
HOUSE BILL 2163

State of Washington

58th Legislature

2003 Regular Session

By Representative McCoy

Read first time 02/28/2003. Referred to Committee on Higher Education.

1 AN ACT Relating to regulating credit card marketing to college
2 students on the campuses of institutions of higher education; adding a
3 new section to chapter 28B.10 RCW; and creating a new section.

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

5 NEW SECTION. **Sec. 1.** The legislature finds there is a rising
6 trend of spiraling credit card debt owed by college students and that
7 the major contributing factor to deep student debt is the unchecked
8 prevalence of unsolicited credit card applications on college campuses.
9 Many of these credit card offers extend thousands of dollars in credit
10 to students who provide little more than a signature and a student
11 identification card. The legislature finds that eighty-three percent
12 of undergraduate students have at least one credit card and carry an
13 average credit card debt of three thousand dollars. The legislature
14 further finds that banks and credit card companies are increasingly
15 using offers of free merchandise to encourage students to apply for
16 credit cards.

17 The legislature finds that financially inexperienced students may
18 become trapped in a cycle of credit card debt, crippling their ability
19 to qualify for the student loans necessary to complete their education

1 and their ability to purchase a car and obtain a mortgage after
2 graduation. The legislature further finds that reasonable restrictions
3 on the marketing of credit cards to college students by banks and
4 credit card companies serve a significant state interest in providing
5 a buffer between the aggressive marketing tactics pursued by some banks
6 and credit card companies and the students who have not yet developed
7 the financial skills to avoid unmanageable credit card debt.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW
9 to read as follows:

10 (1) The governing boards of the state universities, the regional
11 universities, The Evergreen State College, and the community colleges
12 shall require a bank or credit card company that intends to solicit
13 business from students on the institution's campus to register with the
14 institution before engaging in marketing activities on campus.
15 However, this section shall not be construed to require an institution
16 to permit the marketing of credit cards to students on the
17 institution's campus.

18 (2) A bank or credit card company permitted to engage in marketing
19 activities on an institution's campus shall not be permitted to:

20 (a) Advertise or offer free merchandise and incentives to students
21 as part of a credit card marketing effort; or

22 (b) Engage in door-to-door solicitation of business from students
23 in a residence facility operated by, or under contract to operate with,
24 the institution of higher education or to engage in direct marketing to
25 students in a dining facility operated by, or under contract to operate
26 with, the institution of higher education.

27 (3) Except as provided in subsection (4) of this section, a bank or
28 credit card company extending a credit card offer to students on the
29 campus of an institution of higher education shall provide debt
30 management seminars free of charge to students. Such seminars shall be
31 offered on campus at times and in places convenient to students no less
32 often than the bank or credit card company is present on the campus for
33 the purpose of soliciting business from students. The times and
34 locations of debt management seminars required under this subsection
35 shall be provided to the institution at the time the bank or credit
36 card company registers with the institution as required in subsection
37 (1) of this section.

1 (4) A bank or credit union operating an authorized branch location
2 on the campus of an institution of higher education may extend a credit
3 card offer to a student within the normal course of banking business
4 conducted within the confines of the bank or credit union branch
5 facility.

6 (5) The governing boards of the state and regional universities,
7 The Evergreen State College, and the community and technical colleges
8 shall not permit the selling of student directory information to a bank
9 or credit card company by the institution.

10 (6) Each institution of higher education shall establish and
11 maintain a do not contact list and shall inform students of the
12 availability of the list and the procedures for voluntary participation
13 in the list. A do not contact list shall consist of the names, phone
14 numbers, and addresses of those students requesting that a bank or
15 credit card company refrain from contacting the student with an
16 unsolicited credit card offer. The institution of higher education
17 shall incorporate the do not contact list, including an express
18 requirement that the students listed shall not be contacted with
19 unsolicited offers, into any contract or agreement with a bank or
20 credit card company for the solicitation of business from students on
21 campus.

22 (7) As used in this section, "campus" has the definition used by
23 each institution of higher education for the purpose of crime
24 statistics reporting required by RCW 28B.10.569.

25 NEW SECTION. **Sec. 3.** If any provision of this act or its
26 application to any person or circumstance is held invalid, the
27 remainder of the act or the application of the provision to other
28 persons or circumstances is not affected.

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