CONSUMER FINANCIAL PROTECTION BUREAU | OCTOBER 2022

College Banking and Credit Card Agreements

Annual Report to Congress

Consumer Financial Protection Bureau

Contents

1. Executive Summary

Students may face financial challenges when they attend institutions of higher education (IHEs), challenges that are even more acute during the COVID-19 pandemic and at a time of rising interest rates and increased inflation. Some students also have limited experience with financial products, have intermittent or no income, and lack a cushion to cover emergency expenses.

IHEs can play a critical role in supporting and promoting students' financial health, particularly when shopping for financial products like credit cards or deposit and prepaid accounts for the first time.[1] However, colleges can also have separate financial interests that conflict with those of their students. As shown by documented prior abuses in the student loan and credit card markets, financial products and services that are specifically marketed to students often come with unique consumer risks.[2] With regard to the student prepaid and debit account market, the CFPB has found in the past that some colleges drive students into more expensive products through endorsement or sponsorship agreements.[3] The CFPB is not alone in this view. Policymakers, federal auditors, federal banking regulators, and the Department of Education

[1] *See* Consumer Financial Protection Bureau, *Prepared Remarks of Seth Frotman to the National Summit on College Financial Wellness*, Ohio State University, (June 2016), http://files.consumerfinance.gov/f/documents/20160617_cfpb_Frotman-OSU-Wellness-Summit-Remarks.pdf.

[2] *See, e.g.*, The U.S. Government Accountability Office, Federal Family Education Loan Program: *Increased Department of Education Oversight of Lending and School Activities Needed to Help Ensure Program Compliance*, (July 2007), https://www.gao.gov/assets/gao-07-750.pdf. Report states that "inducements and limited borrower choice [in the Federal Family Education Loan Program] can hinder a borrower's ability to benefit from the competition among lenders that can result in such outcomes as lower interest rates and fee reimbursements." See also U.S. Government Accountability Office, *Consumer Finance: College Students and Credit Cards*, (June 2001), https://www.gao.gov/products/gao-01-773.

[3] *See, e.g.*, Consumer Financial Protection Bureau, *New Students Should Look Closely at College-sponsored Bank Accounts and Shop Around*, (Aug. 2015), http://www.consumerfinance.gov/blog/new-students-should-lookclosely-at-college-sponsored-bank-accounts-and-shop-around. https://www.fdic.gov/news/press-releases/2015/pr15102b.pdf; See, e.g., Consumer Financial Protection Bureau, *Student Banking: Annual report to Congress*, (Dec. 2016), https://files.consumerfinance.gov/f/documents/2016_cfpb_student_banking_report.pdf; See, e.g., Consumer Financial Protection Bureau, *Debt Déjà Vu for Students*, (Oct. 25, 2012), https://www.consumerfinance.gov/about-us/newsroom/debt-deja-vu-for-students.

(ED) have also previously identified risks associated with the marketing practices related to college-sponsored financial products.[4]

This report serves as the twelfth annual report to Congress on college credit cards pursuant to the Credit Card Accountability, Responsibility, and Disclosure Act ("CARD Act").[5] It also reviews agreements and data covering the over 1.2 million student checking and credit card accounts that are governed by partnerships between IHEs and financial services providers, and highlights market trends and possible risks.[6]

[4] *See* U.S. Dep't. of Education, Office of Inspector General, *Final Management Information Report: Third-Party Servicer Use of Debit Cards to Deliver Title IV Funds*, EDOIG/X09N0003 (Mar. 10, 2014), https://www2.ed.gov/policy/highered/reg/hearulemaking/2014/pii2-lindstrom1-oig.pdf; *See also* U.S. Government Accountability Office, GAO-01-773, *Consumer Finance: College Students and Credit Cards*, (Jul. 2001), https://www.gao.gov/products/gao-01-773; See *also* U.S. Government Accountability Office, GAO-14-91, *College Debit Cards: Attention Needed to Address ATM Access, Student Choice, and Transparency*, (Feb. 2014), http://www.gao.gov/assets/670/660919.pdf; *See also* Federal Reserve Board and the Federal Deposit Insurance Corporation, *Consent Orders to Higher One, Inc.*, (Dec. 2015), https://www.federalreserve.gov/newsevents/pressreleases/enforcement20151223a.htm; *See also* Consumer Financial Protection Bureau, *Consumer Advisory: Accessing your Scholarships and Student Loan Funds* (Aug. 9, 2012), http://www.consumerfinance.gov/blog/consumer-advisory-accessing-your-scholarships-and-student-loanfunds/; *see also Id*.

[5] The mandate is at Section 305(a) of the CARD Act, Pub. L. No. 111–24, § 305(a), 123 Stat. 1734, 1749-50 (2009). Section 305(a) amended Section 127 of the Truth in Lending Act. The provision is codified at 15 U.S.C. § 1637(r). Section 3 of this report, which reports on our findings on college credit cards, fully discharges the CFPB's duty to report annually on the college credit card market in particular. The Federal Reserve Board ("Board") submitted the first two reports and the CFPB has since submitted nine reports. *See* Appendix A of this report for a full listing of prior reports issued and submitted to Congress pursuant to 15 U.S.C. § 1637(r); *See* Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010) for more information about the transfer of responsibility for these reports from the Federal Reserve Board to the CFPB on July 21, 2011.

[6] This analysis builds on previous work by the CFPB to analyze and increase transparency in the college banking marketplace and assist colleges seeking to identify safer and more affordable prepaid and deposit accounts for their students. *See, e.g.,* Consumer Financial Protection Bureau, *Presentation at Banking on Campus Forum*, (Sep. 2013), https://www.consumerfinancemonitor.com/wp-content/uploads/sites/14/2013/10/201309_cfpb_banking-on-campus-forum1.pdf; *See, e.g.,* Consumer Financial Protection Bureau, *Student Banking Reports to Congress* (Dec. 2016), https://www.consumerfinance.gov/data-research/student-banking/studentbanking-reports-congress; Consumer Financial Protection Bureau, *Safe Student Account Toolkit* (Dec. 2015), http://files.consumerfinance.gov/f/201512_cfpb_safe-student-account-toolkit.pdf.

MARKET FOR STUDENT DEPOSITS

In FY 2021, over 10 million students received more than $110 billion of federal financial aid (also known as Title IV funds)[7] to attend institutions of higher education.[8] These funds are disbursed by their specific educational institution. When institutions subcontract with third party financial services providers to facilitate these transactions, they enter into "college banking agreements."

The CFPB conducted a review of publicly-available college banking agreements for this report, resulting in a dataset with information about 462 college banking partnerships, along with associated data including contracts between IHEs and financial service providers and publicly reported metrics.[9] The CFPB's analysis found that at least 668,863 students, or 17 percent of the students attending the colleges identified in this dataset, had open and active accounts with their college's deposit account provider during the 2020-2021 Award Year.[10] Key takeaways from the CFPB's analysis include:

- **Many IHEs do not appear to prominently post the requisite disclosures on their websites, potentially making it difficult for students to assess their banking options and for policymakers to assess consumer risk.** ED regulations known as the "cash management" rules generally require IHEs to disclose information publicly and conspicuously such as the agreements they have with financial service providers and annual account cost and scope metrics on the IHEs' websites.[11] These disclosures help make the terms of the relationship between the IHE and financial service providers transparent. Despite this requirement, in its review, the CFPB was sometimes unable to find such information even though other publicly available information

[7] Title IV funds refer to federal financial aid distributed under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq.

[8] U.S. Dep't of Education, Office of Federal Student Aid, *FY 2021 Annual Report*, (Nov. 19, 2021), https://studentaid.gov/sites/default/files/fy2021-fsa-annual-report.pdf.

[9] The CFPB's dataset includes data accessed from weblinks in a Department of Education database that was last updated in 2018 in addition to data from its own research. *See* Section 2.2 for more information on the methodology used in this report.

[10] This time period covers July 1, 2020 to June 30, 2021.

[11] 34 C.F.R. §§ 668.164(e)(vi)-(vii), (f)(iii)-(iv). The Department has also provided guidance that the information must be posted "prominently on the same website where the institution posts its full contract with a financial service provider." *See* U.S. Dep't of Educ., *Institutional Reporting of Fee Information under the New Cash Management Regulations (DCL ID: GEN-16-16)* (Sept. 7, 2016), https://fsapartners.ed.gov/sites/default/files/attachments/2021-03/GEN1616.pdf. IHEs with arrangements known as Tier 2 (or T2) arrangements are required to meet all of the disclosure requirements if certain thresholds apply. *See* 34 C.F.R. § 668.164(f)(2).

reviewed indicates that hundreds of additional IHEs have existing college banking partnerships.[12]

- **Many students are being directed to lists of account options that do not appear to meet the standards put forth in ED regulations.** Under the Department's cash management regulations, IHEs must implement a process for students to select how they wish to receive direct payments by electronic fund transfer and must, among other things, present each option in a "neutral manner"; "present prominently as the first option, the [pre-existing] financial account belonging to the student"; and ensure that initiating payments to a student's pre-existing account is "as timely as and no more onerous to the student" as payments made to college-sponsored accounts on the list of options.[13] Despite these protections, the CFPB's review identified instances where a large proportion of eligible students were directed to websites where they were presented with account options in ways that do not appear to meet these standards and that have been flagged as problematic in the past.
- **In many cases, financial service providers and their partner schools appear to offer and promote more costly products than what students could receive from other providers or, in some cases, even at the same financial institution.** In 2015, the Department of Education explained that its intent with the cash management regulations was, in part, to ensure that students "do not incur unreasonable and uncommon financial account fees."[14] However, hundreds of thousands of students opening accounts to receive their student financial aid disbursements are paying fees they might not be subject to if they opened different accounts. For instance, many student accountholders are charged monthly service fees on accounts with less than $300 in qualifying deposits per month, for which their Title IV disbursements do not count as qualifying deposits.[15] The same students are also subject to direct marketing offering

[12] Such materials include investor presentations by financial service providers. Further, although not required under the cash management regulations, the CFPB's review showed that some large providers of college banking accounts to students maintain websites that publicly identify colleges that participate in the bank's college card programs. However, many do not. See also section 2.2 for more information on the methodology used by the CFPB in this review.

[13] 34 C.F.R. § 668.164(d)(4).

[14] U.S. Dep't of Education, *Program Integrity and Improvement* (final rule), 80 Fed. Reg. 67126, 67126 (Oct. 30, 2015), https://www.federalregister.gov/documents/2015/10/30/2015-27145/program-integrity-and-improvement.

[15] *See* BankMobile Vibe Checking Account Fee Schedule and Interest Rate Information (effective June 24, 2021), https://www.vibeaccount.com/main/feeschedules.do.

them accounts that are more expensive than comparable accounts at the same financial service provider.[16] Other financial service providers charge students up to $36 for an overdraft, up to $25 per month after 12 months of inactivity, and out-of-network ATM withdrawal fees of up to $3.50.[17]

- **Financial inducements associated with certain arrangements might compromise the ability of certain IHEs to prioritize their students' financial well-being**. Almost one in three (30 percent) accounts in the CFPB's sample were subject to arrangements in which the financial services provider made payments to the partner IHE. These financial arrangements are characterized by one-time and annual payments that might impact an IHEs ability to objectively review the partnerships.

MARKET FOR COLLEGE CREDIT CARDS

The regulations implementing section 305 of the CARD Act require credit card issuers to submit to the CFPB each year the terms and conditions of any college credit card agreement that was in effect at any time during the preceding calendar year between an issuer and an institution of higher education.[18] Additionally, issuers are required to submit additional data with respect to their agreements, including the total number of cardholders (overall and in the relevant year) and the amount of payments made by the issuer to the entity during the year. The following analysis is based on these disclosures.[19]

The CFPB's review identified 155 partnerships between IHEs (or affiliated groups, foundations, or alumni associations) and credit card issuers. Of these agreements, 112 were with public IHEs or their affiliates, 35 were with non-profit IHEs or their affiliates, one was with a for-profit college affiliate, and seven were with other types of organizations such as honor societies (e.g., Golden Key International Honour Society) or national Greek organizations (e.g., Alpha Delta Kappa). These partnerships together represented 517,053 open accounts at year-end 2021 provided by 34 credit card issuers.

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[16] The BankMobile Vibe Checking Account, marketed directly to students when they visit the "Refund Choices" webpage hosted by BankMobile, includes a monthly fee of $2.99, while a comparable account listed on the same page, the BankMobile Vibe UP Checking Account, does not include a monthly fee. https://www.vibeaccount.com/main/feeschedules.do.

[17] *See* section 2.3.3 of this report for more information.

[18] *See* 15 U.S.C. § 1637(r); 12 C.F.R. § 1026.57(d); *see also* Truth in Lending (Regulation Z), 76 Fed. Reg. 79768 (Dec. 22, 2011).

[19] *See* Section 2.2 for a more detailed discussion of the methodology and associated limitations.

- **This report finds that the number of agreements, overall payments from issuers to institutions, and open accounts pursuant to agreements continues to decrease**. In 2009, there were over 1,000 partnerships between credit card issuers and IHEs and affiliates, and by year-end 2021, there were only 155. Similarly, in 2009 these partnerships represented over 2 million credit card accounts, and in 2021 that number was closer to 500,000.
- **Agreements with alumni associations continue to represent most agreements, accounts, and payments by issuers.** Agreements with alumni associations represent more than two out of three college card accounts.

2. College Deposits Market

2.1 Background

Hundreds of IHEs in the United States offer or promote financial products to students, including credit cards, prepaid cards, debit cards and deposit accounts, and student loans. While students use many kinds of financial products and services, some are marketed to them pursuant to an agreement between a financial institution and the student's IHE. These products might be advertised at events such as school orientations, study abroad seminars, and financial wellness seminars.

IHEs play a critical role in supporting and promoting students' overall financial health and well-being, particularly when shopping for financial products for the first time.[20] One recent survey found that most students experience some financial challenges during college,[21] and might lack regular paychecks, financial experience, and savings. In FY 2021, over 10 million students received more than $110 billion of federal financial aid to attend institutions of higher education.[22] To disburse these funds, some institutions send paper checks to students directly, some use in-house electronic payment systems to deposit funds into students' personal bank accounts using direct deposit, and others subcontract with third-party financial services providers to facilitate the transactions. Some IHEs also enter into college banking partnerships with third-party providers to provide students with low-cost options to access funds through college-sponsored prepaid and debit cards linked to deposit accounts.

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[20] *See* Consumer Financial Protection Bureau, *Prepared Remarks of Seth Frotman to the National Summit on College Financial Wellness*, Ohio State University, (Jun. 17, 2016), http://files.consumerfinance.gov/f/documents/20160617_cfpb_Frotman-OSU-Wellness-Summit-Remarks.pdf.

[21] *See* The Hope Center for College, Community, and Justice, *#REALCOLLEGE 2021: Basic Needs Insecurity During the Ongoing Pandemic,* (Mar. 31, 2021), https://hope4college.com/wp-content/uploads/2021/03/RCReport2021.pdf.

[22] U.S. Dep't of Education, Office of Federal Student Aid, *FY 2021 Annual Report*, (Nov. 19, 2021), https://studentaid.gov/sites/default/files/fy2021-fsa-annual-report.pdf. Federal financial aid (e.g. Pell Grants and federal student loans) refers to funds distributed under Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 *et seq.* Typically, institutions apply the total amount of a student's aid against charges paid directly to the school (e.g., tuition, fees, and on-campus room and board, etc.) and then release the remainder of the Title IV funds (the "credit balance," or "refund") to the student in cases where the amount of aid exceeds the charges.

In the college prepaid and debit accounts market specifically, the CFPB has observed that some colleges enter into agreements to endorse, sponsor, or drive students to products that can be more expensive than what students can find shopping around on their own.[23] Additionally, policymakers, federal auditors, federal banking regulators, and the Department of Education have expressed concern over the marketing practices and consumer risk associated with college-sponsored financial products.[24] For example, in 2015, the Federal Reserve Board assessed a civil money penalty and issued a cease and desist order in coordination with the Federal Deposit Insurance Corporation (FDIC) against financial service provider Higher One, addressing illegal practices.[25] To address many of the issues flagged by these entities, the Department of Education established the "cash management" regulations in 2015 that now govern college deposit and prepaid accounts.[26]

2.1.1 Cash Management Regulations

In 2015, the Department finalized a new "cash management" regulation that increased transparency in the college-sponsored deposit and prepaid account marketplace and established new minimum protections for students. Among other things, the cash management regulations

[23] *See, e.g.*, Consumer Financial Protection Bureau, *New Students Should Look Closely at College-sponsored Bank Accounts and Shop Around*, (Aug. 2015), http://www.consumerfinance.gov/blog/new-students-should-lookclosely-at-college-sponsored-bank-accounts-and-shop-around/. https://www.fdic.gov/news/press-releases/2015/pr15102b.pdf; *See, e.g.,* Consumer Financial Protection Bureau, *Student Banking: Annual report to Congress,* (Dec. 2016), https://files.consumerfinance.gov/f/documents/2016_cfpb_student_banking_report.pdf; *See, e.g.,* Consumer Financial Protection Bureau, *Debt Déjà Vu for Students*, (Oct. 25, 2012), https://www.consumerfinance.gov/about-us/newsroom/debt-deja-vu-for-students/.

