

(3) THE DATE ON WHICH THE DIVIDEND IS PAYABLE.

(B) PAYMENT RESTRICTIONS.

THE BOARD OF DIRECTORS OF A SAVINGS AND LOAN ASSOCIATION MAY NOT:

(1) DECLARE A DIVIDEND ON A FREE SHARE ACCOUNT UNLESS THE REQUIRED AMOUNT OF PROFITS HAS BEEN ALLOCATED TO THE GENERAL RESERVE FUND UNDER § 9-318 OF THIS TITLE; OR

(2) PAY ANY DIVIDEND FROM CAPITAL OR UNEARNED SURPLUS.

(C) ADDITIONAL DIVIDEND ON FREE SHARE ACCOUNT.

NOTWITHSTANDING SUBTITLE 3 OF THIS TITLE, A SAVINGS AND LOAN ASSOCIATION MAY PAY AN ADDITIONAL DIVIDEND ON A FREE SHARE ACCOUNT IF:

(1) THE BOARD OF COMMISSIONERS AUTHORIZES A DIVIDEND;

(2) THE PAYMENT IS IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF COMMISSIONERS;

(3) THE DIVIDEND RATE IS NOT MORE THAN 1.5 PERCENT ANNUALLY; AND

(4) THE ACCOUNT IS MAINTAINED AT A SPECIFIED MINIMUM AMOUNT FOR A SPECIFIED MINIMUM TIME.

REVISOR'S NOTE: This section is new language derived without substantive change from Art. 23, § 161FF (a), (c), and (d).

In subsection (c) (1) of this section, the present phrase, "by rule or regulation allow ...", is deleted as included in the phrase "the Board of Commissioners authorizes".

On the advice of the Board of Commissioners, the General Assembly may wish to consider deleting subsection (c) (3) of this section since it is outdated and not in the best interests of free shareholders of an association. Additionally, in light of the authority granted in § 9-311 of this title to parallel powers granted to federal associations, this provision is obsolete in practice.

"Board of Commissioners" and "savings and loan associations" are defined in § 9-101 of this title.

9-402. NOTICE TO ACCOUNT HOLDERS.