

at it now?

SENATOR MILLER: Let's go ahead with it now. It shouldn't be that long of a discussion.

SENATOR DECAMP: Okay. Mr. President, the proposal was brought by the Nebraska Banking Department, Director of the Department of Banking and the Nebraska Banker's Association, and the independent bankers and the financial institutions of Nebraska. In other words every group involved in banking in the state supports and brought the proposal. Now let me explain some of the reasons. It is no secret that a number of financial institutions in the State of Nebraska, particularly some of the banks, are under some stressful times. One of the things that has been discovered that always existed, that has not really received much attention in the past, is that when you are a member of a board of directors of a financial institution you are something else. You have personal liability, potential personal liability and responsibility. It was a custom, for many years in this state, and most other states in the United States that when you formed a board of directors, maybe for the bank, you simply put on the board of directors the local citizens who happen to have the filling station, or whatever, they were some of the good and prominent citizens in town. But lost in that process was the fact that they actually did have a responsibility to govern the bank, and they also had personal liability. It used to be viewed pretty much as a kind of a prestige position. Well now people are discovering that with the prestige goes some responsibility and personal financial accountability. As some banks have gotten in trouble, and as there has been a need, a need for better management, in some cases, and change of management and directors, it has been discovered that particularly in some of the rural areas it is not always possible, within a particular limited geographical area, it is not always possible to have all the people on that board who might have the expertise in banking, and who might be willing to actually have that personal and financial responsibility. One of the other things that has been noted is that often, often a bank, in order to get straightened out, might need some expertise brought in from "the outside," in other words outside the local geographical area. And the law, as it existed, basically forbade that. So this is to give the flexibility to bring in, for management purposes, for straightening out purposes, for actually having a decent