

tion other s called ...
WAT 5/1/09

Petri helps introduce act to benefit college students

U.S. Rep. Tom Petri, R-Fond du Lac, joined U.S. Rep. Patrick Murphy, a Democrat from Pennsylvania, on Thursday to introduce the Student Credit Card Transparency Act, which would help students and their parents learn how colleges and alumni groups are benefiting from exploding credit card debt.

According to a recent study, students are now graduating with an average credit card debt of more than \$4,100, which is up from the \$2,900 that was reported four years ago.

The combined impact of credit card debt and growing student loan debt can greatly limit a student's future career choices, Petri said. Compounding debt from late payments and high penalties can further jeopardize a young adult's financial future by making it difficult to take out a first mortgage, buy a car or even rent an apartment, he added.

"We all know through our own experiences or through our children's, that college students have become prime targets for credit card marketing campaigns," Petri said. "Most students enter college without credit cards and are quickly saturated with e-mail offers, direct mailings and on-campus solicitations to sign up for their first credit card. What students don't know, however, is that many colleges, universities and alumni associations have entered into lucrative deals with these companies to allow exclusive marketing of their cards."

The Student Credit Card Transparency Act would require greater transparency by requiring credit card companies to report on their arrangements with colleges and alumni associations. It also would direct the Government Accountability Office to analyze and report to Congress the impact of these arrangements on student credit card debt.