

160Y. DEFINITE RATE SECURITIES FORBIDDEN.

No association shall issue, sell, negotiate, or advertise for sale either to members or the public any type of investment security other than free share accounts, guaranty stock "Christmas" and/or "vacation club" funds in account with it. No association shall agree to pay, on any free share account, a rate or amount, in dividends or other distributions, which is fixed. This Section shall not be construed, however, to exclude the power of an association to borrow money from banks, or other similar borrowings.

160Z. INVESTMENTS OF ASSOCIATIONS.

(a) *Power to invest.* In addition to the investments permitted to be made by associations organized under the laws of this State, pursuant to Section 150 of this Article, every association shall have power to invest:

(1) *in such real estate as may be or reasonably anticipated to be necessary or convenient for the transaction of its business, and this shall include the power to derive revenue, by rental or otherwise, from any portion of such real estate;*

(2) *in real estate purchased at auction sale, public or private, judicial or otherwise, upon which the association has lien or claim, legal or equitable;*

(3) *in real estate accepted by the association in satisfaction of any obligation;*

(4) *in real estate acquired by the association in exchange for real estate owned by the association;*

(5) *in real estate acquired by the association in connection with salvaging the value of property owned by the association;*

(6) *in chattels and equipment necessary to conduct its business;*

(7) *by making loans to members of cooperative housing projects secured by the assignment of their interest or equity in a unit of such project, notwithstanding the fact that such project as a whole may be subject to a prior lien, and notwithstanding any other provisions of this Act;*

(8) *with banks insured by the Federal Deposit Insurance Corporation.*

(b) *Title to and location of property.* Title to all real estate shall be taken and held in the name of the association. The real or leasehold property securing any mortgage authorized by Section 150 of this Article shall be situate in this State, or without this State if such property is within a fifty (50) mile radius of the principal Maryland office of the association.

(c) *Second mortgages.* Any mortgage held by an association shall be a first lien upon such real or leasehold property except that such mortgage may be a second lien if the first lien on said property is held by the association.

160AA. PROMOTIONAL ACTIVITIES PROHIBITED.

After the effective date of this Section, an association shall not give for the opening of, maintaining of, or increasing the amount of, any account, any give-away that has a monetary value in excess