

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: No

FOLLOWING WERE PRINTED:

To check for circulating copies, contact New Jersey State Government Publications at the State Library (609) 278-2640 ext.103 or <mailto:refdesk@njstatelib.org>

REPORTS: No

HEARINGS: No

NEWSPAPER ARTICLES: Yes

"New law restricts campus credit card solicitations," Courier News, 11-22-09.

"Law restricts college campus credit card solicitations," Asbury Park Press, 11-22-09, p.A5.

"N.J. cubs credit card pitches on campus," Home News Tribune, 11-22-09.

LAW/RWH

[First Reprint]

SENATE, No. 1927

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JUNE 9, 2008

Sponsored by:

Senator BARBARA BUONO

District 18 (Middlesex)

Assemblywoman SANDRA LOVE

District 4 (Camden and Gloucester)

Assemblywoman PAMELA R. LAMPITT

District 6 (Camden)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Assemblywoman ELEASE EVANS

District 35 (Bergen and Passaic)

Co-Sponsored by:

Assemblyman Diegnan

SYNOPSIS

Regulates solicitation of credit cards on college campuses.

CURRENT VERSION OF TEXT

As reported by the Senate Commerce Committee on February 2, 2009, with amendments.



(Sponsorship Updated As Of: 6/19/2009)

1 AN ACT concerning certain credit card solicitations and
2 supplementing ¹[P.L.1960, c.39 (C.56:8-1 et seq.)] Title 18A of
3 the New Jersey Statutes¹.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. As used in this act:

9 ¹["Consumer" means a prospective or actual purchaser of goods
10 or services primarily for personal, family or household use.]¹

11 "Credit card" means a card, plate or other single credit device
12 that may be used from time to time to obtain credit.

13 "Credit card issuer" means a person who extends to a
14 ¹[consumer] student¹ the right to use a credit card in connection
15 with purchases ¹of goods or services primarily for personal, family
16 or household use¹.

17 ¹["Director" means the Director of the Division of Consumer
18 Affairs in the Department of Law and Public Safety.]¹

19 "Institution of higher education" means any public or private
20 university, college, technical college or community college located
21 in New Jersey.

22 ¹"Solicit" or "solicitation" means any activity on a campus of an
23 institution of higher education specifically intended, in whole or in
24 part, to encourage, entice, urge or request that a student apply for a
25 credit card, but does not include:

26 (1) advertising in newspapers, magazines, or similar
27 publications; or

28 (2) any activity within the physical location of a credit card
29 issuer's business located on the campus of an institution of higher
30 education, so long as the activity is conducted as part of the issuer's
31 regular course of business.¹

32 "Student" means a person who ¹[is under 21 years of age and
33 who]¹ attends an institution of higher education ¹as an
34 undergraduate¹, whether enrolled on a full-time or part-time basis.

35
36 2. a. Prior to engaging in the solicitation of students for
37 applications for credit cards on a campus of an institution of higher
38 education, a credit card issuer shall annually register its ¹[intent]
39 request¹ to solicit ¹[the student]¹ for that purpose with an
40 appropriate official of the institution of higher education.

41 b. The registration ¹submitted to the institution of higher
42 education¹ shall include the principal place of business of the credit

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SCM committee amendments adopted February 2, 2009.

1 card issuer and ¹[shall be in the form required by regulation of the
2 director] any other information as requested by the institution¹.

3

4 3. a. A credit card issuer ¹, with an approved registration as
5 filed pursuant to section 2 of this act,¹ who solicits applications for
6 credit cards on a campus of an institution of higher education shall
7 provide to students of that campus a 'one-time, on-campus'
8 program of education on the responsible use of credit.

9 b. A program of education on the responsible use of credit that
10 meets the requirements of subsection a. of this section shall include
11 at a minimum:

12 (1) A full explanation of the financial consequences of not
13 paying off credit card balances in full within the time specified by
14 the billing statement to avoid interest charges, including an
15 explanation of how the credit card issuer computes interest on
16 unpaid balances;

17 (2) A full explanation of the impact of a shift from an
18 introductory or initial interest rate to an ongoing interest rate that is
19 higher, including the exact time when the higher ongoing interest
20 rate takes effect, and a description of acts on the part of the
21 cardholder that will cause an immediate shift to the higher interest
22 rate;

23 (3) A full explanation, with examples, of how long it would take
24 to pay off various illustrative balance amounts by paying the
25 minimum monthly payment required under the credit card
26 agreement at the interest rate charged by the credit card issuer;

27 (4) A full explanation of credit related terms, including fixed
28 rates, variable rates, introductory rates, balance transfers, grace
29 periods, annual fees and any other fees charged by the credit card
30 issuer; and

31 (5) A full discussion of the generally accepted prudent uses of
32 credit, and the consequences of imprudent uses, as presented by
33 recognized consumer credit counseling agencies.

