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Student banking

Annual report to Congress

Consumer Financial Protection Bureau

Executive summary

- Institutions of higher education play a critical role in supporting and promoting students' overall financial health and well-being. A growing body of evidence suggests that relatively small financial shocks – unexpected expenses of a few hundred dollars – may cause acute financial hardship for students, potentially derailing their academic pursuits. As higher education policy experts, researchers, and other stakeholders continue to focus on the health of students' personal finances, they are overlooking an important potential contributor to student financial distress – the features, terms, and conditions of the banking products marketed to and selected by students.

- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank") instructs the Bureau to monitor for risks to consumers in the offering or provision of consumer financial products or services, particularly when those products pose a disproportionate risk to traditionally underserved populations. This report seeks to fulfill that mandate by monitoring the growth and impacts of financial products offered by or in conjunction with colleges, specifically focusing on marketing agreements for college-sponsored deposit and prepaid accounts and college-sponsored credit cards.

- Certain agreements between colleges, financial institutions, and other vendors present continued risks to students. Publicly available agreements show many students face high fees when using college-sponsored banking products. In addition, colleges may miss opportunities to monitor program execution and position themselves to understand the economic costs to students from products marketed under these agreements. These observations raise important questions about whether certain agreements promote products that may be inconsistent with the best financial interests of their students.

- General marketing agreements for college-sponsored accounts, including agreements in place at many of the nation's largest colleges and universities, do not protect students from certain costly account fees. Under a general marketing agreement that does not restrict certain fees, a large college or university could expect its students to collectively pay hundreds of thousands of dollars per year in overdraft fees alone.

- Students' interests may be an afterthought in many marketing agreements. General marketing agreements between banks and colleges often do not contain certain specific account terms, conditions, or features, suggesting that colleges may not be negotiating terms that maximize value for their students. The Bureau identified dozens of general marketing agreements that may feature accounts with higher fees or fewer protections than widely available alternatives that are safer or more affordable, including accounts currently in use at hundreds of other colleges. In contrast, these marketing agreements tend to specify detailed terms describing the financial arrangement between colleges and banks, such as provisions detailing revenue sharing and other payments made in exchange for exclusive marketing access to a student population.

- Many colleges fail to ensure they are in position to evaluate products offered to students and oversee the execution of their campus banking marketing agreements. For example, many colleges do not negotiate the right to receive periodic reporting detailing student product use and costs, to accept or decline account pricing changes, including fee increases, or to obtain information about the resolution of student complaints. Such missed opportunities mitigate colleges' ability to ensure their programs are in the best financial interest of their students.

- This report fulfils the Bureau's obligations under the Credit Card Accountability, Responsibility, and Disclosure Act ("CARD Act") to submit to Congress and to make available to the public an annual report that lists information submitted to the Bureau concerning agreements between credit card issuers and institutions of higher education or certain organizations affiliated with such institutions.

- The market for college credit cards continues to decline. The latest data for year-end 2015 show low-water marks for active agreements, open accounts, and payments from issuers. The remainder of the market continues its trend towards one dominated by agreements with alumni associations, not institutions of higher education.

- We are releasing all current and historical data collected by the Bureau and the Federal Reserve in a single, consolidated dataset alongside this report. We believe this will facilitate the ability of Congress and the public to further investigate the state of the college credit card market, both at present and over time.

- Concurrent with the publication of this report, the Bureau has published a new compliance bulletin to assist colleges seeking to understand their obligations under the CARD Act and Regulation Z related to the publication of college credit card agreements. This bulletin builds on previous Bureau reports finding that many of the largest colleges and universities do not publish credit card agreements on their websites or make them available to students and the public upon request, creating high risks of non-compliance with the law.

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1. Introduction

Institutions of higher education play a critical role in supporting and promoting students' overall financial health and well-being.[1] This is particularly true when students are first time participants in the marketplace for consumer financial products and services, whether they are considering student loans, credit cards, or other financial products like deposit and prepaid accounts.

In the past, 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.[2] Past research has shown that some colleges strike

[1] *See* Consumer Financial Protection Bureau, *Prepared Remarks of Seth Frotman to the National Summit on College Financial Wellness*, Ohio State University (June 17, 2016), http://files.consumerfinance.gov/f/documents/20160617_cfpb_Frotman-OSU-Wellness-Summit-Remarks.pdf. ("In the course of the Bureau's research into what contributes to financial well-being, people told us their financial norms, expectations, knowledge, skills, attitudes and habits were strongly shaped by their experiences, what they had observed, and what they were told by their parents, caregivers and mentors. These findings underscore the critical role that colleges play as trusted sources of information for their students, as young people develop their financial decision-making skills and navigate a marketplace where missteps can drive up the cost of college. When colleges put their students' interests first, colleges can provide a safe place for students to learn these basic financial lessons and avoid the tricks and traps that have placed too many students on precarious financial footing.")

[2] *See, e.g.*, U.S. Gov't Accountability Office, GAO-14-91, *College Debit Cards: Attention Needed to Address ATM Access, Student Choice, and Transparency*, at 29-30 (Feb. 2014), http://www.gao.gov/assets/670/660919.pdf; U.S. Dep't. of Education, Office of Inspector General, *Final Management Information Report*, EDOIG/X09N0003 (Mar. 10, 2014), https://www2.ed.gov/policy/highered/reg/hearulemaking/2014/pii2-lindstrom1-oig.pdf; Consumer

deals to endorse, sponsor, or drive students to high-cost products that can be a worse deal for students than what they can find shopping around on their own.[3] Many of the most punitive fees can add up – the Consumer Financial Protection Bureau's research has found that some young consumers spend hundreds of dollars a year in overdraft fees on student accounts, for example.[4]

A growing body of evidence suggests that relatively small financial shocks – unexpected expenses of a few hundred dollars – may cause acute financial hardship for students, potentially derailing their academic pursuits.[5] As higher education policy experts, researchers, and other stakeholders continue to focus on the precarious health of many students' personal finances, policymakers risk overlooking an important potential contributor to student financial distress – the features, terms, and conditions of the banking products marketed to and selected by students.

This report seeks to highlight market trends and identify potential risks to consumers related to college-sponsored financial products, building on the Bureau's prior work to encourage greater

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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-loan-funds/; *see also Id.*

[3] *See* 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-look-closely-at-college-sponsored-bank-accounts-and-shop-around/.

[4] *See* Consumer Financial Protection Bureau, *Data Point: Checking account overdraft*, at 8-10 (July 2014), http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf; *see also* U.S. Gov't Accountability Office, GAO-01-773, *Consumer Finance: College Students and Credit Cards* (June 2001), http://www.gao.gov/assets/240/231861.pdf.

[5] *See, e.g.*, Karole Dachelet & Sara Goldrick-Rab, *Investing in Student Completion: Overcoming Financial Barriers to Retention Through Small-Dollar Grants and Emergency Aid Programs* (Dec. 2015), http://wihopelab.com/publications/Investing-in-Student-Completion-WI-Hope_Lab.pdf; Kevin Kruger et al., *Landscape Analysis of Emergency Aid Programs* (2016), http://postsecondary.gatesfoundation.org/wp-content/uploads/2016/11/Landscape-Analysis-of-Emergency-Aid-Programs.pdf.

transparency in this market.[6] This report also serves as the seventh annual report to Congress on campus credit cards pursuant to the Credit Card Accountability, Responsibility, and Disclosure Act ("CARD Act").[7] Pursuant to that obligation, the Bureau has now submitted and published five annual reports.[8]

Concurrently with the publication of this report and its associated dataset, the Bureau is publishing a bulletin on complying with certain provisions of the CARD Act and Regulation Z as they pertain to the publication of college credit card agreements. This stems in part from Bureau

[6] In the Bureau's past two reports on college credit cards, it was appropriate and beneficial to consolidate our mandatory reporting under the CARD Act with other information on financial products offered or marketed to students collected via our various market monitoring tools. Consolidating information about this market into a single, broader report on an ongoing basis will further the Bureau's mandates in a manner consistent with our goal to focus holistically on the suite of issues facing student financial consumers beyond directly financing the costs of their education. Therefore, we have decided to reframe this report as an annual report on "Student Banking." This is reflected in the title and structure of the report. The report is largely comprised of two sections – the first section examines the market for student debit cards and bank accounts, and the second section examines the market for college credit cards.

[7] 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 Bureau's duty to report annually on the college credit card market in particular. In addition, in a departure from prior practice, we are releasing all current and historical data collected by the Bureau and the Federal Reserve in a single, consolidated dataset alongside this report. This will facilitate the ability of Congress and the public to further investigate the state of the college credit card market, both in the present and trends over time. We plan to maintain this dataset on an ongoing basis, appending the new data we collect each year to the full dataset concurrently with the publication of each future Student Banking report.