[24] *See also* U.S. Dep't. of Education, Office of Inspector General, *Final Management Information Report: Third-Party Servicer Use of Debit Cards to Deliver Title IV Funds*, EDOIG/X09N0003 (Mar. 10, 2014), https://www2.ed.gov/policy/highered/reg/hearulemaking/2014/pii2-lindstrom1-oig.pdf; *See also* U.S. Government Accountability Office, GAO-01-773, *Consumer Finance: College Students and Credit Cards*, (Jul. 2001), https://www.gao.gov/products/gao-01-773; See *also* U.S. Government Accountability Office, GAO-14-91, *College Debit Cards: Attention Needed to Address ATM Access, Student Choice, and Transparency,* (Feb. 2014), http://www.gao.gov/assets/670/660919.pdf; *See also* Federal Reserve Board and the Federal Deposit Insurance Corporation, *Consent Orders to Higher One, Inc*., (Dec. 2015), https://www.federalreserve.gov/newsevents/pressreleases/enforcement20151223a.htm; *See also* Consumer Financial Protection Bureau, *Consumer Advisory: Accessing your Scholarships and Student Loan Funds* (Aug. 9, 2012), http://www.consumerfinance.gov/blog/consumer-advisory-accessing-your-scholarships-and-student-loanfunds/; *see also Id*.

[25] *See* U.S. Federal Reserve Board, *Federal Reserve Board announces civil money penalty and issues cease and desist order against Higher One, Inc*. (Dec. 23, 2015), https://www.federalreserve.gov/newsevents/pressreleases/enforcement20151223a.htm.

[26] U.S. Dep't. of Education, *Program Integrity and Improvement* (final rule), 80 Fed. Reg. 67126-67127 (Oct. 30, 2015), http://www.gpo.gov/fdsys/pkg/FR-2015-10-30/pdf/2015-27145.pdf.

contain provisions on the public disclosure of college banking partnership agreements and certain related data, and requirements related to minimum account standards, student choice in account selection process, and contract review.

Different types of arrangements between IHEs and financial services providers are treated differently in the regulations. When the third-party financial services provider processes direct payments of Title IV funds on behalf of the college and also offers students an account in which to receive the funds, the relationship is known as a "Tier One" (T1) arrangement.[27] When other third-party financial services providers offer checking accounts directly to students, but do not facilitate Title IV disbursements from that institution, the relationship between the school and provider is known as a "Tier Two" (T2) arrangement.[28] T1 and T2 arrangements are separated in our analysis because they are subject to somewhat different standards and because the partnerships have meaningful differences (Table 1). However, it is not always clear which category a partnership is governed by, and IHEs are not required to report this information.[29]

[27] For T1 arrangements, the third-party servicer offers one or more financial accounts under the arrangement, and information about the account(s) is communicated directly to students by one of three entities: (1) the third-party servicer, (2) the institution on behalf of or in conjunction with the third-party servicer, or (3) an entity contracting with or affiliated with the servicer. U.S. Dep't of Education, *Cash Management Frequently Asked Questions*, TA-Q1 (May 11, 2016), https://fsapartners.ed.gov/knowledge-center/faqs/cash-management-frequently-asked-questions. *See also* 34 C.F.R. § 668.164(e)(1).

[28] These T2 arrangements, are 1) between a college and a vendor that offers financial accounts through a financial institution and 2) under which financial accounts are offered and marketed directly to students. However, under certain circumstances, some colleges with few Title IV credit balance recipients may not have to comply with certain requirements for "Tier 2" agreements. See U.S. Dep't. of Education, Program Integrity and Improvement (final rule), 80 Fed. Reg. 67126, 67126-67127 (Oct. 30, 2015), http://www.gpo.gov/fdsys/pkg/FR-2015-10-30/pdf/2015-27145.pdf. See also 34 C.F.R. § 668.164(f).

[29] The CFPB has attempted to discern, on the basis of publicly available information and its understanding of cash management regulations, the appropriate categorization for each institution. These assessments are solely for the purpose of the discussions in this report and do not reflect any legal conclusions on the part of the CFPB or Dep't. of Education. See section Appendix B for more on differences between T1 and T2 arrangements under Dep't. of Education's regulations.

TABLE 1: OVERVIEW OF COLLEGE BANKING PARTNERSHIP TYPES

Some institutions of higher education (IHEs) subcontract with third-party financial services providers to facilitate disbursements and to provide students with low-cost options to access their funds through college-sponsored prepaid cards and debit cards linked to deposit accounts. These arrangements between IHEs and financial services providers fall into two categories known as "Tier One" and "Tier Two."

		Tier 1 (T1) Arrangement	Tier 2 (T2) Arrangement
	Compensation	Generally, the IHEs pay the financial service provider.	Generally, the financial service provider pays the IHE.
	Function for students	Students can receive direct disbursements of Title IV funds, access fee-free in-network ATMs, and may not be charged account opening, access device, receipt, or overdraft fees.	Students can open bank accounts, access fee-free in-network ATMs, and may not be charged account opening or access device receipt fees.
	Function for institutions of higher education	Disburses federal student aid funds to students on behalf of the IHE.	IHE is paid for direct marketing access to student body in the form of one-time payments and annual compensation.
	Concerns	By ED regulation, accounts in this category are supposed to be free of certain fees, but may have other fees that are difficult to avoid and that may make such accounts more expensive than non-college sponsored account options.	Financial inducements could compromise the ability of IHEs to prioritize their students' financial well-being.

The Department of Education has promulgated several provisions specific to the campus deposits market as part of its "cash management" regulations relating to fee mitigation, account opening and access device fees, reasonable access to funds, the student choice process, consent to open an account, public contract disclosure, and contract evaluation (see Appendix B for more information).[30]

More specifically, the regulations include provisions related to:

- **Disclosure:** ED rules generally require colleges with T1 and T2 arrangements with third-party servicers or financial institutions, respectively, to disclose the contracts for those arrangements publicly online and to provide the internet links to the Department.[31] Most colleges must also annually disclose certain basic metrics related to the accounts promoted through their partnerships, including annual mean and median fees charged to students, compensation to and from the institution and the financial service provider, and the total number of active accounts.[32]

- **Student choice:** The cash management regulations also establish rules for both T1 and T2 arrangements to ensure that students have choices about how to receive direct payments.[33] These rules include protections that generally prevent institutions from steering students into new account options, such as by providing payments earlier or with greater ease to students who open new accounts or by presenting options in a non-neutral manner. These rules reflect the critical role that colleges play as trusted sources of information for their students.

- **Minimum account standards:** Under the Department's regulations, colleges are required to ensure that T1 agreements include a set of minimum standards, including,

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[30] 34 C.F.R. § 668.164. Specifically, requirements for T1 and T2 arrangements are at 34 C.F.R. § 668.164(e) (for T1 arrangements) and (f) (for T2 arrangements).

[31] *See* 34 C.F.R. §§ 668.164(e)(2)(vi), (f)(4)(iii). An IHE with a T2 arrangement is required to comply with this requirement if it has at least one student with a title IV credit balance in each of the three most recently completed award years, but has less than a certain number and percentage of students with credit balances. Specifically, for the three most recently completed award years, it must have less than an average of 500 of its students having had a title IV credit balance or less than an average of five percent of the students enrolled having had a title IV credit balance if it meets certain requirements in ED's regulations. *See id*. § 668.164(f)(2).

[32] *See* 34 C.F.R. §§ 668.164(e)(2)(vii), (f)(4)(iv). An IHE with a T2 arrangement is required to comply with this requirement if, for the three most recently completed award years, had an average of 500 or more of its students having had a title IV credit balance or an average of five percent or more of the students enrolled having had a title IV credit balance. *See* 34 C.F.R. § 668.164(f)(2).

[33] 34 C.F.R. § 668.164(d)(4).

among other things, a prohibition on overdraft fees and certain other fees, and mandatory access to large networks of surcharge-free ATMs. See also Table 1.

- **Contract review standard:** The Department of Education generally requires IHEs to review contracts with financial services providers to ensure that the terms of accounts offered to students "are not inconsistent with the best financial interests of the students opening them."[34] The Department considers this requirement to be met if the IHE documents that it conducts "reasonable due diligence reviews at least every two years to ascertain whether the fees imposed under the agreements are, considered as a whole, consistent with or below prevailing market rates," and the contracts provide that the IHE may terminate the agreements based upon student complaints or the IHE's determination that the fees are inconsistent with or are higher than market rates.[35]

After the Department's 2015 cash management rules were promulgated and IHEs began to publicly disclose their partnerships with financial services providers, the Department of Education established a centralized database of weblinks to contracts between colleges and financial institutions or third-party servicers and to required disclosures.[36] This data source includes weblinks to hundreds of agreements and offers the public the opportunity to evaluate how the terms of these agreements may drive the features, terms, and conditions of college-sponsored financial products marketed to students.[37] The database has not been updated since 2018.

2.2 Methodology

To assess present practices in the rapidly changing market for college banking products, the CFPB performed a review of partnership agreements and related "cash management

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[34] *See* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii). An IHE with a T2 arrangement is required to comply with this requirement if, for the three most recently completed award years, it had an average of 500 or more of its students having had a title IV credit balance or an average of five percent or more of the students enrolled having had a title IV credit balance. *See* 34 C.F.R. § 668.164(f)(2).

[35] The cash management regulations do not prescribe a methodology for determining prevailing market rates. For the purpose of this analysis, the CFPB generally considers the relevant market to include all similar products available to students on the open market, not only those for which information is communicated, marketed, or offered through a campus banking partnership.

[36] *See* U.S. Dep't of Education, *Title IV Institutions Reporting Cash Management Contracts* (accessed June 14, 2022), https://studentaid.ed.gov/sa/about/data-center/school/cash-management-contracts.

[37] *Id.*

disclosures" associated with college-sponsored deposit and prepaid accounts for the Award Year 2020-2021.[38] This report presents new analyses of publicly available college banking agreements and related data, and it also continues the extensive work in this market that the CFPB conducted from 2013 to 2017.[39]

All institutions of higher education that enter college banking partnerships are required by the Department of Education to publicly disclose their agreements with financial services providers, in addition to certain metrics, on an annual basis.[40] This report's analysis is based on a dataset of IHEs with current and publicly disclosed college banking partnership agreements and related metrics for the 2020-2021 Award Year.

First, the CFPB drew from the Department of Education's centralized database of weblinks for over 700 agreements between colleges and account providers with T1 and T2 arrangements and related cash management disclosures, to compile a list of institutions that have disclosed college banking partnerships in the past with Award Year 2020-2021 disclosures.[41] As of the CFPB's review earlier this year, 111 of the 714 institutions in the Department's database had closed since the database's 2018 update, approximately 100 appear to partner with third-party service providers such as Nelnet Campus Commerce and Heartland ECSI (Educational Computer Systems, Inc.) that do not provide account options to students and are thus not T1 or T2 providers, and another group of approximately 150 IHEs appear to have terminated their prior agreements.

The CFPB also found that there were institutions with T1 and/or T2 relationships that were not listed in the Department of Education database. Because the database was last updated on June

[38] Data collection occurred from March – July 2022.

[39] *See supra* notes 3 & 6.

[40] *See* 34 C.F.R. §§ 668.164(e)(2)(vi)-(vii), (f)(4)(iii)-(iv). For T2 arrangements, an institution does not need to comply with the disclosure requirements if in one or more of the three recently completed award years, 1) no students received credit balances at the institution (in this situation, none of the regulatory requirements for T2 arrangements apply), or 2) on average fewer than 500 students and less than five percent of the institution's students received credit balances. *See id*. § 668.164(f)(2).

[41] *See* U.S. Dep't of Education, *Title IV Institutions Reporting Cash Management Contracts* (accessed June 14, 2022), https://studentaid.ed.gov/sa/about/data-center/school/cash-management-contracts. Colleges report required information on their websites and provide the Department of Education a link to the reported information for inclusion in the centralized database of agreements. However, IHEs are not required under the Department of Education's regulations to publicly maintain historical records of agreements and related disclosures for prior years. The CFPB accessed each listed weblink to determine if the webpage was active and being used by IHEs to post current agreements and disclosures, which at the time of the CFPB's review, were for Award Year 2020-2021.

30, 2018, some colleges with partnerships might not be listed, particularly if a college entered into a new partnership and/or submitted information about its current agreements and other required disclosures since July 1, 2018. Another possible reason an IHE with a T1 or T2 arrangement may not have been included in the Department's database would be if the institution never submitted such information to the Department in the first place.

As a result, the CFPB took additional steps to supplement the list of possible college banking partnerships. The CFPB identified additional colleges that have disclosed active partnerships that were not included in the centralized database by cross-referencing the database of colleges with agreements separately identified by financial institutions.[42] Then, the CFPB searched financial service providers' websites and public announcements for information using terms including but not limited to "campus partners," "campus banking," and/or "student banking" to identify additional IHEs that may have entered into such arrangements.[43]

After compiling a list of 873 institutions (both from the Department's database and through the CFPB's independent research), the CFPB searched institutions' websites to find current agreements and disclosures. To do so, the CFPB performed searches using a commercial internet search engine and IHE websites, combining additional keywords to those used in the financial service provider searches, in conjunction with the IHE name, including but not limited to the issuer if known, "disbursement," "mean," "median," "668.164 disclosure," "cash management," and/or "DOE disclosure." Once a related link was identified, the CFPB reviewed the IHE website to identify and record up-to-date agreements and related disclosures.

When the CFPB identified an agreement and a cash management disclosure (see Appendix C for an example), basic information such as the name of the financial services provider was recorded. Additionally, the CFPB recorded data points that are required to be posted pursuant to federal

[42] Several account providers independently list colleges where they maintain agreements. Colleges listed on an account provider's website may or may not also be included in the Department of Education's centralized database. *See, e.g.*, U.S. Bank, *Campus Banking Webpage* (accessed June 15, 2022), https://www.usbank.com/bank-accounts/checking-accounts/student-checking-account/choose-your-school.html; Herring Bank, *Student Banking Webpage* (accessed June 15, 2022), https://www.herringbank.com/student-banking/.

[43] A comprehensive public list of BankMobile's partner institutions was not found, though the CFPB identified several press releases announcing new partnerships. *See, e.g.,* BankMobile, *BankMobile Partners with 36 New Colleges and Universities Across the U.S,* (Jul. 12, 2018), (accessed Aug. 15, 2022), https://www.globenewswire.com/news-release/2018/07/12/1536681/0/en/BankMobile-Partners-with-36-New-Colleges-and-Universities-Across-the-U-S.html#:~:text=The%20new%20partnerships%20are%20with,University%2C%20Contra%20Costa%20Community%20College.

disclosure requirements, including the number of students who had accounts under the agreement at any time during the most recently completed award year, the mean and median actual costs paid by those accountholders during that period, and the total monetary compensation for the most recently completed award year paid or received by the parties under the terms of the contract.[44]

This review produced a dataset of 515 partnerships between institutions of higher education and financial service providers for which the requisite agreements and cash management disclosures were publicly available for Award Year 2020-2021.[45] Then, the CFPB removed from the analysis all IHEs that posted systems-level data (e.g. data for a state university system or a community college district) at the branch level (e.g. on a particular campus website) and included only the system in the analysis to avoid duplication, resulting in a final list of 462 IHEs.[46] Using this list of 462 partnerships with disclosure information, the CFPB used unique IHE identification numbers (OPEIDs), to bring in additional publicly available institution-level data from the Department of Education's "College Scorecard."[47] The following analysis is based on that dataset.[48]

While the total number of IHEs with college banking partnerships is unknown, we estimate that hundreds of IHEs are not fulfilling disclosure requirements due to publicly available information such as investor presentations. For instance, the largest provider in the college banking market stated on a 2022 earnings call that it has "existing partnerships with

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44 Generally, for any year in which the institution's enrolled students open 30 or more financial accounts under the T1 arrangement and certain T2 arrangements. *See* 34 C.F.R. §§ 668.164(e)(2)(vii)(B), (f)(4)(iv)(B), and 34 C.F.R. §§ 668.164(e)(2)(vii)(A), (f)(4)(iv)(A).