34

35 4. A credit card issuer who solicits applications for credit cards
36 on a campus of an institution of higher education shall not issue a
37 credit card to a student enrolled in that institution of higher
38 education ¹,¹ unless the application submitted by the student
39 includes a certificate ¹[or other reasonable proof] indicating¹ that
40 the student has attended ¹[the education] a one-time, on-campus¹
41 program ¹of education provided by the credit card issuer, as¹
42 required by section 3 of this act.

43

44 5. A credit card issuer shall not:

45 a. purchase or otherwise obtain from an institution of higher
46 education the names or addresses of the students at the institution of
47 higher education; or

- 1 b. offer gifts or other promotional incentives to students at an
2 institution of higher education in order to entice the students to
3 apply for a credit card.
4
- 5 6. ¹~~It shall be unlawful for a~~ A ¹ credit card issuer ¹~~to~~ shall
6 not ¹ take any debt collection action, including, but not limited to,
7 telephone calls or demand letters against the parent or legal
8 guardian of a student for whom a credit card has been issued, unless
9 the parent or legal guardian has agreed in writing to be liable for the
10 debts of the student under the credit card agreement.
11
- 12 ¹~~7.A violation under this act shall be an unlawful practice~~
13 ~~pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).~~ ¹
14
- 15 ¹7. Any credit card issuer who violates the provisions of this act
16 shall be liable in a civil action to any person for damages arising
17 from the violation, as well as attorney's fees and costs of suit.
18 Additionally, the credit card issuer shall be subject to a civil penalty
19 of not less than \$5,000 and not more than \$10,000 for each offense.
20 The penalty may be collected in a summary proceeding pursuant to
21 the "Penalty Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-
22 10 et seq.). ¹
23
- 24 8. This act shall take effect on the 180th day following
25 enactment.

SENATE, No. 1927

STATE OF NEW JERSEY
213th LEGISLATURE

INTRODUCED JUNE 9, 2008

Sponsored by:
Senator BARBARA BUONO
District 18 (Middlesex)

SYNOPSIS

Regulates solicitation of credit cards on college campuses.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain credit card solicitations and
2 supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in this act:

8 "Consumer" means a prospective or actual purchaser of goods or
9 services primarily for personal, family or household use.

10 "Credit card" means a card, plate or other single credit device
11 that may be used from time to time to obtain credit.

12 "Credit card issuer" means a person who extends to a consumer
13 the right to use a credit card in connection with purchases.

14 "Director" means the Director of the Division of Consumer
15 Affairs in the Department of Law and Public Safety.

16 "Institution of higher education" means any public or private
17 university, college, technical college or community college located
18 in New Jersey.

19 "Student" means a person who is under 21 years of age and who
20 attends an institution of higher education, whether enrolled on a
21 full-time or part-time basis.

22

23 2. a. Prior to engaging in the solicitation of students for
24 applications for credit cards on a campus of an institution of higher
25 education, a credit card issuer shall annually register its intent to
26 solicit the student for that purpose with an appropriate official of
27 the institution of higher education.

28 b. The registration shall include the principal place of business
29 of the credit card issuer and shall be in the form required by
30 regulation of the director.

31

32 3. a. A credit card issuer who solicits applications for credit
33 cards on a campus of an institution of higher education shall
34 provide to students of that campus a program of education on the
35 responsible use of credit.

36 b. A program of education on the responsible use of credit that
37 meets the requirements of subsection a. of this section shall include
38 at a minimum:

39 (1) A full explanation of the financial consequences of not
40 paying off credit card balances in full within the time specified by
41 the billing statement to avoid interest charges, including an
42 explanation of how the credit card issuer computes interest on
43 unpaid balances;

44 (2) A full explanation of the impact of a shift from an
45 introductory or initial interest rate to an ongoing interest rate that is
46 higher, including the exact time when the higher ongoing interest
47 rate takes effect, and a description of acts on the part of the

S1927 BUONO

1 cardholder that will cause an immediate shift to the higher interest
2 rate;

3 (3) A full explanation, with examples, of how long it would take
4 to pay off various illustrative balance amounts by paying the
5 minimum monthly payment required under the credit card
6 agreement at the interest rate charged by the credit card issuer;

7 (4) A full explanation of credit related terms, including fixed
8 rates, variable rates, introductory rates, balance transfers, grace
9 periods, annual fees and any other fees charged by the credit card
10 issuer; and

11 (5) A full discussion of the generally accepted prudent uses of
12 credit, and the consequences of imprudent uses, as presented by
13 recognized consumer credit counseling agencies.

