

CHAPTER 667

(Senate Bill 623)

AN ACT to repeal and re-enact, with amendments, Sections 419 (b), 420 (a), and 428 of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume), title "Corporations," subtitle "Development Credit Corporation," to alter and clarify the procedure for and the conditions of withdrawal from the corporation by member banks; to establish the method of determining the loan participation of member banks and the repayment to participating member banks of their participation in certain loans; to establish the procedure for allocating participation of member banks in loans made after July 1, 1971, and the terms of repayment to participants therein; to establish the method of evidencing indebtedness of the corporation to member banks; and to alter the basis for determining the maximum rate of interest charged on all loans made by the corporation and to exempt certain consultant fees and stock options therefrom.

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Sections 419 (b), 420 (a) and 428 of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume), title "Corporations," subtitle "Development Credit Corporation," be and they are hereby repealed and re-enacted, with amendments, to read as follows:*

419. Membership

(b) **Withdrawal from membership.** Membership in the corporation shall be for the duration of the corporation provided that:

1. Upon written notice given to the corporation [one year in advance] a member may withdraw from membership in the corporation at the expiration [date of such notice, or;] of 60 days after receipt of notice by the corporation.

2. If there shall be a legislative amendment of this charter which shall not have been approved by the members and stockholders as provided for in Section 418 within sixty days after the effective date of such amendment, any member voting against the approval of such amendment may withdraw from membership forthwith upon giving written notice to the corporation not later than ninety days from the effective date of such amendment.

[A member shall not be obligated to make any loans to the corporation pursuant to calls made subsequent to the receipt of notice of the withdrawal of said member.] *Subsequent to the expiration date of any notice of withdrawal, a withdrawing member shall not be obligated to make any loans to the corporation pursuant to calls made after such expiration date, except for loans accrued or committed by the corporation prior to such expiration date. A withdrawing member shall receive repayment of existing indebtedness due by the corporation to that Member at the expiration date of its notice to withdrawal in the same manner provided in Section 420 of this Article 23 for the normal repayment of all indebtedness to members.*