

Article - Financial Institutions

Section 6-701.1

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

6-701.1.

(a) Any credit union organized under the laws of any other state or of the United States may convert to a State credit union as provided in this section.

(b) A credit union proposing to convert shall meet:

(1) All of the requirements of this title for the incorporation of a credit union in this State; and

(2) All of the requirements of the Bank Commissioner.

(c) A majority of the board of directors of a credit union proposing to convert shall:

(1) Adopt a resolution that declares that the conversion is advisable; and

(2) Set a date for a vote on the proposed conversion by the members of the credit union, ~~either at a meeting to be held on that date or~~ by [written] MAIL ballot to be filed on or before that date.

(d) 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.

(E) Written notice of the proposed conversion and of the date set for the vote shall be delivered in person to each member or mailed to each member at the member's address as recorded by the credit union, not more than 30 days nor less than 7 days before the date set for the vote.

~~(e)~~ (F) (1) The proposed conversion shall be approved by the affirmative vote of a majority of the members [voting at a meeting called for that purpose] OF THE CREDIT UNION WHO VOTE ON THE PROPOSAL.

(2) Within 10 days after the vote, a statement of the results of the vote shall be filed with the Bank Commissioner. The statement shall be verified by the president or vice-president and the secretary.

~~(f)~~ (G) When the conversion is complete, the successor credit union owns all of the assets and is responsible for all the obligations of the credit union as though the conversion had not taken place.