

SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 6-213 through 6-217, inclusive, of Article - Corporations and Associations, of the Annotated Code of Maryland be repealed.

SECTION 3. AND BE IT FURTHER ENACTED, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Corporations and Associations

6-201.

(G) "GUARANTY STOCK" MEANS CAPITAL STOCK ISSUED BY A SAVINGS AND LOAN ASSOCIATION WHICH STOCK MEETS BOTH THE SPECIFIC REQUIREMENTS OF THIS SUBTITLE AND THE GENERAL REQUIREMENTS OF THIS ARTICLE.

(H) "GUARANTY STOCK ASSOCIATION" MEANS A SAVINGS AND LOAN ASSOCIATION THAT HAS AUTHORITY UNDER THIS SUBTITLE TO ISSUE GUARANTY STOCK.

(I) "MUTUAL ASSOCIATION" MEANS A SAVINGS AND LOAN ASSOCIATION THAT DOES NOT HAVE AUTHORITY UNDER THIS SUBTITLE TO ISSUE GUARANTY STOCK.

6-213.

(A) A SAVINGS AND LOAN ASSOCIATION MAY ISSUE ONE CLASS OF GUARANTY STOCK IN ADDITION TO ITS FREE SHARE ACCOUNTS, IF THE SAVINGS AND LOAN QUALIFIES UNDER SUBSECTION (B) OF THIS SECTION AND COMPLIES WITH SUBSECTION (C) OF THIS SECTION.

(B) A SAVINGS AND LOAN ASSOCIATION QUALIFIES TO ISSUE GUARANTY STOCK IF:

(1) PRIOR TO JANUARY 1, 1980, THE SAVINGS AND LOAN ASSOCIATION HAD ISSUED AND OUTSTANDING NOT LESS THAN \$50,000 AGGREGATE AMOUNT OF GUARANTY STOCK AND WAS ACTIVELY ENGAGED IN BUSINESS AS A GUARANTY STOCK ASSOCIATION IN ACCORDANCE WITH ALL APPLICABLE PROVISIONS OF MARYLAND LAW GOVERNING GUARANTY STOCK ASSOCIATIONS;

(2) THE SAVINGS AND LOAN ASSOCIATION OBTAINS THE PRIOR WRITTEN APPROVAL OF THE DIVISION DIRECTOR PURSUANT TO § 6-217 OF THIS SUBTITLE TO CONVERT FROM A MUTUAL SAVINGS AND LOAN ASSOCIATION TO A GUARANTY STOCK ASSOCIATION; OR

(3) THE INCORPORATORS OF A NEW SAVINGS AND LOAN ASSOCIATION OBTAIN THE PRIOR WRITTEN APPROVAL OF THE BOARD OF COMMISSIONERS PURSUANT TO § 6-217.1 OF THIS SUBTITLE TO FORM A GUARANTY STOCK ASSOCIATION.

(C) A SAVINGS AND LOAN ASSOCIATION WHICH QUALIFIES UNDER SUBSECTION (B) OF THIS SECTION SHALL COMPLY WITH THE FOLLOWING CONDITIONS AND LIMITATIONS: