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**By: Senator Boozer**

Introduced and read first time: January 22, 1997

Assigned to: Finance

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 7, 1997

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CHAPTER \_\_\_\_

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, ~~and 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, AND THE EMPLOYEES OF AND THE ATTORNEY FOR THE

2

1 COMMISSIONER'S OFFICE, ~~AND THE MEMBERS OF THE BANKING BOARD~~ MAY NOT  
2 DISCLOSE:

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

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

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

8 (4) ANY CONFIDENTIAL INFORMATION OBTAINED FROM A CREDIT  
9 UNION AUTHORITY.

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

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

14 (2) IN TESTIFYING AS A WITNESS IN A CRIMINAL PROCEEDING; OR

15 (3) IN INFORMING ANY DIRECTOR OR AUTHORIZED OFFICER,  
16 EMPLOYEE, OR AGENT OF A CREDIT UNION UNDER EXAMINATION OF THE RESULTS  
17 OF THAT EXAMINATION.

18 (C) THE COMMISSIONER MAY GIVE THE CREDIT UNION INSURANCE  
19 CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION SHARE  
20 INSURANCE PROGRAM INFORMATION ABOUT A CREDIT UNION IF:

21 (1) THE CREDIT UNION IS INSURED BY THE CREDIT UNION INSURANCE  
22 CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION SHARE  
23 INSURANCE PROGRAM; OR

24 (2) THE CREDIT UNION:

25 (I) IS APPLYING FOR INSURANCE FROM THE CREDIT UNION  
26 INSURANCE CORPORATION OR THE NATIONAL CREDIT UNION ADMINISTRATION  
27 SHARE INSURANCE PROGRAM; AND

28 (II) REQUESTS THE COMMISSIONER TO PROVIDE THE  
29 INFORMATION.

30 (D) EXCEPT AS OTHERWISE PROVIDED BY LAW, ALL CONFIDENTIAL  
31 INFORMATION DISCLOSED TO ANY PERSON AS PERMITTED UNDER THIS SECTION:

32 (1) REMAINS THE PROPERTY OF THE COMMISSIONER; AND

33 (2) MAY NOT BE FURTHER DISCLOSED BY THAT PERSON WITHOUT THE  
34 WRITTEN PERMISSION OF THE COMMISSIONER.

35 (E) A PERSON THAT VIOLATES ANY PROVISION OF THIS SECTION IS GUILTY  
36 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO:

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

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

3 6-310.

4 (A) A PERSON MAY NOT WILLFULLY MAKE, CIRCULATE, OR SEND TO  
5 ANOTHER PERSON ANY UNTRUE STATEMENT THAT IS DEROGATORY TO THE  
6 FINANCIAL CONDITION OR THAT AFFECTS THE SOLVENCY OR FINANCIAL STANDING  
7 OF ANY CREDIT UNION DOING BUSINESS IN THE STATE, OR COUNSEL, AID,  
8 PROCURE, OR INDUCE ANOTHER TO MAKE, CIRCULATE, OR SEND TO ANOTHER  
9 PERSON SUCH A STATEMENT.

10 (B) A PERSON THAT VIOLATES ANY PROVISION OF THIS SECTION IS GUILTY  
11 OF A MISDEMEANOR AND ON CONVICTION IS SUBJECT TO A FINE NOT EXCEEDING  
12 \$1,000 OR IMPRISONMENT NOT EXCEEDING 3 YEARS OR BOTH.

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