
SUBSTITUTE SENATE BILL 5476

State of Washington

57th Legislature

2001 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators Patterson and Prentice)

READ FIRST TIME 02/16/01.

1 AN ACT Relating to issuing credit cards to persons under the age of
2 twenty-one; adding a new section to chapter 28B.10 RCW; and adding a
3 new chapter to Title 19 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** For the purposes of this chapter:

6 (1) "Credit card" means a card or device issued under an agreement
7 by which the issuer gives to a cardholder residing in this state the
8 privilege of obtaining credit from the issuer or other persons in
9 purchasing or leasing property or services, obtaining loans, or
10 otherwise.

11 (2) "Credit card issuer" means a financial institution, a lender
12 other than a financial institution, or a merchant that receives
13 applications and issues credit cards to individuals.

14 NEW SECTION. **Sec. 2.** A credit card issuer may not issue a credit
15 card to a person who is a resident of this state and who is under
16 twenty-one years of age at the time of application unless:

17 (1) A written application is obtained in which an applicant
18 indicates a list of all approved but unused credit available to the

1 applicant, by amount and source, and a statement by the applicant
2 indicating the applicant's age; and

3 (2) The applicant qualifies for credit under reasonable and prudent
4 standards used in the industry for extensions of similar credit.

5 NEW SECTION. **Sec. 3.** Except where the applicant has
6 misrepresented information required under section 2(1) of this act,
7 failure of the credit card issuer to comply with section 2 of this act
8 constitutes an affirmative defense to the collection of debt incurred
9 by using the card or credit issued.

10 NEW SECTION. **Sec. 4.** Credit card issuers may not offer gifts in
11 exchange for the completion of a credit card application as part of a
12 marketing program conducted on any campus of a college or university
13 located in this state. This section does not preclude a credit card
14 issuer from providing educational information regarding personal
15 financial management.

16 NEW SECTION. **Sec. 5.** A new section is added to chapter 28B.10 RCW
17 to read as follows:

18 The sale or other transfer of lists of student names and addresses
19 or other identifiers by any college or university in this state to
20 credit card issuers or affiliates of credit card issuers is prohibited.

21 NEW SECTION. **Sec. 6.** Sections 1 through 4 of this act constitute
22 a new chapter in Title 19 RCW.

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