

113TH CONGRESS  
2D SESSION

# H. R. 3374

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## AN ACT

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

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “American Savings Pro-  
3 motion Act”.

4 **SEC. 2. FINDINGS.**

5       Congress finds that—

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

8           (2) more than 40 percent of American house-  
9       holds lack the savings to cover basic expenses for 3  
10      months, if an unexpected event leads to a loss of sta-  
11      ble income;

12          (3) personal savings provide Americans with the  
13      financial resources to meet future needs, including  
14      higher education and homeownership, while also pro-  
15      viding a safety net to weather unexpected financial  
16      shocks;

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

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

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

5           (7) in the States of Michigan and Nebraska,  
6           more than 42,000 individuals have opened prize-  
7           linked savings accounts and saved more than  
8           \$72,000,000;

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

14          (9) encouraging personal savings is in the na-  
15          tional interest of the United States.

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

17          (a) NATIONAL BANKS.—Section 5136B(c) of the Re-  
18          vised Statutes of the United States (12 U.S.C. 25a(c)) is  
19          amended—

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

22                (2) by adding at the end the following:

23                   “(4) The term ‘savings promotion raffle’ means  
24                   a contest in which the sole consideration required for  
25                   a chance of winning designated prizes is obtained by

1 the deposit of a specified amount of money in a sav-  
2 ings account or other savings program, where each  
3 ticket or entry has an equal chance of being drawn,  
4 such contest being subject to regulations that may  
5 from time to time be promulgated by the appropriate  
6 prudential regulator (as defined in section 1002 of  
7 the Consumer Financial Protection Act of 2010 (12  
8 U.S.C. 5481)).”.

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

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

13 (2) by adding at the end the following:

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

1 (c) INSURED DEPOSITORY INSTITUTIONS.—Section  
2 20(c) of the Federal Deposit Insurance Act (12 U.S.C.  
3 1829a(c)) is amended—

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

6 (2) by adding at the end the following:

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

18 (d) FEDERAL SAVINGS AND LOAN ASSOCIATIONS.—  
19 Section 4(e)(3) of the Home Owners’ Loan Act (12 U.S.C.  
20 1463(e)(3)) is amended—

21 (1) in subparagraph (B), by inserting “, other  
22 than a savings promotion raffle,” after “arrange-  
23 ment”; and

24 (2) by adding at the end the following:

1                   “(D) SAVINGS PROMOTION RAFFLE.—The  
 2                   term ‘savings promotion raffle’ means a contest  
 3                   in which the sole consideration required for a  
 4                   chance of winning designated prizes is obtained  
 5                   by the deposit of a specified amount of money  
 6                   in a savings account or other savings program,  
 7                   where each ticket or entry has an equal chance  
 8                   of being drawn, such contest being subject to  
 9                   regulations that may from time to time be pro-  
 10                  mulgated by the appropriate prudential regu-  
 11                  lator (as defined in section 1002 of the Con-  
 12                  sumer Financial Protection Act of 2010 (12  
 13                  U.S.C. 5481)).”.

14 **SEC. 4. CRIMINAL PROVISIONS.**

15           (a) IN GENERAL.—Chapter 61 of title 18, United  
 16 States Code, is amended by adding at the end the fol-  
 17 lowing:

18 **“§ 1308. Limitation of applicability**

19           “(a) LIMITATION OF APPLICABILITY.—Sections  
 20 1301, 1302, 1303, 1304, and 1306 shall not apply—

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

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

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

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

10 “(C) transmission of any information relat-  
11 ing to the savings promotion raffle, including  
12 account balance and transaction information;  
13 and

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

17 “(b) DEFINITIONS.—In this section—

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

21 “(2) the term ‘insured depository institution’  
22 shall have the meaning given the term in section 3  
23 of the Federal Deposit Insurance Act (12 U.S.C.  
24 1813); and

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

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

          “1308. Limitation of applicability.”.

16          **SEC. 5. RACKETEERING.**

17          Chapter 95 of title 18, United States Code, is amend-  
 18          ed—

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

21                 “(e)(1) This section shall not apply to a savings pro-  
 22          motion raffle conducted by an insured depository institu-  
 23          tion or an insured credit union.

24                 “(2) In this subsection—



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

4           “(B) the term ‘insured depository institution’  
5           shall have the meaning given the term in section 3  
6           of the Federal Deposit Insurance Act (12 U.S.C.  
7           1813); and

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

19          (2) in section 1953—

20                 (A) in subsection (b), by striking “or (5)”  
21                 and inserting “(5) equipment, tickets, or mate-  
22                 rials used or designed for use in a savings pro-  
23                 motion raffle operated by an insured depository  
24                 institution or an insured credit union, or (6)”;  
25                 and

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

3 “(d) For purposes of this section—

4 “(1) the term ‘foreign country’ means any em-  
5 pire, country, dominion, colony, or protectorate, or  
6 any subdivision thereof (other than the United  
7 States, its territories or possessions);

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

11 “(3) the term ‘insured depository institution’  
12 shall have the meaning given the term in section 3  
13 of the Federal Deposit Insurance Act (12 U.S.C.  
14 1813);

15 “(4) the term ‘lottery’—

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

21 “(B) does not include the placing or ac-  
22 cepting of bets or wagers on sporting events or  
23 contests;

24 “(5) the term ‘savings promotion raffle’ means  
25 a contest in which the sole consideration required for

1 a chance of winning designated prizes is obtained by  
2 the deposit of a specified amount of money in a sav-  
3 ings account or other savings program, where each  
4 ticket or entry has an equal chance of being drawn,  
5 such contest being subject to regulations that may  
6 from time to time be promulgated by the appropriate  
7 prudential regulator (as defined in section 1002 of  
8 the Consumer Financial Protection Act of 2010 (12  
9 U.S.C. 5481)); and

10 “(6) the term ‘State’ means a State of the  
11 United States, the District of Columbia, the Com-  
12 monwealth of Puerto Rico, or any territory or pos-  
13 session of the United States.”; and

14 (3) in section 1955—

15 (A) in subsection (b)—

16 (i) by redesignating paragraph (2) as  
17 paragraph (4);

18 (ii) by redesignating paragraph (3) as  
19 paragraph (6);

20 (iii) by inserting after paragraph (1)  
21 the following:

22 “(2) ‘insured credit union’ shall have the mean-  
23 ing given the term in section 101 of the Federal  
24 Credit Union Act (12 U.S.C. 1752).

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

4 (iv) by inserting after paragraph (4),  
5 as redesignated, the following:

6 “(5) ‘savings promotion raffle’ means a contest  
7 in which the sole consideration required for a chance  
8 of winning designated prizes is obtained by the de-  
9 posit of a specified amount of money in a savings ac-  
10 count or other savings program, where each ticket or  
11 entry has an equal chance of being drawn, such con-  
12 test being subject to regulations that may from time  
13 to time be promulgated by the appropriate pruden-  
14 tial regulator (as defined in section 1002 of the Con-  
15 sumer Financial Protection Act of 2010 (12 U.S.C.  
16 5481)).”; and

17 (B) in subsection (e)—

18 (i) by striking “shall not apply to any  
19 bingo” and inserting the following: “shall  
20 not apply to—

21 “(1) any bingo”;

22 (ii) by striking the period and insert-  
23 ing “; or”; and

24 (iii) by adding at the end the fol-  
25 lowing:

1 “(2) any savings promotion raffle.”.

Passed the House of Representatives September 15,  
2014.

Attest:

*Clerk.*

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3374**

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## **AN ACT**

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