



Kansas Office of the State Bank Commissioner
Guidance Document

SAVINGS PROMOTIONS 2017-01

Savings Account Promotion

Purpose

The purpose of this guidance document is to provide users with guidelines regarding the adoption and implementation of a savings promotion in which participants deposit money into a savings account or other savings program in order to obtain entries and participate in the promotion as authorized by K.S.A. 2016 Supp. 9-1142, and any relevant regulatory expectations by the Office of the State Bank Commissioner (OSBC). These Guidelines apply to all Kansas-chartered banks, savings banks, and savings and loan associations, subject to any limitations and conditions stated herein and any other statutory limitations imposed by the Kansas Banking Code, K.S.A. 2016 Supp. 9-514 et seq.

Savings Promotion Accounts may be implemented by Banks, Savings Banks, and Savings and Loan Associations

K.S.A. 2016 Supp. 9-1142(a) reads as follows:

A bank, savings bank, or savings and loan association or credit union may conduct a savings promotion in which promotion participants deposit money into a savings account or other savings program in order to obtain entries and participate in the promotion, provided that the bank, savings bank, savings and loan association or 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.

Additional Guidance for Adopting and Implementing Savings Promotion Programs

Consistent with K.S.A. 2016 Supp. 9-1142, a bank, savings bank, or savings and loan association shall, if the bank, savings bank, or savings and loan association implements a savings promotion program, make available at the time of an examination the following information to the Office of the State Bank Commissioner:

- (1) a copy of the savings promotion rules, conditions, and requirements of the program;
- (2) documents illustrating that the program complies with the savings promotion rules, conditions, and requirements of the program, that the program does not jeopardize the safety and soundness of the bank, savings bank, or savings and loan association, that the program does not mislead participants about the nature of the program, and that the program is compliant with K.S.A. 2016 Supp. 9-1142;
- (3) an acknowledgement by the bank, savings bank, or savings and loan association that any savings promotion program is subject to examination by the Commissioner;
- (4) an acknowledgment that the Commissioner may, through the use of a cease and desist order, cause the institution to cease offering the savings promotion program if it is in violation of K.S.A. 2016 Supp. 9-1142;

The OSBC may consider adopting additional regulations expounding on savings promotions as necessary in accordance with K.S.A. 2016 Supp. 9-1142.

Effective: July 1, 2017