

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)

9 MAY 28 P 1:15

SENATE
S. No. 3292

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Introduced by Senator Miriam Defensor Santiago

EXPLANATORY NOTE

President Barack Obama recently urged the US Congress to quickly send him legislation ending abusive credit card practices. Most interesting are the proposed bill's restrictions on credit card issuances to young people. One of the provisions of the bill prohibits issuing credit to young people especially to the so-called "full-time, traditional-aged college students." No matter the level of maturity, most college-aged students and young professionals simply do not have the experience or knowledge of how to maintain a line of credit properly by themselves, which makes them easy prey for creditors.

The easy availability of credit cards coupled with a young person's lack of financial experience can easily lead to an accumulation of an overwhelming amount of debt. The credit card companies' targeting of this population specifically because they are not fully prepared for financial responsibility is something that must be addressed.


MIRIAM DEFENSOR SANTIAGO

FOURTEENTH CONGRESS OF THE REPUBLIC)
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Second Regular Session)

9 MAY 28 P2:45

SENATE
S. No. 3292

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Introduced by Senator Miriam Defensor Santiago

AN ACT PROHIBITING THE MAILING OF CREDIT CARD APPLICATIONS TO
PERSONS UNDER TWENTY-FIVE YEARS OF AGE

1 *Be it enacted by the Senate and House of Representatives of the Philippines in Congress*
2 *assembled:*

3 SECTION 1. *Prohibition.* It shall be unlawful for any financial institution, retail
4 merchant or other person to mail or otherwise deliver any credit card application, pre-approved
5 written solicitation or credit card to any person under twenty-five years of age.

6 SECTION 2. *Exceptions.* The prohibition in section one shall not apply when:

7 a) It is in response to a request or application for a credit card; or

8 b) As a replacement for a credit card previously issued to the person to whom the credit
9 card is shipped or mailed.

10 SECTION 3. *Penalty.* Upon conviction of a violation of this Act, a fine of Fifty
11 Thousand Pesos (Php 50, 000.00) per occurrence shall be imposed.

12
13 SECTION 4. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or
14 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended or
15 modified accordingly.

16 SECTION 5. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days
17 following its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

18 Approved,