

BANK REGULATION BOARD

Herbert Goldman, 1971; Luther W. Gregory, 1971; Edwin S. Mills, 1971; Banking Board, ex officio.

By Chapter 495, Acts of 1969, the Banking Board had an additional duty assigned to it. This Act provided that state banks may engage in banking activities permitted under Federal law under certain procedures. The Bank Commissioner, the Banking Board, and three persons, not employed by any banking institution, are to be appointed by the Governor for a two-year term, one of whom must be an economist, one of whom an accountant, and one of whom must represent the general public, must authorize such action (Code 1957, 1968 Repl. Vol., 1969 Supp., Art. 11, sec. 67). Chapter 631, Acts of 1969, gave banking institutions permission to have closely allied corporations under certain conditions. Under the provisions of this Act, such action would be approved by the majority vote of the Bank Commissioner, the three members of the Banking Board, and three persons, not employed by any banking institution, who are to be appointed by the Governor for a two-year term. One of the additional members must be an economist, one a certified public accountant, and one must represent the general public (Code 1957, 1968 Repl. Vol., 1969 Supp., Art. 11, sec. 72).

**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 operations of State-chartered building, savings and loan associations. The Department also examines regularly the affairs of each association at least once a year, if possible, to determine compliance with the Act, as well as regulations and policies, procedures and practices of the savings and loan business. As of June 30, 1969, there were 225 State-chartered associations actively engaged in business in Maryland which are subject to the supervision and regulation of the Department. In addition, there were 17 other associations under exclusive supervision of the courts.

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, promotional activities, management and functions of such businesses, including class and type of securities, and allocation of profits, reserves and dividends. Provisions are also