

CHAPTER 348.

AN ACT to repeal and re-enact, with amendments, Section 68 of Article 11 of the Annotated Code of Public General Laws of Maryland, Edition of 1924, entitled "Banks and Trust Companies," sub-title "General Regulations," further restricting the right of banks and trust companies to make loans to their officers and employees.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 68 of Article 11 of the Annotated Code of Public General Laws of Maryland, Edition of 1924, entitled "Banks and Trust Companies," sub-title "General Regulations," be, and the same is hereby repealed and re-enacted, with amendments, so as to read as follows:

68. No officer or employee of any bank or trust company, other than a director, and no corporation in which such officer or employee is an officer or the owner of a majority interest, and no partnership of which such an officer or employee is a member, shall borrow any of the funds of such bank or trust company, directly or indirectly, without the approval of the Board of Directors by resolution adopted at a meeting thereof, and recorded in the minutes before making such loan. Loans made to directors of any bank or trust company for their personal account shall be subject to the foregoing restrictions; but where any director is actually engaged in business, loans may be made to him or to any partnership of which he is a member or corporation in which he is an officer or the owner of a majority or less than a majority interest, for use in such business without complying with the foregoing provisions. Loans to officers, directors or employees made under the provisions of this section shall be reviewed every six months for further action by the Board of Directors, and if it shall be determined to renew or extend any such loan, such action shall be recorded in the minutes before making such renewal or extension. In case any bank or trust company maintains a branch it shall be a sufficient compliance with the provisions of this section requiring approval of the Board of Directors if the advisory board of said branch approves of any loan to officers, directors or employees by resolution adopted at a meeting of such advisory board, and recorded in the minutes before making such loan and it shall likewise be a sufficient compliance with said provisions of this section in case the executive committee of any bank or trust company is authorized to make loans,