

FOR the purpose of altering the manner in which the conversion of a State credit union to a federal credit union is approved by members of the credit union; authorizing the Bank Commissioner to waive a ~~certain~~ certain requirement under certain circumstances; and making stylistic changes; and generally relating to the conversion of State credit unions into federal credit unions.

BY repealing and reenacting, with amendments,

Article - Financial Institutions

Section 6-701

Annotated Code of Maryland

(1992 Replacement Volume and 1994 Supplement)

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

**Article - Financial Institutions**

6-701.

(a) Any State credit union may convert into a federal credit union as provided by federal law and as provided in this section.

(b) A majority of the board of directors of a credit union proposing to convert shall:

(1) Adopt a resolution that declares THAT the conversion [to be] IS advisable; and

(2) Set a date for a vote on the proposed conversion by the members of the credit union, ~~either at a meeting to be held on that date or~~ by [written] MAIL ballot to be filed on or before that date.

(c) THE BANK COMMISSIONER, AT THE REQUEST OF THE BOARD OF DIRECTORS OF A CREDIT UNION, MAY WAIVE THE REQUIREMENT FOR A MAIL BALLOT AND MAY SUBSTITUTE ANY REASONABLE METHOD OF DETERMINING THE VOTE OF THE MEMBERS.

(D) Written notice of the proposed conversion and of the date set for the vote shall be delivered in person to each member or mailed to each member at the member's address as recorded by the credit union, not more than 30 days nor less than 7 days before the date set for the vote.

~~(d)~~ (E) (1) The proposed conversion shall be approved by the affirmative [, written] vote of a majority of the [entire membership] MEMBERS of the credit union WHO VOTE ON THE PROPOSAL.

(2) Within 10 days after the vote, a statement of the results of the vote shall be filed with the Bank Commissioner. The statement shall be verified by the president or vice-president and by the secretary of the credit union.

~~(e)~~ (F) (1) Within 90 days after a proposed conversion is approved, the credit union shall take any action necessary under federal law to make it a federal credit union.