

**Department of Fiscal Services**  
Maryland General Assembly

**FISCAL NOTE**  
**Revised**

House Bill 587 (Delegates Poole and Opara)  
Commerce and Government Matters

Referred to Finance

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**Credit Unions - Loans to Members and Risk Assets**

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This amended bill revises the definition of risk assets to mean a credit union's total loans outstanding to its members. In addition, the bill allows credit unions to make unsecured loans to members if the Commissioner has approved an unsecured lending policy for that credit union and the credit union is following that policy.

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**Fiscal Summary**

**State Effect:** None. The bill does not substantively change State activities or operations.

**Local Effect:** None.

**Small Business Effect:** Potential minimal effect on credit unions that are small businesses as discussed below.

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**Fiscal Analysis**

**Small Business Effect:** The majority of credit unions in Maryland are small businesses. To the extent that the revised definition of risk assets simplifies the calculation of risk assets and reserves for credit unions, administrative expenditures may decrease a minimal amount. Also, the ability to provide unsecured loans in certain circumstances, may increase flexibility and make credit unions more competitive.

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**Information Source(s):** Department of Labor, Licensing and Regulation (Office of Financial Regulation); Maryland Credit Union League

**Fiscal Note History:** First Reader - February 5, 1997

brd Revised - House Third Reader - March 25, 1997

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Analysis by: Shelley Finlayson

Reviewed by: Paul Ballou

Direct Inquiries to:

John Rixey, Coordinating Analyst

(410) 841-3710

(301) 858-3710