. We can then move the bill back and it can be voted upon on Thursday.

SPEAKER MARVEL: Okay, the motion is to reconsider our action. Senator DeCamp and then Senator Murphy. Senator DeCamp,

SENATOR DE CAMP: Well, Mr. President, I would oppose the amendment and I have about three reasons. First of all, I do contend, I think I can back it up, that state law, contract law solves the very problem that he is concerned about. I would be willing to get an Attorney General's opinion on it or whatever you want. I think it is the law anyway. I don't see it as a problem. Second, it is critically important and I mean critically important, that