

286.5-321 Redemption of savings accounts -- Limitation on claims.

When funds are available for such purpose, the association may redeem, by lot or otherwise, as the board of directors may determine, all or any part of any of its savings accounts or savings certificates on a dividend date by giving thirty (30) days' notice by certified mail, return receipt requested or by registered mail addressed to each affected account holder at his last address as recorded on the books of the association. No association shall redeem any of its savings accounts when the association is in an impaired condition or when it has applications for withdrawal which have been on file more than thirty (30) days and have not been reached for payment. The redemption price of savings accounts redeemed shall be the full value of the account redeemed, as determined by the board of directors, but in no event shall the redemption price be less than the withdrawal value. If the notice of redemption shall have been duly given, and if on or before the redemption date the funds necessary for such redemption shall have been set aside so as to be and continue to be available therefor, dividends upon the accounts called for redemption shall cease to accrue after the dividend date specified as the redemption date, and all rights with respect to such accounts shall, after such redemption date, terminate, except the right of the account holder of record to receive the redemption price without dividend. All savings account books or certificates evidencing savings accounts which have been validly called for redemption must be tendered for payment within ten (10) years from the date of redemption designated in the redemption notice, otherwise they shall be canceled and all claims of such account holders against the association shall be barred.

Effective: June 21, 1974

History: Amended 1974 Ky. Acts ch. 315, sec. 46. -- Created 1964 Ky. Acts ch. 138, sec. 20, effective June 18, 1964.

Formerly codified as KRS 289.321.

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.