

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1982.

Approved June 1, 1982.

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CHAPTER 812

(Senate Bill 687)

AN ACT concerning

Banking Institutions - FDIC Membership

FOR the purpose of providing that banking institutions which are not in the business of accepting deposits or retaining funds in a deposit account are not required to be members of the Federal Deposit Insurance Corporation; and providing that a bank which accepts a deposit as a trustee or custodian is not in the business of accepting deposits and is not in the business of retaining deposits if the deposits do not remain in a deposit account of the institution for more than two consecutive banking days; and providing that any institution which is not in the business of accepting or retaining deposits shall not be bound by the provisions of Section 5-403(c)(2) of the Financial Institutions Article governing affiliates.

BY repealing and reenacting, with amendments,

Article - Financial Institutions  
Section 5-509  
Annotated Code of Maryland  
(1980 Volume and 1981 Supplement)

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

Article - Financial Institutions

5-509.

(a) Each banking institution shall be a member of the Federal Deposit Insurance Corporation UNLESS THE INSTITUTION IS NOT IN THE BUSINESS OF ACCEPTING DEPOSITS OR RETAINING FUNDS IN A DEPOSIT ACCOUNT. A BANKING INSTITUTION IS NOT IN THE BUSINESS OF ACCEPTING DEPOSITS IF IT ACCEPTS A DEPOSIT AS A TRUSTEE OR CUSTODIAN AND IS NOT IN THE BUSINESS OF