14

15 4. A credit card issuer who solicits applications for credit cards
16 on a campus of an institution of higher education shall not issue a
17 credit card to a student enrolled in that institution of higher
18 education unless the application submitted by the student includes a
19 certificate or other reasonable proof that the student has attended
20 the education program required by section 3 of this act.

21

22 5. A credit card issuer shall not:

23 a. purchase or otherwise obtain from an institution of higher
24 education the names or addresses of the students at the institution of
25 higher education; or

26 b. offer gifts or other promotional incentives to students at an
27 institution of higher education in order to entice the students to
28 apply for a credit card.

29

30 6. It shall be unlawful for a credit card issuer to take any debt
31 collection action, including, but not limited to, telephone calls or
32 demand letters against the parent or legal guardian of a student for
33 whom a credit card has been issued, unless the parent or legal
34 guardian has agreed in writing to be liable for the debts of the
35 student under the credit card agreement.

36

37 7. A violation under this act shall be an unlawful practice
38 pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).

39

40 8. This act shall take effect on the 180th day following
41 enactment.

42

43

44

STATEMENT

45

46 According to a 2004 study by student loan company Nellie Mae,
47 the average balance on a student's credit card was \$2,169. That
48 study found that nearly 76% of college students hold at least one

S1927 BUONO

1 credit card. One of the main reasons that the vast majority of
2 college students apply for credit cards is the on-campus presence of
3 credit card vendors. These vendors tempt those students who may
4 have arrived on campus with very little money.

5 This bill provides for the regulation of the solicitation of credit
6 card applications on college campuses by the Division of Consumer
7 Affairs in the Department of Law and Public Safety.

8 The bill requires credit card issuers to annually register with the
9 college before soliciting credit card applications on its campus. It
10 also provides that a credit card issuer must provide to students on
11 the campus a program of education on the responsible use of credit.
12 Minimum standards for that program are provided for in the bill. A
13 credit card issuer shall not issue a credit card to a student unless the
14 student has completed the education program.

15 The bill further provides that a credit card issuer shall not
16 purchase from the college the names and addresses of its students;
17 offer gifts to students to entice students to apply for a credit card; or
18 take any debt collection action against a parent of a student to
19 whom a credit card has been issued, unless the parent has agreed in
20 writing to be liable for the student's debt.

21 A violation of this bill's provisions will be an unlawful practice
22 and a violation of the consumer fraud act, P.L.1960, c.39 (C.56:8-1
23 et seq.). Thus, any person who violates any of the provisions of the
24 bill shall be liable to a penalty of not more than \$10,000 for the first
25 offense and not more than \$20,000 for the second and each
26 subsequent offense.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1927

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 2, 2009

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1927.

This bill, as amended, regulates the solicitation of credit card applications on the campuses of institutions of higher education.

The bill requires credit card issuers to register annually with an institution of higher education its request to solicit credit card applications from students on that institution's campus. The registration shall include the principal place of business of the credit card issuer and any other information as requested by the institution of higher education.

A registered credit card issuer with an approved yearly registration who solicits on a campus, shall, during that year, provide students of that campus with a one-time, on-campus program of education on the responsible use of credit. The program shall include, at a minimum, explanations and discussions of: the financial consequences of not paying off credit card balances; the impact of shifts from introductory or initial interest rates to higher, ongoing interest rates; examples of paying off various illustrative balances by paying the minimum monthly payment required; and generally accepted prudent uses of credit along with the consequences of imprudent uses.

A registered credit card issuer soliciting on a campus of an institution of higher education shall not issue a credit card to a student enrolled in that institution, unless the application submitted by the student includes a certificate indicating that the student attended the credit card issuer's program of education.

The bill further provides that a credit card issuer shall not: purchase from an institution of higher education the names and addresses of its students; offer gifts or other promotional incentives to students to entice those students to apply for a credit card; or take any debt collection action against a parent or legal guardian of a student to whom a credit card has been issued, unless the parent or legal guardian has agreed in writing to be liable for the student's debt.

