

Sneaky Ways Credit Marketers Are Baiting College Students

The CARD Act in 2009 was supposed to stop credit card companies from stalking college students. But did it? Well, we all know that credit card companies won't go down without a fight. And **they have taken advantage of the act's weak and vague language by finding several loopholes.**

So what are some of the changes they have made and the new tactics they have been using?

Gifts

The new law says that credit card issuers can't offer "any tangible item as a gift." But they have skirted this law by offering coupons and account credit. In 2010, Citibank provided college students a \$50 statement credit after they signed up.

Solicitation

When the government said card companies couldn't market their products on campus, these companies responded with, "So what exactly is considered 'campus?'" In other words, **they found well-traveled areas just off-campus to solicit students.**

"A few years ago, I walked into a restaurant that I thought was on campus, and there was a guy outside telling people they would get a free dinner for signing up for his credit card," Rachel Cruze said. "I found out later that wasn't 'on' campus, but the campus line was literally 10 feet from the restaurant."

Checking Accounts

The CARD act says banks can't market credit cards to students, but it says nothing about checking accounts. Their hope is that the students will dip into credit cards later. The companies are also **still free to pass out marketing material and coupons**—which you can bet they do.

Social Media

Facebook is the new campus quad. One of the quickest and cheapest ways for a bank to market to college students is through social media. Last year, Chase set up a Facebook group that gave students reward points for joining the group.

Proof of Income

The act says students under 21 must have a co-signer or show proof of income. The problem is—"proof" of income can count for about anything. A study by Jim Hawkins, University of Houston Law Center professor, found that **29% of students were able to list student loan debt as income.** And as for co-signing? Anyone who co-signs for a 19-year-old with no income probably deserves what's coming.

If you or your teen is about to head off to college, watch out for the credit card solicitors. Whether they're on campus pitching a checking account or five feet off campus pitching credit cards, they want nothing more than to pull you into the credit card game. And that's a game you can't win.