

learned that at least one insurance company who is familiar with the bill, Equitable, has said if the bill remains as it is now, they simply will not provide financing in the State of Nebraska, and that is not a threat, not anything else, they are just saying as a practical matter they won't do it. What my amendment attempts to do is make an accommodation that still leaves the bill but tries to correct what they perceive is the major defect that would keep them from coming in, and that is it deals with the aspect of the bill on deeds of trust. Is that correct? Well, it would allow the same thing with mortgages but it is my contention and belief that mortgages are as obsolete as anything any more with the way the world is going. Okay, so here is what my amendment does. Subsection (1) of Section 4 of the proposed amendment would provide the lender would never be left with more than a 75 percent loan on the remaining property, vis-a-vis the present potential 100 percent financing on the balance of the property. Subsection (2) would provide for not only an appraisal of the real estate to be redeemed but also an appraisal of the remaining real estate with both appraisals reflecting the redemption. Both appraisals reflecting the effect of the redemption on the real estate values are required so all of the parties can evaluate the impact of the redemption on the lender's remaining security. Subsection (3) utilizes certain terms which were not consistent with other statutory provisions and these will change to ensure conformity. For instance, in a deed of trust situation, the proper term is "trustors", not owners of the real estate. With this amendment it is my understanding that at least one of the major funding sources for small and medium sized farms would be able to continue to provide much needed capital in Nebraska. And I rather suspect that all of them, the insurance industry, would be in this same position. I encourage you to adopt the amendment.

PRESIDENT: Senator Higgins, on the DeCamp amendment.

SENATOR HIGGINS: Thank you, Mr. President. Would Senator DeCamp yield to a couple of questions? Senator DeCamp, would you explain the difference between a deed of trust and a mortgage?

SENATOR DECAMP: Well, the most fundamental difference is a deed of trust does not go through the court system, a complete court procedure. A deed of trust is to use a worn-out phrase exactly what it says, a deed of trust. You transfer the deed to some property, you actually transfer the title to somebody else.