

amendments to LB 614. May we have your vote, please, if you wish to vote. The Clerk will record.

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of the committee amendments to the bill.

PRESIDENT: The committee amendments to LB 614 are adopted and the Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I would hope that everyone would listen carefully to this discussion because I believe it is more important probably than most of the bills we are going to debate on this floor this session. In the last seventeen years that I have been here, I have carried a number of bills for the banking profession and the banking industry. I will recall a number of years ago when inflation was running rampant and interest rates were limited to 9 percent, inflation was above that, double digit inflation, and it was very obvious that people who had millions in savings accounts were losing money every year. The banking industry came to this Legislature and asked that yearly limits be raised and they were, from 9 to 11, from 11 to 14, from 14 to 16, and actually and effectively we have really wiped out all usury limits. There was a very modest exemption of \$25,000 on the first 16...16 percent on the first \$25,000, but for all practical purposes the average individual, the average homeowner, business man or farmer, must pay what the market demands. Interestingly, as a result of these exorbitant interest rates, we have seen developed in this country a very elaborate system of circumvention of the standard interest rates. For example, we have seen the rapid development of revenue bond financing so that today many homeowners are able to secure loans around 10 percent. We have seen some of that develop for commercial type of operations, the same kind of a provision. A few years ago Senator DeCamp and I did enact and it was later incorporated into the NIFA program a provision to allow for agricultural financing by revenue bonds, but because of limitations of the federal government, of the federal statute, we have issued less than \$20 million worth of bonds for agriculture in all that time. So for all practical purposes, there is no low interest kind of financing available for agriculture. When it comes right down to it, about the only individual who really pays the standard rate today is the average person who pulls on his