

practices after providing adequate opportunity for a hearing before a certain body; and providing certain procedures to be followed; and generally relating to the removal of the director or officer of a savings and loan association.

BY adding to

Article - Financial Institutions  
Section ~~8-402.1~~ 8-402.2  
Annotated Code of Maryland  
(1980 Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Financial Institutions

~~8-402.1~~ 8-402.2.

(A) (1) IF THE DIVISION DIRECTOR BELIEVES FINDS THAT A DIRECTOR OR OFFICER OF A SAVINGS AND LOAN ASSOCIATION HAS ENGAGED IN AN UNSAFE OR UNSOUND BANKING BUSINESS PRACTICE, THE DIVISION DIRECTOR SHALL SEND A WRITTEN WARNING BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE DIRECTOR OR OFFICER.

(2) THE WARNING AND ITS SUBJECT MATTER SHALL REMAIN CONFIDENTIAL BETWEEN THE DIVISION DIRECTOR AND THE DIRECTOR OR OFFICER OF THE SAVINGS AND LOAN ASSOCIATION.

(B) (1) IF THE DIVISION DIRECTOR FINDS THAT THE DIRECTOR OR OFFICER HAS CONTINUED TO ENGAGE IN THE UNSAFE OR UNSOUND PRACTICE, THE DIVISION DIRECTOR, WITH THE ADVICE OF THE BOARD OF COMMISSIONERS, MAY SHALL REPORT THE FACTS TO THE SECRETARY OF LICENSING AND REGULATION AND THE ATTORNEY GENERAL.

(2) A COPY OF THE REPORT SHALL BE SENT BY REGISTERED MAIL TO EACH DIRECTOR OF THE ~~BANKING-INSTITUTION~~ SAVINGS AND LOAN ASSOCIATION.

(C) (1) AFTER GIVING THE OFFICER OR DIRECTOR AN OPPORTUNITY TO BE HEARD PROMPTLY BY THE BOARD OF SAVINGS AND LOAN COMMISSIONERS, IF THE ~~DIVISION--DIRECTOR~~ BOARD FINDS THAT THE UNSAFE OR UNSOUND PRACTICE CONTINUED AFTER THE WARNING, THE ~~DIVISION--DIRECTOR~~ BOARD, WITH THE APPROVAL OF THE SECRETARY OF LICENSING AND REGULATION, MAY REMOVE THE OFFICER OR DIRECTOR.

~~(2)--A COPY OF THE REMOVAL ORDER SHALL--BE--SERVED--ON THE INDIVIDUAL REMOVED AND THE SAVINGS AND LOAN ASSOCIATION.~~

(2) THE HEARING SHALL BE PURSUANT TO THE ADMINISTRATIVE PROCEDURE ACT.

(3) A COPY OF THE REMOVAL ORDER SHALL BE SERVED IMMEDIATELY ON THE INDIVIDUAL REMOVED AND ON THE SAVINGS AND LOAN ASSOCIATION.