

SENATOR McFARLAND: Thank you, Senator Hoagland.

SPEAKER NICHOL: Excuse me, Senator McFarland.

SENATOR McFARLAND: Yes, sir.

SPEAKER NICHOL: I have a little difficulty hearing you. I don't know if others...if you would speak up, I'd appreciate it.

SENATOR McFARLAND: All right, I will try to.

SPEAKER NICHOL: Thank you.

SENATOR McFARLAND: The microphone doesn't reach up quite as high as I would like it to.

SPEAKER NICHOL: Maybe you could kneel down.

SENATOR McFARLAND: (Laughter.) I will just try to speak louder.

SPEAKER NICHOL: All right, thank you.

SENATOR McFARLAND: Yes, we did meet at a hearing this morning on our suggested committee amendments and we did approve, on a 7 to 1 vote, a committee amendment which would strike Section 14. The reason we feel that Section 14 should be stricken from the bill is that in its current language, if you read the language literally, it would permit bid juggling or nominal bidding occurring on the second sale which would effectively prevent a farmer a fair opportunity to purchase his homestead. The literal language of Section 14 said in regard to the second sale that the redeeming of the homestead would only occur if no bid of any amount whatsoever is received for the nonhomestead parcel. Then, and only then, shall the mortgagor or trustor have the right to redeem his or her homestead by request, and so on. Now, by striking Section 14, we want to prevent the type of second sale where there could possibly be bid juggling. If you use the literal language of Section 14, as an example, if you had a situation of how the problem...the two sale method would work, if you had a farm where the total debt was a \$100,000 and say the homestead was only valued at \$15,000, under Section 14 as written, if you had a first sale, the en masse sale, at which the lender, as often is done, would bid on that and say that the lender would bid the entire amount of