[8] The Federal Reserve Board submitted two reports prior to Dodd-Frank transferring responsibility for the report to the Bureau. The earlier reports are available at http://files.consumerfinance.gov/f/201512_cfpb_college-credit-card-agreements.pdf (2015), http://files.consumerfinance.gov/f/201412_cfpb_college-card-agreement-report-2014.pdf (2014), http://files.consumerfinance.gov/f/201312_cfpb_report_college-credit-card-agreements.pdf (2013), http://files.consumerfinance.gov/f/201210_cfpb_report_College_Credit_Card_Agreements.pdf (2012), http://www.federalreserve.gov/BoardDocs/RptCongress/creditcard/2011/downloads/ccap_2011.pdf (2011), and http://www.federalreserve.gov/boarddocs/rptcongress/creditcard/2010/downloads/CCAP_October_web.pdf. (2010).

market monitoring efforts summarized in last year's College Credit Card Report.[9] While we do not discuss those specific issues further in this report, the Bureau reiterates its concern about transparency in student banking. The Bureau anticipates that issuance of the bulletin, as well as this and future annual reports on student banking, will encourage participants in this market to make transparency a priority going forward.

[9] *See* Consumer Financial Protection Bureau, *College Credit Card Agreements* (Dec. 2015), http://files.consumerfinance.gov/f/201512_cfpb_college-credit-card-agreements.pdf.

2. College debit card and bank account agreements

2.1 Background

More than 10 million students (approximately 40 percent) attend a college or university that has an agreement with a financial institution to offer college-sponsored deposit or prepaid accounts.[10] For several years, the Bureau has encouraged public access to information about the terms and conditions of agreements between colleges and financial institutions.[11] Beginning in 2013, the Bureau called for financial institutions to disclose these agreements on their websites or otherwise make them available to the public — a practice similar to requirements in place for college credit card agreements under the CARD Act.[12] The Bureau also launched an initiative to

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[10] *See* U.S. Gov't Accountability Office, GAO-14-91, C*ollege Debit Cards: Attention Needed to Address ATM Access, Student Choice, and Transparency*, at 29-30 (Feb. 2014), http://www.gao.gov/assets/670/660919.pdf.

[11] *See* Consumer Financial Protection Bureau, *What Sunshine for Student Financial Products Can Show Us* (Feb. 2014), http://www.consumerfinance.gov/about-us/blog/what-sunshine-for-student-financial-products-can-show-us/.

[12] *See* Consumer Financial Protection Bureau, *Press Release: CFPB Calls on Financial Institutions to Publicly Disclose Campus Financial Agreements* (Dec. 17, 2013), http://www.consumerfinance.gov/about-

help colleges seeking to enter into marketing agreements better evaluate the economic effects of certain products on their students' finances.[13]

In responding to concerns of high cost account fees and aggressive marketing, the Department of Education took significant steps to promote transparency and protect students using college-sponsored accounts offered under marketing agreements. In 2015, the Department finalized a new "Cash Management" regulation that increases the transparency of the college-sponsored deposit and prepaid account marketplace and establishes new minimum protections for students.[14]

Marketing agreements for college-sponsored accounts generally fall into one of two categories: (1) general marketing agreements between colleges and vendors governing accounts marketed directly to students (general marketing agreements), [15] or (2) marketing agreements where the

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us/newsroom/cfpb-calls-on-financial-institutions-to-publicly-disclose-campus-financial-agreements/; *see also* Credit Card Accountability Responsibility and Disclosure (CARD) Act of 2009, Pub. L. No. 111–24 (2009).

[13] *See* Consumer Financial Protection Bureau, *Safe Student Account Toolkit* (Dec. 2015), http://files.consumerfinance.gov/f/201512_cfpb_safe-student-account-toolkit.pdf. In addition, in February of this year, Director Cordray sent letters to the chief executives of the top 25 retail banking companies urging them to offer consumers a prominent choice of a transaction account that did not permit overdraft fees. The Bureau believes that access to a transaction account that does not permit overdraft fees should be extended to all depositors, including students. *See* Consumer Financial Protection Bureau, *CFPB Takes Steps to Improve Checking Account Access* (February 3, 2016), http://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-steps-to-improve-checking-account-access.

[14] *See* 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.

[15] These agreements, also called Tier 2 or 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, 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. 67126-67127 (Oct. 30, 2015), http://www.gpo.gov/fdsys/pkg/FR-2015-10-30/pdf/2015-27145.pdf.

vendors also provides assistance regarding financial aid processing (financial aid vendor agreements).[16]

Specifically, for all accounts marketed under financial aid vendor agreements, the Department of Education now requires colleges to ensure the agreement includes a set of minimum standards, including a prohibition on overdraft and certain other fees, and mandatory access to large networks of fee-free ATMs. Although the Department of Education does not explicitly require the same fee restrictions for general marketing agreements, it does require most colleges to ensure that both financial aid vendor agreements and general marketing agreements are "not inconsistent with the best financial interests" of students.[17]

The Department of Education's new regulations also require colleges with financial aid vendor agreements and general marketing agreements to disclose contracts publicly online and to provide links to access those agreements to the Secretary of Education by September 1, 2016.[18] Additionally, most colleges must similarly disclose annually "the mean and median of the actual

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[16] These agreements, also called Tier 1 or T1 arrangements, are between colleges and a third-party servicer under which the servicer performs one or more of the functions associated with processing direct payments of Title IV funds on behalf of the college, and offers one or more financial accounts under the arrangement, or where the college or third-party servicer directly communicates information about the account to students. *See* 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.

[17] Colleges must ensure accounts marketed under agreements are "not inconsistent with the best financial interests of the students opening them." A college may satisfy this requirement if, for example, 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." *See* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii); *see also* U.S. Dep't of Education, *Cash Management - Frequently Asked Questions* (May 2016), https://ifap.ed.gov/CashManagementInfo/CMFAQ.html ("Institutions that have a T1 arrangement or a T2 arrangement that meets the applicable credit balance recipient thresholds will have to establish and evaluate the contracts governing those arrangements in light of the best financial interests of students as discussed in the regulations. This means that an institution must document that the account fees are at or below market rates and that the institution can terminate the contractual arrangement based on student complaints or a determination that the fees are not consistent with or are above prevailing market rates.").

[18] *See* 34 C.F.R. §§ 668.164(e)(2)(vi), (f)(4)(iii).

costs incurred" by students using accounts promoted under an agreement, beginning no later than September 1, 2017.[19]

In September 2016, the Department of Education released a centralized database containing approximately 500 marketing agreements between colleges and financial institutions or vendors, thereby offering 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.[20]

To assess present practices in the rapidly changing market for college banking products, the Bureau performed a review of these agreements and of other publicly available information related to marketing agreements for college-sponsored deposit and prepaid accounts.[21]

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[19] *See* 34 C.F.R. §§ 668.164(e)(2)(vii), (f)(4)(iv).

[20] *See* U.S. Dep't of Education, *Title IV Institutions Reporting Cash Management Contracts* (accessed Sept. 30, 2016), https://studentaid.ed.gov/sa/about/data-center/school/cash-management-contracts.

[21] To perform this review, the Bureau first segmented this database into two general categories of agreements. The first category includes around 55 agreements from 13 financial institutions and vendors that appear primarily to market accounts directly to students (general marketing agreements). These financial institutions collectively represent 65 percent of vendors identified in agreements published in the Department of Educations' database and account for more than 12 percent of all published agreements in the database. The Bureau believes that this category includes the vast majority of general marketing agreements in place between colleges and financial institutions.

The second category includes agreements from financial institutions and vendors that appear to market accounts directly to students and require a vendor to assist a college in performing specific functions that support the disbursement of financial aid (financial aid vendor agreements). The Bureau estimates that more than 87 percent of agreements included in the Department of Educations' database fall into this second category, the vast majority of which (374 out of about 434) are agreements with a single vendor—BankMobile—and feature accounts with substantively similar features, terms, and conditions.

2.2 General findings

The Bureau's review of available agreements and other public information shows that, broadly, financial aid vendor agreements are consistent with the minimum standards set by the Department of Education's regulations for college-sponsored accounts, including restrictions and limits on account fees where required. In contrast, general marketing agreements for college-sponsored accounts, which are subject to a different regulatory framework, do not provide the same level of protection. Many general marketing agreements do not prohibit certain fees account providers may charge students, potentially including overdraft fees, monthly maintenance fees, out-of-network ATM fees, and other charges.

