



Hundredth Legislature - First Session - 2007
Committee Statement
LB 113

Hearing Date: February 26, 2007

Committee On: Banking, Commerce and Insurance

Introducer(s): (Pahls)

Title: Prohibit branch banking by industrial loan companies

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

8	Yes	Senators Pahls, Langemeier, Carlson, Christensen, Gay, Hansen, Pankonin, Pirsch
	No	
	Present, not voting	
	Absent	

Proponents:

Senator Rich Pahls
Robert J. Hallstrom
Kurt Yost

Representing:

Introducer
NE Bankers Association
NE Independent Community Bankers

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 113 (Pahls) would enact a new section in Chapter 8, article 4 of the banks and banking statutes to provide that an industrial loan company or industrial bank shall not establish or operate a branch in this state.

An industrial loan company or industrial bank would be defined as a company that is (a) chartered by another state to make consumer loans or commercial loans or to accept deposits insured by the FDIC, but not to accept demand deposits, and (b) owned by a commercial entity that is not a bank holding company or a financial holding company subject to federal law.

The bill carries the emergency clause.

Explanation of amendments, if any:

The committee amendments (AM478) would strike the original provisions of the bill and would insert and amend section 8-2102 of the Interstate Branching By Merger Act of 1997 to provide a definition of “bank” for purposes of the act. The definition would incorporate by reference a definition of bank in federal statute, 12 U.S.C. 1813, thereby clarifying that the restrictions in the Interstate Branching By Merger Act of 1997 apply to a broad range of financial institutions, including industrial loan companies. The committee amendments would reaffirm existing law that out-of-state financial institutions may not establish a “de novo” branch in this state or acquire a branch located in this state without engaging in an interstate merger transaction with a Nebraska bank or without the acquisition of a Nebraska bank.

Senator Rich Pahls, Chairperson