

CREDIT UNION ACT (EXCERPT)
Act 215 of 2003

***** 490.411.amended THIS AMENDED SECTION IS EFFECTIVE SEPTEMBER 7, 2016 *****

490.411.amended Savings promotion raffle; loan promotion raffle; definitions.

Sec. 411. (1) If authorized by the credit union board, a domestic credit union may conduct a savings promotion raffle. All of the following apply to a savings promotion raffle conducted under this subsection:

(a) The domestic credit union shall conduct a savings promotion raffle so that each token or ticket representing an entry in the raffle has an equal chance of being drawn. A domestic credit union shall not conduct a savings promotion raffle in a manner that jeopardizes the domestic credit union's safety and soundness or misleads its members.

(b) Pursuant to his or her supervisory powers under article 2, the director may examine the conduct of a savings promotion raffle. The director may issue a cease and desist order for a violation of this subsection under article 2.

(c) A domestic credit union shall maintain records sufficient to facilitate an audit of a savings promotion raffle.

(2) If authorized by the credit union board, a domestic credit union may conduct a loan promotion raffle. All of the following apply to a loan promotion raffle conducted under this subsection:

(a) The domestic credit union shall conduct a loan promotion raffle so that each token or ticket representing an entry in the raffle has an equal chance of being drawn. A domestic credit union shall not conduct a loan promotion raffle in a manner that jeopardizes the domestic credit union's safety and soundness or misleads its members.

(b) Pursuant to his or her supervisory powers under article 2, the director may examine the conduct of a loan promotion raffle. The director may issue a cease and desist order for a violation of this subsection under article 2.

(c) A domestic credit union shall maintain records sufficient to facilitate an audit of a savings promotion raffle.

(3) As used in this section:

(a) "Loan promotion raffle" means a raffle conducted by a domestic credit union where the sole consideration required for a chance of winning designated prizes is the closing on a loan with the domestic credit union of at least a specified amount.

(b) "Savings promotion raffle" means a raffle conducted by a domestic credit union where the sole consideration required for a chance of winning designated prizes is the deposit of at least a specified amount of money in a savings account or other savings program offered by the domestic credit union.

History: 2003, Act 215, Eff. June 1, 2004;—Am. 2016, Act 157, Eff. Sept. 7, 2016.