

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1107
Committee Substitute Favorable 4/28/99

Short Title: Credit Card Solicitation/Colleges.

(Public)

Sponsors:

Referred to:

April 15, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO STRONGLY ENCOURAGE THE BOARD OF GOVERNORS OF THE
3 UNIVERSITY OF NORTH CAROLINA AND THE GOVERNING BOARDS OF
4 PRIVATE COLLEGES AND UNIVERSITIES TO ADOPT POLICIES THAT
5 RESTRICT THE DIRECT SOLICITATION ON CAMPUS OF STUDENTS FOR
6 CREDIT CARD ACCOUNTS AND TO OFFER CREDIT SEMINARS AS PART
7 OF FRESHMAN ORIENTATION.

Whereas, college students and their families are in debt more than ever, with an unprecedented number of college students relying on loans to help pay their tuition; and
Whereas, many college students compound their financial situation by incurring huge credit card debts; and

Whereas, on many college campuses the use of credit cards has become a way of life for many students, and few students know or understand the principles and benefits of sound money management and good credit; and

Whereas, although many college students are unemployed, credit card offers from vendors promise easy credit and bonuses for accepting the credit card; and

Whereas, many college students graduate owing substantial credit card balances and are plagued by poor credit; and

Whereas, college students generally do not realize that poor credit can follow them, affecting their housing options, the ability to buy a car, and the ability to obtain employment, as many employers conduct credit checks of prospective employees; and

Whereas, it is important that college students and their families be made aware of the danger of substantial credit card debt, and that there are alternatives to credit cards which promote better and wiser management of personal funds, such as debit cards, prepaid long-distance calling cards, letter writing and e-mail instead of expensive long-distance calls, and checking accounts; and

Whereas, college students often are unaware of consumer rights, how to handle financial debt, or with whom to file complaints about the sales approach of financial institutions and credit card companies; Now, therefore,

1 The General Assembly of North Carolina enacts:

2 Section 1. The Board of Governors of The University of North Carolina is
3 strongly encouraged to adopt a policy that restricts the direct solicitation on campus of
4 students for credit card accounts. The Board of Governors of The University of North
5 Carolina is also encouraged to offer a consumer credit seminar as part of freshman
6 orientation at each constituent institution.

7 Section 2. The governing board of each private college or university that
8 receives State funds is also strongly encouraged to adopt a policy that restricts the direct
9 solicitation on campus of students for credit card accounts and to offer a consumer credit
10 seminar as part of freshman orientation at the college or university.

11 Section 3. This act becomes effective July 1, 1999.