

SUBSECTIONS (B), (C), AND (D) OF THIS SECTION DO NOT APPLY TO ANY PORTION OF AN EXPENSE FUND THAT IS PROVIDED FROM THE PAID-IN SURPLUS OF A CAPITAL STOCK ASSOCIATION.

COMMITTEE COMMENT: This section replaces former CA §§ 6-204(d) and 6-205.

Subsection (c) of this section is a new provision added as a matter of equity.

The former provision in CA § 6-205(d) that the records of an association shall reflect the expense account was deleted as an unnecessary statement of the obvious.

The former provision in CA § 6-204(d)(3) that a contribution to the expense fund is not a liability of an association was deleted as inaccurate in light of the liability imposed in subsections (c) and (d) of this section.

As to repayment if incorporation fails, see § 9-223 of this subtitle.

"Savings and loan association" and "savings account" are defined in § 9-101 of this title.

9-221. INITIAL SUBSCRIPTIONS FOR CAPITAL STOCK ACCOUNT.

THE INCORPORATORS OF A CAPITAL STOCK ASSOCIATION SHALL HAVE SUBSCRIPTIONS FOR CAPITAL STOCK IN AN AGGREGATE OF NOT LESS THAN \$200,000, OR ANY GREATER AMOUNT THAT THE BOARD OF COMMISSIONERS REQUIRES IN ORDER TO CONDUCT A SAFE AND SOUND OPERATION.

COMMITTEE COMMENT: This section replaces the second sentence of former CA § 6-217.1(a).

The amount required is increased from \$100,000 to \$200,000 on the advice of the Board of Commissioners and as being in the best interest of the public.

"Board of Commissioners", "capital stock", and "capital stock association" are defined in § 9-101 of this title.

9-222. PAID-IN SURPLUS -- CAPITAL STOCK ASSOCIATION.

A CAPITAL STOCK ASSOCIATION MAY USE PAID-IN SURPLUS IF THE EXPENSE FUND IS NOT SUFFICIENT TO PAY ORGANIZATIONAL AND OPERATING EXPENSES, AND DIVIDENDS OR INTEREST ON SAVINGS ACCOUNTS.

COMMITTEE COMMENT: This section replaces the second sentence of former CA § 6-217.1(b).

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