

Senate Bill No. 111

AN ACT concerning

Savings and Loan Division - Cease and Desist Orders

FOR the purpose of providing that the Director of the Savings and Loan Division of the Department of Licensing and Regulation may order a savings and loan association to cease and desist from certain practices or violations; providing that the Division Director may include certain restrictions or requirements in a cease and desist order; providing for notice and hearing before a certain body before a cease and desist order may take effect; providing for certain exceptions from the notice and hearing requirement under certain circumstances; providing that a cease and desist order shall be final under certain circumstances; providing that the hearing shall be in accordance with a certain Act; and generally relating to the enforcement powers of the Director of the Savings and Loan Division.

BY adding to

Article - Financial Institutions
Section 8-402.1
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.

(A) THE DIVISION DIRECTOR MAY ORDER ANY SAVINGS AND LOAN ASSOCIATION TO CEASE AND DESIST FROM:

- (1) AN UNSAFE OR UNSOUND BANKING BUSINESS PRACTICE;
- (2) A PRACTICE THAT IS INJURIOUS TO THE PUBLIC INTEREST; OR
- (3) A VIOLATION OF:
 - (I) A LAW; OR
 - (II) A RULE OR REGULATION OF THE BOARD OF COMMISSIONERS.

(B) TO PROTECT DEPOSITORS, MEMBERS, STOCKHOLDERS, OR THE PUBLIC, THE DIVISION DIRECTOR MAY INCLUDE IN A CEASE AND DESIST