

Sincerely,
Parris N. Glendening
Governor

House Bill No. 94

AN ACT concerning

Credit Unions – Voluntary Receivership

FOR the purpose of requiring the board of directors of a credit union proposing a voluntary receivership to take certain actions; ~~and~~ altering the manner in which a voluntary receivership is approved by the members of a credit union; authorizing the Bank Commissioner to waive a certain requirement under certain circumstances; and generally relating to the placement of credit unions in voluntary receivership.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 6-704

Annotated Code of Maryland

(1992 Replacement Volume and 1994 Supplement)

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

Article – Financial Institutions

6-704.

(a) Any credit union voluntarily may place its business and assets in the hands of the Bank Commissioner for liquidation as provided in this section.

(B) A MAJORITY OF THE BOARD OF DIRECTORS OF A CREDIT UNION PROPOSING A VOLUNTARY RECEIVERSHIP SHALL:

(1) ADOPT A RESOLUTION THAT DECLARES THAT THE VOLUNTARY RECEIVERSHIP IS ADVISABLE; AND

(2) SET A DATE FOR A VOTE ON THE PROPOSED VOLUNTARY RECEIVERSHIP BY THE MEMBERS OF THE CREDIT UNION, ~~EITHER AT A MEETING TO BE HELD ON THAT DATE OR~~ BY MAIL BALLOT TO BE FILED ON OR BEFORE THAT DATE.

[(b)](C) THE BANK COMMISSIONER, AT THE REQUEST OF THE BOARD OF DIRECTORS OF A CREDIT UNION, MAY WAIVE THE REQUIREMENT FOR A MAIL BALLOT AND MAY SUBSTITUTE ANY REASONABLE METHOD OF DETERMINING THE VOTE OF THE MEMBERS.

(D) The proposed [action] VOLUNTARY RECEIVERSHIP shall be approved by the affirmative vote of a majority of the members [present at a meeting called for that purpose] OF THE CREDIT UNION WHO VOTE ON THE PROPOSAL.