

HOUSE BILL 1004

11

11r2605

By: **Delegate Crosby**

Introduced and read first time: February 5, 2021

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 3, 2021

CHAPTER _____

1 AN ACT concerning

2 **Financial Institutions – Commissioner of Financial Regulation – Credit Union**
3 **Power**

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

17 BY repealing and reenacting, with amendments,
18 Article – Financial Institutions
19 Section 6–313
20 Annotated Code of Maryland
21 (2020 Replacement Volume and 2020 Supplement)

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Financial Institutions**

2 6–313.

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

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

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

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

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

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

24 **(I) SPECIFIES A DIFFERENT DATE; OR**

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

26 **(C) THE COMMISSIONER MAY EXTEND THE 45–DAY PERIOD UNDER**
27 **SUBSECTION (B)(3) OF THIS SECTION IF THE COMMISSIONER DETERMINES THAT**
28 **THE CREDIT UNION’S NOTICE REQUIRES ADDITIONAL INFORMATION OR**
29 **ADDITIONAL TIME FOR ANALYSIS.**

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

1 SECTION if[:

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

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

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

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

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

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
13 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.