

formerly had no financial difficulties suddenly found themselves without a credit home. They were not high-risk loans. They were simply individuals who when the banks were closed were not accepted by the new owners and, of course, have since that time not been able to obtain financing from any other institution. I explored some of those financial statements with some of the individuals involved and I visited with some of the bankers involved, and the general consensus of the bankers was this. During these kind of times in rural Nebraska, we do not want any new customers. Most of all we do not want any new agricultural customers and certainly we do not want any new agricultural customers from banks that have closed or failed who might have contributed to the closing of that bank. As a result, there are many Nebraskans today, not only in my area but in other areas, who have operated without a bank. From another part of the state, I was contacted recently by a representative of 200 farmers who have operated this past year without a bank. The FDIC closed their bank. Because they were credit worthy for the past many years, their fuel suppliers, fertilizer suppliers, seed corn suppliers, et cetera, continued to supply them credit. Now this fall when they harvested their crop, the FDIC was exercising first lien upon the crop, and those individuals were concerned about what would happen to those suppliers who had provided them with credit? The plain facts of life are that today there are many individuals in Nebraska who do not have a source of credit. It is kind of interesting that you have heard a lot of conversation about how in Nebraska the lender has gone from a collateral position to a cash flow position. Well, that is not new. That always happens during times like these. What is new is that usually during these kind of times when we have gone through them in the past interest rates have been reasonable, and in the event that a bank would not take care of an individual, there were other sources of credit, principally, the Farm Credit Administration and, secondly, the Farmers Home Administration. I need not point out to any of you that the farm credit system is in chaos today and, of course, the Farmers Home Administration was never designed to take care of a situation such as we are facing at this time. The Farmers Home Administration was designed to assist the young and beginning farmers, homeowners, in their beginning operations. It was also designed to assist the occasional individual who for one reason or another got into difficulty and needed some supportive credit from a more understanding