

HOUSE BILL 1210

I2, F2

8lr2630

By: **Delegates Krebs, Aumann, Bates, Beidle, Beitzel, Bobo, Eckardt, Elliott, Elmore, Feldman, Frank, George, Howard, Hubbard, King, Kipke, Kramer, Manno, McComas, McConkey, Minnick, Montgomery, Myers, Norman, Shewell, Sossi, Stocksdales, Stull, and Walkup**

Introduced and read first time: February 8, 2008

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 19, 2008

CHAPTER _____

1 AN ACT concerning

2 ~~Consumer Protection~~ **Higher Education – Credit Cards – Student Applicants**

3 FOR the purpose of ~~prohibiting credit card issuers from offering gifts in exchange for~~
4 ~~the completion of a credit card application as a part of a certain marketing~~
5 ~~program conducted on a campus of or at an athletic event of an institution of~~
6 ~~higher education in the State; prohibiting credit card issuers from purchasing or~~
7 ~~otherwise obtaining from an institution of higher education certain information~~
8 ~~about the students at the institution of higher education; requiring institutions~~
9 ~~of higher education to develop certain policies regarding credit card marketing~~
10 ~~activities and merchandising conducted on the campus of an institution of~~
11 ~~higher education by credit card issuers; providing for certain exemptions from~~
12 ~~certain requirements; requiring certain policies to include certain requirements~~
13 ~~and consideration of certain issues; defining certain terms; and generally~~
14 ~~relating to the solicitation of student credit card applicants at institutions of~~
15 ~~higher education.~~ higher education.

16 BY adding to

17 Article – ~~Commercial Law~~ Education

18 Section ~~13-319~~ 15-111

19 Annotated Code of Maryland

20 (~~2005~~ 2006 Replacement Volume and 2007 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - ~~Commercial Law~~ Education**

4 **~~13-319.~~ 15-111.**

5 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
6 MEANINGS INDICATED.

7 (2) "CREDIT CARD" MEANS A CARD OR DEVICE ISSUED UNDER AN
8 AGREEMENT BY WHICH THE CREDIT CARD ISSUER GIVES TO A CARDHOLDER
9 RESIDING IN THE STATE THE PRIVILEGE OF OBTAINING CREDIT FROM THE
10 CREDIT CARD ISSUER OR ANOTHER PERSON IN CONNECTION WITH THE
11 PURCHASE OR LEASE OF GOODS OR SERVICES PRIMARILY FOR PERSONAL,
12 FAMILY, OR HOUSEHOLD USE.

13 (3) "CREDIT CARD ISSUER" MEANS A FINANCIAL INSTITUTION, A
14 LENDER OTHER THAN A FINANCIAL INSTITUTION, OR A MERCHANT THAT
15 RECEIVES APPLICATIONS AND ISSUES CREDIT CARDS TO INDIVIDUALS.

16 (4) (I) "CREDIT CARD MARKETING ACTIVITY" MEANS ANY
17 ACTIVITY OF AN AGENT OR EMPLOYEE OF A CREDIT CARD ISSUER THAT IS
18 DESIGNED TO ENCOURAGE STUDENTS AT AN INSTITUTION OF HIGHER
19 EDUCATION IN THE STATE TO APPLY FOR A CREDIT CARD.

20 (II) "CREDIT CARD MARKETING ACTIVITY" INCLUDES THE
21 ACT OF PLACING A DISPLAY OR POSTER TOGETHER WITH CREDIT CARD
22 APPLICATIONS ON A CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION IN
23 THE STATE, WHETHER OR NOT AN EMPLOYEE OR AGENT OF THE CREDIT CARD
24 ISSUER ATTENDS THE DISPLAY.

25 ~~(5) "INSTITUTION OF HIGHER EDUCATION" HAS THE MEANING~~
26 ~~STATED IN § 10-101 OF THE EDUCATION ARTICLE.~~

27 (5) "MERCHANDISING" MEANS THE OFFERING OF FREE
28 MERCHANDISE OR INCENTIVES TO STUDENTS AS A PART OF CREDIT CARD
29 MARKETING ACTIVITIES.

