

March 27, 1981

LB 349

SENATOR GOODRICH: Yes, I would be glad to. Oh, you want me to answer that question. Okay. There is a procedure which every savings and loan has to go through. The state chartered savings and loan have to come to the State Banking Department and they have to establish that opening of a branch, they have to get permission, number one, to open the branch and they have to also prove to the State Banking Department that the opening of this branch will not impair the stability of their own financial institution and they also have to prove that it will not be detrimental to the community, it is a needed service in that community and not a detriment to that community. Now, in other words, if you flood the community or a given area with branches of a savings and loan you would wind up putting all of them in jeopardy because there is a certain limited number of... limited amount of need in any community. You have to establish the need for a branch in that community before the Banking Department will let you. So, consequently, there is a procedure that they have to go through the Banking Department now.

SPEAKER MARVEL: Senator Haberman.

SENATOR HABERMAN: The Federal Reserves Branch now by regulation, the Federal Home Loan Branch Bank Board, the regulation say they will look to the state laws in granting branches. The only chance we have to protect state savings and loans banks is to change the state law now. Some years ago there were twenty-seven state chartered savings and loans. Today there are eleven and they control 700 million dollars in assets. By the same token some years ago there were ten to fifteen federally chartered savings and loans in Nebraska. Now there are twenty-six and they control four and a half to 4.8 billion dollars in assets. Now, I say this. Why should they have the advantage over a state bank? They should not have and they do have. All I am saying is, they should have to go through the Banking Department and follow the same rules as to need and to show that they won't harm anybody as the bank does. That is all the bill says and that is what I ask you to do and I ask for the advancement of LB 349.

SPEAKER MARVEL: Senator DeCamp. The question has been called for. Do I see five hands? All those in favor of ceasing debate vote aye, opposed vote no. Record, Mr. Clerk.

CLERK: 28 ayes, 1 nay to cease debate, Mr. President.

SPEAKER MARVEL: Okay, debate ceases. The Chair recognizes Senator Haberman to close.

SENATOR HABERMAN: I will just go ahead with the debate that has already been here, Mr. President.