

(3) CERTIFY THESE ACTIONS TAKEN TO THE CREDIT-UNION INSURANCE-CORPORATION SHARE INSURER.

9-1110 9-1109.

IN ADDITION TO MEMBERSHIP AUTHORIZED IN § 6-210 OF THIS TITLE, A CREDIT UNION RESULTING FROM A CONVERSION UNDER THIS SUBTITLE MAY PERMIT INDIVIDUALS WHO, AT THE TIME OF CONVERSION, ARE MEMBERS, SAVINGS ACCOUNT HOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, OR BORROWERS OF A MUTUAL ASSOCIATION, TO BECOME MEMBERS OF THE RESULTING CREDIT UNION.

SECTION 2. AND BE IT FURTHER ENACTED, That a credit union resulting from a conversion of a mutual savings and loan association may hold loans and investments in existence at the time of conversion that do not conform with loans and investments allowed under Title 6 of the Financial Institutions Article except:

(1) Any nonperforming loan which is in default, or any loan that the Bank Commissioner determines is inadequately secured.

(2) Any loan or investment the Bank Commissioner determines will jeopardize the safety and soundness of the institution.

SECTION 3. AND BE IT FURTHER ENACTED, That, for purposes of calculating the tax imposed on net earnings under Article 81, §§ 128 and 128A of the Code and, after January 1, 1989, under Title 8, Subtitle 2 of the Tax - General Article, for a mutual association converting under Title 9, Subtitle 11 of the Financial Institutions Article, any amounts of previously allowed bad debt reserve deductions that are, as a result of the conversion, recaptured and included in taxable income for federal income tax purposes shall be subtracted from the net income of the association.

SECTION 4. AND BE IT FURTHER ENACTED, That, for the purposes of this Act, the time a credit union is in operation, as used in § 6-602(c) of the Financial Institutions Article, shall include the time that a credit union operated as a stock or mutual savings and loan association prior to conversion to a credit union under this Act.

SECTION 5. AND BE IT FURTHER ENACTED, That the 3 directors of the Credit Union Insurance Corporation appointed by the Governor under § 7-109(b)(2)(ii) of the Financial Institutions Article shall continue to serve in office until July 1, 1988, at