Overdraft fees for many widely used accounts, for example, are often in the range of $35 per incident.[22] In the Bureau's 2014 Data Point, we determined that 10.70 percent of large bank depositors aged 18-25 years incurred 10 or more overdrafts per year.[23] Over our study period, nearly one-in-ten consumers in the population with student accounts incurred 10 or more overdrafts per year, paying, on average, $196 in overdraft fees alone.[24] At a college that does not

The Department of Educations' database does not identify whether agreements are Tier 1 or Tier 2 agreements under the Department of Education's Cash Management regulations and the Bureau did not attempt to assess colleges' or financial institutions' compliance with these regulations in its review of these contracts.

[22] *See, e.g.*, *U.S. Bank, Common Checking Account Fees* (accessed on Nov. 28, 2016), https://www.usbank.com/pdf/checking/StudentCheckingSnapshot.pdf; PNC Bank, *Virtual Wallet Features and Fees* (accessed on Nov. 28, 2016), https://www.pnc.com/content/dam/pnc-com/pdf/personal/Checking/fees-vw-A.pdf; Bank of the West, *Welcome to the Official Bank of UC Berkley* (accessed on Nov. 28, 2016), https://www.bankofthewest.com/campaigns/personal-banking/-/media/pdf/deposits/ucb-student-checking-disclosure.pdf?la=en.

[23] *See* Consumer Financial Protection Bureau, *Data Point: Checking account overdraft 8-10* (July 2014), http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf.

[24] Bureau calculations not previously reported. Student accounts were self-identified in data sets provided by financial institutions. This total is exclusive of any other fees paid by student account holders, including NSF fees, out-of-network ATM fees, and monthly maintenance fees. Overdraft fees can be especially costly to young adults

limit such fees, for some students, the aggregate financial cost of these penalty fees could multiply, collectively costing students at just one college hundreds of thousands of dollars in fees per year.[25]

2.3 Detailed findings

The following analysis offers a series of detailed observations based on the Bureau's review of marketing agreements and other public sources of information to inform colleges and universities, financial institutions and other vendors, policymakers, and regulators seeking to better understand the financial effects of marketing agreements on individual students.

The Bureau observes that, where a single financial institution has disclosed agreements with multiple colleges, generally each of a financial institution's contracts contain many similar provisions; however, in some cases they differ in important ways. For example, some individual

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compared to benefits the service can provide. For example, some consumers may find benefit in a rare overdraft that covers an obligatory expense, like a mortgage or childcare payment. In contrast, young consumers use debit cards more frequently and for smaller discretionary expenses, increasing the risks of overdraft without providing core value. Additionally, young consumers have less experience with financial products, further increasing the risk of unintentionally activating costly services.

[25] As an illustration, consider a large university with 35,000 students. If 35 percent of these students open college-sponsored accounts (a rate in line with recent industry estimates) and 8.4 percent of account holders pay approximately $200 per year in overdraft fees, these students could collectively pay nearly $200,000 per year in just overdraft fees. *See, e.g.*, Florida International University, *FIU Contract with Wells Fargo* (accessed on Nov. 28, 2016), http://finance.fiu.edu/purchasing/4contra_oncampusretailbanking.html ("Wells Fargo has over forty campus card programs with many of them achieving 35-40 percent annually in campus card linked account penetration of their student enrollment. Our most successful program is the University of Northern Colorado, which regularly maintains over 85% penetration.")

colleges may negotiate with a financial institution to include additional key consumer protections or oversight provisions.[26]

The following observations do not necessarily suggest the prevalence of the issues described as they relate to the entire market for college-sponsored accounts but may offer additional context and illustrate how specific contract provisions included in these agreements can direct the features, terms, and conditions of financial accounts marketed to students, and consequently, affect students' personal finances.[27] In addition, the findings highlight areas in which some universities have negotiated contractual terms that provide students with additional protections and benefits that others have not.[28]

Many general marketing agreements contain features or lack protections that may make them inconsistent with the "best financial interests" of students. New federal

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[26] *See* PNC Bank agreement with University of Illinois (2015), https://www.treasury.uillinois.edu/icp/banking/ (requiring bank to "notify the University no less than 30 days from the effective date of a change to any terms of the Virtual Wallet Student or to student program features" and provide either "written notice to PNC Bank regarding the University's acceptance of the terms in the notice; or the University may terminate [the agreement.]"). *But see* PNC agreement with Georgetown University (2015), https://drive.google.com/file/d/0B6tu3Fpx1LUEeUF6S3A5MWM2X1U/view & PNC agreement with Towson University (2011), http://www.towson.edu/bursar/rebatesrefunds/index.html (while both agreements contain general termination provisions, neither agreement contains an express provision allowing the university to terminate the agreement due to a change of account terms by the bank).

[27] 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 Bureau of compliance by either party with any federal consumer financial law or regulation, the Higher Education Act, or any other federal or state law.

[28] The scope of the Bureau's observations was limited to the terms contained in agreements published by the Department of Education in September 2016. Some agreements, as discussed later in the report, include open-ended or general provisions 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 Department of Education in September 2016, were not evaluated as part of the Bureau's review.

regulations require agreements to provide for accounts “not inconsistent with the best financial interests” of students, in part by conducting periodic reviews of fees to ensure they are “consistent with or below prevailing market rates.”[29] Based upon the Bureau’s review of available general marketing agreements and other public information, the Bureau observes that, largely, accounts marketed under general marketing agreements do not feature the baseline protections against high fees afforded to students using accounts offered under financial aid vendor agreements.[30] This may raise questions for colleges and other stakeholders considering whether general marketing agreements that permit high fees are consistent with the “best financial interests of their students,” when lower-cost accounts are widely available and are featured in agreements in place at hundreds of other colleges and universities.[31] In contrast, at least one college appears to have a general marketing agreement that provides for an account with features that are similar to the terms offered under financial aid vendor agreements.[32]

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[29] *See supra* note 20.

[30] The Bureau observed these features in select college agreements with PNC (including, but not limited to, agreements with Youngstown State University and Georgetown University), and Wells Fargo (including, but not limited to, agreements with New Mexico State University and Villanova University). *See supra* note 20.

[31] When considering whether an agreement is “not inconsistent with the best financial interests of students” as required under Department of Education’s regulations, governing regulations note that, in part, “the Secretary considers this requirement to be met if the [college] documents that it conducts reasonable due diligence reviews at least every two years to ascertain whether the fees imposed under the [general marketing agreement] are, considered as a whole, consistent with or below prevailing market rates . . . .” When conducting due diligence reviews, colleges with existing agreements may wish to consider how the fees and features of publicly available accounts compare to the features and fees of accounts marketed to students under financial aid vendor agreements. General marketing agreements’ minimal consideration of account features, terms, and conditions contrasts sharply with detailed provisions governing the financial benefits provided to colleges under these agreements, including defined revenue sharing and other payments made by the vendor in exchange for marketing access to colleges’ student populations. *See*34 C.F.R. § 668.164.

[32] *See* Stetson University agreement with Fifth Third Bank, http://www.stetson.edu/other/hatter-one-card/media/fifth-third-campus-card-agreement.pdf (in which the agreement includes a provision requiring that the student identification cards serve as “reloadable, prepaid card,” as opposed to cards linked to checking accounts. Prepaid cards typically do not permit overdraft.)

Most general marketing agreements do not expressly prohibit certain fees charged to students. The Bureau observes that, broadly, general marketing agreements do not include contract provisions expressly prohibiting certain fees charged by financial institutions to students,[33] including overdraft fees, which the Department of Education notes "present the potential for significant costs and harm to students."[34] While, in practice, some accounts marketed under general marketing agreements may include some restrictions on certain fees — for example, a daily limit on the number of overdraft fees a consumer may incur — these features are not obligations imposed by the colleges through its agreement with the financial institution and may be subject to change over the lifetime of a general marketing agreement.[35] In contrast, a few colleges explicitly require a series of protections for students using college-sponsored accounts promoted under general marketing agreements: providing for prepaid accounts that do not appear to charge overdraft fees;[36] expressly limiting monthly account

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[33] The Bureau observed these features in select 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 New Mexico State University and University of Florida), and MidFirst Bank (including, but not limited to, University of Central Oklahoma). *See supra* note 20.

