

House Bill 282, which was passed by the General Assembly and signed by me on May 26, 1994, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 211.

Sincerely,
William Donald Schaefer
Governor

Senate Bill No. 211

AN ACT concerning

Credit Unions - Loans - Required Security

FOR the purpose of altering the circumstances under which a credit union may make an unsecured loan to a member increasing the amount of a loan that a credit union may make to a member without security.

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 6-505

Annotated Code of Maryland

(1992 Replacement Volume and 1993 Supplement)

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

Article - Financial Institutions

6-505.

(a) A loan by a credit union to a member shall be secured as required by the credit union, subject to the provisions of this section.

(b) ~~¶ (1) ¶~~ A credit union may make a loan ~~¶ of \$400 or less ¶~~ to a member without security ~~¶. ¶~~ ~~¶~~

~~(1) THE CREDIT UNION HAS RECEIVED THE APPROVAL OF THE BANK COMMISSIONER FOR A POLICY COVERING ALL UNSECURED LENDING; AND~~

(2) ~~¶ With the approval of the Bank Commissioner, a credit union may make loans of \$10,000 \$15,000 \$20,000 or less to members without security ¶ THE LOAN IS MADE IN ACCORDANCE WITH THE APPROVED POLICY.~~

(c) A credit union may accept as security for a loan:

- (1) An endorsed note;
- (2) A note secured by a recorded first or second lien on real property;
- (3) An assignment of shares or deposits in the credit union; or