

(A) NET WORTH.

(1) FOR THE PURPOSES OF THIS SECTION, "NET WORTH" INCLUDES:

(I) CAPITAL STOCK;

(II) PAID-IN CAPITAL OR PAID-IN SURPLUS;

(III) RETAINED INCOME, RETAINED EARNINGS, EARNED SURPLUS, AND UNDIVIDED PROFITS;

(IV) SUBORDINATED DEBT AS DEFINED BY THE DIVISION DIRECTOR;

(V) PREFERRED STOCK AS DEFINED BY THE DIVISION DIRECTOR; AND

(VI) OTHER ITEMS OR AMOUNTS AS DEFINED AND DEEMED APPROPRIATE BY THE DIRECTOR TO ACHIEVE REGULATORY OBJECTIVES.

(2) IN THIS SECTION, QUALIFYING AMOUNTS SHALL BE DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES OR ACCOUNTING PRACTICES DETERMINED BY THE DIVISION DIRECTOR TO BE APPROPRIATE TO ACHIEVE REGULATORY OBJECTIVES AND TO ASSURE THAT THE INTERESTS OF DEPOSITORS, MEMBERS, STOCKHOLDERS, AND THE PUBLIC ARE PROTECTED.

(B) MINIMUM REQUIRED AMOUNT.

(1) THE MINIMUM NET WORTH REQUIREMENT SHALL BE:

(I) AN AMOUNT EQUAL TO AT LEAST 5 PERCENT OF LIABILITIES AS DEFINED UNDER GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, OR ACCOUNTING PRACTICES DETERMINED BY THE DIVISION DIRECTOR TO BE APPROPRIATE TO ACHIEVE REGULATORY OBJECTIVES, EXCLUDING THAT PORTION OF SUBORDINATED DEBT INCLUDED IN NET WORTH UNDER SUBSECTION (A) OF THIS SECTION, PLUS;

(II) ANY ADDITIONAL AMOUNTS DEEMED NECESSARY BY THE DIVISION DIRECTOR TO ASSURE THAT THE INTERESTS OF DEPOSITORS, MEMBERS, STOCKHOLDERS, AND THE PUBLIC ARE PROTECTED.

(2) BEGINNING ON JUNE 1, 1986, FOR THOSE ASSOCIATIONS THAT DO NOT MEET THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION AND, ON THAT DATE, ARE OTHERWISE IN COMPLIANCE WITH THE RESERVES REQUIREMENTS OF §§ 9-219 AND 9-324 OF THIS TITLE ON MAY 31, 1986, REGULATORY NET WORTH MUST BE INCREASED SO THAT THE REQUIREMENTS OF PARAGRAPH (1) OF THIS SUBSECTION ARE SATISFIED BY JULY 1, 1989.

(C) STOCK DIVIDENDS.