45 IHEs were included in this analysis only if the CFPB found Award Year 2020-2021 cash management disclosures available publicly in June 2022. *See* Appendix C for an example of a "cash management" data disclosure.

46 See the CFPB's website to access the publicly-available comma separated value file ("CSV file") including this dataset along with an accompanying data guide.

47 U.S. Dep't of Education, *College Scorecard,* (accessed Jun. 15, 2022), https://collegescorecard.ed.gov/. College Scorecard data was most recently updated on May 2, 2022 and institution-level data files contain information based on the 2020-2021 Award Year. For more information, see https://collegescorecard.ed.gov/data.

48 The scope of the CFPB's observations was limited to the terms contained in agreements and other public disclosures that were published by institutions, as available in June 2022. Some agreements, as discussed later in the report, include open-ended or general provisions that could permit colleges to impose or negotiate for additional substantive or reporting requirements at a future date. Readers should note that any substantive or reporting requirements in place at the time of publication but absent from the text of the agreement published by the relevant institution when reviewed in June 2022, were not evaluated as part of the CFPB's review. *See also supra* notes 45-47.

approximately 750 university partners," though only 363 were identifiable based on the methods detailed above.[49] Other institutions have disclosed partnerships in the past that appear to remain active, but do not provide the requisite disclosures.[50] Thus, the CFPB's analysis is limited to colleges with active agreements that the CFPB could identify during the review period (March – July 2022) and by the accuracy of information reported by those colleges.

Due to these data limitations, this analysis should not be considered comprehensive.[51] Nevertheless, review of the publicly available information is helpful in providing an overview of significant market dynamics. Further disclosure and analysis will be probative in refining understanding of market characteristics.

2.3 Findings

This section presents overall market trends and findings related to financial service providers, IHEs, the cash management regulations, agreements between IHEs and financial service providers, and fees.

2.3.1 Market Landscape

The CFPB identified eleven account providers offering 668,863 accounts in partnership with IHEs during the 2020-2021 Award Year, including non-bank financial service providers, banks, and credit unions (Table 2).[52] More than 463,000 T1 accounts in this dataset are provided by

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[49] BM Technologies, Inc. (BMTX), *Q4 2021 Results – Earnings Call Transcript*, (Apr. 4, 2022), (accessed Aug. 15, 2022), https://seekingalpha.com/article/4499649-bm-technologies-inc-bmtx-ceo-luvleen-sidhu-on-q4-2021-results-earnings-call-transcript?utm_source=dowjonesnewswire.com&utm_medium=referral.

[50] For several partnerships advertised on university websites and disclosed in prior years, the CFPB was unable to locate the requisite disclosures. *See, e.g.,* The University of Iowa and Hills Bank & Trust Company, *IMU Services: Hills Bank Webpage*, (accessed August 17, 2022), https://imu.uiowa.edu/services/bank/. Webpage states that "As the only bank on campus, Hills Bank is proud to provide financial services to UI students" and advertises free checking and convenient bank locations.

[51] *See* section 2.2 for a detailed discussion of the required data disclosures, the methodology used in this report, and the associated limitations.

[52] Companies identified in a 2016 CFPB analysis that were not represented in current disclosures for the 2020-2021 Award Year include Heartland ECSI (Educational Computer Systems, Inc.), Tuition Management Systems, Blackboard, Hills Bank & Trust Company, Fifth Third Bank, Student Federal

BM Technologies, Inc. (also known as BankMobile and BMTX) and these accounts have substantively similar features, terms, and conditions.[53] Herring Bank (alongside its affiliate, Financial Payments, LP) also provides T1 accounts to over 10,000 students. The remaining accounts are "Tier Two," or T2, and are offered by PNC Bank, Huntington Bank, MidFirst Bank, Wells Fargo, U.S. Bank, Wright-Patt Credit Union, Bank of the West, the University of Kentucky Federal Credit Union, and the University of Pennsylvania Student Federal Credit Union.

Credit Union, TCF National Bank, University of Kentucky Federal Credit Union, and Financial Payments, LP. Some of these companies (e.g. Hills Bank & Trust Company and Kentucky Federal Credit Union) appear to have active partnerships but no current cash management disclosures were found on partner institution websites and some appear to be doing business under new company names, such as Financial Payments, LP, which is affiliated with Herring Bank (*See* https://www.herringbank.com/privacy-policy/). Others, such as Tuition Management Systems, LLC, were acquired by other companies since the last analysis; Tuition Management Systems, LLC, was acquired by Nelnet in 2018 and some partnerships were transferred to Nelnet Campus Commerce. (*See* Nelnet, *Nelnet Business Solutions Acquires Tuition Management Systems*, (Nov. 26, 2018), https://www.prnewswire.com/news-releases/nelnet-business-solutions-acquires-tuition-management-systems-300755350.html). Nelnet Campus Commerce processes disbursements on behalf of colleges but does not appear to offer accounts directly to students and is thus not included in this review. At the time of this analysis, there was insufficient information to categorize certain providers as either T1 or T2 providers and thus, in cases where no cash management disclosures were found, these providers were excluded from analysis.

[53] The names BM Technologies, Inc.; BankMobile; and BMTX are used interchangeably throughout this document to refer to the company publicly traded as BMTX and doing business as BM Technologies, Inc.

TABLE 2: COLLEGE AGREEMENTS (T1 & T2) IN EFFECT IN AWARD YEAR 2020-2021, BY ISSUER[54]

Account type	Issuer	Total active accounts	Total number of partnerships
T1	BankMobile	463,083	363
T1	Herring Bank	10,429	10
	Tier One Total	**473,512**	**373**
T2	PNC Bank	62,109	37
T2	Huntington Bank	49,556	2
T2	MidFirst Bank	35,393	2
T2	Wells Fargo	21,270	14
T2	U.S. Bank	16,865	31
T2	Wright-Patt Credit Union	4,324	1
T2	Bank of the West	3,023	1
T2	University of Kentucky Federal Credit Union	2,443	1
T2	University of Pennsylvania Student Federal Credit Union	368	1
	Tier Two Total	**195,351**	**89**
	Total	**668,863**	**462**

More than 463,000 of those accounts are provided by BM Technologies, Inc. (also known as BankMobile and BMTX) and these accounts have substantively similar features, terms, and conditions.[55] Overall, accounts in the "Tier One," or T1, category represent more than two in three (71 percent) active accounts. BankMobile is currently the largest provider of Title IV funds disbursement services under T1 arrangements with IHEs, with approximately 750 university partners and over $13 billion in disbursements in 2021.[56] BankMobile began as a subsidiary of

54 CFPB review of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021. See methodology section for more information and Appendix C for an example of a cash management disclosure.

55 The names BM Technologies, Inc.; BankMobile; and BMTX are used interchangeably throughout this document to refer to the company publicly traded as BMTX and doing business as BM Technologies, Inc.

56 BankMobile went public in early 2021 and has announced plans to merge with First Sound Bank and move all deposits out of Customers' Bank by December 31, 2022. *See* BM Technologies, *Q4 2021 – Investor Presentation* (Apr. 2022), https://s27.q4cdn.com/696120466/files/doc_financials/2021/q4/BMTX-IR-Deck-4Q-2021-2022.03.29-v.Final.pdf. BankMobile states that it has the "ability to create 'customers for life' through selling additional financial services products as students graduate." *See, e.g.* BankMobile, *Q4 2020 Investor*

Customers' Bank in 2015 and acquired former-T1 services provider Higher One in 2016. By 2021, the company estimated that it had access to one in three college students in the U.S. through its campus partnerships.[57] Herring Bank (alongside its affiliate, Financial Payments, LP) also provides T1 accounts to over 10,000 students.

Of the 462 partnerships between IHEs and financial service providers, 360 (or 78 percent) were with public institutions of higher education, 84 (or 18 percent) were with private non-profit institutions, and the remaining 18 (or 4 percent) were with for-profit institutions, roughly mirroring the share of students by institution type.[58] At public institutions, an average of 20 percent of students have accounts that are provided through college banking partnerships; at private non-profit institutions, an average of 38 percent of students have accounts; and 40 percent of students have accounts, on average, at for-profit institutions.[59] See Appendix D for a list of the largest college banking partnerships by account volume.

2.3.2 Financial Compensation in College Banking Partnerships

In T1 arrangements, institutions typically pay the provider for the service of processing federal financial aid disbursements.[60] In total, IHEs paid over $4 million to BankMobile and Herring Bank, the two T1 providers in the dataset, in Award Year 2020-2021. On average, IHEs pay T1

Presentation (Mar. 2021), https://s27.q4cdn.com/696120466/files/doc_presentations/BMTX-IR-Deck-4Q20.pdf. BankMobile also states that a "significant component of our growth strategy is dependent on our ability to have students of our higher education institution clients…select our services and become long-term users of our products." *See* BM Technologies, *2020 10-K Filing*, https://ir.bmtxinc.com/financials/sec-filings/default.aspx.

57 *See* BankMobile, *Q4 2020 Investor Presentation*, (Mar. 2021), https://s27.q4cdn.com/696120466/files/doc_presentations/BMTX-IR-Deck-4Q20.pdf.

58 These proportions align with the proportion of students by institution type. College Scorecard data reports that public IHEs account for 74 percent of students, private non-profit IHEs account for 19 percent, and private for-profit IHEs for 7 percent. *See* section 2.2 for a more detailed discussion of data collection and sources.

59 Share of accounts field is calculated by dividing the number of total active accounts reported in the institution's cash management disclosure with the total undergraduate enrollment reported in the same year in College Scorecard. *See* section 2.2 for a more detailed discussion of data collection and sources.

60 The CFPB also observed that, in a small number of cases, T1 providers paid their IHE partners. This was the case at one IHE with three campuses included in this review – the University of Houston, the University of Houston – Downtown, and the University of Houston – Clear Lake.

providers $11,440 per year, or $1.66 per student, for processing disbursements and providing students with a banking option.

Payment amounts vary widely among institutions and total annual amounts are based on a variety of fees paid directly by the IHEs to the financial service providers.[61] For example, CFPB analysis reveals that the average amount paid by HBCUs to T1 providers per student was $3.65 in 2020-2021, a rate more than two times the average across all institution types.[62] Common fees charged to IHEs include subscription fees for service, monthly account maintenance fees, fees per disbursement (with differing amounts based on the method of delivery), and optional hourly charges for additional services.

- **Subscription fees**: These fees vary by institution and the CFPB found examples of annual fees as low as $2,500 and as high as $50,000.[63]
- **Monthly account maintenance fees**: This charge, often expressed in Tier One contracts as a $1 fee "per month per user," is sometimes charged to institutions even when a monthly service fee is also charged directly to accountholders. Some contracts include language allowing for per-account or flat fees for account maintenance "to the

[61] To calculate the average payment from IHEs to T1 providers, the CFPB took the average of reported IHE total compensation paid to the issuer (as reported in 2020-2021 cash management disclosures). To calculate the costs on a per student basis, the CFPB divided the total amount paid by IHEs to T1 providers ($3,986,126 as reported by 345 IHEs included in the per-student analysis) by the total enrollment at the same institutions (2,394,581 as reported in College Scorecard data in the same year) to arrive at an average of $1.66 per IHE. For the per-student calculations, IHEs reporting account totals that exceeded 100% of enrollment were removed. Additionally, Trident University International, McCann School of Business & Technology, and Thomas Jefferson School of Law were excluded from this analysis because their enrollment totals were not reported in College Scorecard. See section 2.2 for a more detailed discussion of data sources and Appendix C for an example of a cash management disclosure.

[62] *See supra* note 61. To identify the HBCUs in the dataset, the CFPB used College Scorecard. For this analysis, IHEs reporting account totals that exceeded 100% of enrollment were removed. To calculate the costs on a per student basis, the CFPB divided the total amount paid by HBCUs to T1 providers ($196,813 as reported by 20 IHEs included in this analysis) by the total enrollment at the same institutions (53,909 as reported in College Scorecard data in the same year) to arrive at an average of $3.65 per HBCU. See section 2.2 for a more detailed discussion of data sources and Appendix C for an example of a cash management disclosure.

[63] *See, e.g.* Higher One, *Contract with Grays Harbor College*, (Jul. 27, 2012), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/4xvy6kx2i097dhe1ie15. This contract is now assigned to BankMobile; *See, e.g.* BankMobile, *Contract with Valencia College*, (May 14, 2018), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/g40b5b45r27deyafdfin. This contract specifies that Valencia College will pay BankMobile an annual subscription fee of $50,000.

extent that the institution processes less than 90 percent of all Title IV, HEA Program Student Disbursements" through the partnership.[64]

- **Per disbursement fees**: Some contracts specify that disbursements are included in the overall subscription fee.[65] Others specify that the institution will pay a certain amount per paper check (e.g., $2.50) or electronic disbursement (e.g., $0.15).[66]

In Tier Two arrangements, financial institutions often pay IHEs for direct access to the student body, including both one-time payments and annual payments. In the CFPB's sample, almost one in three (30 percent) accounts were subject to arrangements in which the financial services provider made payments to the partner IHE.[67] Partnerships between IHEs and financial services providers are typically lucrative for issuers due to the possibility that students will remain with these providers after they leave campus. Once a student enters into a relationship with a financial institution, they are more likely to be exposed to other products offered by that institution, creating more opportunities for profit over time.

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[64] *See, e.g.* Higher One, *Contract with American Public University System*, (Mar. 31, 2012), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/qwa9epiwyz82vs5ff48z. Contract specifies that Higher One reserves the right for the provider to charge a $100,000 annual flat fee for card maintenance "to the extent that the institution processes less than 90 percent of all Title IV, HEA Program Student Disbursements" through the partnership. The contract is now assigned to BankMobile; *See, e.g.* Customers' Bank, *Contract with Bryant & Stratton College*, (Dec. 1, 2016), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/8edm9s91gaaikh4jces9. Contract reserves the right for the financial services provider to charge the institution an account maintenance fee of $1 per month per user. Contract is now assigned to BankMobile.

[65] *See, e.g.* Higher One, *Contract with Grays Harbor College*, (Jul. 27, 2012), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/4xvy6kx2i097dhe1ie15. Contract specifies that the subscription fee shall include all disbursements. This contract is now assigned to BankMobile.

[66] *See, e.g.* BankMobile, *Contract with Kentucky Community & Technical College System*, (Apr. 8, 2020), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/hzvsuzfm0xney450bfit. Contract specifies that the institution will be charged $0 per electronic disbursement and $2.50 per paper check disbursement in addition to an annual subscription fee of $45,000; *See, e.g.* Higher One, Contract with Austin Community College, (Jul. 1, 2016), (accessed Aug. 17, 2022), https://www.vibeaccount.com/swc/doc/landing/bd4gq30xie1008u6vf1g. Contract specifies that the institution will be charged $0.15 per electronic disbursement and $1.50 per check disbursement in addition to an annual fee of $25,000. The contract is now assigned to BankMobile.

[67] In the CFPB's sample, 200,634 student accountholders were subject to such arrangements. This includes the 195,351 accounts under Tier Two arrangements (less the 368 accounts at the University of Pennsylvania Student Federal Credit Union due to the lack of monetary consideration between the parties in that arrangement according to the 2020-2021 Award Year cash management disclosure) and the 5,651 accounts held by student accountholders affiliated with the University of Houston, the University of Houston – Downtown, and the University of Houston – Clear Lake (due to the monetary consideration BankMobile provides to the University of Houston according to the 2020-2021 Award Year cash management disclosures).

Payments from issuers to IHEs are often made on an annual basis, and many partnerships also include signing bonuses at the time of the initial contract agreement.[68] In 2021, issuers paid partner entities a combined total of over $18.5 million. One-time payments are not reflected in the annualized financial compensation disclosures and payments are only reported for the relevant Award Year, obscuring the total value of the partnership to the IHE (see Appendix E).

While the combined total of all annual payments to partner entities from issuers in 2021 was over $18.5 million, payment amounts vary by partnership. The top partnerships by annual payment size include several large public flagship universities and statewide systems (Table 3).

[68] *See* Appendix E for more information and additional analysis of one-time payments paid by financial service providers to IHEs.

