

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland (as enacted by (H.B. 1) Chapter \_\_\_\_\_ of the Acts of the General Assembly of 1980) be repealed, amended, or enacted to read as follows:

Article - Financial Institutions

6-506.

~~(a) -- A -- credit -- union -- may -- make -- a -- mortgage -- loan -- to -- a member -- if -- the -- loan -- is --~~

(A) WITH THE APPROVAL OF THE BANK COMMISSIONER, A CREDIT UNION MAY MAKE LOANS TO MEMBERS AS PROVIDED IN THIS SECTION.

(B) A LOAN UNDER THIS SECTION SHALL BE:

(1) Secured by a first OR SECOND mortgage on real property; AND

(2) Amortized over a period of 30 years or less; and

~~{3} -- Approved -- by -- the -- bank -- commissioner.~~

~~(b)~~ (C) (1) A loan under this section THAT IS SECURED BY A FIRST MORTGAGE may be made at any rate of interest that does not exceed the rate authorized by Title 12, subtitle 1 of the Commercial Law Article for mortgage loans.

(2) A LOAN UNDER THIS SECTION THAT IS SECURED BY A SECOND MORTGAGE MAY BE MADE AT ANY RATE OF INTEREST THAT DOES NOT EXCEED THE RATE AUTHORIZED BY TITLE 12, SUBTITLE 4 OF THE COMMERCIAL LAW ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1980.

Approved May 6, 1980.

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CHAPTER 313

(Senate Bill 420)

AN ACT concerning

Credit Unions - Interest Rate Charged

FOR the purpose of increasing the interest rate a credit union may charge.