

The Banking Board, established in 1935, is composed of the Comptroller of the Treasury, and three members appointed by the Governor from lists of nominees submitted by (1) the Baltimore Clearing House, (2) the Associated Mutual Savings Banks of Baltimore, and (3) the Maryland State Bankers' Association. Members hold office for six years. Under the provisions of Section 27 of Article XI, of the Annotated Code of Maryland (1957 Edition and amendments thereto), it is provided that the members of the Banking Board shall be subject to the call of the Bank Commissioner to confer and consult with him in any matter concerning the business of any State banking institution upon which the Commissioner requests their advice and counsel. The law further provides that the Board's functions shall be purely advisory, to assist the Commissioner with sound and impartial guidance, as additional protection in maintaining the business of banking and banking institutions throughout Maryland in such manner as will give the fullest possible protection to the interest of depositors and stockholders.

DEPARTMENT OF BUILDING, SAVINGS AND LOAN ASSOCIATIONS

The Department

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The Department of Building, Savings and Loan Associations was originally created by Chapter 205, Acts of 1961. Because of the filing of petitions for a referendum, it was necessary to hold a Special Session in 1961. Chapter 1, Acts of the Special Session of 1961, was enacted as an emergency law pending the outcome of the referendum. The operation of the Department at that time was under the Director of the Department of Assessments and Taxation. At the November 1962 election, the voters approved the enactment of Chapter 205, Acts of 1961, and, as the result, the Department became an independent agency.

The Department supervises and regulates the organization and incorporation of building, savings and loan, or homestead associations subject to the laws of the State. The Department also examines at least once every three years the affairs of each association. However, it is the intention of the Department to examine every association at least once a year, if possible. As of December 31, 1964, there were 284 active savings and loan associations chartered in Maryland which are subject to the supervision and regulation pursuant to the Act. In addition, there were 31 other associations which are under court supervision or which are inactive.

The Director of the Department is appointed by the Governor for a term of six years. The Director, with the approval of the Board of Building, Savings and Loan Association Commissioners appoints the Deputy Director, the examiners, and such number of additional employees as may be provided for in the budget.

Provisions are made in the law with respect to investments, withdrawal of accounts, taxation, membership, promotional activities, management and functions of such businesses, including class and type of securities, and allocation of profits, reserves and dividends. Provisions are also outlined for the branching, consolidation, merger, dissolution and revival of such businesses. In addition, provisions are made for conservators and receivers for such businesses; exempting accounts of such businesses from the Maryland Securities Act of 1962,