

CHAPTER 34
(Senate Bill 245)

AN ACT to repeal and re-enact, with amendments, Sections 84A (a), 136B, and 420 (a) of Article 23 of the Annotated Code of Maryland (1971 Supplement), title "Corporations," subtitles, respectively, "Stock Corporations," "Nonstock Corporations," and "Particular Classes of Corporations," correcting certain errors in the laws relating to corporations.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 84A (a), 136B, and 420 (a) of Article 23 of the Annotated Code of Maryland (1971 Supplement), title "Corporations," subtitles, respectively, "Stock Corporations," "Nonstock Corporations," and "Particular Classes of Corporations," be and the same are hereby repealed and re-enacted, with amendments, to read as follows:

420.

(a) *Calls on members; limits.*—Each member shall lend funds to such corporation as and when called upon to do so, but except as hereinafter permitted the total amount on loan by any member at any one time shall not exceed the following limit to be determined as of the time it became a member, and such amount shall thereafter be readjusted annually as of December 31 each year in the event of any change in the base of the loan limit of such member: national banking associations, State-chartered commercial banks and trust companies, two percent of capital and surplus; savings banks, two percent of the guarantee fund and undivided surplus; provided, however, that except as hereinafter permitted the total amount on loan by any member at any time shall not exceed two hundred fifty thousand dollars. All loan limits shall be established at the thousand dollar nearest to the amount computed on an actual basis. All calls of funds which members are committed to lend to such corporation shall be prorated by such corporation among the members in the same proportion that the maximum loan limit of each bears to the aggregate loan limits of all members of such corporation. Notwithstanding any other provisions of this subsection any member may lend funds to the corporation in excess of the loan limit for such corporation as above provided.

The corporation shall issue a call for funds on its members on July 1, 1971, equal to the total principal sum then due the corporation by all its borrowers, less the principal amount then due on loans made to the corporation other than by members. This call shall be prorated among members on the basis of the percentage which the maximum loan limit of each member bears to the total of the maximum loan limit of all members as determined on the basis of capital and surplus of all members as of December 31, 1970. The corporation shall simultaneously with the making of such call select loans from its loan portfolio having a total unpaid principal balance then due the corporation approximating as closely as possible such call. A participating interest in each loan so selected shall be allocated on the books of the corporation to each member on the basis of the percentage used to arrive at the amount each member shall have been called upon to loan the corporation. All indebtedness to mem-