

FOR the purpose of authorizing the Director of the Division of Savings and Loan Associations to convert State-chartered mutual associations to capital stock associations under certain circumstances; authorizing the Division Director to approve modified conversions or voluntary supervisory stock conversions on the same terms and conditions permitted or required under federal law after making certain determinations; authorizing the Board of Commissioners to provide procedural rules, conditions for final approval, approval of the chartering of a capital stock association to merge or acquire assets, and to exercise general rulemaking authority; providing for the cessation of certain rights of account holders under certain circumstances; providing for the exemption from certain standard requirements for transactions, including initial incorporation or capitalization, conversion, consolidation, merger, or transfer of assets, and procedural rights under certain circumstances; making this Act an emergency measure; and generally relating to the conversion and acquisition of mutual associations to capital stock associations.

BY adding to

Article - Financial Institutions  
Section 9-611 and 9-612  
Annotated Code of Maryland  
(1980 Volume and 1985 Supplement)

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

Article - Financial Institutions

9-611.

(A) IN THIS SECTION "SAVINGS AND LOAN ASSOCIATION" MEANS A SAVINGS AND LOAN ASSOCIATION ORGANIZED UNDER THIS TITLE AS A MUTUAL ASSOCIATION.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, THE DIVISION DIRECTOR MAY APPROVE A CONVERSION OF A SAVINGS AND LOAN ASSOCIATION TO A CAPITAL STOCK ASSOCIATION THAT DEVIATES FROM THE STANDARD REQUIREMENTS OF THIS TITLE IF THE CIRCUMSTANCES OF THE CONVERSION WOULD, UNDER FEDERAL LAW, PERMIT THE FEDERAL HOME LOAN BANK BOARD TO AUTHORIZE A MODIFIED CONVERSION.

(C) THE DIVISION DIRECTOR MAY APPROVE A MODIFIED CONVERSION ONLY IF:

(1) THE DIVISION DIRECTOR DETERMINES THAT:

(I) THE STABILITY OF THE SAVINGS AND LOAN ASSOCIATION IS THREATENED BY SEVERE FINANCIAL DIFFICULTIES;