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**HOUSE JOINT RESOLUTION NO. 735**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
 (Proposed by the Senate Committee on Rules  
 on February 19, 1999)

(Patron Prior to Substitute—Delegate Jones, D.C.)

*Requesting the State Corporation Commission, the Department of Agriculture and Consumer Services, the State Council of Higher Education, and the Virginia Cooperative Extension Service to develop a plan for providing consumer credit information to college students, and for monitoring complaints regarding unsolicited offers of credit, and credit cards and incentives.*

WHEREAS, college students and their families are in debt more than ever before, with an unprecedented number of college students relying on loans to help pay their tuition; and

WHEREAS, according to The Washington Post, 6.5 million students, more than half of the nation's college enrollment, have loans, with their borrowing reaching a record level; and

WHEREAS, many college students compound their financial situation by incurring huge credit card debts; and

WHEREAS, in 1995, the Roper College Track Financial Services Study found that 64 percent of the nation's nine million college students have a credit card, and, typically, college students are bombarded with credit card offers; and

WHEREAS, on many college campuses, the use of credit cards has become a way of life for many students, and few students know or understand the principles and benefits of sound money management and good credit; and

WHEREAS, although many college students are unemployed, credit card offers from vendors promise easy credit and bonuses for accepting the credit card; and

WHEREAS, many college students graduate owing substantial credit card balances, and are plagued by poor credit; and

WHEREAS, minority and low-income students generally have fewer resources for college and are more vulnerable to the credit card message; and

WHEREAS, college students generally do not realize that poor credit can follow them, affecting their housing options, the ability to buy a car, and the ability to obtain employment, as many employers conduct credit checks of prospective employees; and

WHEREAS, it is important that college students and their families be made aware of the danger of substantial credit card debt, and that there are alternatives to credit cards which promote better and wiser management of personal funds, such as debit cards, prepaid long-distance calling cards, letter writing and e-mail instead of expensive long-distance calls, and checking accounts; and

WHEREAS, college students often are unaware of consumer rights, how to handle financial debt, or with whom to file complaints about the sales approach of financial institutions and credit card companies; and

WHEREAS, no state agency currently maintains information on complaints to identify the age, race and educational status of the complainant; and

WHEREAS, the Joint Subcommittee Studying the Status and Needs of African-American Males in Virginia determined that information concerning complaints and problems experienced by college students with financial institutions and credit card companies would assist the joint subcommittee in developing appropriate alternatives to help students with this dilemma; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the State Corporation Commission, the Department of Agriculture and Consumer Services, the State Council of Higher Education, and the Virginia Cooperative Extension Service be requested to develop a plan for providing consumer credit information to college students, and for monitoring complaints regarding unsolicited offers of credit, and credit cards and incentives. The plan shall address providing information to college students and their parents, and to institutions of higher education, upon request, regarding: (i) the rights of consumers, including the right to make inquiries concerning financial institutions and credit card companies; (ii) the maintenance of good credit; (iii) how to obtain and interpret credit history information; and (iv) how to file a consumer complaint. The plan shall also establish procedures and determine the cost of collecting and providing data regarding consumer complaints by college students about credit offers and credit card companies. In addition, the plan shall address ways to disseminate the consumer information on campus in the least intrusive and most cost-effective manner possible.

The agencies shall report their findings and recommendations to the Joint Subcommittee Studying the Status and Needs of African-American Males in Virginia by December 1, 1999, which shall include such information in its report to the Governor and the 2000 Session of the General Assembly.