

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL 1136
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 3, after “or” insert “deliver”; in line 5, after the first “of” insert “a certain”; in the same line, strike “authorizing” and substitute “requiring”; in line 6, strike “a”; in the same line, strike “amount” and substitute “amounts”; in line 7, after “Commissioner” insert “or a certain receiver”; in line 8, after “costs” insert “under certain circumstances; requiring certain securities pledged by a nondepository trust company to be held at a certain institution or bank; authorizing the Commissioner to specify the types of securities that may be pledged; establishing that certain fees are the responsibility of a nondepository trust company; providing that securities pledged by a nondepository trust company may not be assets relied on by the nondepository trust company for a certain purpose; requiring any income earned on certain securities to be paid to the nondepository trust company; requiring a certain surety bond to be issued by a certain bonding company and in a certain form”; in line 9, after “bank;” insert “requiring the Commissioner to charge and collect certain fees for a conversion of a federal mutual savings bank into a savings bank under certain provisions of this Act;”; in line 11, strike “a certain emergency exists” and substitute “the nondepository trust company is insolvent”; in line 12, after “Commissioner” insert “that are court approved and”; in line 13, after the second “the” insert “nondepository”; in line 14, strike “and” and substitute a comma; in the same line, strike “bonds” and substitute “securities”; in the same line, strike “payment on” and substitute “the recovery against”; in line 15, after “bond;” insert “providing that certain proceeds of a sale of pledged securities shall be an asset of a nondepository trust company;”; in the same line, strike “the Commissioner” and substitute “a certain receiver”; in line 17, after “salaries” insert “and certain other expenses”; in line 18, after “individuals” insert “, officers, and employees”; in the same line, strike “out of the funds” and substitute “from the assets”; in the same line, strike “trust” and substitute “nondepository trust”; in the same line, strike “as well as”; in line 19, strike “bonds” and substitute

(Over)

“securities.”; in the same line, strike “payment on” and substitute “the recovery against”; and in line 24, after “Section” insert “2-108(a)(4)”.

AMENDMENT NO. 2

On page 2, after line 11, insert:

“2-108.

(a) The Commissioner shall charge and collect, in advance, the following nonrefundable fees:

(4) A fee for a conversion of a national banking association, a federal stock savings and loan association, or a federal stock savings bank into a commercial bank under § 3-801 of this article OR A FEDERAL MUTUAL SAVINGS BANK INTO A SAVINGS BANK UNDER § 4-701.1 OF THIS ARTICLE:

- (i) Filing fee.....\$7,000
- (ii) Examination fee\$3,000”.

AMENDMENT NO. 3

On page 2, after line 26, insert:

“(A) IN THIS SECTION, “RECEIVERSHIP” MEANS A PROCEEDING IN WHICH:

(1) THE COMMISSIONER TAKES POSSESSION OF A NONDEPOSITORY TRUST COMPANY IN ACCORDANCE WITH § 5-601, § 5-602, OR § 5-602.1 OF THIS ARTICLE; AND

(2) A RECEIVER IS APPOINTED IN ACCORDANCE WITH § 5-605 OF THIS ARTICLE.;

in line 27, strike “(A)” and substitute “(B)”; strike beginning with “IN” in line 27 down through “A” in line 28 and substitute “A”; in line 29, strike beginning with “TO” through the second “COMMISSIONER,”; in line 30, after “OR” insert “DELIVER”; in the same line, after “BOND” insert “TO THE COMMISSIONER, FOR THE BENEFIT OF THE COMMISSIONER,”; and strike beginning with the second “OF” in line 30 down through “FAIL” in line 31.

On page 3, in line 4, strike “\$3,000,000” and substitute “:

(I) \$1,000,000 FOR A NONDEPOSITORY TRUST COMPANY WITH A COMPOSITE RATING, USING THE UNIFORM INTERAGENCY TRUST RATING SYSTEM, OF 1 OR 2; OR