A violation of the bill's provisions shall make a credit card issuer subject to liability to any injured party for damages in a private cause of action, as well as attorney's fees and costs of suit. Additionally, the

credit card issuer shall be subject to a civil penalty of not less than \$5,000 and not more than \$10,000 for each offense.

The committee amendments to the bill:

- replace the title, to remove the bill as a supplement to the consumer fraud act, P.L.1960, c.39 (C.56:8-1 et seq.), and place it in a new chapter 3C of Title 18A, which regulates institutions of higher education;

- eliminate the definition of “consumer”;

- specify in the definition of “credit card issuer” that the bill’s scope applies to issuing cards to “students” to make purchases of goods or services primarily for personal, family, or household use;

- eliminate the definition and references to the Director of the Division of Consumer Affairs, consistent with removing the bill as a supplement to the consumer fraud act;

- change the definition of “student” to apply to all undergraduates, and eliminate the use of an age range of under 21 years of age;

- create a definition of “solicit,” to apply the bill to activities that are specifically intended, in whole or in part, to encourage student credit card applications, with an exception for print advertisements in certain publications and for soliciting within the physical location of a credit card issuer’s business located on a campus, so long as it is conducted as part of the issuer’s regular course of business;

- remove the requirement that the Director of the Division of Consumer Affairs establish the form to be used by credit card issuers for registering with institutions of higher education;

- prohibit a credit card issuer soliciting on campus from issuing a credit card to a student enrolled in the institution of higher education, unless the application includes a certificate indicating attendance at the credit card issuer’s on-campus program of education; and

- create liability and penalty provisions for violations by credit card issuers, including subjecting the violator to a civil penalty of not less than \$5,000 and not more than \$10,000 for each offense.

ASSEMBLY, No. 3003

STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED JUNE 16, 2008

Sponsored by:

Assemblywoman SANDRA LOVE

District 4 (Camden and Gloucester)

Assemblywoman PAMELA R. LAMPITT

District 6 (Camden)

Assemblywoman CONNIE WAGNER

District 38 (Bergen)

Assemblywoman ELEASE EVANS

District 35 (Bergen and Passaic)

SYNOPSIS

Regulates solicitation of credit cards on college campuses.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/26/2008)

1 AN ACT concerning certain credit card solicitations and
2 supplementing P.L.1960, c.39 (C.56:8-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. As used in this act:

8 "Consumer" means a prospective or actual purchaser of goods or
9 services primarily for personal, family or household use.

10 "Credit card" means a card, plate or other single credit device
11 that may be used from time to time to obtain credit.

12 "Credit card issuer" means a person who extends to a consumer
13 the right to use a credit card in connection with purchases.

14 "Director" means the Director of the Division of Consumer
15 Affairs in the Department of Law and Public Safety.

16 "Institution of higher education" means any public or private
17 university, college, technical college or community college located
18 in New Jersey.

19 "Student" means a person who is under 21 years of age and who
20 attends an institution of higher education, whether enrolled on a
21 full-time or part-time basis.

22

23 2. a. Prior to engaging in the solicitation of students for
24 applications for credit cards on a campus of an institution of higher
25 education, a credit card issuer shall annually register its intent to
26 solicit the student for that purpose with an appropriate official of
27 the institution of higher education.

28 b. The registration shall include the principal place of business
29 of the credit card issuer and shall be in the form required by
30 regulation of the director.

31

32 3. a. A credit card issuer who solicits applications for credit
33 cards on a campus of an institution of higher education shall
34 provide to students of that campus a program of education on the
35 responsible use of credit.

36 b. A program of education on the responsible use of credit that
37 meets the requirements of subsection a. of this section shall include
38 at a minimum:

39 (1) A full explanation of the financial consequences of not
40 paying off credit card balances in full within the time specified by
41 the billing statement to avoid interest charges, including an
42 explanation of how the credit card issuer computes interest on
43 unpaid balances;

44 (2) A full explanation of the impact of a shift from an
45 introductory or initial interest rate to an ongoing interest rate that is
46 higher, including the exact time when the higher ongoing interest
47 rate takes effect, and a description of acts on the part of the

1 cardholder that will cause an immediate shift to the higher interest
2 rate;

3 (3) A full explanation, with examples, of how long it would take
4 to pay off various illustrative balance amounts by paying the
5 minimum monthly payment required under the credit card
6 agreement at the interest rate charged by the credit card issuer;

7 (4) A full explanation of credit related terms, including fixed
8 rates, variable rates, introductory rates, balance transfers, grace
9 periods, annual fees and any other fees charged by the credit card
10 issuer; and

11 (5) A full discussion of the generally accepted prudent uses of
12 credit, and the consequences of imprudent uses, as presented by
13 recognized consumer credit counseling agencies.

