

286.5-301 Issue of stock on installment basis -- Issuance for loan purposes -- Maximum holding.

- (1) An association may issue stock upon which payments are to be made at stated periods until the share reaches the ultimate value fixed by the articles of incorporation or bylaws or is withdrawn, canceled or forfeited. Payments on such shares shall commence from date of issuance and if in a series shall commence from its issuance, but all such shares shall share equally in the income.
- (2) An association may convert partly paid-up stock and may restrict such stock to a lesser rate of dividend, the association may also issue paid-up stock upon which all payments may be made in full at the time of issuance, and the association may also issue optional savings stock and may restrict their stock to a lesser rate of dividend.
- (3) Every share shall be subject to a lien for payment of unpaid installments and such other charges as may be lawfully incurred thereon under the provisions of this subtitle, and the bylaws may prescribe the manner of enforcing the lien.
- (4) An association may issue stock for the purpose of making loans upon the direct reduction plan, or a plan where reductions are made at every semiannual period.
- (5) All shares which have matured or which have been canceled, withdrawn or retired may be reissued as of subsequent date or series.
- (6) The bylaws shall provide the method of transfer of shares of stock.
- (7) The maximum percent of stock which one person may hold in any association shall be:
 - (a) Where the authorized stock is one hundred thousand dollars (\$100,000) or less, an amount equal to four percent (4%) of the whole number of shares;
 - (b) Where the authorized stock is over one hundred thousand dollars (\$100,000), but not over five hundred thousand dollars (\$500,000), an amount equal to three percent (3%);
 - (c) Where the authorized stock is over five hundred thousand dollars (\$500,000), but not over one million dollars (\$1,000,000), an amount equal to two and one-half percent (2.5%); and
 - (d) Where the authorized stock is over one million dollars (\$1,000,000), an amount equal to two percent (2%).
- (e) Any association may restrict the number of shares which any person may own, to a percent less than that permitted by this subsection.

Effective: June 18, 1964

History: Created 1964 Ky. Acts ch. 138, sec. 17 (1) to (7), effective June 18, 1964.

Formerly codified as KRS 289.301.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.