

## Article - Financial Institutions

9-216.1.

(a) To organize as a savings and loan association, the chairman of the incorporators shall:

(1) Obtain a surety bond as provided in § 9-217 of this subtitle; and

(2) Establish:

(i) The initial subscription for savings accounts; and

(ii) The expense fund.

(b) (1) In addition to subsection (a) of this section, the incorporators of a capital stock association shall establish an initial subscription account for capital stock.

(2) (i) A capital stock association may use its paid-in surplus to provide amounts required for the expense fund.

(ii) Any paid-in surplus amounts that are allocated to the expense fund under item (2)(i) of this subsection may not be used for dividends to holders of capital stock or any other distribution to holders of capital stock except on liquidation.

DRAFTER'S NOTE: The inclusion of this provision is intended to correct an error in a function paragraph noted by the Attorney General in a May 5, 1986 letter to the Director of the Department of Legislative Reference regarding the adequacy of the title of Chapter 282 (House Bill 466) of the Acts of 1986. That letter noted that an amended provision of law, relating to initial general reserve fund and general reserve fund requirements for organizing as a savings and loan association, was not shown in a function paragraph to be amended and renumbered. This Curative Bill reprints the amended provision as it now exists, with a related title reference, in order to validate the changes made by Chapter 282.

9-302.

(a) The business and affairs of a savings and loan association shall be managed under the direction of a board of directors.

(b) A savings and loan association shall have at least 5