

(b) A credit union shall pay at least 3 percent annual interest or dividends on each interest bearing or share account that is instituted for a specific purpose, including "Christmas" or "vacation" accounts, for a period of 1 year or less.

(c) A credit union that fails to comply with subsection (a) or (b) of this section shall be liable to any member or depositor of the credit union who sustains any injury or loss as the result of the failure to comply for:

- (1) All foreseeable losses incurred by the member or depositor; and
- (2) Reasonable attorney's fees.

(d) (1) Subject to paragraph (2) of this subsection, on or after October 1, 1992, a credit union shall comply with the requirements in:

(i) Subsection (a) of this section; or

(ii) Final regulations adopted by the National Credit Union Administration Board pursuant to § 272 of Public Law 102-242.

(2) On or after the date when compliance with the final regulations adopted by the National Credit Union Administration Board pursuant to § 272 of Public Law 102-242 is mandatory, a credit union shall comply with the requirements in those final regulations and subsection (a) of this section shall be null and void.]

[6-402.] 6-502.

(a) (1) Except as otherwise provided in this section, the board [of directors of a credit union] may declare AND PAY dividends from its available net earnings OR UNDIVIDED EARNINGS at the close of any accounting period after providing for accrued expenses[,] AND interest[, and taxes].

(2) Dividends paid or accrued are to be treated as an expense.

(b) The board [of directors] shall set the dividend rate and ANY TERMS AND CONDITIONS REGARDING THE DIVIDEND [shall notify the Credit Union Insurance Corporation and supply a report of financial condition whenever the dividend rate is changed].

[(c) (1) Dividends may be paid annually, semiannually, quarterly, monthly, or daily, as the bylaws of the credit union provide.

(2) Except for shares on which dividends are paid daily, dividend credit for a month may be accrued on shares that become full paid before the eleventh day of the month.

(d)] (C) A credit union may not declare a dividend:

(1) Unless the required amount of earnings has been credited to the reserve fund of the credit union; or

(2) If the known losses at the close of a fiscal year would exceed the sum of the balances of the reserve fund, surplus, and undivided earnings after payment of the dividend.