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**By: Chairman, Commerce and Government Matters Committee (Departmental - Labor, Licensing and Regulation)**

Introduced and read first time: January 17, 1996  
Assigned to: Commerce and Government Matters

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Committee Report: Favorable with amendments  
House action: Adopted  
Read second time: February 13, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Financial Institutions - Frequency of Examinations - Publication of Reports**

3 [TAG ftpo]FOR the purpose of ~~reducing~~ altering the required frequency of examinations of financial  
4 institutions; repealing the requirement that banking institutions publish in a  
5 newspaper a summary of their periodic reports of financial condition; and generally  
6 relating to examinations and reports.

7 BY repealing and reenacting, with amendments,

- 8 Article - Financial Institutions
- 9 Section 5-201 and 5-206
- 10 Annotated Code of Maryland
- 11 (1992 Replacement Volume and 1995 Supplement)

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

14 **Article - Financial Institutions**

15 5-201.

16 (a) An examiner shall visit each banking institution and examine its business:

17 (1) At least once {during each calendar year} ~~EVERY 18 MONTHS, UNLESS~~  
18 THE BANK COMMISSIONER DETERMINES THAT, DURING A CALENDAR YEAR, AN  
19 EXAMINATION IS UNNECESSARY, IN WHICH EVENT AN EXAMINATION SHALL OCCUR  
20 NO LESS FREQUENTLY THAN ONCE EVERY 18 MONTHS;

21 (2) When asked to do so by the board of directors of the institution; or

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1 (3) At any other time that the Bank Commissioner considers necessary.

2 (b) The examiner shall determine:

3 (1) The condition of the institution; and

4 (2) Whether it is complying with the law.

5 (c) During an examination, the examiner, in the presence of an officer of the  
6 banking institution, shall have access to all of the vaults and records of the institution.

7 5-206.

8 (a) At least twice a year, the Bank Commissioner shall ask every banking  
9 institution to submit a financial report that shows in detail the assets and liabilities of the  
10 institution as of the close of the business day that the Bank Commissioner specifies.

11 (b) The Bank Commissioner shall:

12 (1) Provide forms that conform as closely as practicable to the forms that  
13 the federal banking authorities use; or

14 (2) Accept from a banking institution a copy of a reasonably recent report  
15 that the institution submitted to a federal banking authority.

16 (c) (1) Within 30 days after a banking institution receives the request for a  
17 financial report, the institution shall submit the report.

18 (2) Each report shall be signed and verified by the president, vice president,  
19 cashier, or treasurer of the banking institution.

20 [(d) (1) Within 45 days after a banking institution receives the request for a  
21 financial report, the institution shall:

22 (i) Publish a summary of the report in a newspaper published or  
23 circulated in the county where the banking institution has its principal banking office; and

24 (ii) Submit proof of publication of the summary to the Bank  
25 Commissioner.

26 (2) Each summary of a report shall be in a form that the Bank  
27 Commissioner approves.]

28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
29 October 1, 1996.

