

that the House approved the uniform exemptions and the Senate said, Oh heck, lets go back to the old way and just rely on the state law exemptions and in conference they patched it all together and they said the federal exemption shall control unless a state specifically opts out. Now that law passed in November of 1978. Now whats one and a half years later, the law itself became effective in October of 1979 and to this date only two states, only two states have opted out of the federal exemptions. Florida being one and Virginia being the other. Nebraska seems to be hell bent for election to being the third. Now personally I think what is good for 48 other states or what is good for 48 states certainly should be good for Nebraska. It makes good sense. Now, let me describe what is going to happen when we opt out, as it seems like we want so badly to do. One of the first things that is going to happen is that people who become financially distressed and ultimately go through bankruptcy if they happen to own a mobile home, if that is the only kind of housing that they can afford is a mobile home they are going to have an exemption substantially different from somebody who owns a stick built house. Why? Because that is the state law exemption. The state law exemption says that if you live in a stick built, you in effect have a \$6,500 exemption. Now, on the other hand if you are too poor to afford a stick built and you have got to live in a mobile home, then your exemption is \$2,500. Is that what you want? That is what you are going to do with LB 940. That is one problem that is there. Senator Landis has already described the second problem that is there, the insurance companies have already discovered a problem with LB 940 and Senator Landis had to get up here and make a few remarks on the floor hopefully to correct a problem that the Banking, Commerce and Insurance Committee never picked up along the way as it ramrodded through these exemptions. Let me tell you there are a lot more problems with these exemptions than we know about. I talked to bankruptcy judge, David Crawford, a week ago. I told him what was happening and he said it is terribly distressing that we can allow our law to change so dramatically. He said, the theory of the new bankruptcy act is you bring into the estate of the bankrupt every kind of asset the bankrupt owned. For example, if the bankrupt got hurt in an automobile accident, lost a leg in an automobile accident, and he might have a good cause of action against a negligent driver of the other automobile, maybe that leg injury is worth \$20,000 to him. That leg injury becomes an asset of the bankrupt's estate and that leg injury is available to that bankrupt's creditors to satisfy the bankrupt's debtors to satisfy the bankrupt's debts. In effect, that bankrupt is made to pay his bills