

RATE OF INTEREST.

(B) ADDITIONS TO FUND.

IF A SAVINGS BANK HAS A GUARANTY FUND THAT IS LESS THAN 5 PERCENT OF ITS TOTAL DEPOSITS, THE SAVINGS BANK SHALL ADD TO ITS INITIAL GUARANTY FUND, AT THE END OF EACH FISCAL YEAR, AT LEAST 10 PERCENT OF ITS NET EARNINGS, CALCULATED BEFORE INTEREST ON THE TRANSFERABLE DEFERRED PAYMENT CERTIFICATES.

REVISOR'S NOTE: This section is new language derived without substantive change from CA § 6-107(c) and from the first sentence of Art. 11, § 39(e).

The balance of present CA § 6-107, which provides for the initial guaranty fund and branch additions, now appears in §§ 4-208 and 4-209 of this title.

4-302. MAINTENANCE OF FUND.

(A) LIMITATIONS ON REDUCTION.

EXCEPT AS PROVIDED IN THIS SECTION, A SAVINGS BANK MAY NOT REDUCE ITS GUARANTY FUND.

(B) REDUCTION OF EXCESS.

IF THE BANK COMMISSIONER DETERMINES THAT THE GUARANTY FUND OF A SAVINGS BANK EXCEEDS 5 PERCENT OF ITS TOTAL DEPOSITS AND APPROVES A REDUCTION, THE SAVINGS BANK MAY REDUCE ITS FUND BY THE AMOUNT OF THE EXCESS.

(C) REDUCTION ON ABANDONMENT OF BRANCH.

IF A SAVINGS BANK ABANDONS A BRANCH AND THE BANK COMMISSIONER APPROVES A REDUCTION, THE SAVINGS BANK MAY REDUCE ITS GUARANTY FUND BY THE AMOUNT OF ITS ADDITION TO THE FUND REQUIRED FOR ESTABLISHMENT OF THE BRANCH.

(D) LIMITATIONS ON INTEREST ON DEPOSITS.

(1) THIS SUBSECTION APPLIES IF THE GUARANTY FUND:

(I) HAS REACHED 5 PERCENT OF THE TOTAL DEPOSITS OF THE SAVINGS BANK; AND

(II) LATER FALLS BELOW THAT AMOUNT.

(2) A SAVINGS BANK MAY NOT PAY ANY INTEREST ON ITS DEPOSITS SO LONG AS ITS GUARANTY FUND IS LESS THAN 5 PERCENT OF ITS TOTAL DEPOSITS, UNLESS THE SAVINGS BANK ADDS TO THE FUND, FROM NET EARNINGS FOR THE YEAR, MONEY THAT EQUALS AT LEAST 0.25 PERCENT OF ITS TOTAL DEPOSITS.