STATE OF NEW YORK

4960

2019-2020 Regular Sessions

IN ASSEMBLY

February 6, 2019

Introduced by M. of A. ARROYO -- read once and referred to the Committee on Higher Education

AN ACT to amend the education law, in relation to requiring institutions of higher education to maintain and report information on students withdrawing from such institutions because of credit card debt, and to provide new students a course of instruction on the implications of establishing a bad credit rating, and authorizing such institutions to regulate the on campus activities of credit card issuers; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Section 6430 of the education law is amended by adding two new subdivisions 7 and 8 to read as follows:

7. a. The trustees or other governing body of every institution of higher education in this state shall adopt and implement rules and regulations requiring that every student who withdraws from such institution, for a reason other than death or graduation, be interviewed to determine whether such withdrawal was caused by credit card debt incurred by the student. Such rules and regulations shall require the maintenance of records of those students withdrawing as the result of credit card debt.

b. Each such institution shall annually submit a report, on or before the fifteenth day of October, to the governor, temporary president of the senate and speaker of the assembly on the number of students who have withdrawn from the institution during the immediately preceding academic year.

c. The trustees or other governing body of every institution of higher education in this state shall establish a course of instruction, to be administered during the orientation of all newly admitted students, on the implications of establishing a bad credit rating. Such course of instruction shall constitute a credit course.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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d. For the purposes of this subdivision, "credit card" shall have the same meaning as ascribed to such term by section five hundred eleven of the general business law.

8. a. The trustees or other governing body of every institution of higher education in this state shall adopt and implement rules and regulations:

(1) prohibiting issuers of credit cards, while on the campus of such institution, from offering any incentive to students who agree to apply for a credit card;

(2) requiring every issuer of credit cards to register with the institution prior to any solicitation upon the campus thereof; and

(3) requiring every issuer of credit cards to provide debt education materials at each on campus site for the solicitation of the issuance of a credit card.

b. The requirements of this subdivision shall be deemed to be in addition to the requirements applicable to issuers of credit cards pursuant to any other provision of law.

c. The terms "credit card" and "issuer" shall have the same meanings as are ascribed to such terms by section five hundred eleven of the general business law.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law, provided that paragraph b of subdivision 7 of section 6430 of the education law, as added by section one of this act, shall expire and be deemed repealed October 16, 2022.