

Harry Hughes
Governor

House Bill No. 334

AN ACT concerning

Savings and Loan Associations - Removal of Director or Officer

FOR the purpose of empowering requiring the Director of the Savings and Loan Division of the Department of Licensing and Regulation to warn and remove a director or officer of a savings and loan association for engaging in certain practices, and after providing adequate opportunity for hearing before a certain body; providing certain procedures to be followed; and generally relating to--grounds--for 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.