

BY adding to

Article - Financial Institutions  
Section 5-405 and , 5-406, and 5-407  
Annotated Code of Maryland  
(1980 Volume and 1983 Supplement)

BY repealing

Article - Financial Institutions  
Section 12-101 through 12-106, inclusive  
Annotated Code of Maryland  
(1980 Volume and 1983 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Financial Institutions

Subtitle 4. Affiliates AND BANK SERVICE CORPORATIONS

5-401.

(a) In this subtitle the following words have the meanings indicated.

(b) "Affiliate" means any association, corporation, business trust, or other similar organization that:

(1) Is NOT A BANK SERVICE CORPORATION AND IS controlled by a banking institution through:

(i) Direct or indirect ownership or control of more than 50 percent of the voting rights;

(ii) Control of the election of a majority of the management;

(iii) Direct or indirect ownership or control of more than 50 percent of the voting rights exercised at the last election of the management;

(iv) Directors of the banking institution constituting a majority of the management of the organization; or

(v) Any direct or indirect control by stockholders of the banking institution, if the stockholders own or control:

1. More than 50 percent of the voting rights in the banking institution; or