flexibly deal with the banks's ownership of other real estate which is taken in lieu of foreclosure. In our estimation, it will enable us to assist bankers and their farm customers by providing more options in such an unfortunate event than just selling the property." What would the banks do other than sell the property that the Banking Department would authorize them to do?

SENATOR DECAMP: Well, the statutory authority would allow...would allow them to do any variety of things with that property including but not necessarily limited to, but including improving it, leasing it, custom farming it themselves, marketing it under some program, just anything. It would also allow, and this is just as important, the bank to count that property as part of their capital. Remember, you have to as a bank have a certain percent of all your assets in the form of capital. Rather than have to have, so to speak, $100 sitting there, they would now be able to count the value of this farmland as it was appraised and determined to be as part of their capital. That is a major, major shift and change.

SENATOR HIGGINS: Right, I can understand that. Inasmuch as farm values have dropped so drastically, would that mean then under this bill or in any part of the bill or the amendment, is the Banking Department going to be required to get a fresh appraisal of that land so that they would know what exactly...whether or not they were putting a true value on it rather than the inflated values that Commonwealth had?

SENATOR DECAMP: Absolutely, that is the plan.

SENATOR HIGGINS: That is good. In regards to paying dividends, one of your amendments will clarify when and under what circumstances a bank may declare and pay a dividend. As I mentioned the other day, mutual insurance companies are supposed to pay out dividends and yet the largest one in the world never has.

PRESIDENT: One minute. One minute, Senator.

SENATOR HIGGINS: Could this amendment, thank you, under present law, you say there is a serious question which may have far-reaching ramification for banks with the need to declare dividend unless this statute is changed, might it also be changed in such a way that a bank may never pay a