

10-109-

(A) -- EXCEPT -- AS -- PROVIDED -- IN -- SUBSECTION -- (B) -- OF -- THIS -- SECTION, THE FUND DIRECTOR AND EMPLOYEES OF THE FUND MAY NOT --

(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 -- MONIES -- 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.