

debt of \$100,000, and then a second sale occurred in which a nominal bid occurred for the nonhomestead portion, say a bid of \$10,000. Then that, under the language of Section 14 as is, it would only allow the farmer to keep the \$15,000 homestead by bidding \$90,000 to retain it, and we want to prevent those type of situations. Now, we are well aware of Senator Lamb's testimony in the public hearing in which he said that type of bid juggling would not go on, and we fully tend to agree with him because I don't think it would be in the lender's best interest for that...to allow or permit that type of thing, but since the literal language would permit it and it would be technically possible, therefore we have moved to strike that section. And what the consequences of that, if that section is struck from the bill, then the court would have equitable powers to...under its equitable powers would have the power to remedy that situation and to prevent that type of bid juggling or that type of nominal bidding. And what are those equitable powers? Well, under existing law, particularly Section 25-1531 of the Nebraska statutes and under the existing principles of equity, the courts have the power to protect debtors from harsh and unjust bidding at the sheriff's sale or the trustee's sale if resales would bring a greater amount. Now, Section 14 of LB 3 would unduly restrict equitable powers of the courts to control these sales. It would prevent the court from refusing to confirm a sale just because the creditor made only a nominal bid on the nonhomestead portion or because of other bid juggling. Now, without Section 14, with it being stricken from the bill, the court could then refuse to confirm if it finds that a resale of the nonhomestead and the homestead will result in a greater amount than the sale en masse. The purpose of striking Section 14 is to emphasize the importance of a confirmation hearing as a sincere and important hearing where the court will seriously consider the entire bidding process, both the sale en masse bid and the second sale, and not just be a rubber stamp. The committee believes that without Section 14, the courts will recognize the impact of the court's oversight of the confirmation sale and assure the debtor's right to have a meaningful opportunity to purchase their homestead. The committee intends that the courts will use their broad equitable powers to protect the rights of debtors to a meaningful opportunity to repurchase their homestead and so we urge that the legislative body adopt the committee amendments by striking Section 14 that would prevent even the possibility of such type of bid juggling, and provide farmers a reasonable opportunity to purchase their homesteads. In the discussion we had at the mansion yesterday with Mark Hunseker of Metropolitan Life, an