

## LEGISLATIVE BILL 1151

Approved by the Governor March 6, 1972

Introduced by C. W. Holmquist, 16th District

AN ACT to amend section 8-141, Reissue Revised Statutes of Nebraska, 1943, relating to banking; to remove certain limitations upon obligations representing loans to national banking associations or banking institutions as specified; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-141, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-141. No bank shall directly or indirectly loan to any single corporation, firm, or individual, including in such loans all loans made to the several members or shareholders of such firm or corporation, for the use and benefit of such corporation, firm, individual, more than twenty-five per cent of the paid-up capital and surplus of such bank. Such limitation of twenty-five per cent shall be subject to the following exceptions:

(1) Obligations of any person, copartnership, association, or corporation in the form of notes or drafts secured by shipping documents or instruments transferring or securing title covering livestock or giving a lien on livestock when the market value of the livestock securing the obligation is not at any time less than one hundred fifteen per cent of the face amount of the notes covered by such documents, shall be subject under this section to a limitation of ten per cent of such capital and surplus in addition to such twenty-five per cent of such capital and surplus;

(2) Obligations of any person, copartnership, association, or corporation secured by not less than a like amount of bonds or notes of the United States issued since April 24, 1917, or certificates of indebtedness of the United States, treasury bills of the United States, or obligations fully guaranteed both as to principal and interest by the United States, shall be subject under this section to a limitation of ten per cent of such capital and surplus in addition to such twenty-five per cent of such capital and surplus; or

(3) Obligations of any person, copartnership, association, or corporation which are secured by negotiable warehouse receipts in an amount not less than one hundred fifteen per cent of the face amount of the note or notes secured by such documents, shall be subject under this section to a limitation of ten per cent of such capital and surplus in addition to such twenty-five per cent of such capital and surplus.

For purposes of this section the discounting of bills of exchange, drawn in good faith against actually existing values, and the discounting of commercial paper actually owned by the persons negotiating the same, shall not be considered as the lending of money. Loans or obligations shall not be subject to any limitation under this section, based upon such capital stock and surplus, to the extent that they are secured or covered by guaranties, or by commitments or agreements to take over or to purchase the same, made by any federal reserve bank or by the United States government or any authorized agency thereof, including any corporation wholly owned directly or indirectly by the United States. Obligations representing loans to any national banking association or to any banking institution organized under the laws of any state, when such loans are approved by the Director of Banking by regulation or otherwise, shall not be subject under this section to any limitation based upon such capital and surplus. For the purpose of determining lending limits, copartnerships shall not be treated as separate entities. Each individual shall be charged with his personal debt plus the debt of every copartnership in which he is a partner.

Sec. 2. That original section 8-141, Reissue Revised Statutes of Nebraska, 1943, is repealed.

Sec. 3. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.