

BY adding to

Article - Financial Institutions
Section 5-1008
Annotated Code of Maryland
(1986 Replacement Volume and 1987 Supplement)

Preamble

WHEREAS, Currently, there remain approximately 40 savings and loan associations that are insured by the State of Maryland Deposit Insurance Fund Corporation (the Fund), with a total asset base of approximately \$148 million; and

WHEREAS, By July 1, 1989, these associations must either obtain insurance from the Federal Savings and Loan Insurance Corporation (FSLIC) or be acquired or liquidated; and

WHEREAS, It is unlikely that the 40 remaining savings and loan associations will obtain insurance from the FSLIC before July 1, 1989; and

WHEREAS, It is in the interest of the State of Maryland to minimize additional exposure to the Fund in the event of the liquidation of any of the 40 remaining member associations; and

WHEREAS, Allowing the deposits of remaining associations that are insured by the Fund to be acquired by an out-of-state bank holding company through the prompt acquisition of a Maryland bank would provide an additional avenue whereby to lessen the Fund's exposure and provide some relief to the remaining associations; and

WHEREAS, Allowing such acquisitions by out-of-state bank holding companies must be subject to sufficiently strict requirements so as to prevent out-of-state bank holding companies from entering the State without making a substantial commitment to the State to acquire deposit liability insured by the Fund; now, therefore,

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

Article - Financial Institutions

5-1001.

(j) (1) "Maryland bank" means:

(i) A bank organized under either Title 3 or Title 4 of this article and, in either case, having banking offices located only in this State; [or]