TABLE 3: TOTAL ANNUAL MONETARY CONSIDERATION FROM ISSUER TO INSTITUTION IN TIER TWO PARTNERSHIPS, TOP TEN[69]

Institution	Issuer(s)	Payment from issuer to institution	Share of students with accounts[70]
Arizona State University	MidFirst Bank	$2,802,694	46%
University of California – Berkeley	Bank of the West	$1,827,000	10%
University of Minnesota - Twin Cities	Huntington Bank	$1,415,417	103.5%[71]
University of Illinois System[72]	PNC Bank	$936,000	10%
University of Kentucky	PNC Bank & University of Kentucky Federal Credit Union	$915,702[73]	19%[74]
University of Michigan - Ann Arbor	PNC Bank	$900,000	12%
The Pennsylvania State University	PNC Bank	$890,000	12%
University of Pennsylvania	PNC Bank	$800,000	88%
University of Pittsburgh	PNC Bank	$550,000	17%
Carnegie Mellon University	PNC Bank	$525,000	45%
Average at Other T2 IHEs	-	$100,583	10%
Average at All T2 IHEs	**-**	**$222,816**	**15%**

69 CFPB analysis of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. *See* section 2.2 for more information and Appendix C for an example of a cash management disclosure.

70 Share of accounts field is calculated by dividing the number of total active accounts reported in the institution's cash management disclosure with the total undergraduate enrollment reported in the same year in College Scorecard. *See* section 2.2 for more information.

71 The share of accounts may be over 100 percent due to a reporting error or for reasons such as inclusion of graduate, non-enrolled, or graduated students in the total or because some students have more than one account. *See* section 2.2 for more information.

72 The University of Illinois System has one system-wide contract with PNC Bank. *See* PNC Bank and The Board of Trustees of the University of Illinois, *University Banking Services Agreement*, (Aug. 1, 2015), (accessed Aug. 17, 2022), https://www.treasury.uillinois.edu/UserFiles/Servers/Server_338/File/icardPrograms/StudentBankingServicesAgreement.pdf.

73 The University of Kentucky received $450,000 in Award Year 2020-2021 from PNC Bank and $465,702 in the same year from the University of Kentucky Federal Credit Union (UKFCU).

74 In total, 19 percent of students had an account through these partnerships, with 8 percent of students banking with PNC and 11 percent banking with the UKFCU in Award Year 2020-2021.

Some contracts include revenue-sharing agreements, or incentives, to schools based on the number of new accounts opened each year. In some cases, banks provide a certain bonus per account opened and, in other cases, banks provide royalties after a certain threshold has been met.[75] For example, the contract between PNC Bank and the University of Illinois System provides that the university will receive $200 per account after a certain number of students open accounts, and $250 per account after another, higher, threshold is met.[76]

2.3.3 Fees

Because these accounts, particularly those associated with T1 arrangements, are offered in the context of Title IV disbursements, the students who are the most likely to open new accounts are those who receive Title IV funds. Students use Title IV funds, such as federal student loan disbursements and Pell Grants, for cost of attendance expenses (such as tuition, books, transportation, and living costs) while in school. In short, the funds disbursed into T1 accounts are likely to be used for students' basic needs.

The Department of Education stated that its intent with the cash management regulations was, in part, to ensure the students "do not incur unreasonable and uncommon financial account fees."[77] However, financial institutions and their partner schools often offer and promote student accounts that come with fees that could be avoided if students banked with other providers or opened other types of accounts.[78] In at least one case, students are also subject to

[75] *See, e.g.* PNC Bank and Northern Kentucky University, *University Banking Services Agreement*, (Sep. 1, 2020), (accessed Aug. 17, 2022), https://inside.nku.edu/content/dam/allcard/Docs/PNC-Northern%20Kentucky%20University%20UBSA%20Execution%20Copy%20August%2026%20Banking%20Services%20-%20signed.pdf; *See also* PNC Bank and Gettysburg College, *College Banking Services Agreement*, (Jan. 1, 2016), (accessed Aug. 17, 2022), https://www.gettysburg.edu/offices/financial-services/docs/pnc-university-banking-agreement.pdf.

[76] *See supra* note 72.

[77] *See* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii); U.S. Dep't of Education, *Program Integrity and Improvement* (final rule), 80 Fed. Reg. 67126, 67126 (Oct. 30, 2015), https://www.federalregister.gov/documents/2015/10/30/2015-27145/program-integrity-and-improvement. *See also supra* note 32 regarding which schools with T2 arrangements are not required to meet this requirement under 34 C.F.R. § 668.164(f)(2).

[78] The CFPB's review did identify at least four partnerships that include contract terms prohibiting certain fee types, including college agreements with PNC (including, but not limited to, agreements with Youngtown State University and Georgetown University), Wells Fargo (including, but not limited to, agreements with the University of North Carolina at Chapel Hill), and U.S. Bank (including, but not limited to, Minnesota State University Moorhead).

direct marketing offering them accounts that are more expensive than comparable accounts at the same financial institution.[79]

Fees on student accounts identified in the CFPB's review include monthly fees, overdraft fees, inactivity fees, and out-of-network ATM fees. For instance, hundreds of thousands of students opening accounts to receive their student financial aid disbursements are subject to monthly service fees on accounts with less than $300 in qualifying deposits per month, but their Title IV disbursements do not count as qualifying deposits.[80] Other financial service providers charge students up to $36 for an overdraft, up to $25 per month after 12 months of inactivity, and out-of-network ATM fees of up to $3.50.

These fees can impact the financial health of students. In comments submitted to the CFPB in 2022 in response to a request for information on "junk fees," consumers wrote about the difficulties they faced with the deposit accounts that they had while in college—which may have been general-purpose or college-sponsored accounts—and specifically wrote about their experiences with overdraft fees.[81] Current and former students reported being charged overdraft fees when their bank account went negative by "less than a dollar," when their accounts went negative due to other fee charges, or in cases where banks processed bills prior to paychecks, thus triggering overdraft fees. These experiences can exacerbate the financial situation of any consumer but can be particularly harmful for consumers who live paycheck-to-paycheck and students who may receive only one financial aid disbursement per semester. Commenters mentioned that they had to fast for two days, live for a week "off a 10lb bag of pancake mix from the local food bank," use candles to reduce electricity costs, forego textbooks and gas due to fees charged on their accounts. In one case, a commenter even mentioned that overdraft fees led to a situation where they did not graduate. Commenters also mentioned that the COVID-19 pandemic and the resulting financial uncertainty led to higher fees on their accounts.

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79 *See, e.g.,* BankMobile Vibe Checking Account, marketed directly to students when they visit the "Refund Choices" webpage hosted by BankMobile, includes a monthly fee of $2.99 under certain conditions, while a comparable account, the BankMobile Vibe UP Checking Account, does not include a monthly fee. See also BMTX, Inc., *BankMobile Vibe and Vibe UP Checking Account Fee Schedule and Interest Rate Information Webpages*, (accessed Sep. 28, 2022), https://www.vibeaccount.com/main/feeschedules.do.

80 BMTX, Inc., *BankMobile Vibe Checking Account Fee Schedule and Interest Rate Information Webpage*, (accessed Sep. 28, 2022), https://www.vibeaccount.com/main/feeschedules.do.

81 Consumer Financial Protection Bureau, *Comments Submitted in Response to Request for Information Regarding Fees Imposed by Providers of Consumer Financial Products or Services* (Jan. 26, 2022), https://files.consumerfinance.gov/f/documents/cfpb_fees-imposed-by-providers-of-consumer-financial-products-services_rfi_2022-01.pdf. *See also* 87 FR 5801 (Feb. 2, 2022).

This section presents an analysis of annual average total costs incurred and a detailed analysis of specific fee types including overdraft and monthly service fees.[82] See Appendix F for additional analysis of dormant account and out-of-network ATM fees.

AVERAGE TOTAL ANNUAL COSTS INCURRED

Our review found that collectively, over 668,000 students paid almost $15.5 million in account costs in Award Year 2020-2021 on their accounts, an average of $25.97 per accountholder (Table 4). U.S. Bank has the highest average annual costs per accountholder ($40.90) followed by BankMobile ($27.31).

[82] Several providers included in this review offer lower fees to students but remove those benefits once an accountholder is no longer enrolled at the school. For instance, Herring Bank's fee schedule indicates that additional fees are charged when a student accountholder is no longer enrolled, including a higher overdraft fee. *See* Herring Bank. *Fee Schedule for College Green Checking Account.* https://www.collegegreen.net/FTP/ALL/Disclosure.pdf, (accessed Jul. 15, 2022).

TABLE 4: AVERAGE AND TOTAL ANNUAL COSTS INCURRED BY ACCOUNTHOLDERS, BY ISSUER[83]

Issuer[84]	Average annual costs incurred by accountholders	Total active accounts	Total annual costs incurred by accountholders[85]
U.S. Bank	$40.90	16,865	$689,779
BankMobile	$27.31	463,083	$12,648,067
Bank of the West	$22.68	3,023	$68,562
University of Kentucky Federal Credit Union	$20.28	2,443	$49,544
Wells Fargo	$18.22	21,270	$387,585
MidFirst Bank	$16.75	35,393	$592,833
PNC Bank	$12.53	62,109	$778,478
Wright-Patt Credit Union	$10.88	4,324	$47,045
University of Pennsylvania Student Federal Credit Union	$7.00	368	$2,576
Herring Bank	$4.01	10,429	$41,779
Huntington Bank	$3.18	49,556	$157,588
Total	$25.97	668,863	$15,463,834

At the institutional level, average costs per accountholder ranged from $0 to $91. The institutions with the highest average annual costs are provided in Table 5.

83 CFPB analysis of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. See methodology section for details and Appendix C for an example of a cash management disclosure.

84 CFPB review indicated that most account providers offered the same account terms and conditions between college partners. However, certain account terms can sometimes be different if certain terms are required by state law or negotiated by the IHE. *See* Section 2.3.2 for more detail on differences in contracts with the same financial services provider.

85 Total annual fees incurred by accountholders is equal to average account costs incurred times the number of total active accounts.

TABLE 5: TOP INSTITUTIONS BY AVERAGE ACCOUNT COSTS, 2020-2021[86]

	Institution Name	Bank Name	Annual mean account costs incurred	Annual median account costs incurred
1	Minnesota State University Moorhead	U.S. Bank	$91.00	$2.00
2	Austin Peay State University	U.S. Bank	$64.00	$7.00
3	Missouri Western State University	U.S. Bank	$64.00	$8.00
4	St. Cloud Technical and Community College	U.S. Bank	$64.00	$3.00
5	Milwaukee Area Technical College	U.S. Bank	$62.00	$7.00
6	Metropolitan College of New York	BankMobile	$61.37	$32.35
7	Southwest Minnesota State University	U.S. Bank	$51.00	$10.00
8	Fond du Lac Tribal and Community College	BankMobile	$49.44	$26.96
9	Chicago State University	BankMobile	$46.40	$27.79
10	Thomas Jefferson School of Law[87]	BankMobile	$46.35	$23.92
	All Other Institutions	-	$25.74	$15.32
	Total	-	**$26.41**	**$15.30**

Additionally, accountholders attending for-profit IHEs with college banking partnerships tend to pay higher costs annually ($32.23 on average per accountholder) compared to their peers at other types of IHEs (Table 6). Additionally, accountholders attending Historically Black Colleges and Universities (HBCUs) pay $28.24 on average and those attending Hispanic-Serving Institutions (HSIs) pay $26.85 on average, amounts that are higher than the amounts that their peers at other public and non-profit institutions pay on average.

[86] CFPB analysis of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. *See* section 2.2 for details and Appendix C for an example of a cash management disclosure.

[87] Thomas Jefferson School of Law is not included in the "College Scorecard" database provided by the Department of Education. The IHE's website states that it is a private non-profit institution. *See* Thomas Jefferson School of Law, *Homepage*, (accessed Aug. 17, 2022), https://www.tjsl.edu/.

TABLE 6: AVERAGE AND MEDIAN ANNUAL COSTS, BY INSTITUTION TYPE[88]

Institution Type	Total active accounts	Average annual costs incurred by accountholders	Median annual costs incurred by accountholders
Public	535,401	$26.05	$14.93
Private Non-Profit	90,450	$24.46	$13.38
For-Profit	43,012	$32.23	$18.45
Total	**672,535**	**$26.21**	**$15.42**

OVERDRAFT FEES, NSF FEES, AND RELATED PRACTICES

An overdraft fee can occur when users of checking accounts don't have enough money in their account to cover a transaction, but the financial institution pays the transaction anyway. Rather than declining the transaction, financial institutions that impose overdraft fees pay the transaction and charge a fee (in addition to requiring repayment of the overdrawn transaction amount). A non-sufficient funds (NSF) fee can occur when a financial institution returns a check or electronic payment unpaid after determining that the consumer's account lacks sufficient funds. Table 7 provides an overview of overdraft fees and related policies at financial institutions offering accounts to students. Overdraft fees found in this review ranged from $9 to $36 per transaction. College account providers also charge NSF fees ranging from $9 to $35 per transaction.[89] Under some agreements, financial institutions can charge students up to $175 in overdraft and NSF fees per day.

The Department of Education has noted that overdraft fees "present the potential for significant costs and harm to students"[90] and ED's cash management regulations specify that overdraft fees cannot be charged on accounts offered through Tier One arrangements.[91] In addition, IHEs are required to ensure that the terms of both Tier One and Tier Two products are consistent with

[88] CFPB analysis of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. See methodology section for details and Appendix C for an example of a cash management disclosure.

[89] Some institutions state that they charge "paid" NSF fees. The CFPB defines "paid NSF" fees as overdraft fees in this analysis.

[90] *See* U.S. Department of Education, *Proposed Rule: Program Integrity and Improvement* (May 2015), https://www.federalregister.gov/documents/2015/05/18/2015-11917/program-integrity-and-improvement. For all T1 arrangement contracts with third-party servicers, the Department of Education requires colleges to explicitly prohibit overdraft fees and include certain other consumer protections. *See* 34 C.F.R. § 668.164(e).

[91] 34 C.F.R. § 668.164(e)(2)(v).

students' "best financial interests."[92] One consideration under this standard is whether any fees imposed are "consistent with or below prevailing market rates."[93]

Recent changes in bank overdraft and related practices may warrant renewed due diligence to ensure that the fees associated with student banking products are consistent with or below prevailing market rates. For example, among the largest banks in the country comprising a substantial market share, there has been a notable trend of announcing changes to overdraft programs. These changes include eliminating overdraft fees altogether, reducing the size of overdraft fees, reducing the number of overdraft and/or NSF fees that can be charged each day, providing or increasing the amount an account can go negative before charging an overdraft fee, providing a grace period for the consumer to bring the account back to positive before a fee is charged, and eliminating "sustained" overdraft fees that have been charged when an account remains negative for a certain period of time.[94] In addition, a majority of the largest banks have eliminated NSF fees entirely, such that charging NSF fees may no longer be considered consistent with prevailing market rates.[95]

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92 34 C.F.R. § 668.164(e)(2)(ix) and (f)(4)(viii).

93 34 C.F.R. § 668.164(e)(2)(ix)(A) and (f)(4)(viii)(A).

94 Borné, R. & Zirkle, A., "Comparing overdraft fees and policies across banks," *Consumer Financial Protection Bureau*, (Feb. 10 2022), https://files.consumerfinance.gov/f/documents/cfpb_overdraft-chart_2022-07.pdf, (accessed Oct. 3, 2022); See also Nagypál, É., "Banks' overdraft/NSF revenues evolve along with their policies," *Consumer Financial Protection Bureau,* (Jul. 20, 2022), https://www.consumerfinance.gov/about-us/blog/banks-overdraft-nsf-fee-revenues-evolve-along-with-their-policies/, (accessed Sep. 19, 2022).

95 Nagypál 2022; See also Borné, R. & Vasan, A. "Consumers on course to save $1 billion in NSF fees annually, but some banks continue to charge these fees," (Apr. 13, 2022), https://www.consumerfinance.gov/about-us/blog/consumers-on-course-to-save-one-billion-in-nsf-fees-annually-but-some-banks-continue-to-charge-them/, (accessed Sep. 19, 2022).

TABLE 7: STUDENT CHECKING OVERDRAFT AND NON-SUFFICIENT FUNDS (NSF) FEES[96]

Financial Institution	Overdraft Fee	NSF Fee	Daily limit on number of combined overdraft/NSF fees	Cushion before overdraft fee is charged[97]	Extended grace period
U.S. Bank	$36	None	4 ($144)	$50	Next day
PNC Bank	$36	None	1 ($36)	$5	Next day
MidFirst Bank	$35	$35	5 ($175)	$5	None
Wells Fargo	$35	None	3 ($105)	$5	Next day
Bank of the West	$35	$35	5 ($175)	$5	None
University of Kentucky Federal Credit Union	$29	$29	None[98]	None	None
Huntington Bank	$15	$15	4 ($60)	$50	Next day
Herring Bank[T1]	$15[99]	$15	None	None	None
University of Pennsylvania Student Federal Credit Union	$10[100]	$10	None	None	None
Wright-Patt Credit Union	$9	$9	None	None	None
BankMobile[T1]	None[101]	None	N/A	N/A	N/A

[T1] Tier One account provider

[96] Data is per review of account agreements and other publicly available information as of July 8, 2022. In cases where financial institutions offer special accounts for students, rates for those student-specific accounts are reflected in the table. In cases where a bank has announced but not yet implemented changes to their programs, the table reflects the announced change. Extended overdraft fees (levied after accounts remain overdrawn after a certain number of days) are not reflected in the table.

