

and the dividends credited thereon are equivalent to the par value of the shares subscribed.

(B) Optional Savings Shares

Optional savings shares shall be issued from time to time as subscribed, and payments shall be made thereon at the option of the subscriber, his successors or assigns until payments and the dividends credited thereon are equivalent to the par value of the shares subscribed.

(C) Prepaid Shares

Prepaid shares shall be issued as subscribed upon the payment by the subscriber of a lump sum and such shares shall be permitted to stand until the dividends declared and credited thereon pay the same up to their par value.

(D) Full-Paid Income Shares

Full paid income shares shall be issued as subscribed upon payment in full of the par value thereof by the subscriber.

(E) Preferred Shares

Preferred shares shall be issued only to the Secretary of the Treasury of the United States for the benefit of the United States as subscribed and paid up by him.

7. On June 30 and <sup>September</sup> 31 of each year, after payment of all expenses or provision therefor, the board of directors shall credit to an undivided profits account an amount equivalent to one-half of one percentum of the total amount standing to the credit of installment thrift share holders who have paid all installments on their accounts regularly without default for more than sixty days at any one time from the time the same were purchased by them or their predecessors in title and who have not requested the association to repurchase any part of such installment account. The board of directors may, credit an additional amount to the undivided profits account sufficient to provide reasonable protection against contingencies over and above the provisions made in the reserve account for losses. Any surplus necessary in the discretion of the board of directors may be taken from such undivided profits account provided that the same shall not be reduced below the amount required to pay the bonus herein provided for installment thrift shares. At each dividend date, before the declaration of a dividend, the board of directors shall transfer to the reserve account a credit equivalent to 5 percent of the earnings of the association, after provision for expenses, until said reserve account is equal to 5 percent of the total amount paid in on shares and if at any time said reserve account is below 5 percent of the amount paid in on shares, at least 5 percent of the earnings shall be transferred thereto before the declaration of any dividend until said account is brought back to 5 percent of the total amount paid in on shares and said reserve account shall at all times be maintained for the purpose of absorbing any losses incurred by the association. After provision for all expenses and said undivided profits account as herein provided, and said reserve account as herein provided, the remainder of the profits for the period shall be declared and credited or paid on share accounts as a dividend, so that all shares in the association shall receive the same rate of earnings. In addition to the dividends herein provided, all installment thrift shareholders who pay their installment thrift share accounts from the date of subscription until the same become paid up, regularly without more than a 60-day default at any time and without the repurchase by the association of any part thereof,