[34] For all financial aid vendor agreements, the Department of Education requires colleges to explicitly prohibit overdraft fees and include other consumer protections. Last year, the Bureau encouraged colleges to consider fee and feature requirements for financial aid vendor agreements when negotiating general marketing agreements. *See* 34 C.F.R. § 668.164; *see also* Consumer Financial Protection Bureau, *Safe Student Account Toolkit* (Dec. 2015), http://files.consumerfinance.gov/f/201512_cfpb_safe-student-account-toolkit.pdf.

[35] The Bureau observed these features in select college agreements with US Bank (including, but not limited to, an agreement with Missouri Baptist University), PNC (including, but not limited to, agreements with Gettysburg College and Loyola University of Chicago), and Wells Fargo (including, but not limited to, agreements with Minnesota State University, Mankato and Texas A&M University-Corpus Christi. *See supra* note 20.

[36] *See* Stetson University agreement with Fifth Third Bank, http://www.stetson.edu/other/hatter-one-card/media/fifth-third-campus-card-agreement.pdf (in which the agreement explicitly includes a provision requiring that the student identification cards serve as "reloadable, prepaid card," as opposed to cards linked to checking accounts. Prepaid cards typically do not permit overdraft.).

maintenance fees;[37] or providing for reimbursement by the bank of charges incurred by another financial institution for using an ATM outside the financial institution's network.[38]

Marketing agreements generally do not require financial institutions to notify or seek approval from colleges for future fee increases. The Department of Education regulations require colleges with marketing agreements to conduct "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."[39] However, marketing agreements largely do not require vendors to provide written notice or seek approval from a college when implementing changes to the terms and conditions of accounts, including changes to terms related to fees or policies for charging fees, posing a potential obstacle for schools performing required due diligence reviews.[40] For example, many agreements do not require financial institutions to report to colleges about general changes to account terms, conditions, and pricing.[41] Conversely, a few agreements do explicitly require the vendor to

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[37] *See, e.g.*, University of California, Berkeley agreement with Bank of the West (2015), http://upp.berkeley.edu/sites/default/files/bank_of_the_west_ucb.upp_fully_exectued_agreement_10.28.15_1.pdf (prohibiting monthly fees for Student Checking Accounts).

[38] *See* University of California, Berkeley agreement with Bank of the West (2015), http://upp.berkeley.edu/sites/default/files/bank_of_the_west_ucb.upp_fully_exectued_agreement_10.28.15_1.pdf (reimbursing up to $6 per statement cycle for fees incurred at non-Bank of the West ATMs).

[39] *See* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii); *see also* U.S. Department of Education, *Cash Management - Frequently Asked Questions* (May 2016), https://ifap.ed.gov/CashManagementInfo/CMFAQ.html ("Institutions that have a T1 arrangement or a T2 arrangement that meets the applicable credit balance recipient thresholds will have to establish and evaluate the contracts governing those arrangements in light of the best financial interests of students as discussed in the regulations. This means that an institution must document that the account fees are at or below market rates and that the institution can terminate the contractual arrangement based on student complaints or a determination that the fees are not consistent with or are above prevailing market rates.").

[40] *See infra,* notes 41-43.

[41] The Bureau observed these features in select college agreements with US Bank (including, but not limited to, agreements with Iowa State University and Drury University), Wells Fargo (including, but not limited to,

inform the college prior to implementing account changes.[42] However, these agreements do not always contain specific provisions empowering colleges to provide input or impose limitations on future account fee increases.[43] It would seem that, in general, colleges and universities provided with advance notice of pending changes to student accounts are in better position to advocate for protections and more favorable terms than schools that are not provided with such notice. At least one agreement explicitly reserves the right for the college to review proposed fee changes and accept the changes or terminate the agreement.[44]

Some general marketing agreements do not require financial institutions to provide colleges with regular access to detailed data about fees. As noted earlier, new federal regulations require agreements to provide for accounts "not inconsistent with the best

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agreements with California State University, Stanislaus and Texas State University), ECSI Heartland (including, but not limited to, agreements with Northeastern State University and Pittsburgh Technical College), Herring Bank (including, but not limited to, agreements with Fort Scott Community College and North Central Texas College), and BankMobile (including, but not limited to, agreements with American Public University System and Liberty University). *See supra* note 20. Readers should note that federal consumer law requires financial institutions to provide advanced 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).

[42] The Bureau observed these features in select college agreements with PNC (including, but not limited to, agreements with University of Cincinnati and University of Delaware), and TCF Bank (including, but not limited to, agreements with University of Minnesota). *See supra* note 20.

[43] The Bureau observed these features in select college agreements with PNC (including, but not limited to, agreements with University of Cincinnati and University of Delaware), and TCF Bank (including, but not limited to, agreements with University of Minnesota). *See supra* note 20.Readers should note that, as discussed in subsequent sections, agreements include a general rescission or termination provision permitting colleges to terminate a contract should the college determine that fees imposed by the vendor on accounts "are, considered as a whole, clearly not consistent with or are above prevailing market rates for similarly situated financial accounts" and such determination is supported by data based on the relevant market. These provisions largely do not explicitly provide for action by colleges in response to this information, other than termination of the agreement. *See, e.g.*, college agreements with Wells Fargo (including, but not limited to, agreements with New Mexico State University and California State University, Stanislaus). *See also* 34 C.F.R. §§ 668.164(e)(2)(ix), (f)(4)(viii).

[44] *See* University of Illinois agreement with PNC Bank. *See supra* note 20.

financial interests" of students, in part by conducting periodic reviews of fees.[45] The Bureau observes that some agreements do not require vendors to disclose, on a periodic basis, detailed information on the amount and frequency of fees assessed to students.[46] For example, while some agreements require financial institutions to report the mean and median account fees paid by accountholders, these agreements do not require financial institutions to regularly report data segmented by type of fee or cohort of consumer.[47] As the Bureau has noted in the past, this type of data on account utilization allows colleges to better understand how account fees affect students and to better assess the economic costs of specific fees on the personal finances of particular segments of students, including vulnerable students .[48] For example, some agreements, including financial aid vendor agreements, impose more robust transparency requirements – requiring financial institutions to report any account details, including detailed analyses of fees, upon request.[49] This would appear to give these colleges a better ability to protect students from excessive fees.

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[45] *See supra* note 20.

[46] *See infra,* note 47-49.

[47] The Bureau observed these features in select college agreements with US Bank (including, but not limited to, agreements with Saint Louis University and Drury University), Blackboard (including, but not limited to, agreements with Johnson & Wales University and Herzing University), and Bank of the West (including, but not limited to, an agreement with University of California, Berkeley). *See supra* note 20.

[48] Not all fees have the same impact on students. Some fees may only impact a small number of accounts but impose significant costs to those account holders. The Bureau has previously noted that most overdraft fees are paid by a small fraction of bank customers: eight percent of customers incur nearly 75 percent of all overdraft fees. *See* Consumer Financial Protection Bureau, *CFPB Data Point report* (2014); Also *see* Consumer Financial Protection Bureau, *Safe Student Account Toolkit* (Dec. 2015). The Bureau notes that even more detailed analytics, such as means and medians by socioeconomic segment, could provide colleges with even greater insight as to the economic effects of these accounts on students, to the extent practical under applicable privacy laws.

[49] The Bureau observed these features in select college agreements with PNC (including, but not limited to, agreements with Loyola University of Chicago and Pennsylvania State University). *See supra* note 20. Readers should also note that some agreements include general provisions (i.e. "Examinations and Audit" clauses) that may

Some agreements lack detail on how student complaints are evaluated and resolved. Under the Department of Education's regulations, colleges must also maintain the ability to terminate an agreement based on student complaints.[50] Most agreements we reviewed 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.[51] This is a practice that could better-position the college to analyze and act on information contained in these complaints. In contrast, one college explicitly requires enhanced complaint reporting procedures – requiring the financial institution to report the number of student complaints and a description of their resolution to the college each month.[52] Another agreement requires the financial institution to meet annually with representatives of the student government to discuss student complaints.[53] Such practices could allow a college to better protect its students.

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permit the college to access documents and data related to the usage of accounts, but do not specify the substance, timing, or cadence of reports or data on specific fees available upon request.

[50] Colleges must "make provision for termination of the arrangement by the institution based on complaints received from students," and "take affirmative steps, by way of contractual arrangements with the financial institution as necessary, to ensure that requirements of this section are met with respect to all accounts offered pursuant to [agreements]." *See* 34 C.F.R. §§ 668.164 (f)(4)(viii)-(ix). Also *see* 34 C.F.R. §§ 668.164 (e)(2)(ix)-(x).

