

BY repealing and reenacting, without amendments,

Article - Financial Institutions
Section 6-501
Annotated Code of Maryland
(1980 Volume and 1980 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Financial Institutions

6-402.

(a) Except as otherwise provided in this section, the board of directors of a credit union may declare dividends from its available net earnings at the close of any fiscal year, after providing for accrued expenses, interest, and taxes.

(b) [The] THE BOARD OF DIRECTORS SHALL SET THE dividend rate AND SHALL NOTIFY THE MARYLAND CREDIT UNION INSURANCE CORPORATION AND SUPPLY A REPORT OF FINANCIAL CONDITION WHENEVER THE DIVIDEND RATE IS CHANGED [may not exceed 12 percent a year].

(c) (1) Dividends may be paid annually, semiannually, quarterly, or daily, as the bylaws of the credit union provide.

(2) Except for shares on which dividends are paid daily, dividend credit for a month may be accrued on shares that become full paid before the eleventh day of the month.

(d) A credit union may not declare a dividend:

(1) Unless the required amount of earnings has been credited to the reserve fund of the credit union; or

(2) If the known losses at the close of a fiscal year would exceed the sum of the balances of the reserve fund, surplus, and undivided earnings after payment of the dividend.

6-501.

Subject to the provisions of this subtitle, a credit union may make loans to its members for the purposes and on the terms as the bylaws provide.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1981.