

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 338 (Senator Boozer)
Finance

Referred to Commerce and Government Matters

Credit Unions - Loans to Members and Risk Assets

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.

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.

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.

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

Fiscal Note History: First Reader - January 30, 1997

brd Revised - Senate Third Reader - March 25, 1997

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