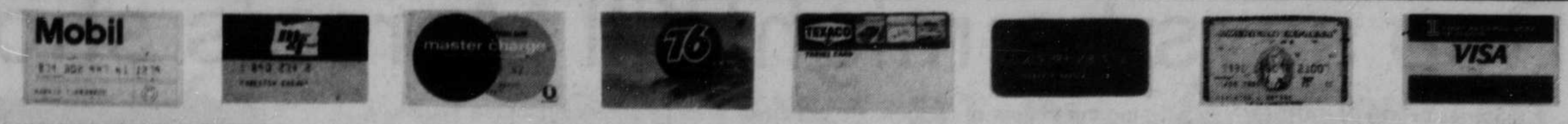




Credit card application forms move densely through the mails this time of year, bound for prospective University graduates. In an odd turnabout, outgoing students (whose weak credit histories may have previously caused card rejection) suddenly find that businesses now consider them low-risk, potentially valuable spenders. The diploma's one rite of passage into the real world, and the credit card's quite another in this market of...

# Plastic Money

*By DIANE BACHA*
*Of the Emerald*

In a continuing effort to prepare for life after college, many students submit themselves to filling out charge-card applications by the dozen, only to collect letters telling them they've been rejected for lack of previous credit history.

Then, in their senior year, they're barraged with forms from department stores eager to grant credit under almost any circumstances.

Why the sudden change in sentiment?

According to some department store credit offices, a charge card is one of the privileges a student earns along with a diploma.

"The items that make someone successful as a student can translate very directly into responsibilities for credit," says Bill Casterline, director of public relations in the Pacific Northwest for Sears and Roebuck Co.

He says students "develop into a terribly valuable group of people to have on our credit lists . . . even though their purchases may be relatively restricted when they're students."

Montgomery Ward Credit Manager Walter Danowski agrees. Students today, he says, not only have the promise of greater incomes but also have "the desire to buy more." Given a charge card, they're potentially big spenders.

Sears conducts an extensive solicitation program to develop that potential into profit, and Ward's has recently begun a similar trial program.

Unlike several years ago, when applications often required letters of recommendation, a parent's signature and proof that the applicant had spent two years at one job, most requirements focus simply on "ability and willingness to pay."

But determining exactly what makes an applicant "able and willing" is another matter, and each credit department seems to have a different formula for doing so.

Robbi McKendrick, new accounts manager for Meier and Frank, says she looks for stability in jobs and residence as an indication of low risk. A credit reference is another plus, she says. But in the case of students who don't meet these criteria, she weighs other characteristics more heavily.

"It's a matter of what people have done in the past indicating what they will do in the future."

The information that establishes this is flexible, and there's no one specific requirement, she says. But one aid to the applicant is his or her bank account balance.

Sears' policy for student credit approval places no emphasis on jobs and residences, presuming most students don't have a stable history in those areas. The juniors, seniors and graduate students contacted through Sears' solicitation program are more likely to gain approval "by virtue of their outlay of some two years' (or more) cost of living while in college."

Seniors are more likely to win approval for a charge card than are younger students. The longer someone stays in school, the more responsible they are in the eyes of the credit approver.

Montgomery Ward, says Danowski, uses as a rule of thumb the percentage of income spent on lodging. An applicant who uses more than 25 percent of his or her income for this purpose is considered a marginal risk — which doesn't necessarily count him or her out, but prompts the approver to be more strict in reviewing an application.

Maintaining a savings or checking account is another plus, he says. But he emphasizes character references as valuable indicators that an applicant is a good risk.

Although Montgomery Ward, like most large stores, no longer requires letters of recommendation, "it's always a good idea to have something like that," he says. Loans, other credit cards and bank account records help but are usually not as impressive as a good recommendation.

An exception to all these rules is Kaufman's Department Store, a "home-run" business that can give students credit privileges in a day.

Credit manager Mary Collier says her store has offered University students the opportunity to establish credit with them since opening its campus branch 10 years ago. Their policy allows students to qualify for a charge card simply by presenting a student identification card. About the only reason she'd turn someone down, she says, is a past, poor account record at Kaufman's.

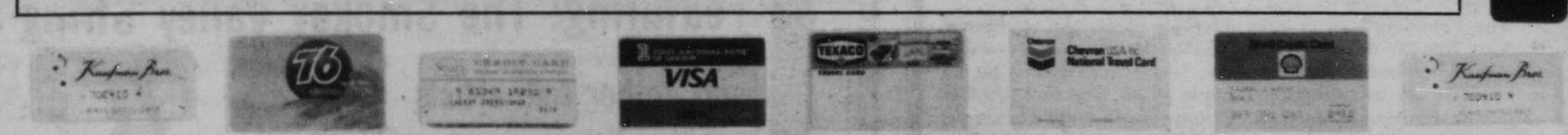
Lately, however, Kaufman's has experienced an increase in financial losses in the student credit program, says Collier. "As long as we can operate without excessive loss we're going to continue it," she says.

She says inflation has played a part in the loss, but adds that this has been a trend in all areas of business. Applicants who use false names or addresses and the increased mobility of credit users are a greater problem.

Ten years ago, Colleir says, she didn't turn up one fraudulent account; last year she found five. More people are changing addresses more often sometimes forgetting to pay outstanding bills and leave a forwarding address.

The larger department stores report no problems in this area because they are large enough to absorb the losses caused by delinquent accounts. Danowski says Montgomery Ward's delinquency rate "is the same it was years ago."

Says Casterline, a charge card "is not a right, it's a privilege. Our experience has been that they (customers) use that privilege very, very well."


# Chambers quits as ASUO vice president

*By SALLY HODGKINSON*
*Of the Emerald*

Kevin Chambers, after only one week on the job, Thursday resigned his post as ASUO administration and finance vice president, citing disillusionment as the reason for his departure.

"I'm tired of all of the power plays, bickering and personnel problems in student government," Chambers said, referring to personality conflicts he saw as an Incidental Fee Committee member this year. He added that personal reasons also contributed to his resignation.

Chambers said one reason he took the job was because he was honored when ASUO Pres. Scott Bassett offered it to him.

"I wouldn't have applied for the job," he said.

Chambers said he was still undecided about the job after he accepted it early last month, but felt obligated to go ahead with the position after he received the Maurice Hunter Leadership Award, a full tuition scholarship, in mid-May.

"I felt like I had the responsibility to work in student government, especially after I got the leadership award," he said. "But I decided that leadership abilities can be shown in areas other than student government."

Bassett said he is "a little disappointed that Kevin had to resign" and said Chambers will be hard to replace.

"I will probably have to spend more time and resources working with the budget," he said, adding that someone with Kevin's experience with the ASUO budget will be nearly impossible to find.

Bassett, who now must begin a search for a new vice president, has appointed three students to the IFC and named five more students to his staff.

New staff members include Erin Dunn, a sophomore in pre-nursing, who will be the administrative aide for community and program affairs, and Dennis Mohatt, a sophomore in psychology, who will be the administrative aide for administration and finance.

Clark Harris, a junior in political science, was named press officer and Marty McKeon, a sophomore journalism major, will help with public relations.

Owens Harriel, a senior in anthropology, will act as director of the Student Administrative Board and will be the volunteer coordinator.

Bassett says he will wait until next fall to fill six other positions, including an administrative aide for State and University Affairs, work study positions and a general administrative aide.

Named to the IFC were Gary McMahon, Adam Cohen and Ellen Schmidt, all of whom will serve until the ASUO fall elections. There is still one more IFC vacancy, Bassett says, adding that he left the position open because he still has one more IFC applicant to interview.