

(B) (1) IN THIS SUBSECTION, "COMMERCIAL LOAN" MEANS A LOAN THAT IS MADE:

(I) SOLELY TO ACQUIRE OR CARRY ON A BUSINESS OR COMMERCIAL ENTERPRISE; OR

(II) TO ANY BUSINESS OR COMMERCIAL ORGANIZATION.

(2) THIS SECTION DOES NOT REQUIRE APPROVAL OF A COMMERCIAL LOAN THAT IS MADE TO:

(I) A DIRECTOR OF THE BANKING INSTITUTION, UNLESS THE DIRECTOR ALSO IS AN OFFICER OR EMPLOYEE OF THE BANKING INSTITUTION;

(II) A PARTNERSHIP OF WHICH THE DIRECTOR IS A MEMBER, UNLESS AN OFFICER OR EMPLOYEE OF THE BANKING INSTITUTION ALSO IS A MEMBER OF THAT PARTNERSHIP; OR

(III) A CORPORATION IN WHICH THE DIRECTOR HOLDS ANY INTEREST, UNLESS AN OFFICER OR EMPLOYEE OF THE BANKING INSTITUTION IS AN OFFICER OR OWNS THE MAJORITY INTEREST IN THAT CORPORATION.

(C) (1) A LOAN TO A DIRECTOR, OFFICER, OR EMPLOYEE OF A BANKING INSTITUTION MAY BE MADE ONLY IF THE LOAN HAS BEEN APPROVED BY A RESOLUTION ADOPTED AT AND RECORDED IN THE MINUTES OF A MEETING OF:

(I) THE BOARD OF DIRECTORS OF THE BANKING INSTITUTION; OR

(II) THE EXECUTIVE COMMITTEE OF THE BANKING INSTITUTION, IF THAT COMMITTEE IS AUTHORIZED TO MAKE LOANS.

(2) IF A LOAN IS APPROVED BY AN EXECUTIVE COMMITTEE, THE LOAN APPROVAL SHALL BE REPORTED TO THE BOARD OF DIRECTORS AT ITS NEXT MEETING.

(D) (1) A LOAN MADE UNDER THIS SECTION SHALL BE REVIEWED EVERY 6 MONTHS BY THE BOARD OF DIRECTORS.

(2) THE LOAN MAY NOT BE RENEWED OR EXTENDED UNLESS THE RENEWAL OR EXTENSION HAS BEEN APPROVED BY A RESOLUTION ADOPTED AT A MEETING OF THE BOARD OF DIRECTORS AND RECORDED IN THE MINUTES OF THE MEETING.

(E) ALL LOANS TO A DIRECTOR, OFFICER, OR EMPLOYEE OF A BANKING INSTITUTION ARE SUBJECT TO THE LIMITATIONS IMPOSED BY § 3-601 OF THIS ARTICLE.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1982.