

THE BOARD OF DIRECTORS OF A SAVINGS AND LOAN ASSOCIATION, BY RESOLUTION, SHALL DETERMINE AS TO DIVIDENDS OR INTEREST ON SAVINGS ACCOUNTS:

- (1) THE RATE;
 - (2) THE METHOD OF CALCULATION; AND
 - (3) THE PAYMENT DATE.
- (C) PAYMENT RESTRICTIONS.

DIVIDENDS OR INTEREST ON SAVINGS ACCOUNTS MAY BE PAID ONLY FROM CURRENT EARNINGS, EARNED SURPLUS, THE EXPENSE FUND, OR AS OTHERWISE PROVIDED IN THIS CODE.

COMMITTEE COMMENT: This section replaces former Art. 23, § 161FF(a) and (c) and CA § 6-222(a)(4).

Subsection (a) of this section makes clear that earnings paid on savings deposit accounts are interest.

Subsection (a)(2) of this section is a new provision added to expressly provide authority for what has been the practice, but previously required expression in archaic terms and strained meanings.

In subsection (c) of this section, the former restriction against paying a dividend or interest, until after the required allocation to reserves, was deleted as being incorrect. Dividends and interest are required to be paid when due as a matter of contract whether or not the reserves were met.

As to payment of dividends on capital stock, see § 9-322, "capital stock", of this title.

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

9-405. DIVIDEND OR INTEREST ON SAVINGS CERTIFICATE ACCOUNTS OR OTHER FIXED TERM ACCOUNTS.

- (A) IN GENERAL.

DIVIDENDS OR INTEREST ON A SAVINGS CERTIFICATE ACCOUNT OR OTHER TYPE OF FIXED TERM ACCOUNT SHALL BE:

- (1) SUBJECT TO THE APPROVAL OF THE BOARD OF COMMISSIONERS; AND
- (2) IN ACCORDANCE WITH THE RULES AND REGULATIONS OF THE BOARD OF COMMISSIONERS.