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CHAPTER 658

(Senate Bill 172)

AN ACT to repeal and re-enact, with amendments, Section 140A of Article 11 of the Annotated Code of Maryland (1972 Supplement), title "Banks and Trust Companies", subtitle "Credit Unions", to add new Sections 451 through 465, inclusive, to Article 23 of the Annotated Code of Maryland (1971 Supplement) title "Corporations", subtitle "III. Particular Clauses of Corporations", to follow immediately after Section 450 thereof and to be under the new subheading "Maryland Credit Union Insurance Corporation", to require all state chartered credit union accounts to be insured[[, to allow them to join]] by the Maryland Credit Union Insurance Corporation, to create the Maryland Credit Union Insurance Corporation under the general supervision of the Banking Commissioner, providing for composition of the Board of Directors, granting certain powers, establishing certain qualifications for membership, defining certain terms and generally relating to state chartered credit union accounts.

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section 140A of Article 11 of the Annotated Code of Maryland (1972 Supplement), title "Banks and Trust Companies", subtitle "Credit Unions", be and it is hereby repealed and re-enacted, with amendments, to read as follows:

ARTICLE 11

140A.

(A) ALL SHARE AND DEPOSIT ACCOUNTS OF MEMBERS OF EVERY CREDIT UNION ORGANIZED UNDER THE LAWS OF THIS STATE SHALL BE INSURED AFTER JULY 1, [[1974]] 1975, TO THE EXTENT PERMITTED BY THE INSURER FROM WHICH THE INSURANCE IS OBTAINED. THE INSURANCE [[MAY]] SHALL BE OBTAINED FROM THE [[NATIONAL CREDIT UNION ADMINISTRATION SHARE INSURANCE PROGRAM, THE MARYLAND CREDIT UNION INSURANCE CORPORATION, OR ANY INSURER LICENSED FOR THIS TYPE OF INSURANCE IN MARYLAND.]] MARYLAND CREDIT UNION INSURANCE CORPORATION. ANY CREDIT UNION EXISTING UNDER THE LAWS OF THIS STATE WHICH FAILS TO OBTAIN SUCH INSURANCE BY JULY 1, [[1974]] 1975, SHALL BE DEEMED TO HAVE ELECTED TO BE LIQUIDATED AND SHALL BE LIQUIDATED BY THE BANK COMMISSIONER PURSUANT TO ARTICLE 11, SECTION 141B. PROVIDED, HOWEVER, THE BANK COMMISSIONER SHALL MAKE EVERY EFFORT TO PREVENT THE CLOSING OF ANY SUCH STATE CHARTERED CREDIT UNION AND MAY EXTEND THE TIME FOR LIQUIDATION FOR A PERIOD OF UP TO ONE YEAR IF THE COMMISSIONER FINDS SUCH EXTENSION WOULD NOT BE CONTRARY TO THE PUBLIC INTEREST.

[(a)] (B) Every credit union heretofore or hereafter organized under the laws of this State, is specifically granted the power and authority, if the action is approved by a vote of a majority of its board of directors, to participate in the national credit union administration share insurance program and to pay such administration any proper assessment made by it upon its insured credit unions and to comply with the provisions which may be applicable to such credit unions