

**AR 5570     Credit Card Marketing (New AR)**

The College will provide credit card and debt education as part of the college orientation to new students. In addition, credit card companies shall provide debt counseling materials at their table.

In accordance with Title 5, Section 54400 of the California Code of Regulations, the following rules govern the solicitation of credit cards on College property:

1. All banks and other commercial entities (including their third-party representatives) shall be required to obtain a Facility Use Permit before engaging in activities for the purpose of marketing credit cards to students on College property or at an event sponsored by the College.
2. All credit card marketing activities shall be restricted to Main Campus in the Library Plaza area.
3. In order to help ensure that students are provided the opportunity to make reasonably informed decisions about both the general degree of credit indebtedness they are equipped to incur and the terms of a particular offer of credit, all banks and other commercial entities (including their third-party representatives):
  - a. Are permitted to solicit students by providing them with information on credit card offers, including credit card application materials and accompanying information relating to the terms and conditions of a particular offer of credit as required by law.
  - b. Are required to display appropriate signage identifying the bank or other commercial entity they represent and verifying that they have registered with the College.
  - c. Are *prohibited*, while on-campus, from collecting personal information from students specifically for credit card application purposes (including, but not limited to, completed credit card application forms and similar materials), either at the time of solicitation or any other time while on-campus. Instead, the student shall be informed that once they have read and considered the materials, the student may complete application materials and submit to an off-campus office of the bank or other soliciting entity at a later time.

The permit applicant is required to display a sign setting forth the prohibition of this subsection and shall submit their proposed signage as part of their permit application i.e “Students may not give personal information or return any application to lender on site”.

- d. Are prohibited, while on campus, near the campus (within 1,000 feet) or while at an event sponsored by or related to the campus, from offering tangible items to students for the purpose of inducing students to apply for a credit card or participate in an open-ended consumer credit plan offered by such card issuer or creditor.
4. Banks and other commercial entities (including their third-party representatives) engaged in marketing activities that are found to be in material violation of any provision of this Administrative Regulation may be denied access to the campus for the purpose of engaging in such activities for a specified period, depending on the nature and extent of the violation.
5. Any banks or other commercial entities who engage in marketing activities on College property must comply with the Credit Card Accountability Responsibility and Disclosure Act of 2009.

**References:**

Education Code, Section 99030, Title 5, Section 54400; Civil Code Section 1747.02(m), *California Code of Regulations*

**Dated:** November 20, 2019

**99030.**

The Regents of the University of California and the governing body of each accredited private or independent college or university in the state are requested to, and the Trustees of the California State University and the Board of Governors of the California Community Colleges shall, adopt policies to regulate the marketing practices used on campuses by credit card companies. In adopting the policies, it is the intent of the Legislature that those entities consider including all of the following requirements:

(a) That sites at which student credit cards are marketed be registered with the campus administration and that consideration be given to limiting the number of sites allowed on a campus.

(b) That marketers of student credit cards be prohibited from offering gifts to students for filling out credit card applications.

(c) That credit card and debt education and counseling sessions become a regular part of campus orientation of new students. (FOLLOW-UP: needs to be implemented) For purposes of this section, colleges and universities shall utilize existing debt education materials prepared by nonprofit entities and thus not incur the expense of preparing new materials.

(d) For the purposes of this chapter, "student credit card" has the meaning set forth in subdivision (m) of Section 1747.02 of the Civil Code.

**§ 54400. Student Credit Card Solicitations.**

By December 31, 2003, the governing board of each community college district shall adopt policies regulating the solicitation practices used on campuses by credit card companies marketing "student credit cards" as defined in Civil Code section 1747.02(m).

OBLIGATIONS ARISING FROM PARTICULAR TRANSACTIONS [1738 - 3273]

TITLE 1.3. CREDIT CARDS [1747 - 1748.95]

**1747.02.**

As used in this title:

(a) "Credit card" means any card, plate, coupon book, or other single credit device existing for the purpose of being used from time to time upon presentation to obtain money, property, labor, or services on credit. "Credit card" does not mean any of the following:

(1) Any single credit device used to obtain telephone property, labor, or services in any transaction under public utility tariffs.

(2) Any device that may be used to obtain credit pursuant to an electronic fund transfer, but only if the credit is obtained under an agreement between a consumer and a financial institution to extend credit when the consumer's asset account is overdrawn or to maintain a specified minimum balance in the consumer's asset account.

