

LISTED IN THIS SUBSECTION;

(9) FURNITURE AND EQUIPMENT; AND

(10) REAL PROPERTY.

(B) RESERVE FUND REQUIRED.

EACH CREDIT UNION SHALL HAVE A RESERVE FUND TO MEET LOSSES ON LOANS AND TO MEET OTHER CONTINGENCIES THAT THE BANK COMMISSIONER SPECIFIES. THE RESERVE FUND MAY BE DISTRIBUTED TO THE MEMBERS OF THE CREDIT UNION ONLY ON DISSOLUTION OF THE CREDIT UNION.

(C) CREDITS TO RESERVE FUND.

(1) AFTER PAYING ORGANIZATION EXPENSES, EACH CREDIT UNION SHALL CREDIT TO ITS RESERVE FUND ALL ENTRANCE FEES, TRANSFER FEES, AND FINES.

(2) A CREDIT UNION IN OPERATION FOR 4 YEARS OR MORE AND HAVING ASSETS OF \$500,000 OR MORE SHALL CREDIT TO THE RESERVE FUND, AT THE END OF EACH ACCOUNTING PERIOD:

(I) 10 PERCENT OF ITS GROSS INCOME UNTIL THE RESERVE FUND EQUALS 4 PERCENT OF ITS RISK ASSETS; AND

(II) THEN, 5 PERCENT OF ITS GROSS INCOME UNTIL THE RESERVE FUND EQUALS 6 PERCENT OF ITS RISK ASSETS.

(3) A CREDIT UNION IN OPERATION FOR LESS THAN 4 YEARS OR HAVING ASSETS OF LESS THAN \$500,000 SHALL CREDIT TO THE RESERVE FUND, AT THE END OF EACH ACCOUNTING PERIOD:

(I) 10 PERCENT OF ITS GROSS INCOME UNTIL THE RESERVE FUND EQUALS 7.5 PERCENT OF ITS RISK ASSETS; AND

(II) THEN, 5 PERCENT OF ITS GROSS INCOME UNTIL THE RESERVE FUND EQUALS 10 PERCENT OF ITS RISK ASSETS.

(4) ON RECOMMENDATION OF THE BOARD OF DIRECTORS, THE MEMBERS OF A CREDIT UNION MAY VOTE TO INCREASE THE AMOUNT CREDITED TO THE RESERVE FUND.

(D) IF RESERVES LESS THAN REQUIRED.

IF THE RESERVE FUND FALLS BELOW THE AMOUNTS REQUIRED BY SUBSECTION (C) (2) OR (3) OF THIS SECTION, IT SHALL BE RESTORED BY REGULAR CONTRIBUTIONS.

REVISOR'S NOTE: This section presently appears as Art. 11, § 154.

Ch. 243, Acts of 1978, which last amended present Art. 11, § 154, created an internal inconsistency as to the amount to be contributed to the reserve fund: the second, third, and fourth sentences of