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LB 384

I think the first one deals with the question "of usual and customary size for farming operations within the community." What we are trying to do is suggest that we are not trying to, in these beginning farming operations, provide for a large operation. We are just talking about an average sized farm and I think we are just trying to clarify. We are aiming toward a more moderate size, not the larger farmer. The second part of the amendment deals with the question of repayment of the loan and we say the loan should attempt to be repaid within ten years and what we are trying to do here is to set up a system where you would repay the loan on a very marginal basis and then at the ten year period I think what we would want to see is a renegotiation and perhaps a reconsideration of whether or not that loan could be financed privately instead of publicly. So this is sort of a check and balance that I think won't hurt anything but would provide a greater accountability for these loans so that we could make sure in a shorter period of time that the public monies involved are necessary and that private monies are not available. Then the third section of that change deals with the question of how many lenders have to turn down the applicant before they can use this fund. Originally the bill said one person could turn you down and that would be enough to qualify. What I do is change that from one to two and the whole point here is that you could go to a banker and you could say, "Hey, you know, this is a real good program and why don't you say that I can not get a loan from you and then we will work it out and then I can come back and get this loan through your bank that you will be administering these funds and we could work out kind of an interesting deal here." And so when you have two lenders though, it is going to be a little tougher to do that and you will have to, you know, there is not a personal benefit involved both with a banker and the borrower. So this is a check and balance again and if you know much about farm loan programs you know you have to go through a couple and sometimes three other lenders before you can use the public lending capability so I think this is a wise change as well to put a check and balance on these public funds. Those are the changes again they are trying to target more of the smaller operation or average sized operation of farm too. They say that they should be paid in a ten year period and then renegotiated probably if they need the money still. That won't be any problem and then, number three, they should check with two lenders instead of just one before they go to the public funds that are available. That is the changes in that amendment.

SPEAKER MARVEL: Okay, the motion is the Wesely amendment to the bill. We have Senator Schmit and Senator Burrows.