14

15 4. A credit card issuer who solicits applications for credit cards
16 on a campus of an institution of higher education shall not issue a
17 credit card to a student enrolled in that institution of higher
18 education unless the application submitted by the student includes a
19 certificate or other reasonable proof that the student has attended
20 the education program required by section 3 of this act.

21

22 5. A credit card issuer shall not:

23 a. purchase or otherwise obtain from an institution of higher
24 education the names or addresses of the students at the institution of
25 higher education; or

26 b. offer gifts or other promotional incentives to students at an
27 institution of higher education in order to entice the students to
28 apply for a credit card.

29

30 6. It shall be unlawful for a credit card issuer to take any debt
31 collection action, including, but not limited to, telephone calls or
32 demand letters against the parent or legal guardian of a student for
33 whom a credit card has been issued, unless the parent or legal
34 guardian has agreed in writing to be liable for the debts of the
35 student under the credit card agreement.

36

37 7. A violation under this act shall be an unlawful practice
38 pursuant to P.L.1960, c.39 (C.56:8-1 et seq.).

39

40 8. This act shall take effect on the 180th day following
41 enactment.

42

43

44

STATEMENT

45

46 According to a 2004 study by student loan company Nellie Mae,
47 the average balance on a student's credit card was \$2,169. That
48 study found that nearly 76% of college students hold at least one

A3003 LOVE, LAMPITT

1 credit card. One of the main reasons that the vast majority of
2 college students apply for credit cards is the on-campus presence of
3 credit card vendors. These vendors tempt those students who may
4 have arrived on campus with very little money.

5 This bill provides for the regulation of the solicitation of credit
6 card applications on college campuses by the Division of Consumer
7 Affairs in the Department of Law and Public Safety.

8 The bill requires credit card issuers to annually register with the
9 college before soliciting credit card applications on its campus. It
10 also provides that a credit card issuer must provide to students on
11 the campus a program of education on the responsible use of credit.
12 Minimum standards for that program are provided for in the bill. A
13 credit card issuer shall not issue a credit card to a student unless the
14 student has completed the education program.

15 The bill further provides that a credit card issuer shall not
16 purchase from the college the names and addresses of its students;
17 offer gifts to students to entice students to apply for a credit card; or
18 take any debt collection action against a parent of a student to
19 whom a credit card has been issued, unless the parent has agreed in
20 writing to be liable for the student's debt.

21 A violation of this bill's provisions will be an unlawful practice
22 and a violation of the consumer fraud act, P.L.1960, c.39 (C.56:8-1
23 et seq.). Thus, any person who violates any of the provisions of the
24 bill shall be liable to a penalty of not more than \$10,000 for the first
25 offense and not more than \$20,000 for the second and each
26 subsequent offense.

ASSEMBLY CONSUMER AFFAIRS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3003

STATE OF NEW JERSEY

DATED: SEPTEMBER 15, 2008

The Assembly Consumer Affairs Committee reports favorably on Assembly Bill No. 3003.

Assembly Bill No. 3003 authorizes the Division of Consumer Affairs to regulate credit card vendors on college campuses.

According to a 2004 study by student loan company Nellie Mae, the average balance on a student's credit card was \$2,169. That study found that nearly 76 percent of college students hold at least one credit card. One of the main reasons that the vast majority of college students apply for credit cards is the on-campus presence of credit card vendors. These vendors tempt those students who may have arrived on campus with very little money.

The bill requires credit card issuers to register annually with the college before soliciting credit card applications on its campus. It also provides that a credit card issuer who is so registered must provide a program of education on the responsible use of credit to the students of that campus. The minimum standards for such programs are outlined in the bill, which also specifies that a credit card issuer may not issue a credit card to a student who has not completed the education program.

In addition, the bill prohibits credit card issuers from:

- purchasing the names and addresses of a college's students;
- offering gifts to students to entice students to apply for a credit card; or
- taking any debt collection action against a parent of a student to whom a credit card has been issued, unless the parent has agreed in writing to be liable for the student's debt.

The bill specifies that violations of its provisions are unlawful practices. An unlawful practice under the Consumer Fraud Act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. In addition, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages and the awarding of treble damages and costs to the injured.

