

Savings Promotion Program Guidelines

Kansas Department of Credit Unions

Issued

July 1, 2017

KANSAS DEPARTMENT OF CREDIT UNIONS
SAVINGS PROMOTION ACCOUNT
GUIDELINES

- Authority: These Guidelines are issued by the Administrator, Kansas Department of Credit Unions pursuant to K.S.A. 9-1142.
- Scope: These Guidelines apply to all Kansas chartered credit unions, subject to the limitations and conditions stated in these Guidelines and any other statutory limitations imposed by the Kansas Credit Union Act.
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A credit union may conduct a savings promotion within which promotion credit union members deposit money into an account or other savings program to obtain entries and participate in the promotion, provided that the credit union:

- (1) conducts the promotion in a manner to ensure that each entry has an equal chance of winning the designated prize;
- (2) fully discloses the terms and conditions of the promotion to each of its account holders;
- (3) maintains records sufficient to facilitate an audit of the promotion;
- (4) ensures that only account holders 18 years of age and older are permitted to participate in the promotion;
- (5) does not require any consideration; and
- (6) offers an interest rate and charges fees on any promotion-qualifying account that are approximately the same as those on a comparable account that does not qualify for the promotion.

A credit union shall provide the following information to the Credit Union Administrator within 30 days after implementing a savings promotion account or savings promotion program:

- (1) provide written notice of implementation of the program to the Administrator;
- (2) provide a copy of the savings promotion rules, conditions and requirements of the program;
- (3) ensure that the program does not jeopardize the credit union's safety and soundness;
- (4) ensure that the program does not mislead members about the nature of the program; and

(5) provide an acknowledgement that credit union's savings promotion program is subject to examination by the Administrator;

(6) provide an acknowledgement that credit union's savings promotion program is compliant with K.S.A. 9-1142; and

(7) provide an acknowledgment that the Administrator may issue a cease and desist order for violation of K.S.A. 9-1142.

(8) provide an acknowledgment that the Administrator provides these guidelines to assist a credit union with properly implementing a savings program under K.S.A. 9-1142 with the qualification that a credit union should seek legal counsel before conducting a savings promotion.