

(3) ON DEFAULT, EXTENSION, OR RECASTING OF THE DEBT, THE INSURANCE MAY BE CONTINUED FOR UP TO 6 MONTHS BEYOND THE 18 MONTHS SPECIFIED IN PARAGRAPH (2) OF THIS SUBSECTION.

(F) INSURANCE PAYABLE TO CREDITOR.

(1) THE INSURANCE SHALL BE PAYABLE TO THE CREDITOR.

(2) THE PAYMENT SHALL BE USED TO REDUCE OR EXTINGUISH THE UNPAID INDEBTEDNESS OF THE DEBTOR TO THE EXTENT OF THE PAYMENT.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 423.

In subsection (b)(2)(ii), in the introductory language of (c)(1), and in subsection (f) of this section, the reference to the "creditor" is substituted for the former reference to the "policyholder" in light of subsection (a)(2) of this section.

In subsection (b)(2)(ii) of this section, the reference to "proprietorships" is substituted for the former reference to "proprietors" to conform with the reference to "partnerships".

In subsection (b)(3) of this section, the reference to a debtor's being eligible "for insurance under the policy" is added for clarity.

In subsection (c)(2) and the introductory language of (3) of this section, the word "paid" is substituted for the former word "derived" for consistency throughout this section and this subtitle.

Defined terms: "Insurance" § 1-101

"Insurer" § 1-101

"Policy" § 1-101

"Premium" § 1-101

17-207. CREDIT UNIONS.

(A) IN GENERAL.

(1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE LIVES OF A GROUP OF INDIVIDUALS MAY BE INSURED UNDER A POLICY ISSUED TO A CREDIT UNION ORGANIZED IN ACCORDANCE WITH STATE LAW OR THE FEDERAL CREDIT UNION ACT TO COVER MEMBERS OF THE CREDIT UNION FOR THE BENEFIT OF PERSONS OTHER THAN THE CREDIT UNION OR ITS OFFICIALS.

(2) THE CREDIT UNION TO WHICH THE POLICY IS ISSUED IS DEEMED THE POLICYHOLDER.

(B) MEMBERS ELIGIBLE FOR INSURANCE.

ALL MEMBERS OF THE CREDIT UNION, OR ALL OF ANY CLASS OR CLASSES OF MEMBERS DETERMINED BY CONDITIONS PERTAINING TO THEIR AGE OR