



# ***PRESS RELEASE***

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## **Aggressive Credit Card Marketing to College Students Under Scrutiny: *AB 262 Would Reign in Predatory Credit Card Marketing on Campuses***

Berkeley, CA – The days of free pizza and frisbees for college students who fill out high-interest credit card applications may be numbered.

Assemblymember Joe Coto (23<sup>rd</sup> Assembly District - San Jose) has introduced AB 262, the College Student Credit Protection Act.

The bill would direct California's public university campuses to disclose exclusive credit card marketing arrangements with banks on those campuses, prohibit card companies from offering gifts to students who complete credit card applications on campuses, and urge the UC regents to revise a 2004 policy that exempted many banks from campus regulations.

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.

Upon introduction of the AB 262, Assemblymember Coto said: "Many California public university students, of all incomes and backgrounds, are graduating into severe credit card debt. AB 262 will help to protect the students who represent the future of California's economy."

Chithalina Khanchalern, a UC Berkeley senior, said: "I signed up for a credit card the first week of my freshman year. I got a free T-shirt and a pile of debt that rivals my student loan debt."

Alberto Gonzalez, a UC Berkeley senior, said: "I think students need access to credit like anyone else. I just don't like the way the credit card companies target us. They take advantage of the fact that we tend to have lower financial literacy and we often need money to finance our college expenses. AB 262 will protect us from the more predatory tactics of the credit card companies."

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