

prepared for me by Bill Brandt of the NBA and I think most of you had it explained to you, but I don't know for sure so I'm going to read it. And here is how the amendments would work. LB 295, the statewide branch banking bill, would be downgraded essentially to a merger or purchase bill and that is what I have been telling you all day. That is what I want to do, make it a merger or purchase bill. Senator John DeCamp will offer amendments, that's...yeah, restating, reinstating the old language with regard to detached auxiliary offices; reinstating the old nine bank multibank holding company limit and this is I guess the most important because this is the thing that Mr. Harris raised which I never thought was an issue, but we'll do it anyway, and it would wipe out all de novo branch. De novo means new branches, going out and starting a branch without buying an existing one. It would eliminate that possibility, acquisition from the acquired bank. The bill as amended, if you all do...these amendments will do exactly the following: One, it will allow the purchase of or the merger with another bank in Nebraska so long as the acquired bank has been chartered for more than five years and the acquired institution and its detached auxiliary offices are converted to auxiliary offices of the acquiring bank. It leaves the issue of total deposit acquisition by bank holding companies subject to further discussion. That is what we just did. The introducer of the bill stated that the then 20 percent of all deposits was subject to negotiation. Well, that became obvious. The committee in passing...okay. This bill simply allows the purchase then or merger of banks between consenting owners and is in many ways more restrictive than acquisitions under the present bank holding company law which does permit de novo branching within the city. At the present time in most, well almost in every town the bank still has branching rights. They can go out and start new branches right now. That seems to be a terrible fear of some people. I don't think anybody is going to do it. However, this would make certain it couldn't be done because it would eliminate the ability to start any new branches. You would have to buy, if you were going to expand, you would have to take over or buy an existing facility. You would have to either merge with it, make it a branch or whatever and then you would have to maintain it. The bill should now satisfy the need for mergers and acquisitions to occur without waiting for the acquired bank to deteriorate into a failing condition before such merger or acquisition would be permitted under existing law. We may now under