

286.5-261 Liability of association to members -- Members not liable for losses.

The savings liability of an association shall consist only of the aggregate amount of savings accounts of its members, plus dividends credited to such accounts, less redemption and withdrawal payments. Except as limited by the board of directors from time to time, a member may make additions to his savings accounts in such amounts and at such times as he may elect. The members of an association shall not be responsible for any losses which its savings liability shall not be sufficient to satisfy, and savings accounts shall not be subject to assessment, except as herein specifically provided, nor shall the holders thereof be liable for any unpaid installments on their accounts. Dividends shall be declared in accordance with the provisions of this subtitle. No preference between savings account members shall be created with respect to the distribution of assets upon voluntary or involuntary liquidation, dissolution, or winding up of an association. No association shall have power to contract with respect to the savings liability in a manner inconsistent with the provisions of this subtitle.

Effective: June 18, 1964

History: Created 1964 Ky. Acts ch. 138, sec. 15, effective June 18, 1964.

Formerly codified as KRS 289.261.

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.