On the Legal Protection of Campus Online Loans and Its Regulation

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Abstract. With the continuous development of campus online loans, many problems have emerged while bringing convenience to college students. Some campus online lending institutions have false propaganda and unfair competition, charging high and unreasonable fees when students take out loans, tempting students to "use loans to support loans", buying and selling students' personal privacy information, and using violent collection methods when students cannot repay the loans in time. In the face of these problems, the government should improve the supervision system of campus online lenders, establish a database to provide personal credit assessment, and schools should enhance the management of campus online lending, regularly carry out mapping work, and enhance the legal awareness of college students, while promoting the participation of governmental supervision departments, schools, and society, so that campus online lending can develop in a benign way and provide more convenience for college students.

1. INTRODUCTION

However, after the use of campus online loans, a large number of loan sharks and violent debt collection incidents have occurred, and various regulatory departments have therefore prohibited the operation of campus online loans.[1] The Internet financial industry has gradually facilitated under the social development, providing more convenient conditions for the development of the way of college students' loans for early consumption. With the convenience of being able to take out loans for early consumption, many college students fall into the trap of over-consumption and are even cheated into loan sharks' institutions, unable to repay their debts and unable to provide themselves with professional legal assistance. With the continuous exposure of illegal campus online lending institutions, it is imperative to manage the chaos of the campus online lending industry and find a correct path for campus online lending.[2]

2. CURRENT SITUATION OF CAMPUS ONLINE LENDING

2.1 Problems of college students in the face of campus online lending

First, online lending institutions tempt college students to constantly overspend and credit consumption by conducting false propaganda and unfair competition, using the gimmicks of zero collateral, zero guarantee, zero interest rate, rapid lending time and large amount of funds, and eventually incurring huge debts. [3] College students aged 18 and above are full civil actors and have legal responsibility for what they do, but most of them do not have certain social experience, economic ability and legal consciousness, and when signing the agreement, they do not pay attention to or even cannot fully understand the legal terminology and relevant legal provisions in the contract, and for the publicity of “zero collateral However, when signing the agreement, most of the college students do not pay attention to or even fully understand the legal terminology and relevant legal regulations in the contract, and do not believe too much in the "zero collateral" and "zero interest rate" in the propaganda, and do not go through the actual investigation of the campus online lending institution, and do not understand the situation that illegal service fees, certain amount of deposit, opaque actual repayment amount and extremely high default fees may be charged in the actual transaction process, and ignore the huge legal risks. Casually make loans, and even some college students make use of the trust of their relatives and friends around them to fill the funds, pull new people to borrow and make illegal things.

Secondly, college students are unable to repay the loan in time and have no fixed source of economic income, so they are easily confused by the convenience of illegal institutions to take out loans.[4] College students rely on their parents’ fixed monthly living expenses to repay the loan, so they do not have the ability to repay the loan in time, which leads to a high risk of default, and even some college students "borrow more than one" and fall into the trap of illegal loans,
which eventually becomes unaffordable usury.[5]

Thirdly, college students do not have the consciousness of maintaining personal credit and do not worry about the reduction of personal credit score after the loan is overdue, and they do not realize the seriousness of the impact on their normal life in the future, so they borrow from multiple loan platforms without contacting each other, and they can still borrow, which eventually leads to college students being unable to repay the high amount of loans and their credit evaluation being greatly affected.

2.2 Illegal and unlawful problems between campus online lending platforms and lenders

First, the establishment of regulatory departments is not perfect, and there are blank areas in the supervision of campus online lending institutions, the responsibilities are not clear, the division of labor is not reasonable, there are no legislative provisions that can effectively deal with the problem of illegal campus online lending, and most of the regulations issued are departmental regulations, and the provisions are general and not specific, so it is impossible to put the problem on the level of legal provisions or administrative regulations, so it is impossible to directly rule that some college students' loans are illegal according to the provisions. Therefore, it is not possible to directly judge the loan behavior of some college students as illegal and invalidate the contract according to the regulations. Some illegal online loans on campus may take advantage of the loopholes in the law, but they are only violations, and the relevant authorities will only warn or punish these behaviors, which will not affect the validity of the loan contract. Therefore, it is necessary for the state to introduce relevant legal provisions to clarify that the contracts involved in these acts are invalid and violate the mandatory provisions of the state laws or administrative regulations.

