

VETOES

Annotated Code of Maryland
(1986 Replacement Volume and 1989 Supplement)

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 6-511

Annotated Code of Maryland
(1986 Replacement Volume and 1989 Supplement)

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

Article - Financial Institutions

6-501.

Subject to the provisions of this subtitle, a credit union may make loans to its members for the purposes and on the terms as the bylaws provide.

6-511.

(a) IN THIS SECTION, "BUSINESS LOAN" MEANS ANY LOAN, LINE OF CREDIT, OR LETTER OF CREDIT, THE PROCEEDS OF WHICH WILL BE USED FOR A COMMERCIAL, CORPORATE, BUSINESS, OR AGRICULTURAL PURPOSE.

(B) A credit union may not make a loan to anyone but:

- (1) A member of the credit union; or
- (2) Another credit union.

(C) A CREDIT UNION MAY NOT MAKE BUSINESS LOANS.

[(b)] (D) Any officer or committee member of a credit union who in any way knowingly permits or participates in making a loan in violation of this section is guilty of a misdemeanor.

[(c)] (E) If a loan is made in violation of this section, the credit union may recover the amount of the loan from any one or more of:

- (1) The borrower; and
- (2) Any officer or committee member who knowingly permitted or participated in making the loan.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1990.