[51] The Bureau observed these features in select college agreements with US Bank (including, but not limited to, agreements with Normandale Community College and Webster University), PNC (including, but not limited to, agreements with University of Illinois and Youngtown State University), Wells Fargo (including, but not limited to, agreements with University of Nevada, Reno and Villanova University), Blackboard (including, but not limited to, agreements with Johnson & Wales University and Herzing University), ECSI Heartland (including, but not limited to, agreements with Northeastern State University and Pittsburgh Technical College), TCF Bank (including, but not limited to, an agreement with University of Minnesota), and Bank of the West (including, but not limited to, an agreement with University of California, Berkeley). *See supra* note 20.

[52] *See* University of Central Oklahoma agreement with MidFirst Bank (2013), http://www.uco.edu/em/bsc/contract-disclosures.asp.

[53] *See* University of Michigan agreement with PNC Bank (2015), http://finance.umich.edu/system/files/U-M_PNC_Agreement.pdf.

Colleges may fail to adhere to the Department of Education's regulation for public disclosure of marketing agreements. As noted above, the Department of Education's regulations require most colleges with either a general marketing agreement or a financial aid vendor agreement to publicly disclose contracts online and to provide links to access those agreements to the Secretary of Education by September 1, 2016.[54] Many of the largest banks that market college-sponsored accounts to students maintain websites that publicly identify colleges that participate in the bank's campus card programs.[55] However, the Bureau notes that several of these agreements were not included in the Department of Education's centralized database of agreements released September 2016, suggesting that some colleges did not submit their agreements to the Department before the agency's disclosure website launched.[56]

[54] *See* 34 C.F.R. §§ 668.164(e)(2)(vi), (f)(4)(iii).

[55] *See, e.g.*, Wells Fargo, *Wells Fargo Campus Card Program* (accessed Nov. 3, 2016), https://www.wellsfargo.com/debit-card/campus-card/schools; PNC, *Virtual Wallet Student for Student Banking with PNC* (accessed Nov. 9, 2016), https://www.pnc.com/en/personal-banking/banking/student-banking.html.

[56] *Id.*

3. College credit cards

3.1 Background

Title III of the CARD Act contains a number of provisions designed to provide protections to college students and younger consumers. For example, the Act restricts the marketing of credit cards to college students on or near college campuses or at school-sponsored events by prohibiting the use of gifts or any tangible items to induce students to apply for credit cards. In addition, the Act prohibits the marketing of prescreened offers of credit to a consumer under the age of 21 without the consumer's consent. The Act also prohibits credit card issuers from extending credit to persons under age 21 without a written application demonstrating the consumer's independent ability to make payments or a cosigner age 21 or older with the means to make payments.

Section 305 of the CARD Act was intended to bring greater transparency to the college and university credit card market. Implementing regulations require that credit card issuers submit to the Bureau 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.[57] The same requirement applies to agreements between an issuer and an

[57] *See* 15 U.S.C. § 1637(r) & 12 CFR 1026.57(d); *see also* 76 FR 79768 (Dec. 22, 2011).

affiliated organization of the institution, such as an alumni organization or a foundation associated with the institution.[58]

Issuers are required to submit the following information with respect to each such agreement:

- the number of credit card accounts covered by the agreement ("college credit card accounts") that were open at year-end;
- the amount of payments made by the issuer to the institution or organization during the year;[59]
- 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 institution or affiliated organization that directly or indirectly relates to any aspect of the agreement.[60]

The consolidated dataset released concurrently with this report provides a detailed listing of all data provided by issuers for 2015, as well as each prior year through 2009.[61] Institutions of higher education are also required to make agreements available directly to the public.[62] Guidance on how institutions can best comply with this requirement is the topic of a Bureau bulletin published concurrently to this report.

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[58] In some cases, issuers submitted to the Bureau 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."

[59] All payments included in this report are rounded to the nearest dollar.

[60] *See* 12 CFR. 1026.57(d)(2).

[61] See Appendix A for more information.

[62] 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 CFR 1026.57(b).

As part of its effort to achieve greater transparency, the CARD Act requires the Bureau to issue a report each year on the information and documents provided by card issuers, including the number of new accounts opened pursuant to agreements between card issuers and colleges and universities and the compensation paid by issuers to these institutions. The present section serves as that report, and is based on the information and agreements submitted to the Bureau by credit card issuers. The information is current as of the end of 2015.[63]

3.2 Overall trends

The Bureau received 292 college credit card agreements from 33 credit card issuers for 2015. This section of the report presents data about these agreements and compares that to data for earlier years.

[63] Issuers were required to make their fifth annual submission by April 1, 2016. This submission comprised college credit card agreements to which the issuer was a party during 2015 and information regarding payments and accounts as of December 31, 2015.

FIGURE 1: TRENDS IN ISSUER-REPORTED METRICS (INDEXED TO 100% IN 2009)

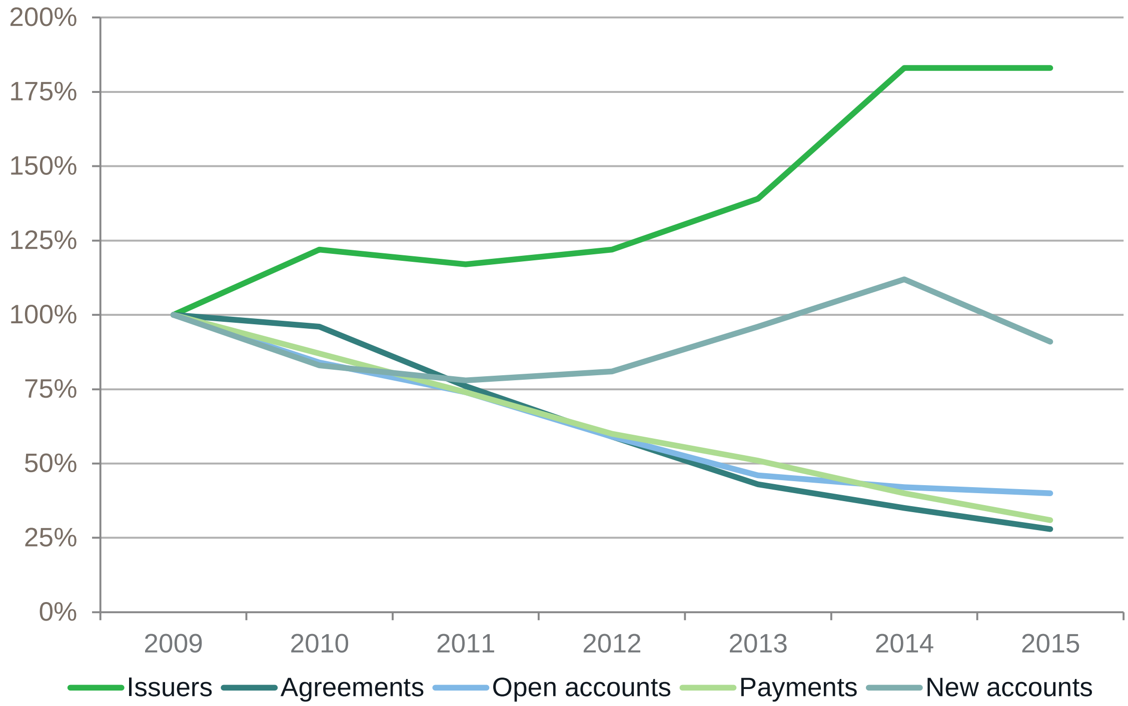


Figure 1 presents a summary of this data, which show that in each year from 2009 through 2015, there were consistent declines in: (a) the number of college credit card agreements; (b) the total number of associated credit card accounts open at year-end; and (c) the amount paid by issuers to institutions and affiliates. In contrast, 33 issuers were parties to such agreements in effect in 2015, the same as in the previous year.[64] Further, 2015 saw fewer new accounts than either 2013 or 2014, but has yet to record a similar decline to the first three metrics.

[64] Two issuers submitted data for the first time this year; however, they appear to have had agreements in past years, suggesting that a comprehensive retroactive submission from them would result in minor alterations to previous year data.

3.3 Issuers

Bank of America, via its subsidiary FIA Card Services, remains the largest player in this market. By examining solely the number of agreements by issuer, Bank of America's presence continues to decline, representing only 99 of 292 agreements (34%). However, Bank of America still represented 78% of all accounts open under such agreements and 79% of payments made to institutions and their affiliates under such agreements, a share more than ten times larger than any competitor by either metric.

