

Chapter 427

(House Bill 1004)

AN ACT concerning

Financial Institutions – Commissioner of Financial Regulation – Credit Union Power

FOR the purpose of altering the process by and circumstances under which a credit union may engage in any additional activity, service, or other practice that is permissible for federal credit unions; requiring a credit union to provide certain notice to the Commissioner of Financial Regulation at least a certain number of days before engaging in an additional activity, service, or other practice; allowing credit unions to engage in any additional activity, service, or other practice on a certain day after the Commissioner receives a certain notice unless the Commissioner specifies a different date or prohibits the activity, service, or other practice; authorizing the Commissioner, under certain circumstances, to extend a certain time period after which a credit union may engage in any additional activity, service, or other practice; authorizing the Commissioner to prohibit a credit union from engaging in any additional activity, service, or other practice under certain circumstances; and generally relating to the powers of credit unions.

BY repealing and reenacting, with amendments,
 Article – Financial Institutions
 Section 6–313
 Annotated Code of Maryland
 (2020 Replacement Volume and 2020 Supplement)

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

Article – Financial Institutions

6–313.

(a) Notwithstanding any other provision of the laws or regulations of the State[, on approval of the Commissioner,] **AND SUBJECT TO SUBSECTION (B) OF THIS SECTION**, a credit union may engage in any additional activity, service, or other practice in which, under federal law or regulation, federal credit unions may engage, **SUBJECT TO THE SAME CONDITIONS THAT FEDERAL LAW REQUIRES OR ALLOWS AS TO FEDERAL CREDIT UNIONS.**

(B) (1) A CREDIT UNION SHALL PROVIDE THE COMMISSIONER WITH WRITTEN NOTICE AT LEAST 45 CALENDAR DAYS BEFORE ENGAGING IN ANY ACTIVITY, SERVICE, OR OTHER PRACTICE AUTHORIZED UNDER SUBSECTION (A) OF

THIS SECTION.

(2) THE NOTICE REQUIRED UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE A DESCRIPTION OF THE PROPOSED ACTIVITY, SERVICE, OR OTHER PRACTICE, INCLUDING:

(I) THE SPECIFIC AUTHORITY FOR THE ACTIVITY, SERVICE, OR OTHER PRACTICE; AND

(II) ANY CONDITION THAT FEDERAL LAW REQUIRES OR ALLOWS AS TO FEDERAL CREDIT UNIONS.

(3) THE CREDIT UNION MAY BEGIN TO PERFORM THE ACTIVITY, SERVICE, OR OTHER PRACTICE ON THE FIRST BUSINESS DAY AFTER THE 45TH CALENDAR DAY FROM THE DATE THE COMMISSIONER RECEIVES THE NOTICE UNDER PARAGRAPH (1) OF THIS SUBSECTION UNLESS THE COMMISSIONER:

(I) SPECIFIES A DIFFERENT DATE; OR

(II) PROHIBITS THE ACTIVITY, SERVICE, OR OTHER PRACTICE.

(c) THE COMMISSIONER MAY EXTEND THE 45-DAY PERIOD UNDER SUBSECTION (B)(3) OF THIS SECTION IF THE COMMISSIONER DETERMINES THAT THE CREDIT UNION'S NOTICE REQUIRES ADDITIONAL INFORMATION OR ADDITIONAL TIME FOR ANALYSIS.

[(b)] (D) The Commissioner may [grant an approval under this section only] PROHIBIT A CREDIT UNION FROM PERFORMING THE ACTIVITY, SERVICE, OR OTHER PRACTICE DESCRIBED IN THE NOTICE PROVIDED UNDER SUBSECTION (B) OF THIS SECTION if[

(1) The] THE Commissioner determines that [approval] PERFORMING THE ACTIVITY, SERVICE, OR OTHER PRACTICE WOULD:

(1) ADVERSELY AFFECT THE SAFETY AND SOUNDNESS OF THE CREDIT UNION;

[(i)] (2) [Reasonably is required] BE DETRIMENTAL to [protect] the welfare of the general economy of the State [and of credit unions]; or

[(ii)] (3) [Is not] BE detrimental to the public interest or to credit unions[; and

(2) The approval imposes the same conditions that federal law or regulation requires or permits as to federal credit unions].

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2021.

Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.