ASSEMBLY FINANCIAL INSTITUTIONS AND INSURANCE
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3003

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 23, 2008

The Assembly Financial Institutions and Insurance Committee reports favorably and with committee amendments Assembly Bill No. A-3003.

Assembly Bill No. 3003, as amended, authorizes the Division of Consumer Affairs to regulate credit card vendors on college campuses.

According to a 2004 study by student loan company Nellie Mae, the average balance on a student's credit card was \$2,169. That study found that nearly 76 percent of college students hold at least one credit card. One of the main reasons that the vast majority of college students apply for credit cards is the on-campus presence of credit card vendors. These vendors tempt those students who may have arrived on campus with very little money.

The bill requires credit card issuers to register annually with an institution of higher education located in New Jersey before soliciting credit card applications on its campus. The bill also provides that a credit card issuer who is so registered must provide to the students of that campus a program of education, or a comprehensive brochure that contains information equivalent to a program of education, on the responsible use of credit. The minimum standards for such a program or a brochure are outlined in the bill, which also specifies that a credit card issuer may not issue a credit card to a student who has not provided proof of completion of the education program or a signed copy of the brochure.

In addition, the bill prohibits credit card issuers from:

- purchasing the names and addresses of a college's students;
- offering gifts to students to entice students to apply for a credit card; or
- taking any debt collection action against a parent of a student to whom a credit card has been issued, unless the parent has agreed in writing to be liable for the student's debt.

The bill provides that for purposes of complying with the bill's provisions, a credit card issuer may request confirmation from a

student to be solicited that the student has a valid student identification issued by the institution of higher education.

The bill specifies that knowing violations of its provisions are unlawful practices. An unlawful practice under the consumer fraud act is punishable by a monetary penalty of not more than \$10,000 for a first offense and not more than \$20,000 for any subsequent offense. In addition, a violation can result in cease and desist orders issued by the Attorney General, the assessment of punitive damages and the awarding of treble damages and costs to the injured.

COMMITTEE AMENDMENTS

The Committee amended the bill to:

(1) allow a credit card issuer who solicits credit card applications on a campus of an institution of higher education the option of providing to students a comprehensive brochure, as an alternative to providing a program of education, on the responsible use of credit, while prohibiting the issuer from issuing a credit card to a student who has not provided proof of completion of the education program or a signed copy of the brochure;

(2) specify that the credit card issuer may request confirmation from a student to be solicited that the student has a valid student identification; and

(3) provide that in order to be an unlawful practice under the consumer fraud act, a violation of the act must be a knowing violation.

STATEMENT TO
[First Reprint]
ASSEMBLY, No. 3003

with Assembly Floor Amendments
(Proposed by Assemblywoman LOVE)

ADOPTED: MAY 21, 2009

These amendments:

(1) replace the bill's title, to indicate removing the bill from the purview of the consumer fraud act, P.L.1960, c.39 (C.56:8-1- et seq.), and placing it in a new chapter 3C of Title 18A, which regulates institutions of higher education;

(2) eliminate the definition of "consumer";

(3) specify in the definition of "credit card issuer" that the bill's scope applies to issuing cards to "students" to make purchases of goods or services primarily for personal, family, or household use;

(4) eliminate the definition and references to the Director of the Division of Consumer Affairs, consistent with removing the bill's provisions from regulation under the consumer fraud act;

(5) change the definition of "student" to apply to all undergraduates, and eliminate the use of an age range of under 21 years of age;

(6) create a definition of "solicit," to apply the bill to activities that are specifically intended, in whole or in part, to encourage student credit card applications, with an exception for print advertisements in certain publications and for soliciting within the physical location of a credit card issuer's business located on a campus, so long as it is conducted as part of the issuer's regular course of business;

(7) remove the requirement that the Director of the Division of Consumer Affairs establish the form to be used by credit card issuers for registering with institutions of higher education;

(8) prohibit a credit card issuer soliciting on campus from issuing a credit card to a student enrolled in the institution of higher education, unless the application includes a certificate indicating attendance at the credit card issuer's on-campus program of education, and eliminate the option for the issuer to provide a comprehensive brochure instead of the program of education;

(9) remove the provision that allows a credit card issuer that solicits applications for credit cards on a campus of higher education, to request confirmation from a student to be solicited, that the student has a valid student identification; and

(10) create liability and penalty provisions for violations by credit card issuers, including subjecting the violator to a civil penalty of not less than \$5,000 and not more than \$10,000 for each offense.