



Policies Applying to Campus Activities, Organizations and Students (PACAOS)

APPENDIX D: UNIVERSITY OF CALIFORNIA POLICY AND SUPPLEMENTAL GUIDELINES ON THE MARKETING OF CREDIT CARDS TO STUDENTS

Responsible Officer:	VP - Student Affairs
Responsible Office:	SA - Student Affairs
Issuance Date:	7/20/2010
Effective Date:	7/20/2010
Scope:	For all pertinent activities involving University students, employees, and properties, the <i>Policies Applying to Campus Activities, Organizations and Students</i> apply to the Division of Agriculture and Natural Resources and to the Department of Energy Laboratories operated by the University of California, subject to Laboratory implementing regulations and contractual obligations between The Regents and the Department of Energy.

Contact:	Eric Heng
Email:	Eric.Heng@ucop.edu
Phone #:	(510) 987-0239

I. POLICY SUMMARY

The *Policies Applying to Campus Activities, Organizations and Students* are a compendium of University-wide policies relating to student life. Appendix D describes the University's policy and supplemental guidelines on the marketing of credit cards to students.

II. DEFINITIONS

Definitions for the *Policies Applying to Campus Activities, Organizations and Students*, and the campus implementing regulations adopted pursuant to them, are provided in Section 14.00.

III. POLICY TEXT

APPENDIX D

UNIVERSITY OF CALIFORNIA POLICY AND SUPPLEMENTAL GUIDELINES ON THE MARKETING OF CREDIT CARDS TO STUDENTS

(Compliant with California State Legislature AB 262 (Coto), the College Student Credit Protection Act, chaptered October 14, 2007 (California Ed Code 89030 and Chapter 1.4, Part 65, Div 14, Title 3, and California Government Code 13332.09) and the federal Credit Card Accountability Responsibility and Disclosure Act of 2009)

The *California Student Financial Responsibility Act of 2001* requested that the University of California "adopt policies to regulate the marketing practices used on campuses by credit card companies." In addition, the *Credit Card Accountability Responsibility and Disclosure Act of 2009* seeks to protect young consumers by implementing specific safeguards and increasing the transparency of affinity agreements between credit card companies and universities. Pursuant to such legislation and consistent with the interest of the University in establishing minimum Universitywide standards (based on existing campus policies in this area) to regulate such activity, the following Policy applies to all banks and other commercial entities (including their third-party representatives) that engage in the marketing of credit cards to students through solicitation activities (hereafter referred to as "marketing" activities) on or near campuses and at campus events of the University of California.

The accompanying *Guidelines* are intended to provide supplemental guidance to campuses in their implementation of this Policy.

UNIVERSITY OF CALIFORNIA POLICY ON THE MARKETING OF CREDIT CARDS TO STUDENTS

- I. All banks and other commercial entities (including their third- party representatives) shall be required to register with the campus administration before engaging in activities for the purpose of marketing credit cards to students on or near a campus or at an event sponsored by the campus.

- II. Such marketing activities shall be restricted to specific sites and times designated by the campus administration as appropriate to such activities.
- III. At the discretion of the campus administration and to the extent permitted by law, all banks and other commercial entities (including their third-party representatives) engaged in such marketing activities may be assessed a daily or other periodic fee by the campus, at a level consistent with that charged to other commercial vendors.
- IV. 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) that have registered with the campus administration to engage in marketing activities as defined in Section I of this *Policy*:
 - 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, when requested by the campus, to display appropriate signage identifying the bank or other commercial entity they represent and verifying that they have registered with the campus, and also to display and make available a copy of this Policy as well as campus-supplied debt education materials promoting the responsible use of credit cards. Banks and other commercial entities (including their third-party representatives) that have available such debt education materials from a non-campus source that wish to provide those materials to students in lieu of campus-supplied materials may do so, as long as the materials are campus-approved;
 - 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 subsequently. Rather, such completed application materials may be mailed or hand-delivered by students, once they have read and considered the materials and are in a position to make an informed decision, to an off-campus office of the bank or other soliciting entity at a later time.
 - 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 or participate in an open end consumer credit plan offered by such card issuer or creditor.

- V. 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 Policy 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(s).
- VI. Consistent with the above and other applicable provisions of University policy, campuses may develop such additional implementing regulations governing the time, place, and manner of the marketing activities of banks and other commercial entities (including their third-party representatives) for the purpose of the on-campus marketing of credit cards to students as are reasonable and appropriate.
- VII. Campuses must disclose all contracts or agreements with banks or other commercial entities for the purpose of marketing credit cards. Disclosure may be achieved by posting the agreement on the campuses' websites or by making the agreements available upon request.
- VIII. Consistent with the applicable laws governing commercial free speech, nothing in this Policy shall preclude campuses from prohibiting outright the marketing and/or other solicitation activities of banks and other commercial entities (including their third-party representatives) for the purpose of the on-campus marketing of credit cards to students, as long as that prohibition is part of a blanket campus prohibition against the on-campus marketing and/or other solicitation activities of all categories of commercial vendors without consideration for the content or nature of the goods or services of any particular category of vendor. Campuses shall consult with the Office of the General Counsel in the development of any local campus regulations that are more restrictive than this *Policy*.
- IX. All banks and other commercial entities must submit to the Board of Governors of the Federal Reserve System an annual report detailing the terms and conditions of any agreements with the University to provide and market credit cards to students.
- X. Any banks or other commercial entities who engage in marketing activities on or near campus or at campus events or who have contracted with the University for the purpose of marketing credit cards must comply with the *Credit Card Accountability Responsibility and Disclosure Act of 2009*.