[97] Banks reflected here may vary as to whether they apply de minimis buffers of up to $5 based on the size of the transaction, the size of the negative balance, or both. If a bank has a negative balance cushion that exceeds a de minimis transaction amount, the table reflects only the negative balance cushion.

[98] University of Kentucky Federal Credit Union disclosed a monthly limit of 30 fees ($870).

[99] The Herring Bank fee schedule states that this fee "may be imposed on check transactions or ACH drafts only." *See* Herring Bank, *Fee Schedule for College Green Checking Account*, https://www.collegegreen.net/FTP/ALL/Disclosure.pdf. Accessed July 15, 2022. ED cash management regulations specify that no overdraft fees may be charged to a student under T1 arrangements, regardless of the type of transaction that is paid against insufficient funds.

[100] University of Pennsylvania Student Federal Credit Union also disclosed a negative balance fee of $20 per week.

[101] BankMobile does not disclose charging overdraft fees. ED cash management regulations explicitly prohibit such fees for T1 accounts.

MONTHLY SERVICE FEES

The CFPB's review also found that accounts held by hundreds of thousands of students commonly include monthly fees that can be difficult to avoid. In one case, an account held by hundreds of thousands of student accountholders required qualifying deposits totaling $300 or more per statement cycle to avoid a monthly fee. However, in that instance, Title IV disbursements are not included as qualifying deposits (Figure 1). According to the most recent available data, the median income for full-time dependent students was just over $1,800, or around $150 per month before taxes, making it highly probable that many students would have difficulty reaching the $300 deposit threshold without counting their federal student aid.[102] In addition to charging students monthly service fees, the same provider also charges some T1 schools a $1 monthly fee paid per student account if schools don't meet certain conditions.[103]

FIGURE 1: BANKMOBILE MONTHLY SERVICE FEE QUALIFYING DEPOSITS DEFINITION[104]

$2.99 **$0** by having Qualifying Deposits totaling ***$300*** or more per statement cycle	You may avoid this fee by having a qualifying deposit of ***$300*** or more in a given statement cycle. Qualifying Deposits include direct deposit, transfers from external bank accounts, check deposits, point-of-sale deposits and cash deposits such as those made via Green Dot® Reload @ the Register™ and Rapid Reload™. Financial aid refunds or other refunds issued by your school, interest earned on your account, promotional credits such as cash back rewards, internal account transfers, fee waivers, fee credits, returned items, or dispute credits are not eligible toward the $300 in total deposits. The monthly service fee will only reduce an account to a zero balance, which may result in customers being charged less than $2.99 per statement cycle. The monthly service fee will not be assessed to accounts affiliated with our partner schools located in the state of Washington or those affiliated with South Carolina Technical College System.

While Title IV funds appear to be delivered to students without fees, students who chose to open a BankMobile Vibe Checking account could incur fees after funds have been deposited if they are

[102] Department of Education, National Center for Education Statistics. 2016 National Postsecondary Student Aid Study (NPSAS).

[103] *See, e.g.,* BankMobile and the Academy of Art University, *Master Services Agreement*, https://www.vibeaccount.com/swc/doc/landing/m2r0wrmax0bbdtislq4m. BankMobile reserves the right to charge the Academy of Art University an account maintenance fee of $1 per month per user, should the schools process less than 90 percent of all disbursements through BankMobile in any given semester.

[104] *See* BankMobile Vibe Checking Account Fee Schedule. https://www.vibeaccount.com/main/feeschedules.do. Accessed August 1, 2022.

subject to a monthly fee.[105] In these cases, the fees appear to be higher than those of other checking accounts, including those offered to students in T1 partnerships, and are even higher than a comparable BankMobile account.[106]

According to BankMobile's fee schedule, certain accounts will not be assessed monthly fees, including accounts affiliated with the South Carolina Technical College System (Figure 1).[107] In this case, this fee waiver appears to be a result of an initial solicitation that was circulated by the South Carolina Technical College System, which specified that the system was looking for a financial service provider to provide students with their disbursements without charging a monthly fee.[108]

2.3.4 Findings Related to Cash Management Regulations

The following analysis offers a series of observations based on the CFPB's review of partnership agreements and other public disclosures related to college banking options.[109] The observations concern the overall availability of public disclosures, student choice provisions, and the contract review standards outlined in the cash management regulations. Given limitations arising from the lack of required disclosures, the observations that follow do not necessarily suggest the prevalence of the issues described as they relate to the entire market for college-sponsored

[105] This practice is similar to those identified as problematic in a 2014 Inspector General report. U.S. Department of Education, Office of Inspector General. March 2014. *Third-Party Servicer Use of Debit Cards to Deliver Title IV Funds*." https://www2.ed.gov/about/offices/list/oig/auditreports/fy2014/x09n0003.pdf, at 5.

[106] The BankMobile Vibe Checking Account, marketed directly to students when they visit the "Refund Choices" webpage hosted by BankMobile, includes a monthly fee of $2.99, while a comparable account, the BankMobile Vibe UP Checking Account, does not include a monthly fee.

[107] BankMobile Vibe Checking Account fee schedule states that the "monthly service fee will not be assessed to accounts affiliated with our partner schools located in the state of Washington or those affiliated with South Carolina Technical College System." https://www.vibeaccount.com/main/feeschedules.do.

[108] *See, e.g.* South Carolina State Board for Technical & Comprehensive Education, *Solicitation and Request for Proposal: Student Refund Management and Card Service*, (Jan. 26, 2018), https://www.vibeaccount.com/swc/doc/landing/h3urj0xf2sk0jlbtecaa, (accessed Sep. 19, 2022). Students in the state of Washington also appear to be exempted from BankMobile's monthly service fee based on BankMobile's fee schedule, but the CFPB's review did not identify a specific provision to this effect in the T1 agreements with BankMobile disclosed by the relevant IHEs.

[109] The CFPB has attempted to discern, on the basis of publicly available information and its understanding of the cash management regulations, the appropriate categorization for each institution. These assessments are solely for the purpose of the discussions in this report and do not reflect any legal conclusions on the part of the CFPB or the Department of Education. *See* section 2.2 for more information.

accounts but may offer additional context and illustrate how specific contract provisions or statements to students can affect students' personal finances.[110]

PUBLIC DISCLOSURE PROVISIONS

Many IHEs do not appear to prominently post the requisite disclosures on their websites, potentially making it difficult for students to assess their banking options and for regulators to assess consumer risk. ED regulations known as the "cash management" rules generally require IHEs to publicly and conspicuously disclose information such as the agreements they have with financial service providers and annual account cost and scope metrics on the IHEs' websites.[111] The CFPB estimates that hundreds of IHEs are not fulfilling disclosure requirements and others post information in ways that may not be easily understandable for many students.[112]

Even in cases where IHEs post some or all of the required information, it might still be difficult for students and others to locate the disclosures. IHEs use different terms to describe the requisite disclosures such as "monetary consideration,"[113] "banking relationship disclosures,"[114] "third-party servicer contract for refund management,"[115] and "important legal disclosures and

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[110] This report cites to individual agreements at specific colleges for illustrative purposes only. Reference to an individual agreement is not intended to suggest that the relative risks or benefits of a contract feature, term, or condition are necessarily unique to the cited agreement or college. Citations to specific agreements in this report should not be interpreted as an assessment by the CFPB of compliance by either party with any federal consumer financial law or regulation, the Higher Education Act, or any other federal or state law.

[111] 34 C.F.R. §§ 668.164(e)(vi)-(vii), (f)(iii)-(iv). The Department has also provided guidance that the information must be posted "prominently on the same website where the institution posts its full contract with a financial service provider." *See* U.S. Dep't of Educ., *Institutional Reporting of Fee Information under the New Cash Management Regulations (DCL ID: GEN-16-16)* (Sept. 7, 2016), https://fsapartners.ed.gov/sites/default/files/attachments/2021-03/GEN1616.pdf. IHEs with arrangements known as Tier 2 (or T2) arrangements are required to meet all of the disclosure requirements if certain thresholds apply. *See* 34 C.F.R. § 668.164(f)(2).

[112] *See* section 2.2 for more methodological information.

[113] *See, e.g.,* Northwestern State University, *BOM Banking Services Contract & One Card ID Co-Branding Information Webpage*, https://www.nsula.edu/banking/, (accessed Sep. 19, 2022).

[114] *See, e.g.,* University of Pennsylvania, *PennCard Webpage*, https://penncard.business-services.upenn.edu/banking, (accessed Sep. 19, 2022).

[115] *See, e.g.,* Arcadia University, *Student Refunds Webpage*, https://www.arcadia.edu/life-arcadia/campus-services/office-student-accounts/about-us/student-refunds, (accessed Sep. 19, 2022).

information,"[116] and refer to similar documents using different words such as "contract,"[117] "partnership,"[118] and "agreement."[119] Further, the CFPB observed that links to disclosures were also provided on a wide variety of webpages at IHEs, including but not limited to cashier's office pages,[120] student ID pages,[121] disbursement pages,[122] credit balance release pages,[123] tuition refunds pages,[124] frequently asked questions pages,[125] finance and business operations pages,[126] bank disclosures pages,[127] and federal regulations pages.[128]

STUDENT CHOICE PROVISIONS

Whether colleges are influencing students to choose college-sponsored accounts over other options has been an issue in the college deposits market since even before the Department's cash management regulations. In 2014, the Office of the Inspector General (IG) for the

[116] *See, e.g.,* Marshall University, *PNC Information*, https://www.marshall.edu/bursar/pnc-information/, (accessed Sep. 19, 2022).

[117] *See, e.g.,* Albany Technical College, *Withdrawal Refund Policy Webpage*, https://www.albanytech.edu/financial-aid/withdrawal-and-financial-aid-funds/withdrawal-refund-policy, (accessed Sep. 19, 2022).

[118] *See, e.g.,* Lock Haven University, *LHU Refunds Webpage*, https://www.lockhaven.edu/refunds/, (accessed Sep. 19, 2022).

[119] *See, e.g.,* Iowa State University, *U.S. Bank Partnership Webpage*, https://www.isucard.iastate.edu/u-s--bank-partnership, (accessed Sep. 19, 2022).

[120] *See, e.g.* Crowder College, *Cashier's Office Webpage*, https://www.crowder.edu/current-students/cashier/, (accessed Sep. 19, 2022).

[121] *See, e.g.,* St. Louis Community College, *OneCard Webpage*, https://stlcc.edu/student-support/one-card.aspx, (accessed Sep. 19, 2022).

[122] *See, e.g.,* San Joaquin Delta College, *Financial Aid Disbursements – Receiving Your Funds Webpage*, https://www.deltacollege.edu/student-services/financial-aid-scholarships/financial-aid-disbursements-receiving-your-funds, (accessed Sep. 19, 2022).

[123] *See, e.g.,* Alabama State University, *Credit Balance Release Webpage*, https://www.alasu.edu/cost-aid/tuition-costs/student-accounts/credit-balance-release, (accessed Sep. 19, 2022).

[124] *See, e.g.,* Prairie State College, *Tuition Refunds Webpage*, https://prairiestate.edu/apply-reg-pay/tuition-and-fees/tuition-refunds.aspx, (accessed Sep. 19, 2022).

[125] *See, e.g.,* Pennsylvania College of Technology, *Refund Frequently Asked Questions (FAQ) Webpage*, https://www.pct.edu/students/bursar/refund-frequently-asked-questions-faq, (accessed Sep. 19, 2022).

[126] *See, e.g.,* Youngstown State University, *Division of Finance & Business Operations Webpage*, https://ysu.edu/finance-business-operations, (accessed Sep. 19, 2022).

[127] *See, e.g.,* DePauw University, *Bank Disclosures Webpage*, https://www.depauw.edu/offices/finance-administration/student-and-parent-information/bank-disclosures/, (accessed Sep. 19, 2022).

[128] *See, e.g.,* Wilkes University, *Federal Regulations – Cash Management Webpage*, https://www.wilkes.edu/about-wilkes/offices-and-administration/finance-office/federal-regulations-cash-management.aspx, (accessed Sep. 19, 2022).

Department of Education released a report highlighting potential risks to students in the market and identified several practices as potentially problematic.[129]

The IG report concluded that the "schools that outsourced credit balance delivery did not ensure that servicers presented appropriate and objective information to students so they could make informed decisions as to which available delivery option was best," and recommended that ED develop "regulations that require servicers to provide objective and neutral information to students on the available delivery options."[130]

One year after the publication of the IG report, the Department of Education promulgated the 2015 cash management regulations. These regulations specify that IHEs must implement a process for students to select how they wish to receive direct payments by electronic fund transfer.[131] The resulting list of disbursement methods available to a student provided by IHEs, as required by the regulations, is commonly referred to as the "student choice menu." The regulations specify that, among other things, the student choice menu must present options for receiving payments in a neutral manner, list pre-existing accounts as the first and most prominent option, and ensure that the initiation of payments to a student's pre-existing account be as timely and no more onerous to the student than to a college-sponsored account.[132]

The CFPB's review indicates that many of the same practices flagged by the Department's IG in 2014 may still exist in the college banking market. For example, the website of one T1 financial services provider states that financial aid payments will be credited more quickly if students open college-sponsored accounts with the provider (Figure 2).[133] This statement is very similar to prior marketing practices identified as problematic by the 2014 IG report.[134] CFPB analysis

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[129] U.S. Dep't of Education Office of Inspector General, 2014.

[130] *Id*, at 12.

[131] *See* 34 C.F.R. § 668.164(d)(4).

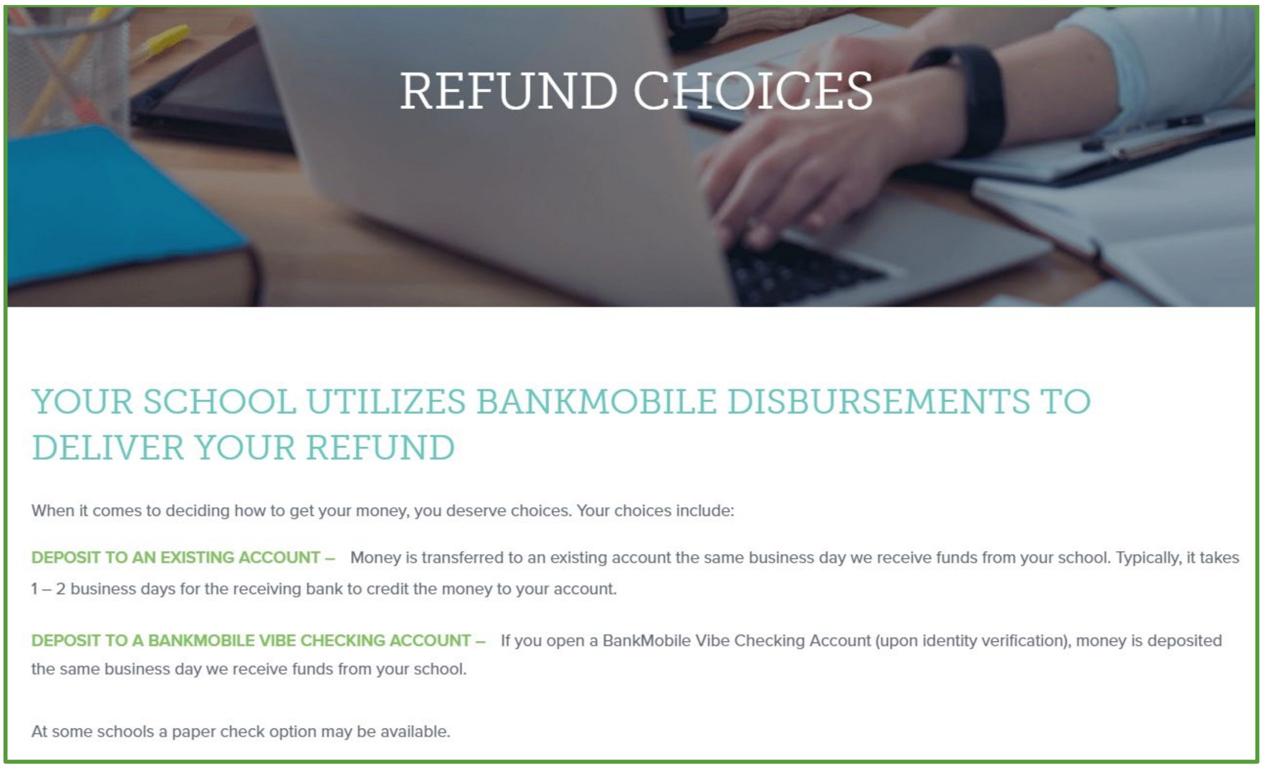
[132] *See* 34 C.F.R. § 668.164(d)(4).

