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Students fight back against credit cards

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As college students arrive on campus each fall, they are sure to be greeted by loads of school work and are often peppered with credit card offers that promise the usually cash strapped population free trinkets, good deals and financial freedom.

The only hitch, according to CALPIRG (California Public Interest Research Group), who's representatives were handing out credit card information to students at UCSB yesterday, is the credit cards are often "predatory" and sink students into a world of debt.

"We're urging students to really look into [signing up for credit cards] and not just rush into it if you get a free t-shirt," said Garo Manjikian, a UCSB campus organizer for CALPIRG.

Manjikian said one of the most common ways credit card companies get students to sign up is to offer them a coupon for a free sandwich. When the student goes to the food establishment to redeem the coupon, they're told they can't get a free sandwich until signing up for the card.

The only problem, Manjikian said, is that students rarely read the fine print, which sometimes stipulates fluctuating interest rates that can be increased for no reason and end up dinging students for as much as 40 percent a year.

A sample of this credit card tactic was distributed to students yesterday by Manjikian in a pamphlet called A Consumer's Guide to Credit Cards, which says, "We reserve the right to change the terms (including the APRs) at any time for any reason, including no reason."

By the time an average student graduates from college, Manjikian said they will have likely accumulated \$4,000 of credit card debt on top of student loans. The Consumer's Guide to Credit Cards says a study in 2001 showed 83 percent of all undergraduate students had at least one credit card, with the average student carrying four cards and 71 percent of cardholders do not pay off their balance in full each month.

Manjikian said the most important way to avoid severe debt is educate students early on about the risks of getting a credit card.

The Consumer's Guide offered six tips to prospective credit card holders that include shopping around before settling on a card, using cards sparingly, pay off balances in full each month, make payments as early as possible, call the credit card company and ask for a lower rate and contact the Attorney General's office if one believes they are the victim of unfair interest rate charges. More information about credit and credit cards is available at www.truthaboutcredit.org.

Attempts to reach Visa were not immediately successful.