In this section, the present specification that the financial statement is prepared by "[t]he president of every association, or if so provided by the bylaws, some other officer thereof" is deleted as unnecessary.

As to "member", see § 9-301 of this subtitle.

"Division Director" and "savings and loan association" are defined in § 9-101 of this title.

9-306. CONFLICT OF INTEREST.

(A) LOANS PROHIBITED TO DIRECTOR, OFFICER, OR EMPLOYEE.

EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A SAVINGS AND LOAN ASSOCIATION MAY NOT MAKE A LOAN TO:

(1) ANY DIRECTOR, OFFICER, OR EMPLOYEE OF THE ASSOCIATION; OR

(2) ANY CORPORATION OR BUSINESS IN WHICH AN INTEREST OF 10 PERCENT OR MORE IS OWNED BY A DIRECTOR, OFFICER, OR EMPLOYEE OF THE ASSOCIATION OR A MEMBER OF THE FAMILY OF A DIRECTOR, OFFICER, OR EMPLOYEE.

(B) EXCEPTIONS TO PROHIBITION.

A LOAN IS NOT PROHIBITED BY SUBSECTION (A) OF THIS SECTION IF THE LOAN IS:

(1) SECURED BY THE BORROWER'S:

(I) PRINCIPAL RESIDENCE; OR

(II) FREE SHARE ACCOUNTS IN THE ASSOCIATION, PROVIDED THAT THE AMOUNT OF A LOAN SECURED BY A FREE SHARE ACCOUNT MAY NOT BE MORE THAN 90 PERCENT OF THE WITHDRAWAL VALUE OF THE ACCOUNT; OR

(2) (I) APPROVED BY A TWO THIRDS VOTE OF THE BOARD OF DIRECTORS, PROVIDED THAT ANY INTERESTED DIRECTOR DOES NOT TAKE PART IN THE VOTE;

(II) APPROVED BY THE DIVISION DIRECTOR; AND

(III) SECURED BY COLLATERAL APPRAISED BY A DISINTERESTED APPRAISER APPOINTED BY THE DIVISION DIRECTOR.

(C) FREE SHARE ACCOUNTS.

A DIRECTOR, OFFICER, OR EMPLOYEE OF A SAVINGS AND LOAN ASSOCIATION MAY NOT BUY AT LESS THAN FACE VALUE ANY INTEREST IN A FREE SHARE ACCOUNT ISSUED BY THE ASSOCIATION.