[133] For examples of IHE webpage pathways leading to the BankMobile Refund Choices Webpage: *See, e.g.,* Southern New Hampshire University, *Financial Aid Award Terms & Conditions Webpage*, (accessed Sep. 1, 2022), https://www.snhu.edu/consumer-information/financial-aid-award-terms-and-conditions. *See also, e.g.,* Liberty University, *Receiving a Refund Webpage*, (accessed Sep. 1, 2022), https://www.liberty.edu/student-financial-services/payments/refunds/.

[134] 2014 ED IG Report at 8-12. The report from the Department of Education's Inspector General concluded that "three schools that outsourced credit balance delivery did not ensure that servicers presented appropriate and objective information to students so they could make informed decisions as to which available delivery option was best" and also stated that "the servicers administered the process that students used to select delivery methods and used various marketing practices to persuade students to select their debit card over other delivery options."

also revealed that the landing page to present students' "refund choices" for one T1 financial services provider (which was the servicer for 70 percent of all college-sponsored accounts in the dataset) states that financial aid payments will be credited more quickly if students open college-sponsored accounts with the provider (Figure 2).[135] In fact, a large proportion of eligible students at IHEs partnering with this provider may have been directed to the student choice menu presented in Figure 2 during the 2020-2021 Award Year.[136]

FIGURE 2: STUDENT CHOICE COMMUNICATION[137]



[135] ED regulations specify that "electronic payments made to a student's preexisting account [must be] initiated in a manner as timely as, and no more onerous than, payments made to" the account being directly marketed under the T1 arrangement. *See* § 668.164(d)(4).

[136] The "Refund Choices" webpage is often the page that students are directed to as they research their options for how to receive disbursements from their IHE. The CFPB estimates that potentially hundreds of thousands of students may see this page due to the total number of students enrolled at institutions partnering with BankMobile (over 2.5 million students were enrolled in the 363 BankMobile partner institutions identified in this review) and the number of students with BankMobile accounts in the dataset (over 463,083). *See also supra* note 133.

[137] *See* BankMobile, *"Refund Choices" Webpage*, https://bankmobiledisbursements.com/refundchoicessso/, (accessed Jul. 8, 2022). See also BankMobile Vibe Checking Account, *Landing Page*, https://bankmobilevibe.com/, (accessed Sep. 19, 2022).

In other cases, students at certain colleges may view websites that appear to imply that the checking account option that accompanies their mandatory student ID card is the default option through which to receive their disbursements[138] or is the easiest method for a student to use to obtain their disbursements.[139] These practices are similar to those identified in the 2014 ED Inspector General report, which the report concluded, "could make students believe that their school prefers the servicer's financial product over other delivery options."[140] Further, the report notes that dual-purpose student IDs and debit cards might result in students misunderstanding whether the checking account is required.[141]

In another case, one T1 provider states that checks will be sent out after 21 days if students do not designate a "refund preference" within that time frame.[142] However, regulations specify that credit balances must be paid directly to the student as soon as possible, and "no later than 14 days after 1) the balance occurred or 2) the first day of class of a payment period."[143] This applies even in cases when students do not make affirmative choices about how they would like to receive the funds.[144] A policy very similar or the same as this one was also raised as a concern in the 2014 Inspector General's report.[145]

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[138] *See, e.g.,* Western Texas College, *Westerner ID Card Student ID Policy*, (accessed Jul. 15, 2022), https://www.wtc.edu/uploads/IDcard/WesternersIDCardBrochure.pdf. Western Texas College also states that "Your Westerner account will be the primary account for all Western Texas College student disbursements. If you would like to designate a different account for your direct deposits, you may do so through Campus Connect." It goes on to explain that student financial aid disbursements will be direct deposited to the Westerner ID Card account "unless otherwise instructed by the student."

[139] *See, e.g.*, St. Louis Community College, *One Card Website*, (accessed Sep. 19, 2022), https://stlcc.edu/student-support/one-card.aspx. Website states that the OneCard is "your passport to all things STLCC. It can also be activated as an easy-to-use debit card and utilized to expedite electronic refund disbursements."

[140] U.S. Dep't of Education Office of Inspector General, *Final Management Information Report: "Third-Party Servicer Use of Debit Cards to Deliver Title IV Funds,"* (Mar. 10, 2014), (accessed Aug. 16, 2022), https://www2.ed.gov/policy/highered/reg/hearulemaking/2014/pii2-lindstrom1-oig.pdf.

[141] *Id*, at 11.

[142] *See, e.g.* BankMobile, *BankMobile FAQs,* (accessed Jul. 19, 2022), https://bankmobile.custhelp.com/app/answers/detail/a_id/2791/related/1.

[143] 34 C.F.R. § 668.164(h).

[144] *See* U.S. Dep't of Educ., *Program Integrity and Improvement* (final rule), 80 Fed. Reg. 67126, 67152 (Oct. 30, 2015) (citing 34 C.F.R. § 668.164(h)(2)), https://www.federalregister.gov/documents/2015/10/30/2015-27145/program-integrity-and-improvement.

[145] U.S. Dep't of Education Office of Inspector General, 2014. The report identifies a policy by Higher One "of delivering credit balances after 21 days in some cases" and defines this policy as a concern and a risk.

CONTRACT & FEE REVIEW STANDARDS

The cash management regulations provide that IHEs can deem that their accounts are "not inconsistent with" students' best financial interests by (1) periodically reviewing fees in light of prevailing market rates, and (2) ensuring that contracts can be terminated on the basis of student complaints.[146] CFPB review reveals that certain IHEs might not be conducting independent reviews and that contracts between IHEs and financial service providers could be strengthened. Further, incentives paid to IHEs by financial services providers could separate the financial interests of the IHE from that of students.

It is often unclear whether adequate contract and fee reviews are taking place, and in cases where they do take place, is it unclear what materials and criteria are used by IHEs to conduct the reviews.[147] When reviewers at IHEs do perform reviews, they might encounter difficulty because they may not know how or where to seek out appropriate sources of information on prevailing market rates, they may lack up-to-date information (many IHEs do not require financial service providers to report or seek approval when there are changes to account terms, conditions, and pricing),[148] and may rely on marketing and other materials provided by the financial service provider partner.[149]

Further, IHEs could strengthen contracts with financial service providers by establishing formal processes related to student complaints and including specific fee prohibitions. Most contracts reviewed by the CFPB do not require financial institutions to establish systems to identify, track, and resolve complaints from students related to college-sponsored products or to generate reports on complaints given to colleges on a periodic basis, though some IHEs do have systems

[146] *See* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii). See section 2.1.1 for more information on the Department of Education's cash management regulations.

[147] *See* 34 C.F.R. §§ 668.164(e)(2)(vii), (f)(4)(viii). IHEs with Tier 2 arrangements are required to meet this requirement if for the three most recently completed award years either an average of 500 of more of its students had a title IV credit balance or an average of five percent or more of the students enrolled at the institution had a title IV credit balance. *See* 34 C.F.R. § 668.164(f)(2).

[148] The CFPB observed these features in select college agreements with US Bank (including, but not limited to, an agreement with Iowa State University), Wells Fargo (including, but not limited to, agreements with California State University, Stanislaus and Texas State University), and BankMobile (including, but not limited to, agreements with American Public University System and Liberty University). Readers should note that federal consumer law requires financial institutions to provide advance notice to account holders prior to certain changes in account terms, including increases in fees associated with deposit accounts. *See* 12 C.F.R. § 1030.5 (requiring that depository institutions provide consumers with advance notice of changes in certain account terms).

[149] *See, e.g.,* Houston Community College, *Department of Education Due Diligence Attestation*, https://www.vibeaccount.com/swc/doc/landing/31g6fyzwtdodp0i6qkcb, (accessed Sep. 28, 2022).

in place to address student complaints.[150] Such systems could better position IHEs to analyze and act on feedback and complaints provided by their students. Further, the CFPB did not observe any contracts that expressly prohibit certain fees, with one exception.[151]

Finally, some IHEs receive financial inducements as a part of their college banking partnership, which may raise questions about IHEs' objectivity and ability to prioritize their students' financial well-being. A 2014 report from the Department of Education's Inspector General noted a similar concern, stating that "School and servicer contracts that include financial incentives for schools, such as revenue sharing or a cost structure that provides monetary benefits to schools can encourage school officials to promote the servicer's debit card over other delivery options available to students. Such financial incentives, if unmitigated, can result in conflicts of interest because the schools' financial interests would not be aligned with the best interests of students."[152]

[150] The contract between MidFirst Bank and the University of Central Oklahoma explicitly requires enhanced complaint reporting procedures and specifically requires the financial institution to report the number of student complaints and a description of their resolution to the college each month. Another contract between the University of Michigan and PNC Bank requires the bank to meet annually with representatives of the student government to discuss student feedback. *See* University of Central Oklahoma, *Amendment to Student Bankable ID Agreement*, (Jul. 1, 2016), https://www.uco.edu/offices/card-services/_files/uco-midfirst-bank-agreement.pdf, (accessed Sep. 28, 2022); See also University of Michigan, *Agreement for Banking Services Between the Regents of the University of Michigan and PNC Bank*, (Apr. 28, 2015), https://finance.umich.edu/sites/default/files/2018-06/PNC%20Agreement.pdf, (accessed Sep. 28, 2022).

[151] Monthly fees are prohibited for student accountholders affiliated with the South Carolina State Board for Technical & Comprehensive Education. *See, e.g.,* the South Carolina State Board for Technical & Comprehensive Education, *Solicitation and Request for Proposal: Student Refund Management and Card Service*, (Jan. 26, 2018), https://www.vibeaccount.com/swc/doc/landing/h3urj0xf2sk0jlbtecaa, (accessed Sep. 19, 2022). For a more detailed discussion of this contract, see section 2.3.3.

[152] *See* U.S. Dep't of Education Office of Inspector General. (2014, March 10). *Final Management Information Report: "Third-Party Servicer Use of Debit Cards to Deliver Title IV Funds."* https://www2.ed.gov/policy/highered/reg/hearulemaking/2014/pii2-lindstrom1-oig.pdf. Accessed August 16, 2022. The report states that "Concerns about schools' conflicts of interest when outsourcing the delivery of credit balances are similar to past concerns about the relationships between schools and FFEL Program lenders and the practices of some of these lenders.... We suggest that [ED] Develop student consumer protection regulations for credit balance delivery services addressing conflicts of interests and financial incentives...."

3. College Credit Card Market

3.1 Background

The Credit Card Accountability, Responsibility, and Disclosure Act ("CARD Act" or "Act") requires the Consumer Financial Protection Bureau (the "CFPB") to submit to Congress, and to make available to the public, an annual report that lists information submitted to the CFPB concerning agreements between credit card issuers and institutions of higher education or certain organizations affiliated with such institutions in connection with the issuance of credit cards.[153] This report refers to these agreements as "college credit card agreements" or simply "agreements."[154] Affiliated organizations include fraternities, sororities, alumni associations, or foundations affiliated with or related to an institution of higher education.

3.2 Methodology

The regulations implementing section 305 of the CARD Act require credit card issuers to submit to the CFPB each year the terms and conditions of any college credit card agreement that was in effect at any time during the preceding calendar year between an issuer and an institution of higher education.[155] Issuers are also required to submit additional data with respect to their agreements, including the total number of cardholders (overall and in the relevant year) and the amount of payments made by the issuer to the entity during the year. The following analysis is based on these disclosures.[156]

[153] The mandate is at section 305(a) of the CARD Act, Pub. L. No. 111–24, § 305(a), 123 Stat. 1734, 1749-50 (2009). Section 305(a) amended section 127 of the Truth in Lending Act. This provision is codified at 15 U.S.C. § 1637(r). See Appendix A of this report for a full listing of prior reports issued and submitted to Congress pursuant to 15 U.S.C. § 1637(r).

[154] This report refers to credit card issuers as "issuers," to institutions of higher education as "institutions," and to organizations affiliated with such institutions as "affiliates" or "affiliated organizations."

[155] *See* 15 U.S.C. § 1637(r); 12 C.F.R. § 1026.57(d); *see also* Truth in Lending (Regulation Z), 76 Fed. Reg. 79768 (Dec. 22, 2011).

[156] *See* Appendix G for a more detailed discussion of the methodology and associated limitations.

3.2.1 "Collect" System

Beginning in 2010, submissions from card issuers were gathered via email and CFPB staff then manually reviewed, cataloged, and uploaded college credit card marketing agreements and data to the CFPB's website, which delayed the provision of such information to the public.

Based on prior success with an online collection system, "Collect," the CFPB now requires issuers to submit college credit card marketing agreements through that system.[157] This report is the result of the first cycle in which 100 percent of college credit card agreements reviewed were submitted via Collect. Subsequent annual submissions must also be made using Collect, on an ongoing basis.

The CFPB has found that Collect provides a streamlined electronic process for this collection that substantially benefits issuers, the public, and the CFPB. The CFPB has heard through its market outreach efforts that submitters find Collect to be faster than alternate methods, and that it allows them to reference past submissions more easily. The CFPB has found that Collect facilitates faster processing of submissions by CFPB staff, which in turn has led to the faster posting of the results on the CFPB's website and has enhanced the public's ability to use the data in a timely manner.

3.3 Findings

3.3.1 Overall Trends

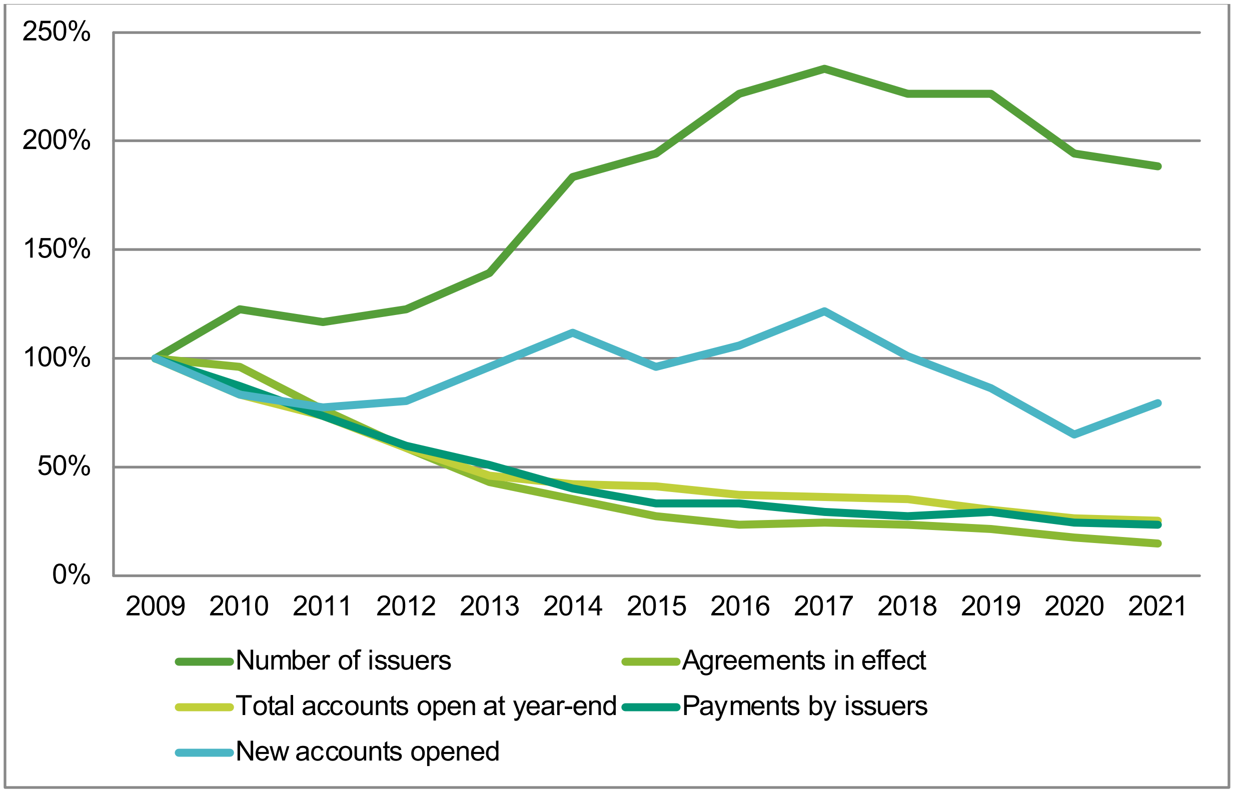
The CFPB's review identified 155 partnerships between institutions of higher education (or affiliated groups, foundations, or alumni associations) and credit card issuers.[158] Of these agreements, 112 were with public IHEs or their affiliates, 35 were with non-profit IHEs or their affiliates, 1 was with a for-profit college affiliate, and 7 were with other types of organizations such as honor societies (e.g. Golden Key International Honour Society) or national Greek

[157] Consumer Financial Protection Bureau. 23 August, 2021. *Technical Specifications for Credit Card Agreement and Data Submissions Required under TILA and the CARD Act (Regulation Z).* https://www.consumerfinance.gov/rules-policy/final-rules/technical-specifications-for-credit-card-agreement-and-data-submissions-required-under-tila-and-the-card-act-regulation-z/.

