

## August 2, 2007 - Reps Slaughter and Duncan Introduce Bill to Lower Student Credit Card Debt

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FOR IMMEDIATE RELEASE

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The Bipartisan legislation assures that credit card companies will take responsibility for their unfair lending practices to U.S. college students by doing such things as limiting credit lines, requiring creditors to obtain proof of income, and limiting the number of credit cards for students with no income during college. With this act, fewer students will leave college in debt and more young people will have the ability to buy a car, rent an apartment, and get a job upon graduation.

"It is simply unacceptable that the tactics of credit card companies lead our young men and women to graduate from college with an enormous burden, often without the knowledge or ability needed to pay off their debt," said Congresswoman Slaughter. "I am proud to introduce the Student Credit Card Protection Act, bipartisan legislation which holds credit card companies accountable for their practices and stands up for the financial future of college graduates across America."

"The debt accrued during college can hang around for many years and can ruin the chances of owning a car or a home and in some cases getting a job," said Congressman Duncan. "Graduating from college is exciting, and it is not fair to have this dream dashed by the prospect of years of credit card debt repayment. This legislation is an important step in ensuring that today's graduates start their post-college life financially fit."

#### BACKGROUND:

The provisions of the Student Credit Card Protection Act include:

- Limiting credit lines to 20 percent of a student's annual income or \$500 without a co-signer.
- Permitting students to receive starter credit cards, but with a lower credit limit and allowing increases over time only if prompt payments have been made.
- Requiring creditors to obtain a proof of income, income history, and credit history from college students before approving all credit card applications.
- Requiring parents to agree in writing to all increases in the credit limit of cards which they have co-signed.
- Limiting students with no income to one credit card at a time.

An identical bill has been introduced in the Senate this week. The Student Credit Card Protection Act works to provide every student the right to good credit upon graduation. There are many hurdles and difficulties students must overcome when graduating college and bad credit shouldn't be one of them.

Representatives Slaughter and Duncan first introduced a similar bill during the 106th Congress in 1999, and have introduced this bill every Congress since.

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