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.
