54.295 DECLARATION OF CREDIT.

When the amount of any additional or other credit, which under the terms of an outstanding face amount certificate issued by a company described in section 54.26, is payable solely in the discretion of the board of directors of the issuer, is computed on a basis which is reduced because of any loan outstanding from the issuer to the certificate holder during the period for which the credit is declared, the reduction in the amount of the credit paid to the certificate holder shall not constitute interest paid by the borrowing certificate holder or be considered in any way for the purposes of any law pertaining to the declaration or distribution of corporate dividends or prescribing or limiting interest rates upon loans.

History: *1975 c 166 s 4*