Although Bank of America has been the dominant player in this market in every year for which this report has been prepared, the number of Bank of America agreements, accounts, and payments continues to fall significantly. In 2014, Bank of America maintained 125 agreements. By 2015, that number was down to 99 agreements, a fall of 21%, a decline almost identical to the decline in the remaining market, from 244 to 193 agreements. This decline was driven primarily by the exit in 2014 of Capital One and their 53 agreements from the market; issuers other than Bank of America and Capital One were, collectively, very stable, representing 191 agreements in 2014 and 193 in 2015.

Overall, 33 issuers submitted agreements for 2015; each issuer's aggregate metrics can be seen in Table 1 below. Four issuers that submitted agreements in 2015 did not submit agreements in 2014. The new issuers in the 2015 submission are two banks and two credit unions: MidFirst Bank, Nationwide Bank, Boeing Employees Federal Credit Union, and ProFed Federal Credit Union. The new entrants accounted for 12 agreements, 11,180 accounts, and $786,361 in payments to institutions and their affiliates.

TABLE 1: REPORTED METRICS WITH COLLEGE AGREEMENTS IN EFFECT 2015, BY ISSUER

Issuer	Agreements in effect	Year-end open accounts	Issuer payments	New accounts
Apple Federal Credit Union	1	118	$15,000	0
Banco Popular de Puerto Rico	1	15,501	$66,609	751
Boeing Employees' Credit	1	7,775	$300,000	5,171

Issuer	Agreements in effect	Year-end open accounts	Issuer payments	New accounts
Union				
Carolina Trust Federal Credit Union	1	146	$1,494	21
Chase Bank	3	0	$70	0
Christian Community Credit Union	1	152	$36,917	137
Comenity Capital Bank	1	157	$50,000	49
Commerce Bank	22	795	$54,457	496
Discover Bank	11	3,547	$52,000	85
FIA Card Services, N.A.	99	631,933	$20,127,269	28,409
First Interstate Bank	1	106	$4,640	31
First National Bank of Omaha	7	8,450	$548,982	952
Harvard University Employees Credit Union	1	9,279	$1,000,002	1,225
INTRUST Bank, N.A.	11	27,319	$2,113,341	491
MidFirst Bank	3	1,823	$286,301	645
MIT Federal Credit Union	1	661	$56,607	486
Mountain America Federal Credit Union	1	3,405	$38,358	2,529
Nationwide Bank	7	1,582	$200,000	524

Issuer	Agreements in effect	Year-end open accounts	Issuer payments	New accounts
Oregon Community Credit Union and OCCU Card Services, LLC	2	6,388	$41,692	1,335
Pen Air Federal Credit Union	3	112	$1,193	26
Pennsylvania State Employees Credit Union	23	759	$5,915	176
ProFed Federal Credit Union	1	0	$60	0
The Southern Credit Union	1	42,062	$19	11
U.S. Bank National Association ND	23	14,759	$175,772	625
UMB Bank	49	600	$12,106	88
University Credit Union	1	276	$4,624	59
University First Federal Credit Union	1	4,346	$0	2,546
University of Illinois Employees Credit Union	1	13,831	$262,608	2,076
University of Wisconsin (UW) Credit Union	3	624	$20,000	174
USAA Savings Bank	8	6,253	$633,990	866
USC Credit Union	1	1,606	$235,750	49
USF Federal Credit Union	1	1,611	$239,600	549

Issuer	Agreements in effect	Year-end open accounts	Issuer payments	New accounts
Wright-Patt Credit Union, Inc.	1	454	$6,259	76
Grand Total	**292**	**806,430**	**$26,591,636**	**50,658**

3.4 Agreements

Issuers submitted 292 college credit card agreements for 2015.[65] Twenty-two of these, or around 8%, were entered into in 2015. Eight issuers accounted for these new agreements. Overall, there was a significant net decrease of 77 agreements in effect in 2015 relative to 2014, a 21% decline. The pace of agreement termination slowed in 2015, with 38 ending in 2015. That 13% closure rate was half the pace of 2014.[66] As a result, there were 254 agreements in effect as of year-end 2015, compared to 272 at year-end 2014, a fall of around seven percent.[67]

[65] In contrast, in 2015 the U.S. Department of Education calculated that at least 832 colleges had agreements covering the provision of debit or prepaid card services to their students. *See* U.S. Dep't. of Education, Program Integrity and Improvement (final rule), 80 Fed. Reg. 67182-67183 (Oct. 30, 2015), available at http://www.gpo.gov/fdsys/pkg/FR-2015-10-30/pdf/2015-27145.pdf.

[66] The linked dataset allows users to see all agreements terminated in 2015 as well as earlier years. *See College credit card agreements* at http://www.consumerfinance.gov/data-research/credit-card-data/college-credit-card-agreement/.

[67] To calculate the number of agreements in effect as of the end of a given year, we took the number of agreements in effect at any time that year minus the number of agreements terminated by the end of that year.

There were two major drivers of agreement decline in 2015, both of which were similar to previous drivers of agreement decline. The first was Bank of America, which accounted for 18 of the 38 agreements terminated in 2015. The second was Discover, which all but exited the market, terminating ten of its eleven agreements in 2015. These two issuers represented nearly 97% of accounts and payments to institutions and their affiliates associated with terminated agreements.

In contrast with recent years, two of the agreements terminated this year were associated with more than 10,000 open accounts. Those agreements, both Bank of America's, were with the National Alumni Association of the University of Alabama and the University of Wisconsin Foundation, and represented over half of the accounts associated with agreements terminated last year. Only one agreement with over 5,000 open accounts was terminated in 2013.[68] In 2014, two terminated agreements had more than 5,000 open accounts reported for that year.[69]

3.5 Partner entities

For the first time since the Bureau (and before it, the Federal Reserve Board) began collecting these data, the share of agreements with institutions of higher learning increased. As shown in Figure 2, the institution of higher learning agreement share rebounded to a one-third share of all agreements in effect in 2015, from a low of one-quarter in 2014. Figure 3 shows that this is driven, however, almost completely by a decline in every other kind of agreement, from 278 agreements with other types of institutions in 2014 to 199 in 2015. Agreements with institutions of higher education did grow, but only by a net of two, from 91 in 2014 to 93 in 2015. As shown

[68] Bank of America was the issuer for this agreement. Its partner was Phi Kappa Phi.

[69] One was the agreement between Bank of America and the University of Washington Alumni Association; the other was the agreement between U.S. Bank and both Rutgers, the State University of New Jersey and Rutgers University Alumni Association. It is possible that other issuers will subsequently re-contract with the same institution or affiliate; for example, Phi Kappa Phi currently has an agreement with Commerce Bank.

in Table 2, while alumni associations represent a smaller share of agreements than in 2014, they still represent over half of all agreements, and have increased their predominance in other metrics, representing two-thirds of all associated accounts and three-quarters of all associated payments.

