

CREDIT CARD RULES

Trap

Mark began receiving credit card offers soon after entering college. He resisted tempting offers like discount travel packages, t-shirts and even Frisbees! Mark graduates this spring and recently applied for a major credit card. He soon learned he had been denied a card because he's too young and doesn't make enough money. What happened to all the great credit offers when he was entering college?

Tips

The Credit Card Accountability, Responsibility and Disclosure Act (CARD) became law on February 22, 2010. Among many sweeping changes, it protects young adults from digging themselves into debt. According to a recent Sallie Mae study, the average college student graduates with over \$3,000 owed to credit card companies. Some factors for college-age consumers to consider:

- Many young adults will have less access to credit as card issuers and lenders must impose stricter rules which require proof of income or savings.
- If a person under 21 wants a credit card it will be necessary to obtain a co-signer older than 21 or prove an independent means of income.
- College students searching for employment with little or no credit history should ask prospective employers if a credit check is conducted as part of the hiring process. If so, such candidates may not be offered a position because they could be considered a high credit risk.
- Certain elements of the law will make credit more difficult to acquire and could push some to consider payday lenders or pawn shops. Instead, establish a checking or savings account. Although not reported to credit bureaus, account histories can be used by lenders to help determine a person's credit risk.
- Fairness – Prohibit certain practices that are unfair or abusive such as hiking up the rate on an existing balance or allowing a consumer to go overlimit and then imposing an overlimit fee.
- Transparency – Make the rates and fees on credit cards more transparent so consumers can understand how much they are paying for their credit card and can compare different cards
- For details about the CARD Act, visit the Consumer Financial Protection Bureau at <http://www.consumerfinance.gov>.

**For more information OR to file a complaint, contact
Palm Beach County Consumer Affairs at 561-712-6600
(Boca/Delray 888-852-7362 toll free)
www.pbcgov/consumer**