

9-327. RESERVES.

(A) GENERAL RESERVE FUND.

A SAVINGS AND LOAN ASSOCIATION SHALL MAINTAIN A GENERAL RESERVE FUND WHICH SHALL BE USED ONLY FOR THE PURPOSE OF ABSORBING LOSSES.

(B) REGULATION OF RESERVES.

THE BOARD OF COMMISSIONERS SHALL REGULATE THE ALLOCATION OF PROFITS TO RESERVES AND THE MAINTENANCE OF RESERVES BY A SAVINGS AND LOAN ASSOCIATION IN A MANNER THAT WILL ASSURE THE PUBLIC INTEREST IS PROTECTED.

(C) SPECIAL RESERVES.

(1) A SAVINGS AND LOAN ASSOCIATION MAY MAINTAIN SPECIAL RESERVES.

(2) THE BOARD OF DIRECTORS OF A SAVINGS AND LOAN ASSOCIATION SHALL DETERMINE CHARGES TO SPECIAL RESERVES.

COMMITTEE COMMENT: This section is derived from Art. 23, § 161EE.

On the advice of the Board of Commissioners, the present statutory amounts were deleted in light of regulatory authority given to the Board of Commissioners, and to provide needed flexibility.

Since corporations in general determine amounts allocated to reserves as a matter of business judgment, the Committee viewed regulation by the Board of Commissioners as sufficient protection of the public interest.

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

9-328. ALLOCATION OF PROFITS.

THE BOARD OF DIRECTORS OF ANY SAVINGS AND LOAN ASSOCIATION SHALL ALLOCATE THE PROFITS OF THE ASSOCIATION, AT LEAST ANNUALLY, AT THE TIMES THE BYLAWS PROVIDE.

COMMITTEE COMMENT: This section is derived from Art. 23, § 161DD.

The former references to a specific order of allocation were deleted in favor of the standard corporate authority under Maryland General Corporate Law, and in light of regulatory overview.

"Savings and loan association" is defined in § 9-101 of this title.

---