SUPPLEMENTAL GUIDELINES FOR IMPLEMENTING THE UNIVERSITY OF CALIFORNIA POLICY ON THE MARKETING OF CREDIT CARDS TO STUDENTS

- I. When restricting marketing activities to specific sites and times as provided by *Section II* of the *Policy*, campuses are strongly encouraged to give consideration to strictly limiting the number of such sites, as well as the times that such activities can take place, consistent with the provisions of the *California Student Financial Responsibility Act of 2001* and with the *Credit Card Accountability Responsibility and Disclosure Act of 2009*.
- II. (A) Further consistent with the provisions of the *California Student Financial Responsibility Act of 2001* and with the *Credit Card Accountability Responsibility and Disclosure Act of 2009*, campuses are strongly encouraged to provide credit-card and other debt education to all students. Although campuses may develop their own programs (see Section II.B of these Guidelines), they are encouraged to minimize workload by taking advantage of available third-party programs and materials that have been reviewed and approved by the campus and/or by providing referrals to high-quality programs, materials, and counseling available at no cost from third-party entities. Among the means to be considered by campuses are:
 1. Using new student orientation programs to target education efforts particularly toward first-year students, many of whom have no previous experience managing personal credit;
 2. Posting debt management information on a campus website that students commonly access; and
 3. Encouraging cross-departmental sharing of credit-card and other debt education materials.
- II. (B) Pursuant to Section II.A of these *Guidelines*, campuses that elect to charge marketing fees as provided by *Section III* of the *Policy* may wish to give consideration to applying the fee to the cost of developing new, or improving existing, campus debt counseling services and/or related credit-card education activities and programs that may be available through the Office of Student Financial Support and other campus departments.
- III. To the extent financially feasible, campuses are further encouraged to examine their practices regarding the insertion of credit-card promotional materials into shopping bags that are used in their bookstore or other retail operations, and give consideration to either 1) phasing out that practice, or 2) requiring that such materials be accompanied by campus-approved debt-education materials promoting the responsible use of credit cards.

- IV. The University recognizes that any law or University policy aiming at the stricter regulation of the on-campus credit card solicitation of students by banks and other commercial entities or their third-party representatives may have the effect of redirecting the focus of such solicitation efforts to students just outside the campus boundaries. Accordingly, campuses are encouraged to consider working with local municipalities to promote the enactment of new municipal time, place, and manner regulations and/or, where such regulations are already in existence, to support their more rigorous enforcement, consistent with the underlying public policy intent of the *California Student Financial Responsibility Act of 2001* and the *Credit Card Accountability Responsibility and Disclosure Act of 2009* to promote an environment actively supportive of the conditions for encouraging student financial responsibility.

IV. COMPLIANCE / RESPONSIBILITIES

Chancellors shall adopt campus implementing regulations consistent with these *Policies*. The University shall publish these *Policies* and make them widely available, and Chancellors shall do the same with respect to the implementing regulations for their campuses. This requirement may be satisfied through the on-line publication of these *Policies* and their respective campus implementing regulations. (See also Section 13.20 of these *Policies*.)

V. PROCEDURES

The President shall consult as appropriate with Chancellors, Vice Presidents, the Office of the General Counsel, and Universitywide advisory committees prior to amending these *Policies*. Chancellors shall consult with faculty, students, and staff prior to submitting to the President any campus recommendations related to proposed amendments to these *Policies*. Amendments that are specifically mandated by law, however, do not require consultation with campus representatives or Universitywide advisory committees to the extent that legal requirements do not permit such consultation. (See also Section 13.10 of these *Policies*.)

Chancellors shall consult with students (including student governments), faculty, and staff in the development or revision of campus implementing regulations except when the development or revision of such regulations results from changes to these *Policies* that have been specifically mandated by law. Campuses shall specify procedures, including consultation processes, by which campus implementing regulations may be developed or revised. (See also Section 13.30 of these *Policies*.)

Prior to their adoption, all proposed campus implementing regulations, including all substantive modifications to existing such regulations, shall be submitted to the Office of the President for review, in consultation with the Office of the General Counsel, for consistency with these *Policies* and the law. (See also Section 13.40 of these *Policies*.)

VI. RELATED INFORMATION

See also *Policies Applying to Campus Activities, Organizations and Students* sections:

- 10.00 Preamble and General Provisions
- 11.00 Authority
- 12.00 Applicability
- 13.00 Development and Review of Universitywide Policies and Campus
Implementing Regulations
- 14.00 Definitions

VII. FREQUENTLY ASKED QUESTIONS

Not applicable

VIII. REVISION HISTORY

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