FIGURE 2: AGREEMENT SHARE BY PARTNER TYPE

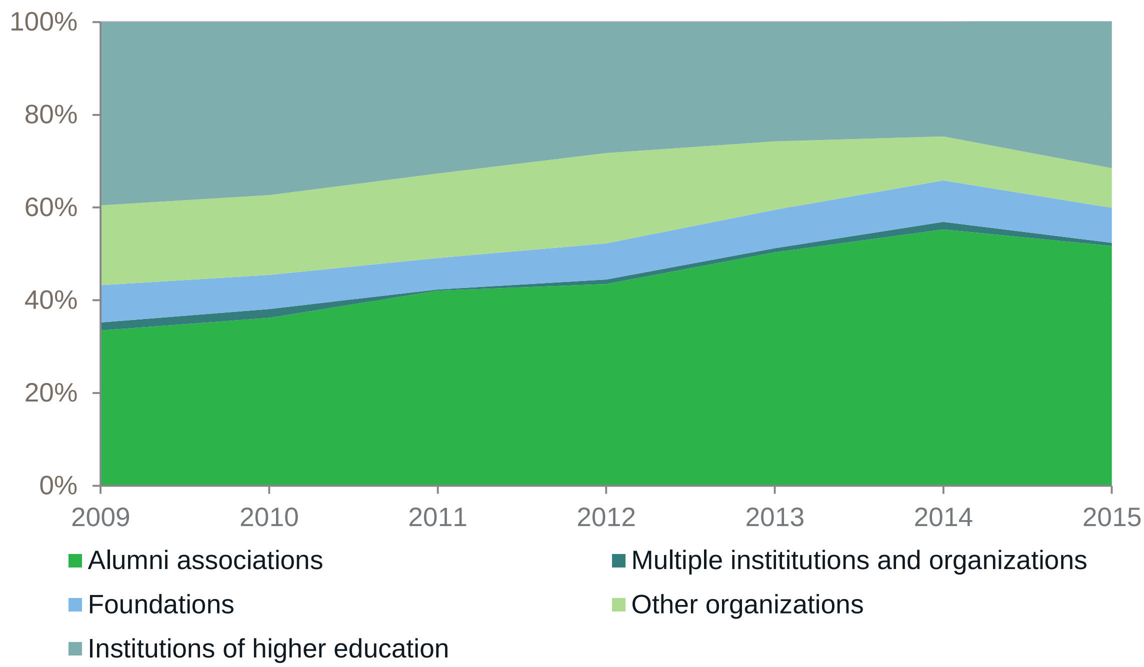


FIGURE 3: TOTAL AGREEMENTS BY PARTNER TYPE

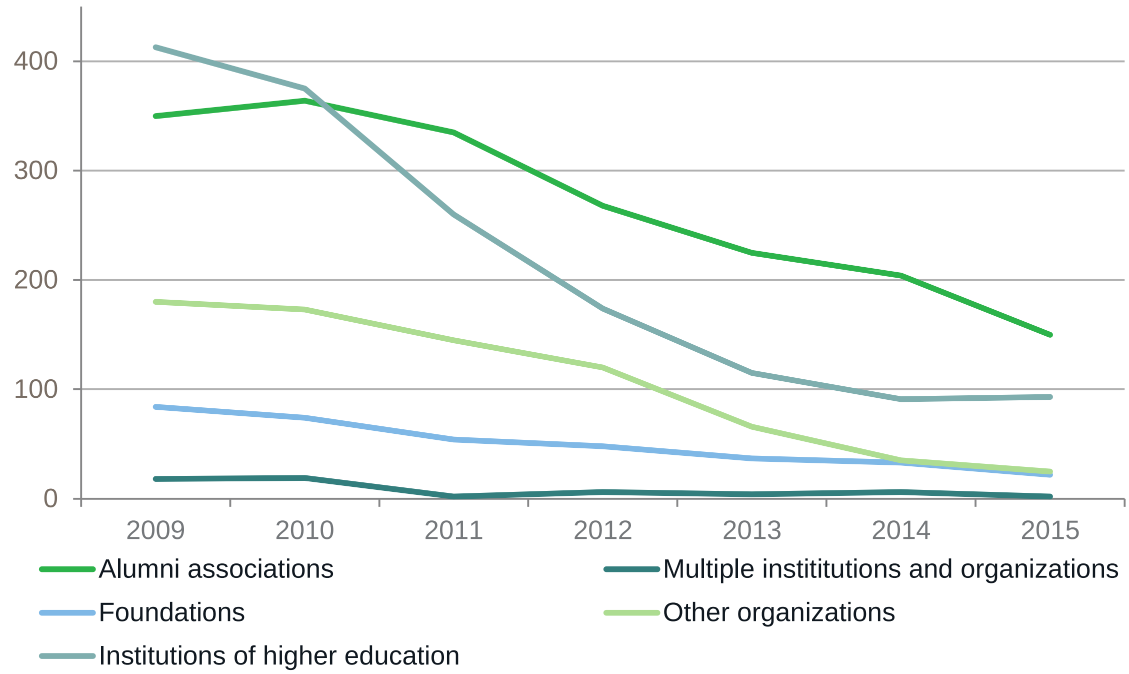


TABLE 2: ISSUER REPORTED METRICS BY AGREEMENT PARTNER TYPE, 2015

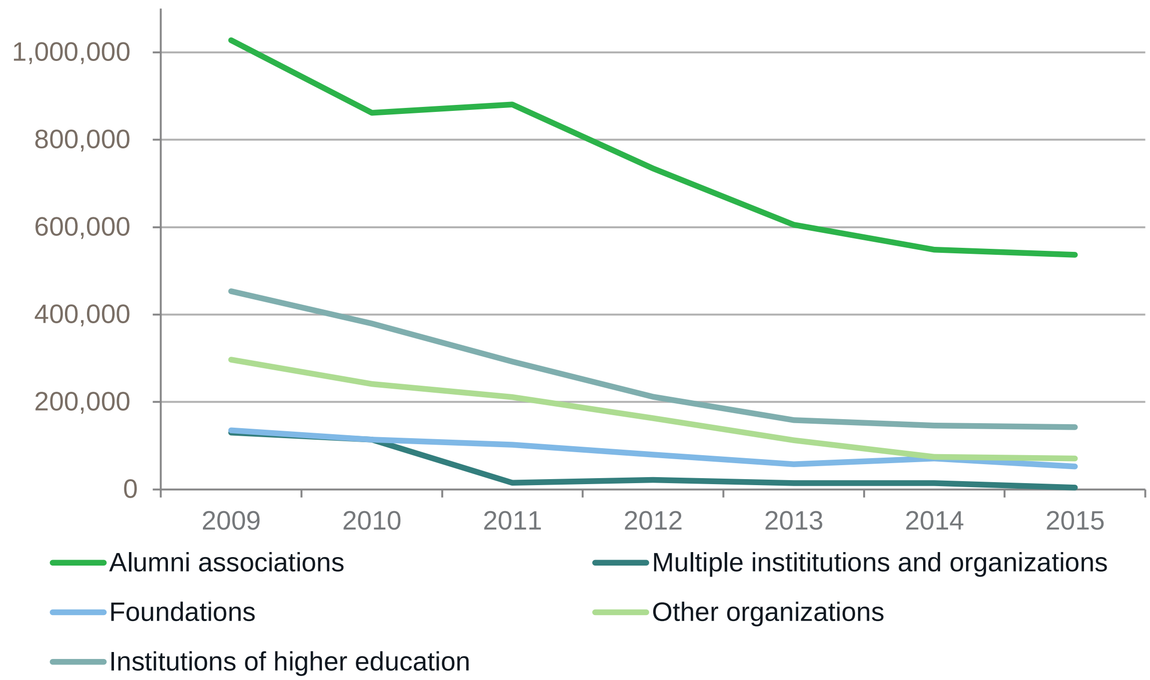
Type of institution or organization	Agreements in effect in 2015	New agreements in 2015	Total open accounts at year-end	Payments by issuer in 2015	New accounts opened in 2015
Alumni associations	150	10	536,493	$19,241,393	35,372
Institutions of higher education	93	11	142,430	$4,724,770	8,916
Other organizations	25	1	70,887	$1,804,718	1,698
Foundations	22	0	52,274	$820,754	2,126
Multiple institutions and	2	0	4,346	$0	2,546

Type of institution or organization	Agreements in effect in 2015	New agreements in 2015	Total open accounts at year-end	Payments by issuer in 2015	New accounts opened in 2015
organizations					
Total	**292**	**22**	**806,430**	**$26,591,636**	**50,658**

3.6 Account volume

The total number of open college credit card accounts at year-end declined in each year from 2009 through 2015. The cumulative decline across these years was more than 60%. While some issuers had a net increase in accounts from year-end 2014 to year-end 2015, these increases were offset by larger declines experienced by other issuers. Total year-end open accounts declined for each type of partner institution in aggregate, as shown below in Figure 4. While that decline relative to the previous year was small for the largest categories of partners, alumni association and institutions of higher learning, it was steeper for other groups. The total number of new accounts opened each year continued to fluctuate in a manner uncorrelated with other metrics tracked in this report; in 2015 that number declined sharply from its 2014 level, but was still higher than in some previous years.

FIGURE 4: YEAR-END ACCOUNTS BY PARTNER INSTITUTION



3.7 Payments

The total amount paid to partners, including institutions and affiliates, fell each year from 2009 through 2015. The cumulative decline across this period was 69%. While some issuers paid more to partners in 2015 than in 2014, these increases were offset by larger declines experienced by other issuers. Overall, issuers paid 22% less to partners in 2015 than in 2014.

Returning to a trend interrupted in 2014, agreements with alumni associations increased their share to fully 72% of all payments, nearly matching the previous peak from 2013. After increasing to nearly 20% in 2014, payments made in association with agreements with institutions of higher education declined to under 18% in 2015. This can be seen below in Figure 6.

