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**By: Delegates Poole and Opara**

Introduced and read first time: January 29, 1997

Assigned to: Commerce and Government Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Credit Unions - Confidentiality of Information and Prohibition on Derogatory**  
3 **Statements**

4 FOR the purpose of prohibiting the Commissioner of Financial Regulation, the  
5 employees of and the attorney for the Commissioner's office, and the members of  
6 the Banking Board from disclosing certain information; providing certain exceptions  
7 to the prohibition on disclosure; prohibiting a person from making, circulating, or  
8 sending to another person, or counseling, aiding, procuring, or inducing another  
9 person to make, circulate, or send to another person, certain derogatory statements  
10 about credit unions doing business in this State; providing certain penalties for  
11 violations of this Act; and generally relating to regulation of the disclosure of  
12 information about or related to credit unions.

13 BY adding to

14 Article - Financial Institutions  
15 Section 6-309 and 6-310  
16 Annotated Code of Maryland  
17 (1992 Replacement Volume and 1996 Supplement)

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

20 **Article - Financial Institutions**

21 6-309.

22 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, THE  
23 COMMISSIONER, THE EMPLOYEES OF AND THE ATTORNEY FOR THE  
24 COMMISSIONER'S OFFICE, AND THE MEMBERS OF THE BANKING BOARD MAY NOT  
25 DISCLOSE:

26 (1) THE NAME OF ANY DEBTOR OF A CREDIT UNION;

27 (2) ANY INFORMATION ABOUT THE PRIVATE ACCOUNTS WITH OR  
28 TRANSACTIONS OF A CREDIT UNION;

29 (3) ANY INFORMATION OBTAINED IN THE COURSE OF EXAMINING A  
30 CREDIT UNION; OR

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1 (4) ANY CONFIDENTIAL INFORMATION OBTAINED FROM A CREDIT  
2 UNION AUTHORITY.

3 (B) THIS SECTION DOES NOT APPLY TO ANY INFORMATION THAT A PERSON  
4 DISCLOSES:

5 (1) IN PERFORMING A PUBLIC DUTY TO REPORT ON OR TAKE SPECIAL  
6 ACTION ABOUT THE BUSINESS OF A CREDIT UNION; OR

7 (2) IN TESTIFYING AS A WITNESS IN A CRIMINAL PROCEEDING.

8 (C) THE COMMISSIONER MAY GIVE THE CREDIT UNION INSURANCE  
9 CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION SHARE  
10 INSURANCE PROGRAM INFORMATION ABOUT A CREDIT UNION IF:

11 (1) THE CREDIT UNION IS INSURED BY THE CREDIT UNION INSURANCE  
12 CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION SHARE  
13 INSURANCE PROGRAM; OR

14 (2) THE CREDIT UNION:

15 (I) IS APPLYING FOR INSURANCE FROM THE CREDIT UNION  
16 INSURANCE CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION  
17 SHARE INSURANCE PROGRAM; AND

18 (II) REQUESTS THE COMMISSIONER TO PROVIDE THE  
19 INFORMATION.

20 (D) A PERSON THAT VIOLATES ANY PROVISION OF THIS SECTION IS GUILTY  
21 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:

22 (1) FORFEITURE OF THE PERSON'S OFFICE OR EMPLOYMENT; AND

23 (2) A FINE NOT EXCEEDING \$1,000 OR IMPRISONMENT NOT EXCEEDING  
24 2 YEARS OR BOTH.

25 6-310.

26 (A) A PERSON MAY NOT WILLFULLY MAKE, CIRCULATE, OR SEND TO  
27 ANOTHER PERSON ANY UNTRUE STATEMENT THAT IS DEROGATORY TO THE  
28 FINANCIAL CONDITION OR THAT AFFECTS THE SOLVENCY OR FINANCIAL STANDING  
29 OF ANY CREDIT UNION DOING BUSINESS IN THE STATE, OR COUNSEL, AID,  
30 PROCURE, OR INDUCE ANOTHER TO MAKE, CIRCULATE, OR SEND TO ANOTHER  
31 PERSON SUCH A STATEMENT.

32 (B) A PERSON THAT VIOLATES ANY PROVISION OF THIS SECTION IS GUILTY  
33 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING  
34 \$1,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

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