

CHAPTER 499

(House Bill 417)

AN ACT concerning

Financial Institutions – Cooperative Agreements and Information Sharing with Government Agencies

FOR the purpose of authorizing the Commissioner of Financial Regulation to enter into cooperative and information sharing agreements with certain federal,~~state,~~
~~or local~~ or state government agencies; authorizing the Commissioner to exchange certain information with certain federal,~~state,~~
~~or local~~ or state government agencies; providing for a certain exemption to the Commissioner's authority; and generally relating to cooperative agreements and information sharing by the Commissioner of Financial Regulation.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 2–113

Annotated Code of Maryland

(2003 Replacement Volume and 2007 Supplement)

BY adding to

Article – Financial Institutions

Section 2–117

Annotated Code of Maryland

(2003 Replacement Volume and 2007 Supplement)

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

Article – Financial Institutions

2–113.

(a) In this section, “affiliate” has the meaning stated in § 5–401(b) of this article.

(b) Except as provided in subsection (d) of this section, the investigative and enforcement powers of the Commissioner authorized under this subtitle are in addition to any investigative or enforcement powers of the Commissioner authorized under any other provision of law.

(c) Beginning in fiscal year 2001, the Governor shall appropriate in the State budget in each fiscal year to the Division of Financial Regulation funding for the positions necessary to implement the investigative and enforcement powers authorized under this subtitle.

(d) [The] EXCEPT AS PROVIDED IN § 2-117 OF THIS SUBTITLE, THE provisions of §§ 2-114 through [2-116] 2-117, inclusive, of this subtitle do not apply to:

(1) Any bank, trust company, savings bank, savings and loan association, or credit union incorporated or chartered under the laws of this State or the United States that maintains its principal office in this State;

(2) Any out-of-state bank, as defined in § 5-1001 of this article, having a branch that accepts deposits in this State;

(3) Any institution incorporated under federal law as a savings association or savings bank that does not maintain its principal office in this State but has a branch that accepts deposits in this State; or

(4) An affiliate of an institution described in paragraph (1), (2), or (3) of this subsection.

2-117.

(A) ~~NOTWITHSTANDING~~ SUBJECT TO SUBSECTIONS (B) AND (C) OF THIS SECTION, NOTWITHSTANDING ANY OTHER PROVISION OF STATE LAWS OR REGULATIONS, THE COMMISSIONER MAY:

(1) ENTER INTO COOPERATIVE AND INFORMATION SHARING AGREEMENTS WITH ANY ~~FEDERAL, STATE, OR MUNICIPAL~~ FEDERAL OR STATE REGULATORY ~~OR LAW ENFORCEMENT~~ AGENCY HAVING AUTHORITY OVER FINANCIAL INSTITUTIONS, PROVIDED THAT THE AGREEMENTS PROHIBIT THE AGENCY FROM DISCLOSING ANY SHARED INFORMATION WITHOUT PRIOR WRITTEN CONSENT FROM THE COMMISSIONER REGARDING DISCLOSURE OF THE PARTICULAR INFORMATION; ~~OR~~ AND

(2) EXCHANGE INFORMATION ABOUT A FINANCIAL INSTITUTION, INCLUDING INFORMATION OBTAINED DURING AN EXAMINATION, WITH ANY ~~FEDERAL, STATE, OR MUNICIPAL~~ FEDERAL OR STATE REGULATORY ~~OR LAW ENFORCEMENT~~ AGENCY HAVING AUTHORITY OVER THE FINANCIAL INSTITUTION.

(B) NOTWITHSTANDING § 2-113(D) OF THIS SUBTITLE, AN AFFILIATE AS DEFINED IN § 2-113(A) OF THIS SUBTITLE IS SUBJECT TO SUBSECTION (A) OF THIS SECTION IF THAT AFFILIATE MAINTAINS OR IS REQUIRED TO MAINTAIN A LICENSE ISSUED BY THE COMMISSIONER.

(C) THIS SECTION DOES NOT AUTHORIZE THE COMMISSIONER TO SHARE OR EXCHANGE INFORMATION IN ANY WAY PROHIBITED BY FEDERAL LAW.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2008.

Approved by the Governor, May 13, 2008.