

AMENDMENTS TO LB 895

(Amendments to E & R amendments, ER8219)

Introduced by McDonald, 41.

1           1. Insert the following new section:

2           Section 1. Section 18-2720, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           18-2720 (1) If the economic development program involves  
5 the establishment of a loan fund, the governing body of the  
6 city shall designate an appropriate individual to assume primary  
7 responsibility for loan servicing and shall provide such other  
8 assistance or additional personnel as may be required. The  
9 individual may be an employee of the city, or the city may  
10 contract with an appropriate business or financial institution for  
11 loan servicing functions. The governing body of the city shall be  
12 provided with an account of the status of each loan outstanding,  
13 program income, and current investments of unexpended funds on a  
14 monthly basis. Program income shall mean payments of principal and  
15 interest on loans made from the loan fund and the interest earned  
16 on these funds.

17           (2) ~~The individual responsible for loan servicing shall~~  
18 ~~establish a separate account in a financial institution for each~~  
19 ~~loan made from the loan fund.~~ Records kept on such accounts and  
20 reports made to the governing body of the city shall include, but  
21 not be limited to, the following information: (a) The name of the  
22 borrower; (b) the purpose of the loan; (c) the date the loan was

1 made; (d) the amount of the loan; (e) the basic terms of the loan,  
2 including the interest rate, the maturity date, and the frequency  
3 of payments; and (f) the payments made to date and the current  
4 balance due.

5 (3) The individual responsible for loan servicing shall  
6 monitor the status of each loan and, with the cooperation of the  
7 governing body of the city and the primary lender or lenders, take  
8 appropriate action when a loan becomes delinquent. The governing  
9 body shall establish standards for the determination of loan  
10 delinquency, when a loan shall be declared to be in default, and  
11 what action shall be taken to deal with the default to protect  
12 the interests of the qualifying business, third parties, and the  
13 city. The governing body shall establish a process to provide for  
14 consultation, agreement, and joint action between the city and  
15 the primary lender or lenders in pursuing appropriate remedies  
16 following the default of a qualifying business in order to collect  
17 amounts owed under the loan.

18 2. Renumber the remaining sections and correct internal  
19 references and the repealer accordingly.