(II) \$3,000,000 FOR A NONDEPOSITORY TRUST COMPANY WITH A COMPOSITE RATING, USING THE UNIFORM INTERAGENCY TRUST RATING SYSTEM, OF 3, 4, OR 5”;

in lines 5 and 10, strike “(B)” and “(C)”, respectively, and substitute “(C)” and “(D)”, respectively; in line 5, strike “IN” and substitute “SUBJECT TO THE PROVISIONS OF TITLE 5, SUBTITLE 6 OF THIS ARTICLE, IN”; strike beginning with the second “OF” in line 5 down through “COMPANY” in line 6; in line 6, after “COMMISSIONER” insert “OR A RECEIVER APPOINTED UNDER § 5-605 OF THIS ARTICLE”; in line 8, strike “, AS SOON AS PRACTICABLE,”; in lines 11 and 19, in each instance, strike “(A)” and substitute “(B)”; in line 16, strike “SUCH” and substitute “PLEDGED”; after line 17, insert:

(Over)

“(4) SECURITIES PLEDGED BY A NONDEPOSITORY TRUST COMPANY MAY NOT BE ASSETS RELIED ON BY THE NONDEPOSITORY TRUST COMPANY TO MEET THE MINIMUM CAPITAL REQUIREMENTS OF § 3-209 OF THIS SUBTITLE.

(5) ANY INCOME EARNED ON SECURITIES PLEDGED BY A NONDEPOSITORY TRUST COMPANY:

(I) SHALL BE PAID TO THE NONDEPOSITORY TRUST COMPANY; AND

(II) MAY NOT BE HELD BY THE COMMISSIONER.”;

strike beginning with “IS” in line 22 down through “(II)” in line 23; in line 24, strike “(III)” and substitute “(II)”; in line 28, strike “THE” and substitute “A”; and in line 29, strike “ENTITY IN WHICH IT HAS A FINANCIAL INTEREST” and substitute “AFFILIATE, AS DEFINED IN § 5-401 OF THIS ARTICLE”.

AMENDMENT NO. 4

On page 7, strike beginning with “AN” in line 9 down through “SECTION” in line 10 and substitute “A NONDEPOSITORY TRUST COMPANY IS INSOLVENT”; in line 11, strike “A” and substitute “THE”; in line 13, strike “POSTING” and substitute “:”

(1) POSTING”;

in the same line, strike “INSTITUTION” and substitute “NONDEPOSITORY TRUST COMPANY”; strike line 15 in its entirety and substitute “MARYLAND COMMISSIONER OF FINANCIAL REGULATION”; AND

(2) IMMEDIATELY DELIVERING WRITTEN NOTICE TO THE BOARD OF DIRECTORS OF THE NONDEPOSITORY TRUST COMPANY THAT THE COMMISSIONER HAS TAKEN POSSESSION OF THE NONDEPOSITORY TRUST COMPANY.”;

and strike in their entirety lines 16 through 29, inclusive.

AMENDMENT NO. 5

On page 8, in line 1, before “ALL” insert “**(A)**”; in the same line, after “COMMISSIONER” insert “**THAT ARE COURT APPROVED AND**”; in line 5, strike “TO THE COMMISSIONER”; in line 6, strike “IN ADDITION TO”; in line 7, strike “OR THE PAYMENT ON” and substitute “**PLEGGED UNDER § 3-211.1 OF THIS ARTICLE, OR RECOVERY AGAINST**”; in the same line, after “A” insert “**SURETY**”; in lines 7 and 25, in each instance, strike “REQUIRED” and substitute “**DELIVERED**”; after line 8, insert:

“(B) ANY PROCEEDS OF A SALE OF PLEDGED SECURITIES THAT REMAIN AFTER MAKING THE PAYMENTS REQUIRED UNDER SUBSECTION (A) OF THIS SECTION AND § 5-606(B)(2) OF THIS SUBTITLE SHALL BE AN ASSET OF THE NONDEPOSITORY TRUST COMPANY.”;

in line 22, after “SUBSECTION” insert “**THAT ARE COURT APPROVED**”; in line 23, strike “OUT OF THE FUNDS” and substitute “**FROM THE ASSETS**”; in lines 23 and 24, strike “IN ADDITION TO”; and in line 24, strike “OR THE PAYMENT ON” and substitute “**PLEGGED UNDER § 3-211.1 OF THIS ARTICLE, OR RECOVERY AGAINST**”; in line 25, after “A” insert “**SURETY**”; and after line 25, insert:

“(3) ANY PROCEEDS OF A SALE OF PLEDGED SECURITIES THAT REMAIN AFTER MAKING THE PAYMENTS REQUIRED UNDER PARAGRAPH (2) OF THIS SUBSECTION AND § 5-604.1(A) OF THIS SUBTITLE SHALL BE AN ASSET OF THE NONDEPOSITORY TRUST COMPANY.”.