FIGURE 5: ISSUER PAYMENTS BY PARTNER TYPE

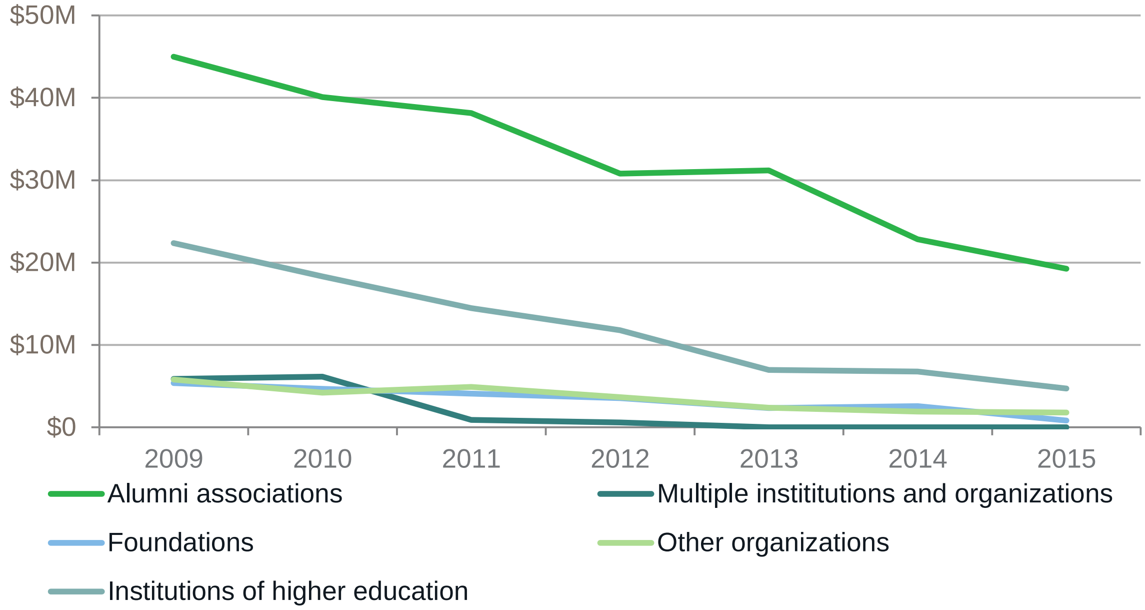
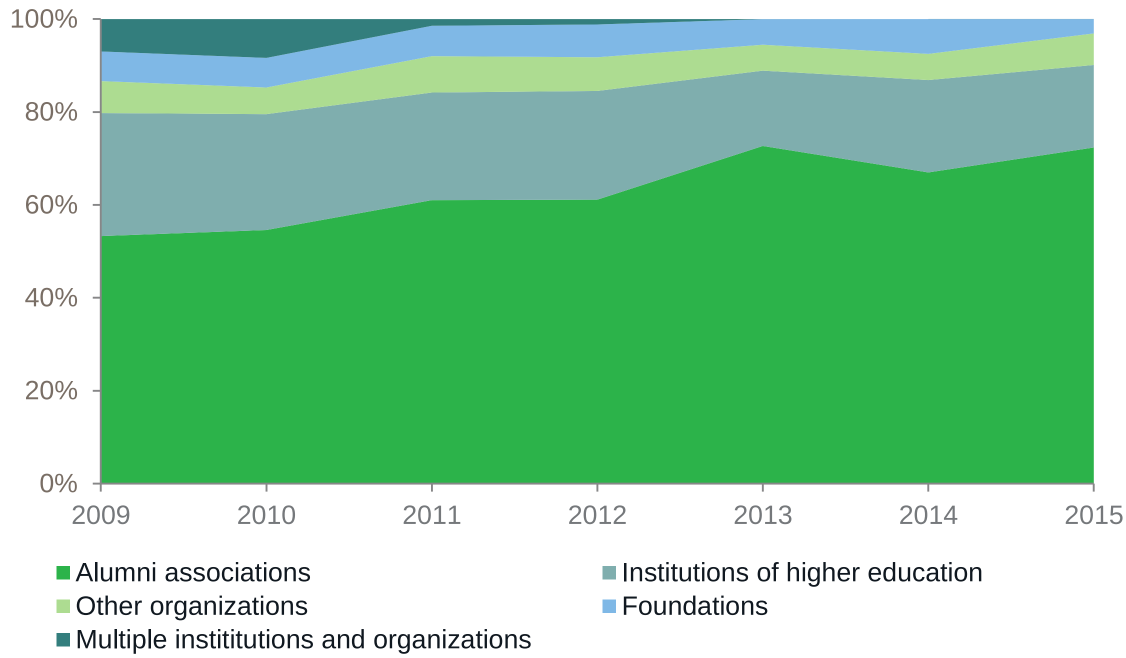


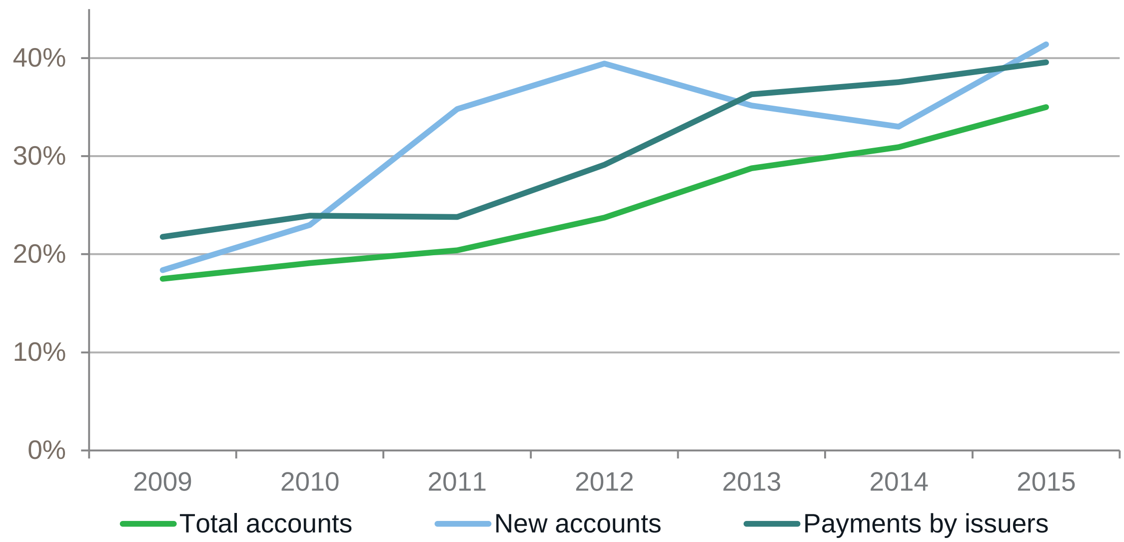
FIGURE 6: PAYMENT SHARES BY PARTNER TYPE



3.8 Concentration

Since 2009, the ten largest agreements by each of the three metrics of agreement size—year-end open accounts, new accounts, and payment volume—have tended towards representing an increasing share of the market as measured by that respective metric. In 2015, this trend continued, with the top ten agreements by each of those three metrics reaching their largest share of the market since these data have been collected. This suggests that, in any given year, the decline in the overall size of the market is concentrated in the termination of agreements that are relatively smaller, as measured by the available metrics.

FIGURE 7: MARKET SHARE OF TOP TEN AGREEMENTS BY METRIC



There is significant overlap between each of the three groups of top ten agreements. Overall, nineteen agreements comprise the three lists, with seven agreements appearing on two lists and two agreements appearing on three. Of those nineteen agreements, sixteen (or just over 84%) are agreements with alumni associations. This represents the highest total for alumni association share of the collective top ten agreements since these data have been collected. It reflects the increasingly dominant role agreements with alumni associations have come to play in this market.

APPENDIX A: COLLEGE CREDIT CARD DATA

In prior years, the Bureau has published each year's collected data as an appendix to the report, along with several other appendices comprised of various subsets or consolidations of the full data.

This year, the Bureau has decided to instead publish an associated comma separated value file (".CSV file") that contains all college credit card data collected to date, both the most recent year's as well as all past years' data. The Bureau feels that this will substantially facilitate the ability of end users to directly engage with, analyze, and draw conclusions from the data. The Bureau believes this renders the publication of the various appendices which previously accompanied this report duplicative and unnecessary, and therefore is refraining from publishing them this year. The Bureau intends to update the .CSV each year as it collects new data from college credit card issuers.

The Bureau intends to ensure that the publically available dataset is as accurate as possible on a continually updated basis. 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 as parties make corrections to earlier submissions. In all cases, the Bureau intends for the public dataset to be as definitive as possible.

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 which 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 learning 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 learning or affiliate that is party to the agreement is located.
- "STATE" – this is the state in which the institution of higher learning 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: [70]
  - "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;

[70] In a few cases, issuers provided invalid responses to this question. In those cases in which the Bureau was, as of publication, unable to receive corrected responses from issuers, those invalid answers were published as submitted.

- "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 1^{st} 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 1^{st}, 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 31^{st} 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.