

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1997.

Approved May 22, 1997.

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**CHAPTER 679**

**(House Bill 587)**

AN ACT concerning

**Credit Unions – Loans to Members, Reserve Fund, and Power to Borrow and Risk Assets**

FOR the purpose of altering the circumstances under which a credit union may make an unsecured loan to a member; ~~providing certain exceptions to the requirement that repealing certain requirements relating to an application for a loan from a credit union to a member must state the purpose for which the loan is requested; altering the definition of "risk assets" by excluding certain additional assets of a credit union from the definition; providing certain exceptions to the limitation on a credit union's authority to borrow money for longer than a certain time period; defining a certain term; and generally relating to credit unions.~~

BY repealing and reenacting, with amendments,

Article – Financial Institutions

~~Section 6-505, 6-508, 6-602(a), and 6-604~~ Section 6-505 and 6-602(a)

Annotated Code of Maryland

(1992 Replacement Volume and 1996 Supplement)

BY repealing

Article – Financial Institutions

Section 6-508

Annotated Code of Maryland

(1992 Replacement Volume and 1996 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[.

(2) With the approval of the Commissioner, a credit union may make loans of \$20,000 or less to members without security] IF: