POLICY ON MARKETING OF CREDIT CARDS

West Virginia Code §18B-14-10 calls upon each governing board to promulgate a policy regulating the marketing of credit cards on the college campus. The marketing of credit cards to college students has become an issue of national prominence and is felt by many to be a latent danger to college students.

A number of financial institutions have developed such a relaxed standard for issuance of unsecured credit cards that literally any college freshman qualifies. Sometimes the credit limits are surprisingly high, and a variety of marketing techniques are used. These techniques include offering a low interest rate which lasts only for a short introductory period or which escalates to extremely high rates if any payment is made late. Credit card companies are so anxious to market to students that they have agreements with some campuses to pay fees to the college or university for the privilege of marketing their credit accounts.

Shepherd College has for several years followed a “no credit solicitations” practice. Although we cannot regulate mail or phone solicitations, we can regulate commercial activity on the campus property. The staff of the Student Affairs office at Shepherd feels that our students are best served by continuing to eliminate any personal solicitations on campus.

Policy 25, contained on the following page, Marketing of Credit Cards/Accounts on Campus, has been circulated for comment. One comment was received during the comment period, from a staff member, expressing strong support for the proposal as drafted.

The following resolution is recommended for adoption by the Board:

RESOLVED, That the Shepherd College Board of Governors adopts Policy 25, Marketing of Credit Cards/Accounts on Campus as presented in the agenda book.
SHEPHERD COLLEGE
BOARD OF GOVERNORS
POLICY 25

TITLE: MARKETING OF CREDIT CARDS/ACCOUNTS ON CAMPUS

SECTION 1. GENERAL

1.1 Scope - Policy regarding the marketing of credit cards and credit accounts at Shepherd College, including all properties under the regulation of the Board.
1.2 Authority - West Virginia Code § 18B-2A-4, 18B-14-10.
1.3 Effective Date – , 2003

SECTION 2. DEFINITIONS

2.1 The term “credit card” as used herein shall mean any card issued by a financial institution or any company which is used for making purchases of any type on a credit basis.
2.2 The term “credit account” as used herein shall mean any line of credit or other condition of credit under which an individual would be authorized to make purchases of any type on credit extended by any financial institution or business entity.
2.3 The term “marketing of credit cards and credit accounts” as used herein shall include any circumstance in which a person present on the premises of Shepherd College solicits applications for, or distributes application forms for, or in any other way encourages or assists any person to obtain a credit card or to either obtain or modify a credit account; provided, that this term shall not include any action or communications that do not include personal presence on the College campus by the credit issuer.
2.4 Notwithstanding any other provision of this Policy, the following are not included by the term “marketing of credit cards and credit accounts” as used herein:

2.4.1 The activities of any agency or business entity in providing financial aid to students of Shepherd College pursuant to a written authorization of the College.
2.4.2 The activities of any agency or business entity in providing employee benefits services pursuant to a written authorization of Shepherd College or any other agency of the State of West Virginia.
2.4.3 The activities of Shepherd College or the Higher Education Policy Commission or any other agency of the State of West Virginia.

SECTION 3. PROHIBITED ACTS

3.1 No person, corporation, financial institution, or any other business entity shall market credit cards or credit accounts on the premises of Shepherd College.