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Contact: Ed Mierzwinski, USPIRG 202-546-9707

Michelle Gatchell, Office of Ohio Attorney General Marc Dann, 614-728-0701

Students Support Fair Campus Credit Card Marketing Principles -- Nationwide Survey Finds --

Washington, DC -- Students overwhelmingly support limits on campus credit card marketing, according to the results of a nationwide USPIRG survey of more than 1500 students at 40 colleges in 14 states.

“Campus credit card marketing is simply out-of-control,” said U.S. PIRG Consumer Program Director Ed Mierzwinski. “At tables on and off campus, on your phone and in your mail, there’s a credit card company making a pitch to get into your wallet, even if you cannot afford to pay the bill.”

The survey findings come as state attorneys general and Congress are also investigating the enticements that the credit card companies rely on to trap college students into applying for credit cards that have bad terms and conditions, Mierzwinski said.

“We applaud the efforts of U.S. PIRG to raise awareness of the dangers of credit card abuse. If the credit card industry continues to exploit young consumers, we will continue to file more lawsuits, like the one we filed against Citibank and their marketing company to stop lenders from luring vulnerable college students into a debt trap with high rate, high fee credit cards,” said Ohio Attorney General Marc Dann.

Among the key findings of the “Campus Credit Card Trap,” were:

- Three of four students (76%) reported stopping at tables to consider offers or apply for credit cards. Of students who reported stopping or applying at on-campus tables for credit cards for free gifts ranging from t-shirts to blankets to sandwiches or pizza or even an iPod shuffle.
- Four in five (80%) of students supported one or more fair marketing principles. Nearly three-in-four students (74%) asserted that only cards with fair terms and conditions should be marketed on campus. Students also overwhelmingly (67%) opposed the sale or sharing of student lists (which can include home and dorm addresses, email addresses and land line and cell phone numbers) with credit card companies.
- Nearly two in three students (66%) reported that they had at least one credit card. Of these, 30% reported that their parents paid the bill. Thirty-six percent (or just over half of the remainder) reported that they paid the full balance on their primary card each month and just under half of the remainder (34%) reported carrying a balance from month-to-month.
- Of all respondents, whether they currently had a card or not, one in four (25%) reported paying at least one late fee; 15% reported paying at least one over-the-limit fee and 6% reported that a card had been cancelled for non-payment.

“Much of the credit card debt that students carry can be tied to educational costs. So it is important that the marketplace stays fair on campus for students,” said Ohio State University Student Body President Kate Christobek.

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“NASPA takes the issue of student debt seriously because student affairs administrators deal with students with debt directly,” said National Association of Student Personnel Administrators Executive Director Gwen Dungy. “Therefore we have supported efforts in particular over the past several years to increase financial education on campus and we support PIRG's effort to cast a more critical eye on the types of marketing that occur on the campus.”

Mierzwinski said that the release of the survey was part of U.S. PIRG’s ongoing truthaboutcredit.org campaign to rein in unfair campus credit card marketing. In addition to the release of this survey and other future reports, the group’s activities include:

- A FEESA (sounds like VISA) campus credit card counter-marketing campaign. “Our representatives dress like credit card vendors and set up tables, too, but instead of handing out free gifts, we give out credit education fact sheets and “don’t be a sucker” lollipops,” Mierzwinski said.
- Ongoing efforts to urge college administrations to adopt the PIRG campus credit card marketing platform, which calls for a ban on free gifts, a ban on selling or sharing student lists, a ban on campus sponsorship of marketing and increased financial education.

“Even though some schools or states have restricted campus credit card marketing, it’s clear that more needs to be done,” concluded Mierzwinski. “Without concerted efforts to keep the marketplace on campus fair, the banks will keep finding new ways to get bad credit products into students’ wallets.”

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For more information, see the campaign page at www.Truthaboutcredit.org or visit www.uspirg.org. U.S. PIRG serves as the federation of state Public Interest Research Groups -- non-profit, non-partisan public interest advocacy organizations.