

286.6-415 Reduction in shares.

- (1) Whenever the losses of any credit union, resulting from a depreciation in value of its loans or investments or otherwise, exceed its undivided earnings and reserve fund so that the estimated value of its assets is less than the total amount due the shareholders, the credit union may by a majority vote of those voting on the proposition order a reduction in the shares of each of its shareholders to divide the loss proportionately among the members.
- (2) If the credit union thereafter realizes from such assets a greater amount than was fixed by the order of reduction, such excess shall be divided proportionately among the shareholders whose assets were reduced, but only to the extent of such reduction.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 408, sec. 42, effective July 13, 1984.

Formerly codified as KRS 290.415.

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.