

(1) BECOME INDEBTED TO ANY MEMBER ASSOCIATION; OR

(2) ENGAGE OR BE INTERESTED IN THE SALE OF SECURITIES OF OR IN THE NEGOTIATION OF LOANS FOR OTHERS TO OR WITH ANY MEMBER ASSOCIATION.

(B) THIS SECTION DOES NOT APPLY TO A LOAN THAT A MEMBER ASSOCIATION MAKES TO A DEPOSITOR IF THE LOAN IS LESS THAN THE AMOUNT OF THE DEPOSIT.

(C) ANY PERSON WHO VIOLATES ANY PROVISION OF THIS SECTION IS SUBJECT TO DISMISSAL.

10-110.

(A) (1) THE MONEYS OF THE MARYLAND DEPOSIT INSURANCE FUND CORPORATION SHALL BE MAINTAINED IN A SPECIAL NONLAPSING FUND, TO BE CALLED THE "MARYLAND DEPOSIT INSURANCE FUND".

(2) THE FUND DIRECTOR SHALL ADMINISTER THE MARYLAND DEPOSIT INSURANCE FUND FOR THE PURPOSES OF:

(I) INSURING THE SAVINGS ACCOUNTS OF MEMBER ASSOCIATIONS;

(II) PURCHASING CAPITAL INSTRUMENTS, INCLUDING NET WORTH CERTIFICATES, ISSUED BY A MEMBER ASSOCIATION TO ENABLE THAT MEMBER ASSOCIATION TO QUALIFY FOR FEDERAL INSURANCE;

(III) REIMBURSING SAVINGS ACCOUNT HOLDERS FOR LOSS INCURRED UPON LIQUIDATION OF A MEMBER ASSOCIATION, UP TO THE AMOUNT OF INSURANCE ON ANY SAVINGS ACCOUNT; AND

(IV) PROVIDING FUNDS FOR LIQUIDITY TO A MEMBER ASSOCIATION IN AN EMERGENCY.

(B) THE AMOUNT OF LOSS TO BE PROTECTED AGAINST FOR EACH DEPOSITOR MAY NOT EXCEED THE LIMIT ESTABLISHED FROM TIME TO TIME BY THE RULES AND REGULATIONS OF THE FUND. THIS LIMIT MAY NOT EXCEED THE AMOUNT OF FEDERAL INSURANCE.

10-111.

(A) (1) ANY ASSOCIATION OR THE INCORPORATORS OF A PROPOSED ASSOCIATION MAY APPLY TO THE FUND DIRECTOR TO BECOME A MEMBER ASSOCIATION.

(2) THE FUND DIRECTOR SHALL REFER EACH APPLICATION RECEIVED TO THE DIVISION DIRECTOR FOR CERTIFICATION OF INSURABILITY.

(B) IF THE DIVISION DIRECTOR APPROVES THE FINANCIAL AFFAIRS, SOLVENCY, MANAGEMENT, AND BOARD OF DIRECTORS OF AN ASSOCIATION OR PROPOSED ASSOCIATION FOR INSURANCE OF SAVINGS ACCOUNTS, THE DIVISION DIRECTOR SHALL SO CERTIFY TO THE FUND DIRECTOR.