

152.

(b) An endorsed note, or a note secured by a duly recorded lien upon unencumbered real or leasehold property, or the assignment of shares and deposits in the credit union, may be deemed security by the credit committee within the meaning of this subtitle. No member of the board of directors, credit committee or the supervisory committee shall directly or indirectly borrow from or become security for a loan or advance made by the corporation, in excess of the total of his shares and deposits, or in excess of the total of paid-in shares and deposits, held by him and his comakers in said credit union, unless said loan shall have been approved [at a regularly called meeting of the membership of the corporation by a majority vote of those present and represented at said meeting, and unless the call for the meeting contained notice of the fact that such loan would be discussed at said meeting] *by a majority vote at a joint meeting in the absence of the applicant at which a majority of the members of the credit committee and a majority of the members of the board of directors are present.*

SEC. 2. *And be it further enacted, That this Act shall take effect July 1, 1968.*

Approved March 22, 1968.

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CHAPTER 21

(Senate Bill 110)

AN ACT to repeal and re-enact, with amendments, Section 154 of Article 11 of the Annotated Code of Maryland (1957 Edition), title "Banks and Trust Companies," subtitle "Credit Unions," to lower the present annual transfer requirement for the reserve fund of credit unions.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Section 154 of Article 11 of the Annotated Code of Maryland (1957 Edition), title "Banks and Trust Companies," subtitle "Credit Unions," be and it is hereby repealed and re-enacted, with amendments, to read as follows:*

154.

All entrance fees, transfer fees and fines shall, after the payment of the organization expenses, be known as reserve income and shall be added to the reserve fund of the corporation. At the close of each fiscal year there shall be set apart to the reserve fund 20% of the net income of the corporation, which has been earned for the year. This amount may be increased by vote of the members of the credit union on the recommendation of the board of directors. The reserve fund shall belong to the corporation and shall be held to meet contingencies rising through losses in loans, etc., and shall not be distributed to members, except upon dissolution of the corporation. When the reserve fund shall equal [20%] 10% of the amount paid in on shares by members, only such amount of the annual net income