
SENATE BILL 6369

State of Washington 57th Legislature

2002 Regular Session

By Senators Kohl-Welles, Prentice, Winsley, Gardner, Deccio and Rasmussen

Read first time 01/16/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

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; adding a new
3 chapter to Title 19 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 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), internet gambling, and internet pornography.

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

17 The legislature intends to curtail aggressive marketing of credit
18 cards to young people, and to prevent the inappropriate granting of
19 credit, by prohibiting certain marketing practices.

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

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

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

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

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

17 (2) The applicant qualifies for credit under reasonable and prudent
18 standards used in the industry for extensions of similar credit;

19 (3) The applicant's parent or guardian cosigns for financial
20 responsibility for charges incurred;

21 (4) The applicant and cosigning adult are given information about
22 alternatives to credit cards, such as ATM cards and debit cards with
23 capped dollar amounts; and

24 (5) The applicant applies in person at a financial institution or
25 credit card granting corporation. No applications by persons under
26 twenty-one may be made through use of the internet.

27 NEW SECTION. **Sec. 4.** Except where the applicant has
28 misrepresented information required under section 3(1) of this act,
29 failure of the credit card issuer to comply with section 3 of this act
30 constitutes an affirmative defense to the collection of debt incurred
31 by using the card or credit issued.

32 NEW SECTION. **Sec. 5.** Credit card issuers may not offer gifts in
33 exchange for the completion of a credit card application as part of a
34 marketing program conducted on any campus of a college or university
35 located in this state. This section does not preclude a credit card

1 issuer from providing educational information regarding personal
2 financial management.

3 NEW SECTION. **Sec. 6.** A new section is added to chapter 28B.10 RCW
4 to read as follows:

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

8 NEW SECTION. **Sec. 7.** Sections 2 through 5 of this act constitute
9 a new chapter in Title 19 RCW.

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