[158] *See* Appendix G for a discussion of the methodology used in this section of the report and Appendix H for a guide to the publicly-available comma separated value file ("CSV file") that contains all college credit card data collected to date with the most recent year's data.

organizations (e.g. Alpha Delta Kappa). These partnerships together represented 517,053 open accounts at year-end 2021 provided by 34 credit card issuers.[159] The number of total agreements in effect, as well as the number of accounts open under such agreements, continues to decline (Figure 3). Consistent with overall declines in the college credit card market, the total amount paid to partners, including institutions and affiliates, has steadily declined since the passage of the CARD Act from a high of more than $84 million in 2009 to a low of $19.8 million in 2021. However, the number of issuers has increased to 34 from a total of 18 in 2009 (Appendix I).

FIGURE 3: TRENDS IN ISSUER-REPORTED METRICS (INDEXED TO 100% IN 2009)



3.3.2 Issuers

Bank of America remains the largest player in this market, representing 27 percent of all agreements (or 42 of 155 agreements). Bank of America has an even greater market share when examining other metrics: it holds 60 percent of all accounts open under such agreements accounting for 40 percent of payments made to institutions and their affiliates under such

[159] This time period covers January 1 – December 31, 2021.

agreements. In total, 34 issuers submitted agreements for 2021; aggregate metrics can be seen in Table 8 below for all partnerships with 1,000 or more year-end open accounts.

TABLE 8: ISSUER METRICS BY YEAR-END OPEN ACCOUNTS, 2021[160]

Issuer	Year-end open accounts	New accounts opened	Agreements in effect	Payments by issuers to partners
Bank of America	309,016	13,110	42	$7,920,501
Boeing Employees' Credit Union	48,281	7,006	2	$566,765
INTRUST Bank, N.A.	29,556	2,404	10	$823,918
Purdue Federal Credit Union	26,204	1,425	1	$1,000,000
University of Wisconsin (UW) Credit Union	15,815	4,736	1	$275,000
University of Illinois Community Credit Union	14,543	321	2	$652,751
University First Federal Credit Union	12,773	7,258	1	$301,571
Harvard University Employees Credit Union	12,004	1,046	1	$241,208
USAA Savings Bank	11,304	839	8	$587,034
Stanford Federal Credit Union	6,564	1,358	2	$1,252,595
First National Bank of Omaha	5,080	18	2	$360,407
Alabama Credit Union	4,612	676	1	$350,000
Commerce Bank	4,270	695	26	$11,894
MidFirst Bank	3,365	443	4	$616,388
USF Federal Credit Union	2,702	199	1	$352,875
Pennsylvania State Employees Credit Union	2,643	1,306	22	$3,709,187
Mountain America Credit Union	1,702	431	2	$100,000
USC Credit Union	1,386	300	1	$498,623
UMB Bank	1,289	74	9	$102,857
Average of All Other Issuers	218	49	4	$58,092
Average of All Issuers	**3,357**	**289**	**5**	**$127,939**

160 "All Other" issuers category includes those issuers with 1,000 or fewer year-end open accounts. See Appendix J for an exhaustive version of this table.

3.3.3 Partner Entities

The average partnership represents almost 3,400 open accounts, with some partnerships representing much larger account totals. Table 9 provides the top ten college credit card partnerships by account volume at year end 2021. These ten partnerships are responsible for 40 percent of all college credit card accounts. Agreements with alumni associations dominate this market by most metrics (representing more than two out of three of all college card accounts), reflecting the dominance of alumni associations in this market since these data were first collected in 2009.

TABLE 9: TOP TEN PARTNERSHIPS BY ACCOUNT VOLUME, 2021

	Institution	Issuer	Total open accounts as of end of 2021
1	University of Washington Alumni Association	Boeing Employees' Credit Union	42,939
2	Purdue Alumni Association	Purdue Federal Credit Union	26,204
3	Alumni Association of the University of Michigan	Bank of America	21,411
4	The Association of Former Students of Texas A&M University	Bank of America	18,761
5	University of Southern California	Bank of America	18,184
6	Golden Key International Honour Society	Bank of America	16,984
7	The Ex Students Association of The University of Texas	Bank of America	16,413
8	California Alumni Association	Bank of America	16,195
9	Wisconsin Alumni Association	University of Wisconsin (UW) Credit Union	15,815
10	Indiana University Alumni Association Inc	Bank of America	15,365
	Average at All Other Organizations	-	2,144
	Average at All Organizations	**-**	**3,357**

3.3.4 Agreements Between Organizations and Issuers

Of the 155 agreements represented by issuers' submissions for 2021, 16 were terminated in 2021, representing 10 percent of all 2021 agreements.[161] However, terminated agreements represented only about 3,000 open accounts, or just over 0.5 percent of all accounts open as of year-end 2021, and less than $80,000 in payments, about 0.4 percent of payments by issuers. This suggests while issuers continue to reduce the number of college credit card agreements to which they are a party, they are preserving those agreements which comprise most of their activity pursuant to such agreements.[162] An additional 8 agreements were new in 2021, and these partnerships generated 13,617 new accounts and over $400,000 in payments from issuers to institutions.

In 2021, issuers paid almost $20 million to IHEs and affiliated organizations for these partnerships, with an average annual payment of almost $128,000 from the issuer to the partner. Table 10 provides the top ten college credit card partnerships by payment total in 2021. These ten partnerships are responsible for 48 percent of all college credit card partnership payments from issuers to IHEs. This analysis reflects a general trend of the dominance of alumni associations in this market since these data were first collected in 2009.

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[161] Agreements terminated in 2021 include Apple Federal Credit Union's agreement with George Mason University; Bank of America's agreements with Brandeis University, Saint Louis University, the UCLA Alumni Association, and Temple University; the Christian Community Credit Union's agreement with Biola University; INTRUST Bank's agreement with Fort Hays State University; Pennsylvania State Employees Credit Union's agreements with Harrisburg Area Community College Harrisburg, York, and Lancaster campuses, Shippensburg University Student Services, Northampton Community College Monroe Campus, and the Community College of Philadelphia Northeast and Main campuses; Texas Trust Credit Union's agreement with the University of Texas at Arlington; and USAA Savings Bank's agreement with the Virginia Military Institution Alumni Association.

[162] As noted in the introduction to this report, issuers may report all payments pursuant to college credit card agreements, even if those payments relate to other financial products or services beyond college credit cards.

TABLE 10: TOP PARTNERSHIPS BY PAYMENTS BY ISSUER TO INSTITUTION, 2021

	Organization	Issuer	Payments by issuer to partner
1	Penn State Sports Properties LLC	Pennsylvania State Employees Credit Union	$2,193,357
2	Penn State Alumni Association	Pennsylvania State Employees Credit Union	$1,500,000
3	Alumni Association of the University of Michigan	Bank of America	$1,022,400
4	Purdue Alumni Association	Purdue Federal Credit Union	$1,000,000
5	Stanford Alumni Association	Stanford Federal Credit Union	$833,330
6	The Ex Students Association of The University of Texas	Bank of America	$760,500
7	The General Alumni Association of University of North Carolina at Chapel Hill	Bank of America	$727,200
8	University of Illinois Alumni Association	University of Illinois Community Credit Union	$577,751
9	University of Southern California	USC Credit Union	$498,623
10	The Association of Former Students of Texas A&M University	Bank of America	$423,000
	Average at All Other Organizations	-	$70,996
	Average at All Organizations	**-**	**$127,939**

APPENDIX A: PRIOR REPORTS PUBLISHED AND SUBMITTED TO CONGRESS PURSUANT TO 15 U.S.C. § 1637(R)

This appendix contains a chronological list of the eleven prior annual reports published and submitted to Congress pursuant to the CARD Act's relevant mandate, codified in 15 U.S.C. § 1637(r). As noted in the introduction to this report, the first two reports were published and submitted by the Federal Reserve Board; the subsequent nine reports were published and submitted by the CFPB.

Federal Reserve Board of Governors. "Federal Reserve Board of Governors Report to the Congress on College Credit Card Agreements." Oct. 2010. https://files.consumerfinance.gov/f/documents/2010_college-credit-card-agreements_report.pdf

Federal Reserve Board of Governors. "Federal Reserve Board of Governors Report to the Congress on College Credit Card Agreements." Jul. 2011. https://files.consumerfinance.gov/f/documents/2011_college-credit-card-agreements_report.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Oct. 2012. https://www.consumerfinance.gov/documents/3110/2012_cfpb_college_credit_card_agreements_report.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2013. https://www.consumerfinance.gov/documents/3124/2013_cfpb_college-credit-card-agreements_report.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2014. https://www.consumerfinance.gov/documents/3108/2014_cfpb_college-credit-card-agreements-report.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2015.

https://www.consumerfinance.gov/documents/3106/2015_cfpb_college-credit-card-agreements-report.pdf

Consumer Financial Protection Bureau. "Student Banking: Annual Report to Congress." Dec. 2016. https://www.consumerfinance.gov/documents/3104/2016_cfpb_student_banking_report.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2017. https://www.consumerfinance.gov/documents/5948/cfpb_college-credit-card-agreements-report_2017.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2018. https://www.consumerfinance.gov/documents/7050/College_Credit_Card_Agreements_Report_2018_Final.pdf

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2019. https://files.consumerfinance.gov/f/documents/cfpb_college-credit-card-agreements-report_2019.pdf.

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Oct. 2020. https://files.consumerfinance.gov/f/documents/cfpb_college-credit-card-agreements-report_2020-10.pdf.

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Sep. 2021. https://files.consumerfinance.gov/f/documents/cfpb_college-credit-card-agreements_report_2021-09.pdf.

APPENDIX B: CASH MANAGEMENT REGULATION OVERVIEW

TABLE 11: SELECTED CASH MANAGEMENT REGULATION PROVISIONS[163]

Provision	Description of provision
Fee mitigation (while student is enrolled)	T1 requirements: ▪ Prohibits point-of-sale and overdraft fees ▪ Requires at least one convenient mechanism for students to access Title IV funds in full and in part without charge T2 requirements: ▪ Not applicable.
Account opening and access device fees	Prohibits charging students for opening accounts or initially receiving an access device
Reasonable access to funds	Requires reasonable access to a surcharge-free ATM network
Student choice process	Requires IHEs to establish a student choice process that, among other things: ▪ Prohibits institutions from requiring students to open a specific financial account to receive Title IV credit balances; ▪ Provides students a list of options for receiving credit balance funds with each option presented in a clear, fact-based, and neutral manner; ▪ Lists pre-existing accounts as the first, and most prominent, option, with no option preselected; ▪ Establishes that aid recipients have the right to receive funds to existing accounts; ▪ Ensures that electronic payments made to pre-existing accounts are initiated are as timely as and no more onerous than payments made to an account on the list of options
Consent to open account	Student consent required to open account before: ▪ Providing personally identifiable information about student to financial account provider; ▪ Sending access device to student; ▪ Associating student ID with a financial account, so long as the IHE or financial institution obtains the student's consent before validating the device to enable student access
Contract disclosure	Public disclosure of contracts governing arrangements and related cost information
Contract evaluation	Requires institutions to establish and evaluate T1 and T2 arrangements in light of the best financial interests of students

[163] 34 C.F.R. § 668.164.

APPENDIX C: CASH MANAGEMENT DISCLOSURE EXAMPLE[164]

Award Year
July 1, 2020 – June 30, 2021

BMTX, Inc. Student Financial Account Fee Data and Contract Monetary/Non-Monetary Considerations

In accordance with sections §668.164(e)(2)(vii) and §668.164(f)(4)(iv) of the U.S Department of Education's amended Cash Management regulations published in the Federal Register on October 30, 2015, this document shall serve as BMTX, Inc.'s required disclosure of student financial account fee data and contract monetary/non-monetary considerations.

Mean and median costs incurred by BankMobile Vibe checking accountholders who had an open BankMobile Vibe checking account under the contract during the prior award year:

Mean	$30.95
Median	$19.01

NOTE:
- The fee information listed above includes aggregate fee data for all BankMobile Vibe checking accountholders at the Institution regardless of enrollment status in the prior award year.
- Fee calculation includes:
  - ATM Cash Withdrawal Fee at a non-Allpoint Network ATM or non-Customers Bank ATM
  - Card Replacement Fee
  - Outgoing Wire Transfer (domestic) Fee
  - Green Dot® Reload @ the Register™ Fee
  - Monthly Service Fee (For those not having Qualifying Deposits totaling $300 or more per statement cycle)

Number of students who had an open BankMobile Vibe checking account under the contract during the prior award year:

BankMobile Vibe Checking Accounts	8,798

NOTE:
- Open BankMobile Vibe Checking accounts are defined as any account that had a spend or deposit transaction during the prior award year regardless of enrollment status.

Monetary Consideration:

Institution Paid BMTX, Inc.	$44,186.69
BMTX, Inc. Paid Institution:	

Non-Monetary Consideration:

None	$0.00

For Internal Use Only: 172

BMTX, Inc., a wholly owned subsidiary of BM Technologies, Inc. Accounts provided by Customers Bank, Member FDIC & Equal Housing Lender.

[164] Houston Community College, *Award Year 2020-2021 Cash Management Disclosure,* (accessed Aug. 15, 2022), https://www.vibeaccount.com/swc/doc/landing/31g6fyzwtdodp0i6qkcb.

APPENDIX D: LARGEST COLLEGE BANKING PARTNERSHIPS BY ACCOUNT VOLUME

TABLE 12: : TOP TEN DEPOSITS PARTNERSHIPS (T1 & T2) BY ACCOUNT TOTALS, AWARD YEAR 2020-2021[165]

	Institution Name	Bank Name	Total active accounts	Average annual costs incurred by accountholders
1	University of Minnesota - Twin Cities	Huntington Bank	32,001	$4.93
2	Southern New Hampshire University	BankMobile	29,745	$29.39
3	Arizona State University	MidFirst Bank	28,863	$7.33
4	The Ohio State University	Huntington Bank	17,555	$1.43
5	Liberty University	BankMobile	13,922	$30.41
6	Colorado Technical University	BankMobile	10,104	$36.39
7	University of Pennsylvania	PNC Bank	9,234	$8.00
8	Houston Community College	BankMobile	8,798	$30.95
9	The Pennsylvania State University	PNC Bank	8,666	$11.75
10	Kentucky Community & Technical College System	BankMobile	8,236	$29.82
	All Others	-	501,739	$26.56
	Total	**-**	**668,863**	**$26.41**

[165] CFPB review of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. See section 2.2 for details and Appendix C for an example of a cash management disclosure.

APPENDIX E: ONE-TIME PAYMENT ANALYSIS

Signing bonuses, initial payment amounts, and one-time payment amounts vary widely by institution and issuer. A list of the top ten one-time payments is provided in Table 13 and examples include an initial payment of $25 million and a loan of $100 million from Huntington Bank to The Ohio State University,[166] and a $2 million signing bonus paid to the University of Illinois System by PNC Bank.[167] These signing bonuses and initial payments are not represented in annual cash management disclosures but may be included in publicly disclosed contracts.

[166] *See, e.g.,* Huntington Bank and The Ohio State University, *Affinity and License Agreement*, (Feb. 2, 2012), (accessed August 17, 2022), https://busfin.osu.edu/sites/default/files/osu-affinity-agreement-zxnjp8.pdf. The agreement specifies that Huntington Bank will pay Ohio State a general license fee of $25 million to the University; *See also* Huntington Bank and The Ohio State University, *Amendment #2 to Affinity and License Agreement*, (Jul. 1, 2016) (accessed August 17, 2022), https://busfin.osu.edu/sites/default/files/osu-affinity-agreement-amendment.pdf. Amendment states that Huntington Bank will provide a $100 million loan to the University for "use in revitalizing the University District."

