

106TH CONGRESS  
1ST SESSION

# H. R. 3142

To amend the Consumer Credit Protection Act to prevent credit card issuers from taking unfair advantage of full-time, traditional-aged, college students, to protect parents of traditional college student credit card holders, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 25, 1999

Ms. SLAUGHTER (for herself, Mr. DUNCAN, Mr. SMITH of New Jersey, Mr. LIPINSKI, Ms. KAPTUR, Mr. GREEN of Texas, Mr. THOMPSON of Mississippi, Mr. SANFORD, Mr. UNDERWOOD, Mr. OWENS, Mr. HALL of Ohio, Mr. LUTHER, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To amend the Consumer Credit Protection Act to prevent credit card issuers from taking unfair advantage of full-time, traditional-aged, college students, to protect parents of traditional college student credit card holders, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “College Student Credit  
5       Card Protection Act”.

1 **SEC. 2. ISSUANCE OF CREDIT CARDS TO FULL-TIME, TRADI-**  
 2 **TIONAL-AGED, COLLEGE STUDENTS.**

3 Section 127 of the Truth in Lending Act (15 U.S.C.  
 4 1637) is amended by adding at the end the following new  
 5 subsection:

6 “(h) PROVISIONS APPLICABLE WITH REGARD TO  
 7 THE ISSUANCE OF CREDIT CARDS TO FULL-TIME, TRADI-  
 8 TIONAL-AGED COLLEGE STUDENTS.—

9 “(1) DEFINITIONS.—For purposes of this sec-  
 10 tion, the following definitions shall apply:

11 “(A) TRADITIONAL COLLEGE STUDENT  
 12 CREDIT CARD ACCOUNT DEFINED.—For pur-  
 13 poses of this subsection, the term ‘traditional  
 14 college student credit card account’ means a  
 15 credit card account under an open end con-  
 16 sumer credit plan established or maintained for  
 17 or on behalf of any full-time, traditional-aged,  
 18 college student.

19 “(B) FULL-TIME, TRADITIONAL-AGED COL-  
 20 LEGE STUDENT.—The term ‘full-time, tradi-  
 21 tional-aged, college student’ means an  
 22 individual—

23 “(i) who is a student described in sub-  
 24 paragraphs (A) and (B) of section  
 25 484(b)(3) of the Higher Education Act of

1 1965 at an institution of higher education;  
2 and

3 “(ii) whose age falls within the age co-  
4 hort defined by such institution of higher  
5 education as the age cohort of traditional-  
6 aged students.

7 “(C) INSTITUTION OF HIGHER EDU-  
8 CATION.—The term ‘institution of higher edu-  
9 cation’ has the meaning given to such term in  
10 section 101(a) of the Higher Education Act of  
11 1965.

12 “(2) MAXIMUM AMOUNT LIMITATION.—Unless  
13 a parent or guardian of a full-time, traditional-aged,  
14 college student assumes joint liability for debts in-  
15 curred by the student in connection with a tradi-  
16 tional college student credit card account, the total  
17 amount of credit extended under a traditional college  
18 student credit card account to such student may not  
19 exceed the greater of—

20 “(A) 20 percent of the annual gross in-  
21 come of the student in the most recently com-  
22 pleted calendar year; or

23 “(B) the product of \$500 and the number  
24 of full years which have elapsed since the tradi-

1           tional college student credit card account was  
2           opened, not to exceed \$2,000.

3           “(3) PARENTAL APPROVAL REQUIRED TO IN-  
4           CREASE CREDIT LINES FOR ACCOUNTS FOR WHICH  
5           PARENT IS JOINTLY LIABLE.—No increase may be  
6           made in the amount of credit authorized to be ex-  
7           tended under a traditional college student credit  
8           card account for which a parent or guardian of the  
9           consumer has assumed joint liability for debts in-  
10          curred by the consumer in connection with the ac-  
11          count before the consumer attains the upper limit of  
12          the age cohort described in paragraph (1)(B)(ii)  
13          with respect to such consumer, unless the parent or  
14          guardian of the consumer approves, in writing, and  
15          assumes joint liability for, such increase.

16          “(4) PROHIBITION ON MORE THAN 1 CREDIT  
17          CARD ACCOUNT FOR ANY FULL-TIME COLLEGE STU-  
18          DENT WITHOUT INDEPENDENT INCOME.—No cred-  
19          itor may open a credit card account for, or issue any  
20          credit card to, any full-time, traditional-aged, college  
21          student who—

22                  “(A) has no annual gross income; and

23                  “(B) already maintains a credit card ac-  
24          count under an open end consumer credit plan.

1 **SEC. 3. CREDIT CARD APPLICATIONS AND SOLICITATIONS.**

2 Section 127(c) of the Truth in Lending Act (15  
3 U.S.C. 1637(c)) is amended—

4 (1) by redesignating paragraph (5) as para-  
5 graph (7); and

6 (2) by inserting after paragraph (4) the fol-  
7 lowing new paragraphs:

8 “(5) **FORMAT.**—The disclosures required under  
9 this subsection in any application, solicitation, or  
10 other document or paper (other than the information  
11 to which section 122(c) applies) shall be included in  
12 such solicitation, application, or other document or  
13 paper in a typeface that is at least as large as the  
14 largest typeface otherwise used in such solicitation,  
15 application, or other document or paper.

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