

# Legislative Analysis

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## **BANKS: LOAN PROMOTION RAFFLES**

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 5251 as introduced**  
**Sponsor: Rep. Brandt Iden**  
**Committee: Financial Services**  
**Complete to 1-27-16**

Analysis available at  
<http://www.legislature.mi.gov>

### **SUMMARY:**

House Bill 5251 would amend the Banking Code to say that, if authorized by its board of directors, a bank could conduct a *loan promotion raffle* where each token or ticket representing any entry in the raffle has an equal chance of being drawn. A bank could not conduct a loan promotion raffle in a manner that jeopardizes the bank's safety and soundness or misleads its customers. In addition, a bank would have to maintain records sufficient to facilitate an examination of a loan promotion raffle.

Under the same section of the Banking Code, banks can already conduct savings promotion raffles.

The bill would define "Loan Promotion Raffle" to mean a raffle conducted by a bank where the sole consideration required for a chance of winning designated prizes is the closing on a loan with the bank of at least a specified amount

The bill is tie-barred to House Bills 5022 (credit unions) and 5147 (gambling provisions in the Penal Code), each of which has already been reported from the House Financial Services Committee.

MCL 487.14111

### **FISCAL IMPACT:**

The bill would not have a significant fiscal impact on the Department of Insurance and Financial Services.

Legislative Analyst: E. Best  
Fiscal Analyst: Paul B.A. Holland

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