Secondly, some illegal campus online loan platforms obtain students' personal privacy information and sell it to other platforms for profit; some of them may threaten to disclose privacy information on public platforms and ask for high hush money from students, their relatives and friends, causing great pressure on students and making it impossible for college students to judge the legality of the relevant contracts properly; some others use students' identities without their knowledge to apply for loans. Theoretically, the student is not responsible for the repayment, but the student's credit record may be seriously affected. Some students may be implicated in the fraudulent use of online lenders when they know that their actions are illegal.

Thirdly, after the contract between the lender and the borrower comes into effect, due to the lack of complete legal regulations and supervision by the relevant authorities, the lender may directly deduct the loan interest from the appointee through illegal operations. Borrowing procedures are not legal, lenders set repayment amounts arbitrarily, add expensive management fees service fees, etc.[6]

2.3 Illegal ways of collecting loans

University students do not pay attention to the risk of default when they borrow money, and when the loan amount reaches the point of non-repayment, the online lending company will make a call, and most of its collection methods are illegal, such as contacting the friends and relatives of the students, directly intercepting them at home to bring pressure to the students; posting large posters in public places such as schools; taking nude photos of the students to threaten repayment, and even some female students are forced to have sexual relations because they are afraid that the nude photos will be published when they cannot repay the loan. These methods will lead to great psychological pressure and physical harm to students, and it is not uncommon for college students to choose to end their lives if they cannot bear the result.

3. SUGGESTIONS FOR THE IMPROVEMENT OF LEGAL REGULATION OF CAMPUS ONLINE LENDING RISKS

3.1 The government should accelerate the improvement of the regulatory system for campus online loans

The government should establish a joint investigation and prevention and control mechanism, multiple parties to form a synergy, accelerate the development of legislation regulating campus online lending institutions, clarify through legislation the specific responsibilities of regulatory departments, establish an organization dedicated to respond to the problem of campus online lending, use Internet big data technology to establish a database to provide personal credit assessment, campus online lending institutions to review and assess loans, and prevent borrowers from taking out loans from multiple institutions. The operators of campus online lending institutions are required to have certain legal expertise and financial knowledge, and be qualified to work as bankers to ensure that the operators of campus online lending institutions have practical experience in law and can ensure that they operate formally and legally in accordance with the law and do not violate the legal rights of loaning college students. Practitioners should have certain knowledge of network security and should not recruit college students to act as agents for campus online lending agents to participate in related businesses.[7]

3.2 Public security departments increase the punishment of illegal campus online lending institutions

Public security departments should regularly check and prevent internal institutions in schools to prevent normal institutions from "appearing" while operating illegal behaviors internally, and require all relevant departments
of universities to conduct regular inspections to prevent illegal campus online lending institutions from carrying out lending behaviors in schools, and encourage school staff and students to provide clues to institutions that carry out illegal campus online lending and operators are reported in a timely manner [8], timely and effectively address the bad development situation of illegal campus online lending institutions in schools, impose heavy penalties on online lending institutions that implement illegal and unlawful behaviors, improve administrative departments’ regulations on the network, comprehensively manage the issue of operating school network platforms, always control the number and scale of campus online lending platforms, improve policy measures on illegal campus online lending platforms, protect college students' personal privacy from being leaked, effectively reduce the risk of campus online loans, and maintain the life safety and health of college students. University students themselves should improve their awareness of law-abiding and self-prevention, eliminate excessive consumption, establish the ability to distinguish right from wrong, know how to use legal knowledge to protect themselves when they encounter problems, develop good habits of self-disciplined living, and participate more in relevant simulated campus online loan activities organized by the school to increase certain social experience and specific financial knowledge. If a short-term solution is not possible or if you must take out a loan, consult more teachers about campus online loan options, choose campus online loan products that are reasonable and legal, have low interest rates and are within your repayment capacity, ask campus online lenders to inform you of the risks after borrowing when you take out a loan, be transparent about the names of various fees, and make sure that campus online loan interest rates are within a certain range to prevent falling into usury. [9]

