

PUBLIC LAW 113-251—DEC. 18, 2014

AMERICAN SAVINGS PROMOTION ACT

Public Law 113–251  
113th Congress

An Act

Dec. 18, 2014  
[H.R. 3374]

To provide for the use of savings promotion raffle products by financial institutions to encourage savings, and for other purposes.

American  
Savings  
Promotion Act.  
12 USC 21 note.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “American Savings Promotion Act”.

12 USC 25a note.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) the annual savings rate in the United States was 4.1 percent in 2012;

(2) more than 40 percent of American households lack the savings to cover basic expenses for 3 months, if an unexpected event leads to a loss of stable income;

(3) personal savings provide Americans with the financial resources to meet future needs, including higher education and homeownership, while also providing a safety net to weather unexpected financial shocks;

(4) prize-linked savings products are typical savings products offered by financial institutions, like savings accounts, certificates of deposit, and savings bonds, with the added feature of offering chances to win prizes based on deposit activity;

(5) the State of Michigan was the first State to allow credit unions to offer prize-linked savings products, and in 2009 launched the first large-scale prize-linked savings product in the United States;

(6) the States of Connecticut, Michigan, Maine, Maryland, Nebraska, North Carolina, Rhode Island, and Washington all have laws that allow financial institutions to offer prize-linked savings products;

(7) in the States of Michigan and Nebraska, more than 42,000 individuals have opened prize-linked savings accounts and saved more than \$72,000,000;

(8) prize-linked savings products have been shown to successfully attract non-savers, the asset poor, and low-to-moderate income groups, providing individuals with a new tool to build personal savings; and

(9) encouraging personal savings is in the national interest of the United States.

**SEC. 3. AMENDMENT TO DEFINITIONS OF “LOTTERY”.**

(a) NATIONAL BANKS.—Section 5136B(c) of the Revised Statutes of the United States (12 U.S.C. 25a(c)) is amended—

(1) in paragraph (2), by inserting “, other than a savings promotion raffle,” before “whereby”; and

(2) by adding at the end the following:

“(4) The term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”.

(b) FEDERAL RESERVE BANKS.—Section 9A(c) of the Federal Reserve Act (12 U.S.C. 339(c)) is amended—

(1) in paragraph (2), by inserting “, other than a savings promotion raffle,” before “whereby”; and

(2) by adding at the end the following:

“(4) The term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”.

(c) INSURED DEPOSITORY INSTITUTIONS.—Section 20(c) of the Federal Deposit Insurance Act (12 U.S.C. 1829a(c)) is amended—

(1) in paragraph (2), by inserting “, other than a savings promotion raffle,” before “whereby”; and

(2) by adding at the end the following:

“(4) The term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”.

(d) FEDERAL SAVINGS AND LOAN ASSOCIATIONS.—Section 4(e)(3) of the Home Owners’ Loan Act (12 U.S.C. 1463(e)(3)) is amended—

(1) in subparagraph (B), by inserting “, other than a savings promotion raffle,” after “arrangement”; and

(2) by adding at the end the following:

“(D) SAVINGS PROMOTION RAFFLE.—The term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time

to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”.

**SEC. 4. CRIMINAL PROVISIONS.**

(a) IN GENERAL.—Chapter 61 of title 18, United States Code, is amended by adding at the end the following:

18 USC 1308.

**“§ 1308. Limitation of applicability**

“(a) LIMITATION OF APPLICABILITY.—Sections 1301, 1302, 1303, 1304, and 1306 shall not apply—

“(1) to a savings promotion raffle conducted by an insured depository institution or an insured credit union; or

“(2) to any activity conducted in connection with any such savings promotion raffle, including, without limitation, to the—

“(A) transmission of any advertisement, list of prizes, or other information concerning the savings promotion raffle;

“(B) offering, facilitation, and acceptance of deposits, withdrawals, or other transactions in connection with the savings promotion raffle;

“(C) transmission of any information relating to the savings promotion raffle, including account balance and transaction information; and

“(D) deposit or transmission of prizes awarded in the savings promotion raffle as well as notification or publication thereof.

“(b) DEFINITIONS.—In this section—

“(1) the term ‘insured credit union’ shall have the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

“(2) the term ‘insured depository institution’ shall have the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

“(3) the term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”.

18 USC 1301  
prec.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 61 of title 18, United States Code, is amended by adding after the item relating to section 1307 the following:

“1308. Limitation of applicability.”.

**SEC. 5. RACKETEERING.**

Chapter 95 of title 18, United States Code, is amended—

(1) in section 1952, by adding at the end the following:

“(e)(1) This section shall not apply to a savings promotion raffle conducted by an insured depository institution or an insured credit union.

Definitions.

“(2) In this subsection—

“(A) the term ‘insured credit union’ shall have the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

“(B) the term ‘insured depository institution’ shall have the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813); and

“(C) the term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”;

(2) in section 1953—

(A) in subsection (b), by striking “or (5)” and inserting “(5) equipment, tickets, or materials used or designed for use in a savings promotion raffle operated by an insured depository institution or an insured credit union, or (6)”;

and  
(B) by striking subsections (d) and (e) and inserting the following:

“(d) For purposes of this section—

“(1) the term ‘foreign country’ means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions);

“(2) the term ‘insured credit union’ shall have the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752);

“(3) the term ‘insured depository institution’ shall have the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813);

“(4) the term ‘lottery’—

“(A) means the pooling of proceeds derived from the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or ticket purchasers; and

“(B) does not include the placing or accepting of bets or wagers on sporting events or contests;

“(5) the term ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)); and

“(6) the term ‘State’ means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.”; and

(3) in section 1955—

(A) in subsection (b)—

(i) by redesignating paragraph (2) as paragraph

(4);

Definitions.

- (ii) by redesignating paragraph (3) as paragraph (6);
- Definitions. (iii) by inserting after paragraph (1) the following:  
“(2) ‘insured credit union’ shall have the meaning given the term in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).  
“(3) ‘insured depository institution’ shall have the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).”; and
- (iv) by inserting after paragraph (4), as redesignated, the following:
- Definition. “(5) ‘savings promotion raffle’ means a contest in which the sole consideration required for a chance of winning designated prizes is obtained by the deposit of a specified amount of money in a savings account or other savings program, where each ticket or entry has an equal chance of being drawn, such contest being subject to regulations that may from time to time be promulgated by the appropriate prudential regulator (as defined in section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481)).”; and
- (B) in subsection (e)—
- (i) by striking “shall not apply to any bingo” and inserting the following: “shall not apply to—  
“(1) any bingo”;  
(ii) by striking the period and inserting “; or”;  
and  
(iii) by adding at the end the following:  
“(2) any savings promotion raffle.”.

Approved December 18, 2014.

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LEGISLATIVE HISTORY—H.R. 3374:

CONGRESSIONAL RECORD, Vol. 160 (2014):  
Sept. 15, considered and passed House.  
Dec. 10, considered and passed Senate.