[167] *See* PNC Bank and The Board of Trustees of the University of Illinois, *University Banking Services Agreement*, (Aug. 1, 2015), (accessed August 17, 2022), https://www.treasury.uillinois.edu/UserFiles/Servers/Server_338/File/icardPrograms/StudentBankingServicesAgreement.pdf.

TABLE 13: ONE-TIME PAYMENT AMOUNTS, TOP TEN INSTITUTIONS[168]

Institution	Issuer	One-time payment amount	Share of students with accounts[169]
The Ohio State University	Huntington Bank	$100 million loan and $25 million[170]	38%
University of Minnesota – Twin Cities	Huntington Bank	$2 million	103.5%[171]
University of Illinois System[172]	PNC Bank	$2 million	10%
The Pennsylvania State University	PNC Bank	$1.5 million	12%
University of Michigan - Ann Arbor	PNC Bank	$1 million	12%
Kent State University	PNC Bank	$700,000	10%
Temple University	PNC Bank	$650,000	8%
Wright State University	Wright-Patt Credit Union	$275,000	56%
Carnegie Mellon University	PNC Bank	$250,000	45%
Georgetown University	PNC Bank	$240,000	12%

168 CFPB analysis of "cash management disclosure" data posted by IHEs on college banking partnerships in award year 2020-2021 and related publicly available data published by the Department of Education. *See* section 2.2 for details and Appendix C for an example of a cash management disclosure.

169 Share of accounts field is calculated by dividing the number of total active accounts reported in the institution's cash management disclosure with the total undergraduate enrollment reported in the same year in College Scorecard.

170 *See supra* note 166.

171 The share of accounts may be over 100 percent due to a reporting error or for reasons such as inclusion of graduate, non-enrolled, or graduated students in the total or because some students have more than one account. *See* section 2.3 for more information and Appendix B for an example of a cash management disclosure.

172 The University of Illinois System has one system-wide contract with PNC Bank. Branches named in contract include Urbana-Champaign, Chicago, and Springfield. The share of students with accounts field is calculated by dividing the number of total active accounts reported in the institution's cash management disclosure with the total undergraduate enrollment reported (at all campuses) in the same year in College Scorecard. *See* PNC Bank and The Board of Trustees of the University of Illinois, *University Banking Services Agreement*, (Aug. 1, 2015), (accessed August 17, 2022), https://www.treasury.uillinois.edu/UserFiles/Servers/Server_338/File/icardPrograms/StudentBankingServicesAgreement.pdf.

APPENDIX F: ANALYSIS OF DORMANT ACCOUNT AND OUT-OF-NETWORK ATM FEES

DORMANT ACCOUNT FEES

Second, some banks charge a "dormant account fee" of $1 to $25 per month after a certain period of inactivity, often defined as six or twelve months (Table 14).[173] One consumer told the CFPB about such an experience: They reported that when they hadn't used their bank account for months because their job cashed their paycheck directly, it resulted in over $200 of charges due to a dormant account fee that then triggered recurrent overdraft fees.[174]

TABLE 14: STUDENT CHECKING ACCOUNT MONTHLY DORMANT ACCOUNT FEES[175]

Financial institution	Dormant account fee	Cushion
University of Pennsylvania Student Federal Credit Union	$25	None
Herring Bank[T1]	$10*	None
Huntington Bank	$5	$50[176]
MidFirst Bank	$5	None
U.S. Bank	$5	None
University of Kentucky Federal Credit Union	$5	None
Wright-Patt Credit Union	$1	$100
BankMobile[T1]	None	N/A
PNC Bank	None	N/A
Wells Fargo	None	N/A
Bank of the West	None	N/A

* Dormant account fee is charged after six months of inactivity [T1] Tier One account provider

[173] *See, e.g.,* Wright-Patt Credit Union. April 2022. *Checking Account: Disclosure of Fees, Terms and Conditions*. https://www.wpcu.coop/en-us/PDFDocuments/Checking%20Accounts%20Disclosure%20-%20WPCU.pdf; *See also* University of Pennsylvania Student Federal Credit Union. *Quaker Checking Fee Disclosure*. January 2021. https://www.upennsfcu.org/asset/pdf/fees.pdf.

[174] This comment was submitted to the CFPB in 2022 through a request for information on "junk fees." https://www.regulations.gov/comment/CFPB-2022-0003-0252.

[175] Data is per review of account agreements and other publicly available information as of August 1, 2022. In cases where financial institutions offer special accounts for students, rates for those student-specific accounts are reflected in the table. Unless otherwise specified, dormant account fees are levied after 12 months of inactivity.

[176] Also waived for accounts held by minors and accounts in the State of Florida.

OUT-OF-NETWORK ATM FEES

Table 15 provides the domestic out-of-network ATM withdrawal fees, ranging from $0 to $3.50 for out-of-network ATM withdrawals. While many schools have fee-free ATMs on campus, these fees may have presented an acute burden for students during the COVID-19 crisis when they were not living on college campuses. Further, these fees could disproportionately impact the 7 million students who attend school online.[177]

TABLE 15: OUT-OF-NETWORK ATM WITHDRAWAL FEES, BY ISSUER[178]

Financial institution	Domestic out-of-network ATM fee
Huntington Bank	$3.50
BankMobile[T1]	$3
PNC Bank	$3*
Bank of the West	$3
MidFirst Bank	$2.50
Wells Fargo	$2.50
Herring Bank[T1]	$1.50
U.S. Bank	$0 - $2.50**
Wright-Patt Credit Union	None
University of Kentucky Federal Credit Union	None
University of Pennsylvania Student Federal Credit Union	None

* First two out-of-network ATM fees waived per statement period

** First four out-of-network ATM fees waived per statement period

[T1] Tier One account provider

[177] The number of undergraduate students exclusively enrolled in distance education courses is rising and was 186 percent higher in 2020 than in 2019 (7.0 million vs. 2.4 million). *See* U.S. Department of Education, National Center for Education Statistics. 2022. *Distance Learning*. https://nces.ed.gov/fastfacts/display.asp?id=80.

[178] Data is per review of account agreements and other publicly available information as of August 1, 2022. In cases where financial institutions offer special accounts for students, rates for those student-specific accounts are reflected in the table. In cases where financial institutions offer different out-of-network ATM withdrawal rates for domestic and international ATMs, this analysis reflects the domestic withdrawal fee.

APPENDIX G: COLLEGE CREDIT CARDS METHODOLOGY

Required Disclosures

The regulations implementing Section 305 of the CARD Act require credit card issuers to submit to the CFPB each year the terms and conditions of any college credit card agreement that was in effect at any time during the preceding calendar year between an issuer and an IHE.[179] The same requirement applies to agreements between an issuer and an affiliated organization of the IHE, such as an alumni organization or a foundation.[180]

IHEs are required to make agreements available to the public.[181] Additionally, issuers are required to submit the following information with respect to each such agreement:

- the number of credit card accounts covered by the agreement that were open at year-end;
- the amount of payments made by the issuer to the entity during the year;[182]
- the number of new college credit card accounts covered by the agreement that were opened during the year; and
- any Memorandum of Understanding ("MOU") between the issuer and entity that directly or indirectly relates to any aspect of the agreement.[183]

The CARD Act requires the CFPB each year to submit to Congress and make publicly available a report on the information and documents provided by card issuers.[184] The CFPB makes public all agreements submitted to the CFPB and a dataset containing all data submitted by issuers regarding agreements, both from the current year and from past years, on its website (Appendix H).

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179 *See* 15 U.S.C. § 1637(r); 12 C.F.R. § 1026.57(d); *see also* Truth in Lending (Regulation Z), 76 Fed. Reg. 79768 (Dec. 22, 2011).

180 12 CFR 1026.57(a)(4) and (5) and (d). In some cases, issuers submitted to the CFPB agreements with other types of organizations, such as fraternities, sororities, and professional or trade organizations that relate to the issuance of credit cards to college students. Such agreements are included in this report and categorized as agreements with "other organizations."

181 This obligation applies to "any contract or other agreement made with a card issuer or creditor for the purpose of marketing a credit card." 12 C.F.R. § 1026.57(b); *see also* 15 U.S.C. § 1650(f)(1).

182 All payment amounts included in this document are rounded to the nearest dollar.

183 *See* 12 C.F.R. § 1026.57(d)(2).

184 15 U.S.C. § 1637(r)(3).

The data are current as of the end of 2021.[185] In addition to incorporating by reference information and agreements credit card issuers submitted to the CFPB, this report also provides a high-level summary of certain trends in those data. Interested members of the public should access those data directly to analyze the state and history of this market.

Limitations

The findings derived from these data are subject to several limitations. Some college agreements cover other financial products besides credit cards, such as deposit accounts, so payments made by issuers under these agreements may not relate solely to credit card accounts. In addition, some or all of the accounts opened in connection with these agreements, even those directly between issuers and institutions, may have been opened by individuals who are not students, such as alumni, faculty, and staff of an institution of higher education.

Conversely, it is possible that students may have opened accounts under the terms of agreements other than those with institutions of higher learning, such as agreements with alumni associations. Card issuers' submissions do not include information regarding credit card accounts opened by students independent of a college credit card agreement, such as when a student responds to an offer in a direct mail solicitation.

Additionally, because issuers were required to submit all college credit card agreements to which they were a party at any time during 2021, issuers' submissions include agreements that are no longer in effect. By the same token, agreements first entered into in 2022 are also not reflected in the data.[186]

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[185] Issuers were required to make their annual submission by March 31, 2022. These submissions were required by the applicable regulations to cover college credit card agreements to which the issuer was a party during 2021 and information regarding payments and accounts as of December 31, 2021.

[186] In response to the impact of the COVID-19 pandemic on credit card issuers, the CFPB in March of 2020 published a statement ("March Statement") with the aim of temporarily reducing the administrative burden on credit card issuers. On March 31, 2021, and effective the following day, the CFPB published a statement ("Rescission") that rescinded the March 2020 Statement and advised, "Credit card issuers required to submit information pursuant to 15 U.S.C. 1637(r) and 12 CFR 1026.57(d)(3) relating to agreements in effect in calendar year 2020 should do so by March 31, 2021. Issuers should also submit all delayed submissions for agreements in effect in calendar year 2019."186 As of the publication of the 2021 report, the CFPB had received submissions from all issuers whose previous submissions indicated they maintained at least one agreement in effect during 2019 or 2020. This included some delayed submissions covering 2019, meaning that the 2021 reports' statement of 2019 data differs from the prior (2020) report; however, concurrent with the CFPB's expectations outlined in that prior report, the restated data do not cause substantial deviation from that report's findings.

APPENDIX H: PUBLICLY-AVAILABLE COLLEGE CREDIT CARD DATA GUIDE

The CFPB is updating the comma separated value file ("CSV file") that contains all college credit card data collected to date with the most recent year's data. The CFPB intends to continue updating the CSV file each year as it collects new data from college credit card issuers.

The CFPB intends to ensure that the publicly available dataset is as accurate and complete as possible. This means that the dataset (as well as some of the charts and figures in this report) may not be completely consistent with past iterations of this report because submitting entities sometimes make corrections to earlier submissions. In all cases, the CFPB intends for the public dataset to be the CFPB's definitive account of the data.

Below is a brief guide to interpreting the dataset:

The CSV file consists of rows and columns.

Each row beyond the first consists of an individual agreement-year.

This means that if an agreement existed across multiple years, each year's data would be a separate row in the dataset.

The first row consists of headers that explain what data fields are contained in each column. Those headers are explicated below:

"REPORTING YEAR" – this field contains the year associated with the agreement-year. Note that this is the year represented by the data, not the year the data was collected and published. For example, a row whose reporting year was listed as 2014 contains data regarding that agreement's metrics in calendar year 2014, not the data collected and published in 2014.

"INSTITUTION OR ORGANIZATION" – this is the name of the institution of higher education or affiliate that is party to the agreement.

"TYPE OF INSTITUTION OR ORGANIZATION" – this designates the institution as one or more of four types:

University;

Alumni association;

Foundation; or

Other.

“CITY” – this is the city in which the institution of higher education or affiliate that is party to the agreement is located.

“STATE” – this is the state in which the institution of higher education or affiliate that is party to the agreement is located.

“CREDIT CARD ISSUER” – the name of the credit card issuer that is party to the agreement.

“STATUS” – a field which denotes the status of the agreement. In general, there are three valid responses issuers can provide for this field:[187]

“Same” – the status of the agreement has not changed from the previous year;

“Amended” – the status of the agreement has in some way changed from the previous year, or the agreement has been amended;

“New” – the agreement is new to this year.

“IN EFFECT AS OF BEGINNING OF NEXT YEAR” – a “yes/no” question regarding whether the agreement in question was in force as of January 1st of the year following the reporting year (*e.g.*, whether an agreement whose reporting year was 2011 was or was not in force as of January 1st, 2012).

“TOTAL OPEN ACCOUNTS AS OF END OF REPORTING YEAR” – the total number of open credit card accounts associated with the agreement, as of December 31st of the reporting year.

“PAYMENTS BY ISSUER” – the sum of all payments made by the issuer to the institution pursuant to the agreement over the course of the reporting year.

“NEW ACCOUNTS OPENED IN REPORTING YEAR” – the total number of all credit card accounts opened associated with the agreement over the course of the reporting year.

[187] In a few cases, issuers provided invalid responses to this question. In those cases in which the CFPB has been unable to receive corrected responses from issuers, these invalid responses have been published as submitted.

APPENDIX I: COLLEGE CREDIT CARD METRICS OVER TIME

TABLE 16: COLLEGE CREDIT CARD METRICS, 2009-2021

	Number of issuers	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
2009	18	1,045	2,041,511	$84,462,767	55,747
2010	22	1,005	1,709,054	$73,459,987	46,385
2011	21	796	1,501,085	$62,508,677	43,227
2012	22	616	1,209,608	$50,407,472	44,924
2013	25	447	948,158	$42,934,507	53,699
2014	33	369	853,725	$34,105,376	62,540
2015	35	289	833,770	$28,092,278	53,753
2016	40	245	753,655	$28,253,654	58,796
2017	42	254	746,034	$24,448,154	67,866
2018	40	246	717,674	$22,797,547	56,183
2019	40	226	618,415	$24,980,457	48,017
2020	35	179	546,547	$20,882,930	36,230
2021	34	155	517,053	$19,830,577	44,538

APPENDIX J: COLLEGE CARD ISSUER METRICS

TABLE 17: COMPREHENSIVE COLLEGE CREDIT CARD ISSUER METRICS, 2021

Issuer	Year-end open accounts	Payments by issuers to institutions	New accounts opened	Agreements in effect
Bank of America	309,016	$7,920,501	13,110	42
Boeing Employees' Credit Union	48,281	$566,765	7,006	2
INTRUST Bank, N.A.	29,556	$823,918	2,404	10
Purdue Federal Credit Union	26,204	$1,000,000	1,425	1
University of Wisconsin Credit Union	15,815	$275,000	4,736	1
University of Illinois Community Credit Union	14,543	$652,751	321	2
University First Federal Credit Union	12,773	$301,571	7,258	1
Harvard University Employees Credit Union	12,004	$241,208	1,046	1
USAA Savings Bank	11,304	$587,034	839	8
Stanford Federal Credit Union	6,564	$1,252,595	1,358	2
First National Bank of Omaha	5,080	$360,407	18	2
Alabama Credit Union	4,612	$350,000	676	1
Commerce Bank	4,270	$11,894	695	26
MidFirst Bank	3,365	$616,388	443	4
USF Federal Credit Union	2,702	$352,875	199	1
Pennsylvania State Employees Credit Union	2,643	$3,709,187	1,306	22
Mountain America Credit Union	1,702	$100,000	431	2
USC Credit Union	1,386	$498,623	300	1
UMB Bank	1,289	$102,857	74	9
Wright-Patt Credit Union	871	$19,601	111	1
University Credit Union	463	$4,988	29	2
Central Bank & Trust Co.	440	$4,854	17	1
Christian Community Credit Union	332	$7,298	38	2
Carolina Trust Federal Credit Union	311	$2,472	44	1
WESTconsin Credit Union	268	$5,892	11	1
Virginia Credit Union	263	$25,000	263	1
Canvas Credit Union	236	$15,000	237	1
Apple Federal Credit Union	223	$15,000	39	1
Celtic Bank Corporation	189	$4,900	40	1
Sierra Pacific FCU	157	$1,787	61	1
Texas Trust Credit Union	149	$0	1	1
The Southern Credit Union	31	$110	0	1
Chief Financial Federal Credit Union	9	$52	0	1
Atlanta Postal Credit Union	2	$50	2	1
Grand Total	**517,053**	**$19,830,577**	**44,538**	**155**