

CHAPTER 312

(House Bill 1210)

AN ACT concerning

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

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

BY adding to

Article – ~~Commercial Law~~ Education

Section ~~13-319~~ 15-111

Annotated Code of Maryland

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

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

~~Article – Commercial Law~~ Education

~~13-319. 15-111.~~

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

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

(3) **“CREDIT CARD ISSUER” MEANS A FINANCIAL INSTITUTION, A LENDER OTHER THAN A FINANCIAL INSTITUTION, OR A MERCHANT THAT RECEIVES APPLICATIONS AND ISSUES CREDIT CARDS TO INDIVIDUALS.**

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

(II) **“CREDIT CARD MARKETING ACTIVITY” INCLUDES THE ACT OF PLACING A DISPLAY OR POSTER TOGETHER WITH CREDIT CARD APPLICATIONS ON A CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION IN THE STATE, WHETHER OR NOT AN EMPLOYEE OR AGENT OF THE CREDIT CARD ISSUER ATTENDS THE DISPLAY.**

~~(5) **“INSTITUTION OF HIGHER EDUCATION” HAS THE MEANING STATED IN § 10-101 OF THE EDUCATION ARTICLE.**~~

(5) **“MERCHANDISING” MEANS THE OFFERING OF FREE MERCHANDISE OR INCENTIVES TO STUDENTS AS A PART OF CREDIT CARD MARKETING ACTIVITIES.**

(6) **“STUDENT” MEANS AN INDIVIDUAL ENROLLED FOR AT LEAST ONE CREDIT HOUR AT AN INSTITUTION OF HIGHER EDUCATION.**

(B) (1) **SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN INSTITUTION OF HIGHER EDUCATION SHALL DEVELOP POLICIES REGARDING CREDIT CARD MARKETING ACTIVITIES AND MERCHANDISING CONDUCTED ON A CAMPUS OF AN INSTITUTION OF HIGHER EDUCATION BY A CREDIT CARD ISSUER.**

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

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

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

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

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

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

(3) CONSIDERATION OF THE FOLLOWING ISSUES:

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

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

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

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

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

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

Approved by the Governor, April 24, 2008.