(3) Any key or card key used at an automated dispensing outlet to obtain or purchase petroleum products, as defined in subdivision (c) of Section 13401 of the Business and Professions Code, that will be used primarily for business rather than personal or family purposes.

(b) "Accepted credit card" means any credit card that the cardholder has requested or applied for and received or has signed, or has used, or has authorized another person to use, for the purpose of obtaining money, property, labor, or services on credit. Any credit card issued in renewal of, or in substitution for, an accepted credit card becomes an accepted credit card when received by the cardholder, whether the credit card is issued by the same or a successor card issuer.

(c) "Card issuer" means any person who issues a credit card or the agent of that person for that purpose with respect to the credit card.

(d) "Cardholder" means a natural person to whom a credit card is issued for consumer credit purposes, or a natural person who has agreed with the card issuer to pay consumer credit obligations arising from the issuance of a credit card to another natural person. For purposes of Sections 1747.05, 1747.10, and 1747.20, the term includes any person to whom a credit card is issued for any purpose, including business, commercial, or agricultural use, or a person who has agreed with the card issuer to pay obligations arising from the issuance of that credit card to another person.

(e) "Retailer" means every person other than a card issuer who furnishes money, goods, services, or anything else of value upon presentation of a credit card by a cardholder. "Retailer" shall not mean the state, a county, city, city and county, or any other public agency.

(f) "Unauthorized use" means the use of a credit card by a person, other than the cardholder, (1) who does not have actual, implied, or apparent authority for that use and (2) from which the cardholder receives no benefit. "Unauthorized use" does not include the use of a credit card by a person who has been given authority by the cardholder to use the credit card. Any attempted termination by the cardholder of the person's authority is ineffective as against the card issuer until the cardholder complies with the procedures required by the card issuer to terminate that authority. Notwithstanding the above, following the card issuer's receipt of oral or written notice from a cardholder indicating that it wishes to terminate the authority of a previously authorized user of a credit card, the card issuer shall follow its usual procedures for precluding any further use of a credit card by an unauthorized person.

(g) An "inquiry" is a writing that is posted by mail to the address of the card issuer to which payments are normally tendered, unless another address is specifically indicated on the statement for that purpose, then to that other address, and that is received by the card issuer no later than 60 days after the card issuer transmitted the first periodic statement that reflects the alleged billing error, and that does all of the following:

(1) Sets forth sufficient information to enable the card issuer to identify the cardholder and the account.

(2) Sufficiently identifies the billing error.

(3) Sets forth information providing the basis for the cardholder's belief that the billing error exists.

(h) A "response" is a writing that is responsive to an inquiry and mailed to the cardholder's address last known to the card issuer.

(i) A "timely response" is a response that is mailed within two complete billing cycles, but in no event later than 90 days, after the card issuer receives an inquiry.

(j) A "billing error" means an error by omission or commission in (1) posting any debit or credit, or (2) in computation or similar error of an accounting nature contained in a statement given to the cardholder by the card issuer. A "billing error" does not mean any dispute with respect to value, quality, or quantity of goods, services, or other benefit obtained through use of a credit card.

(k) "Adequate notice" means a printed notice to a cardholder that sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning.

(l) "Secured credit card" means any credit card issued under an agreement or other instrument that pledges, hypothecates, or places a lien on real property or money or other personal property to secure the cardholder's obligations to the card issuer.

(m) "Student credit card" means any credit card that is provided to a student at a public or private college or university and is provided to that student solely based on his or her enrollment in a public or private university, or is provided to a student who would not otherwise qualify for that credit card on the basis of his or her income. A "student credit card" does not include a credit card issued to a student who has a cocardholder or cosigner who would otherwise qualify for a credit card other than a student credit card.

(n) "Retail motor fuel dispenser" means a device that dispenses fuel that is used to power internal combustion engines, including motor vehicle engines, that processes the sale of fuel through a remote electronic payment system, and that is in a location where an employee or other agent of the seller is not present.

(o) "Retail motor fuel payment island automated cashier" means a remote electronic payment processing station that processes the retail sale of fuel that is used to power internal combustion engines, including motor vehicle engines, that is in a location where an employee or other agent of the seller is not present, and that is located in close proximity to a retail motor fuel dispenser.