7-111. BYLAWS, RULES, AND REGULATIONS.

(A) ADOPTION BY BOARD.

THE BOARD OF DIRECTORS OF THE CORPORATION SHALL ADOPT BYLAWS FOR THE CORPORATION AND RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF THIS TITLE.

(B) APPROVAL BY COMMISSIONER.

(1) A BYLAW, RULE, OR REGULATION BECOMES EFFECTIVE ONLY AFTER IT IS SUBMITTED TO AND APPROVED BY THE BANK COMMISSIONER.

(2) A BYLAW, RULE, OR REGULATION IS CONSIDERED APPROVED IF THE BANK COMMISSIONER DOES NOT NOTIFY THE CORPORATION OF DISAPPROVAL AND THE REASONS FOR IT WITHIN 30 DAYS AFTER SUBMISSION OF THE BYLAW, RULE, OR REGULATION.

(3) THE BANK COMMISSIONER MAY DISAPPROVE A BYLAW, RULE, OR REGULATION ONLY IF THE BANK COMMISSIONER HAS REASON TO BELIEVE THAT:

(I) IT IS CONTRARY TO THE PRINCIPLES OR PURPOSES OF THIS TITLE; OR

(II) IT DOES NOT SERVE THE BEST INTERESTS OF THE PUBLIC.

REVISOR'S NOTE: This section is new language derived without substantive change from the last two sentences of Art. 23, § 451 and the second and third sentences of Art. 23, § 457.

The present reference to the power to "amend" bylaws, rules, and regulations is deleted as unnecessary. The power to amend is inherent in the power to adopt.

The first sentence of present Art. 23, § 457, which deals with the adoption of the original bylaws, rules, and regulations of the Corporation, is deleted as obsolete. The last sentence of that section, which deals with limits on insurance, now appears in § 7-105 of this title.

Although the last two sentences of present Art. 23, § 451 imply that bylaws need not be approved by the Bank Commissioner, present Art. 23, § 457 — and, therefore, this revision — expressly require this approval.

7-112. INDEPENDENT AUDITS OF MEMBERS.

THE CORPORATION MAY REQUIRE INDEPENDENT AUDITS AND