### 3.3 Schools enhance the management of campus online lending institutions

Schools should closely contact with public security departments and financial supervision departments to regularly carry out mapping of bad campus loans and check whether students use campus online loans [6], and government supervision departments should actively exercise administrative, legal and economic functional means to precisely combat illegal campus online loans, quickly and effectively handle reported cases, ensure information equality between campus online lenders and college students, and provide college students with necessary legal aid to The government should provide the necessary legal assistance to students and protect their rights and interests in online safety. To build a real-time prevention and warning mechanism and prevent illegal behaviors in advance, we should timely release information about the prevention and warning of bad campus online loans to students in various forms, such as telephone, SMS, WeChat QQ and other network tools, and campus propaganda broadcasting boards, to expand the construction of a protection network against illegal campus online loans, and schools and parents should actively summarize the lessons learned from the development of illegal campus online loans and guide and help college students to establish good consumption concepts and values and stay away from consumption climbing. Schools and parents should actively summarize the lessons learned from the development of illegal campus online loans, guide and help college students to establish good consumption concepts and values, stay away from consumption comparison and wastefulness, offer regular courses to promote legal knowledge and basic financial knowledge, enhance college students' awareness of protecting their rights according to the law, help them fully understand the risks of the traps of campus online loans, and cultivate their awareness of the principle of honesty and trustworthiness, responsibility and self-protection by using the law.

### 3.4 College students should enhance their legal awareness

College students should improve their awareness of law-abiding and self-prevention, stop over-consumption, establish the ability to distinguish right from wrong, know how to use legal knowledge to protect themselves when they encounter problems, develop good habits of self-discipline in life, and participate more in relevant simulated campus online loan activities held by the school to increase certain social experience and specific financial knowledge. The students should try to reduce the use of campus online loans and prevent the possible risks of campus online loans in advance. If college students have an urgent need for money, they should first communicate with their parents for help; if they cannot solve the problem in a short period of time or if they have to take out a loan, they should consult with their teachers about the options of campus online loans, choose campus online loans that are reasonable and legal, have low interest rates, and are within their repayment capacity, and ask the campus online lenders to inform them of the risks after borrowing when they take out a loan, make the various fees transparent, and make sure that the interest rates of campus online loans are within a certain range. Interest rates within a certain range to prevent falling into usury.

### 4. CONCLUSION.

Campus online loans could have provided convenience for college students’ daily consumption and entrepreneurship. However, in the process of the development of campus online loans, some campus online lenders have been tempting college students to “use loans for loans” through false propaganda, unfair competition, opaque information provided in loans, high service fees, deposits and other fees, violent calls for repayment when college students cannot repay in time, and collection of college students' personal privacy information for transactions. The government should improve the regulation of the loan market.

In the face of these problems, the government should
improve the supervision system of campus online lending institutions, strengthen the supervision of online lending institutions, establish a database to provide personal credit assessment, so that students can understand their credit situation in a timely manner, and schools should enhance the management of campus online lending, regularly carry out mapping work, and enhance the legal awareness and self-protection awareness of college students, and at the same time, let the government regulatory departments, schools, and the public multi-faceted cooperation In order to fundamentally solve the abnormal development of campus online loans, promote campus online loans to be formalized gradually, and provide better convenience for college students.

References