

SECTION 1. *Be it enacted by the General Assembly of Maryland, That new Sections 160A-160KK be and they are hereby added to Article 23 of the Annotated Code of Maryland (1957 Edition), title "Corporations", sub-title "Building or Homestead Associations" to follow immediately after Section 160 thereof, and to read as follows:*

160A. POLICY.

It is the declared policy of this State that:

(a) *The savings and loan business, otherwise known as the building, savings and loan or homestead business, which is within the scope of this Article, has so expanded in recent years and has become so integrated with the financial institutions of this State and is so important as a method of promoting home ownership and thrift, that such business is affected with a public interest and shall be supervised as a business affecting the economic security and general welfare of the people of this State;*

(b) *Such business shall be conducted only by associations organized and conducted in accordance with the authority provided by this Article;*

(c) *The number and minimum size of the associations conducting such business shall be controlled in the interest of securely and efficiently serving the needs of the localities in which they operate;*

(d) *The public interest requires the promotion and fostering of the building, savings and loan or homestead business and the assurance of its financial stability;*

(e) *Such associations shall be organized for the purpose of accepting free share accounts and making loans to their members;*

(f) *In order to achieve the aforesaid purposes and policy, it is necessary that all associations, except as provided in Section 160P of this Article, shall have only one kind or class of shares or stock and that all the holders of such shares or stock shall have equal rights as to voting, earnings, and assets;*

(g) *In order to further the policies herein expressed, the provisions of this Article applicable to associations shall be liberally construed to promote and foster the purposes of such associations.*

160B. APPLICATION OF PROVISIONS.

(a) *Definition of "association." As used in this sub-title, the word "association" shall mean building, savings and loan or homestead association or any other similar association by whatever name called.*

(b) *Domestic and foreign associations. The provisions of this Article shall apply to all associations heretofore or hereafter organized under the laws of this State; and to all foreign associations duly authorized to do business in this State;*

(c) *Federal associations. Unless Federal laws or regulations provide otherwise, Federal associations incorporated pursuant to the Homeowners Loan Act of 1933, as amended, and their members shall*