



# ***PRESS RELEASE***

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## **Governor Signs Bill to Protect College Students from Aggressive Credit Card Marketing on Campuses**

*AB 262, College Student Credit Protection Act, Also Requires Disclosure of  
Marketing Arrangements Between Banks and University Administrators*

On Sunday, Governor Schwarzenegger stood up to protect college students by signing AB 262.

The new law, known as the College Student Credit Protection Act, was authored by Assemblymember Joe Coto of San Jose's 23<sup>rd</sup> Assembly District and sponsored by the Greenlining Institute and various student groups.

It enacts the following protections for college students in the University of California, California State University, and California Community Colleges:

- Annually directs each campus to disclose exclusive credit card marketing arrangements with banks and financial institutions on those campuses (with the exception of proprietary information)
- Prohibits card companies on each campus from offering gifts to students who complete credit card applications
- Urges the regents to revise the University of California Policy on the On-Campus Marketing of Credit Cards to Students as it relates to specified future contractual agreements

According to student lender Nellie Mae, in 2004 more than 75% of college students nationwide had credit cards, and more than 40% of students had at least four credit cards. Student credit card debt increases significantly over college years; on average, senior college students owe nearly double that owed by freshmen students in credit card debt. A recent documentary, "Maxed Out", documents credit card marketing to college students.

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*The Greenlining Institute is a multi-ethnic public policy, research and advocacy center.*