

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)



'13 OCT -3 P 6:00

SENATE
S. No. 1818

RECEIVED BY. *ji*

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.*

act
Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO

* This bill was originally filed in the 14th Congress.

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

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

4 SECTION 1. *Prohibition.* - It shall be unlawful for any financial institution, retail
5 merchant, or other person to mail or otherwise deliver any credit card application, pre-approved
6 written solicitation, or credit card to any person under twenty-five (25) years of age.

7 SECTION 2. *Exceptions.* - The prohibition in Section 1 shall not apply when:

8 (A) It is in response to a request or application for a credit card; or

9 (B) As a replacement for a credit card previously issued to the person to whom
10 the credit card is shipped or mailed.

11 SECTION 3. *Penalty.* - Upon conviction of a violation of this Act, a fine of Fifty
12 Thousand Pesos (P50, 000.00) per occurrence shall be imposed.

13 SECTION 4. *Separability Clause.* - If any provision of this Act is declared
14 unconstitutional or not valid, other provisions not affected herein shall remain in full force and
15 effect.

16 SECTION 5. *Repealing Clause.* - All laws, decrees, orders, rules and regulations or
17 parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or
18 modified accordingly.

1 SECTION 6. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days
2 following its publication in at least two (2) newspapers of general circulation.

Approved,