

reasonable has been interpreted by the courts. I have had others tell me that is not the case, that we are talking about an entirely different subject, that we are comparing apples and oranges in this particular case and I am sure Senator Chambers will cover that again. But if you want to kill the bill, this is the best way to do it, folks, or one of the best ways. I am just trying to keep the peace between the two sides and whatever you choose to do is fine with me but it isn't going to be very fine with some of my constituents out there who are going to lose their credit. And I think that is what Senator Schmit was trying to point out. So, do what you must but I am voting against the amendment.

SPEAKER NICHOL: Senator Lamb, please, then Senator Chambers.

SENATOR LAMB: Mr. President and members, I want to make only one point in this discussion and that has to do with the so-called bid rigging that some people say may happen under the two-sale method. And I attended much of the hearing before the committee on Friday and I made this point before the committee which I would also like to make here on the floor, is that I do not understand, I do not understand the argument made in regard to possible bid rigging under the two-sale method. And, as has been referred to previously, we use this hypothetical case where the total debt is \$100,000, for instance. The total appraised value of the secured property is only 60,000 with a nonhomestead value of 45,000 and the homestead worth 15,000. Now, what they are saying is at this sale the lender would hypothetically bid the \$100,000 and that is the way a lot of these out there in our area have worked, that when they have a foreclosure sale there is only one bidder and that bidder is the representative of the lender, and that lender bids exactly what they have against the land, what the mortgage is. That's what they bid. There is only one person in some cases and there is only one bid because that is well above the actual value of the property under the present conditions. So, if you have this hypothetical case where the lender bids the \$100,000, then some of the people are saying, and it's the Center of Rural Affairs actually saying that here is a possible scenario. They are saying under the two-sale bid method then they will next sell the nonhomestead part of the property and then they are saying that the lender may be the only bidder and bid an unreasonably low bid, and they use \$100,000 for the nonhomestead part of it which is probably worth 45,000, according to this case. They are saying this lender will bid unreasonably low, a \$1,000, and then they are assuming that they will get it at that price and so then in