

1999 SESSION

ENROLLED

SENATE JOINT RESOLUTION NO. 421

Requesting institutions of higher education to provide consumer credit information to college students and their parents.

Agreed to by the Senate, February 4, 1999

Agreed to by the House of Delegates, February 17, 1999

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, credit card offers from vendors promise easy credit and bonuses for accepting the credit card, and many college students graduate owing substantial credit card balances, and are plagued by poor credit; and

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

WHEREAS, such students frequently are among the number of college students who graduate owing substantial debts incurred by loans and credit cards used to pay tuition, fees, and expenses; 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, institutions of higher education are in a unique role to disseminate information regarding the dangers of credit card debt to college students and their parents during orientation, the admissions process, and the student's matriculation at the institution; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That institutions of higher education be requested to provide consumer credit information to college students and their parents. Along with other notices, bills, and information provided students and their parents during freshman orientation, institutions of higher education are requested to include consumer awareness information regarding good credit, sound money management, the potential impact of credit card debt on personal finances, future employment, obtaining student loans to complete undergraduate, graduate, and professional school, as well as reputable resources which offer consumer credit information or counseling without charge or for a modest fee, such as the VPI Extension Service and the Department of Agriculture and Consumer Services. Institutions are also requested and encouraged to disseminate this information on campus in a manner deemed appropriate by the institution; and, be it

RESOLVED FURTHER, That the Clerk of the Senate transmit a copy of this resolution to the Chairman of the State Council of Higher Education, requesting that he disseminate copies of this resolution to the Director of the State Council of Higher Education, the chief academic officers, and the admissions and student personnel officers of public and private institutions of higher education so that they may be apprised of the sense of the General Assembly in this matter.

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