Title: Questions about the mechanics of a stock dividend
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Hypothetical GME scenario:

75,000,000 real shares exist

20% short interest

90,000,000 shares "owned"

shorts owe lenders 15,000,000 shares, due on demand

stock dividend - company distributes 450,000,000 shares as a dividend

525,000,000 real shares exist

20% short interest

630,000,000 shares "owned"

shorts owe lenders 105,000,000 shares: 15,000,000 due on demand and 90,000,000 due on the dividend date

Assuming that the original 15 million short shares were legitimately borrowed, where do the extra 90 million shares that the shorts owe to share lenders on the dividend date come from? Are the shorts forced to borrow or buy those extra shares from the market? What happens if share lending utilization is already at 100% and nobody is lending or selling any more shares? Do these extra shares owed by the shorts become Fail To Deliver's? If those Fails are allowed to age long enough, will there by forced buy-ins?

Or do the extra shares just become naked shorts which continue to exist indefinitely, hidden in the margin accounts of the share lenders until they eventually recall their shares?