

534.508 Stock association capitalization.

1. *In general.* Sections 490.601 through 490.604, 490.620 through 490.628, 490.630, and 490.1704 apply to stock associations.

2. *Permanent capital.* Except as provided in this chapter, the total of the par values of all outstanding shares of voting common capital stock shall be permanent capital of the stock association and shall not be retired until final liquidation of the stock association. A stock association shall not reduce its outstanding voting common capital stock without first obtaining the consent of the superintendent. Consent shall be withheld if the reduction will cause the par value of outstanding voting common capital stock to be less than the minimum required by rules adopted by the superintendent.

3. *Capital stock as security.* A stock association shall not make a loan secured by the pledge of its capital stock.

4. *Dividends on capital stock.* A stock association may declare and pay dividends on capital stock in cash or property out of the unreserved and unrestricted earned surplus of the stock association, or in its own shares, except when the stock association is in an impaired condition or when the payment thereof would cause the stock association to be in an impaired condition. A split-up or division of the issued shares of capital stock into a greater number of shares without increasing the stated capital of the stock association is authorized, and shall not be construed to be a dividend within the meaning of this subsection.

[82 Acts, ch 1253, § 13, 29]

C83, § 534.19, 534.91

C85, § 534.508

90 Acts, ch 1205, § 56