
SUBSTITUTE SENATE BILL 6369

State of Washington 57th Legislature

2002 Regular Session

By Senate Committee on Labor, Commerce & Financial Institutions
(originally sponsored by Senators Kohl-Welles, Prentice, Winsley,
Gardner, Deccio and Rasmussen)

READ FIRST TIME 02/08/2002.

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

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

5 NEW SECTION. **Sec. 1.** The legislature finds that the predatory and
6 aggressive marketing of credit cards to children and young adults
7 creates serious financial and law enforcement problems. Inappropriate
8 granting of credit to young people with little or no employment or
9 credit history burdens them with debt and clouds their financial
10 futures. In addition, law enforcement problems are increased because
11 of credit card use by minors to buy alcohol, tobacco products
12 (including bidis), and to access internet gambling, and internet
13 pornography.

14 The legislature further finds that other, more age-appropriate
15 access to credit is available to young people, through student loans,
16 parentally cosigned credit, stored-value cards, and various types of
17 ATM cards with capped dollar amounts.

1 The legislature intends to curtail aggressive marketing of credit
2 cards to young people, and to prevent the inappropriate granting of
3 credit, by prohibiting certain marketing practices.

4 NEW SECTION. **Sec. 2.** For the purposes of this chapter:

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

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

13 NEW SECTION. **Sec. 3.** A credit card issuer may not issue a credit
14 card to a person who is a resident of this state and who is under
15 twenty-one years of age at the time of application unless:

16 (1) A written application is obtained in which an applicant
17 indicates a list of all approved but unused credit available to the
18 applicant, by amount and source, and a statement by the applicant
19 indicating the applicant's age; and

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

22 NEW SECTION. **Sec. 4.** Credit card issuers may not offer gifts in
23 exchange for the completion of a credit card application as part of a
24 marketing program conducted on any campus of a college or university
25 located in this state. This section does not preclude a credit card
26 issuer from on-campus marketing or from providing educational
27 information regarding personal financial management.

28 NEW SECTION. **Sec. 5.** Sections 2 through 4 of this act constitute
29 a new chapter in Title 19 RCW.

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