

FINAL BILL REPORT

ESSB 5506

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Synopsis as Enacted

Brief Description: Placing restrictions on the marketing or merchandising of credit cards to students at the state's institutions of higher education.

Sponsors: Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senators Kohl-Welles, Fairley, Regala and Thibaudeau).

Senate Committee on Financial Institutions, Housing & Consumer Protection
House Committee on Financial Institutions & Insurance

Background: According to many national studies, college students may develop problems with money management and the overuse of credit cards. Some believe that this is partially the result of aggressive marketing practices aimed at students. College students have expressed interest in having a more active role in decisions regarding the type and extent of credit card marketing on their campuses.

Summary: State institutions of higher education are each required to develop policies regarding the on-campus marketing of student credit cards. Each school is responsible for developing its own official policy, which must include the consideration of student comments. The policies are required to consider (but not required to regulate) the registration of credit card marketers, limitations on the times and locations of marketing, and prohibitions on material inducements to complete credit card applications, unless the student has been provided credit card debt education literature.

The policies must include a requirement that marketers inform students about good credit management practices, through programs developed in concert with the institution. The institution's official credit card marketing policy is made available to all students upon request.

Votes on Final Passage:

Senate	49	0
House	59	39

Effective: July 24, 2005