

“Banks and Trust Companies”, sub-title “Savings Institutions”, authorizing any mutual savings institution to borrow money for certain purposes and generally relating to the power and procedure for such borrowing.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 41 of Article 11 of the Annotated Code of Maryland (1957 Edition), title “Banks and Trust Companies”, sub-title “Savings Institutions”, be and it is hereby repealed and re-enacted, with amendments, to read as follows:

41. May receive and invest deposits; no loans to officers, etc.; withdrawals; safety deposit vaults.

(a) Every savings institution existing under the laws of the State of Maryland, or which may hereafter be incorporated, transacting strictly a savings bank business, shall be capable of receiving from any person or persons, or bodies corporate or politic, any deposit of money, which shall be invested or loaned out on good security, in the discretion of the directors; provided, no part of the funds of such corporation shall be loaned to any officer, director or employee thereof. The deposits in any savings institution may be withdrawn at such time and in such manner as its bylaws may permit, but such institution may at any time require a depositor to give a notice, not exceeding ninety days, of his intention to withdraw the whole or any part of his deposit.

(b) Every such savings institution shall have the power to construct, own and let for hire, vaults, safes and like receptacles for the safekeeping and storage of securities and valuables, and to receive for deposit securities or valuables upon such terms and conditions as may be agreed upon between such institutions and persons, firms or corporations desiring to rent said vaults, safes and like receptacles, or to deposit securities or other valuables with said institutions.

(c) *Any mutual savings institution, by vote of its Board of Directors may borrow money for the purpose of repaying its depositors, or for such other purposes as said Board may deem to be in the best interests of such institutions. Any borrowing made under the authority of this section, shall be for periods aggregating not more than one year, subject, however, to renewal for any unpaid balance after such year with the written approval of the Banking Commissioner. Except with the prior approval of the Banking Commissioner, the aggregate amount of all borrowing outstanding at any one time for purposes other than repaying its depositors, shall not exceed five percent of the deposits of such institution as shown by its books at the time of such borrowing. Such institutions may pledge its assets as security for any sum borrowed under the authority of this section. A copy of the resolution of the Board of Directors authorizing such borrowings shall be forwarded forthwith to the Banking Commissioner.*

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1959.

Approved April 8, 1959.