30 (6) "STUDENT" MEANS AN INDIVIDUAL ENROLLED FOR AT LEAST
31 ONE CREDIT HOUR AT AN INSTITUTION OF HIGHER EDUCATION.

32 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN
33 INSTITUTION OF HIGHER EDUCATION SHALL DEVELOP POLICIES REGARDING

1 CREDIT CARD MARKETING ACTIVITIES AND MERCHANDISING CONDUCTED ON A
2 CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION BY A CREDIT CARD ISSUER.

3 (2) THE REQUIREMENTS OF PARAGRAPH (1) OF THIS
4 SUBSECTION DO NOT APPLY TO CREDIT CARD MARKETING ACTIVITIES OR
5 MERCHANDISING CONDUCTED BY CREDIT CARD ISSUERS:

6 (I) IN NEWSPAPERS, MAGAZINES, OR OTHER SIMILAR
7 PUBLICATIONS; OR

8 (II) WITHIN THE PHYSICAL LOCATION OF A FINANCIAL
9 SERVICES BUSINESS LOCATED ON THE CAMPUS OF AN INSTITUTION OF HIGHER
10 EDUCATION IF CONDUCTED AS A PART OF THE REGULAR COURSE OF BUSINESS.

11 (C) THE POLICIES DEVELOPED UNDER SUBSECTION (B) OF THIS
12 SECTION SHALL INCLUDE:

13 (1) A REQUIREMENT THAT CREDIT CARD ISSUERS CONDUCTING
14 CREDIT CARD MARKETING ACTIVITIES INFORM STUDENTS ABOUT GOOD CREDIT
15 MANAGEMENT PRACTICES THROUGH A PROGRAM DEVELOPED IN CONJUNCTION
16 WITH THE INSTITUTION OF HIGHER EDUCATION;

17 (2) A REQUIREMENT THAT THE INSTITUTION OF HIGHER
18 EDUCATION'S CREDIT CARD MARKETING AND MERCHANDISING POLICY BE
19 AVAILABLE TO ALL STUDENTS ON REQUEST; AND

20 (3) CONSIDERATION OF THE FOLLOWING ISSUES:

21 (I) REGISTRATION OF CREDIT CARD ISSUERS CONDUCTING
22 CREDIT CARD MARKETING ACTIVITIES;

23 (II) LIMITS ON THE TIMES AND LOCATIONS OF CREDIT CARD
24 MARKETING ACTIVITIES; AND

25 (III) A PROHIBITION ON MERCHANDISING UNLESS THE
26 STUDENT IS PROVIDED CREDIT CARD DEBT EDUCATION LITERATURE,
27 INCLUDING BROCHURES OF WRITTEN INFORMATION OR LINKS TO ELECTRONIC
28 INFORMATION.

29 ~~(B) A CREDIT CARD ISSUER MAY NOT OFFER GIFTS IN EXCHANGE FOR~~
30 ~~THE COMPLETION OF A CREDIT CARD APPLICATION AS PART OF A CREDIT CARD~~
31 ~~MARKETING ACTIVITY CONDUCTED ON A CAMPUS OR AT AN ATHLETIC EVENT OF~~
32 ~~AN INSTITUTION OF HIGHER EDUCATION IN THE STATE.~~

1 ~~(C) A CREDIT CARD ISSUER MAY NOT PURCHASE OR OTHERWISE~~
2 ~~OBTAIN FROM AN INSTITUTION OF HIGHER EDUCATION IN THE STATE THE~~
3 ~~NAMES, ADDRESSES, OR ELECTRONIC MAIL ADDRESSES OF THE STUDENTS AT~~
4 ~~THE INSTITUTION OF HIGHER EDUCATION.~~

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2008.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.