

## LEGISLATIVE BILL 374

Approved by the Governor April 23, 1971

Introduced by C. W. Holmquist, 16th District; E. Thome Johnson, 15th District

AN ACT to amend section 8-330, Reissue Revised Statutes of Nebraska, 1943, relating to savings and loan associations; to define the charges and interest authorized on loans of such associations; and to repeal the original section.

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

Section 1. That section 8-330, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

8-330. Every association may require borrowing members to pay all reasonable expenses incurred in connection with the making, closing, disbursing, extending, readjusting, or renewing of real estate loans. Such expenses may include abstract, recording, and registration fees, title examinations, survey, escrow services, and taxes or charges imposed upon or in connection with the making and recording of any mortgage. Such reasonable charges may be collected by the association from the borrower and shall not be considered interest or a charge for the use of the money loaned. A charge not exceeding one per cent or that allowed a federally chartered association for the premature prepayment may be made. The rate of interest on any loan of money shall be determined and computed upon the assumption that the debt will be paid according to the agreed terms and in the event the loan is paid or collected by court action prior to the term of the loan, any payment charged, received, or taken as an advance or forbearance which is in the nature of and taken into account in the calculation of interest, shall be spread over the stated term of the loan for the purpose of determining the rate of interest. Any amounts paid or contracted to be paid by persons other than the borrower shall not be considered interest and shall not be taken into account in the calculation of interest. Interest may be paid on escrow accounts held for the payment of taxes, insurance, and similar payments, if agreed to in writing by the borrower and association. Loans may be made by an association under a license granted it pursuant to sections 45-114 to 45-158, to borrowing members whose loans are secured by real estate, to the

same extent and in the same amount as such loans may lawfully be made to nonborrowing members. The association shall furnish a loan settlement statement to each borrower, indicating in detail the charges and fees such borrower has paid or obligated himself to pay to the association or to any other person in connection with such loan. A copy of such statement shall be retained in the records of the association.

~~A charge not to exceed one per cent of the unpaid balance may be charged for premature payment of real estate loans, but not beyond the period of five years from the date of the loan.~~

An association may charge and receive interest, on property improvement loans including loans made under Title I of the National Housing Act, as amended, and unsecured loans authorized in section 5E 5(c) of the Home Owners Loan Act, as amended, ~~in an amount not exceeding seven per cent discount per annum on that part of the principal balance not in excess of one thousand dollars and not exceeding six per cent discount per annum in excess of one thousand dollars.~~

Sec. 2. That original section 8-330, Reissue Revised Statutes of Nebraska, 1943, is repealed.