

CFPB releases report on college credit card agreements

Tuesday, January 9, 2018

The CFPB released its [sixth annual report](#) to Congress on college credit card agreements. The annual report is mandated by the CARD Act.

The CARD Act requires mandatory reporting to the CFPB by card issuers on agreements with institutions of higher learning or certain affiliated organizations (such as alumni associations). The information in the report is current as of the end of 2016.

Beginning with its 2014 report, the CFPB's annual report [consolidated its CARD Act-required reporting](#) on college credit card agreements with "other information on financial products offered or marketed to students collected via our various market monitoring tools." The CFPB had stated that this consolidation was intended to "further the Bureau's mandate 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." For that reason, the CFPB "reframed" its 2016 report by titling it an annual report on "Student banking" and using one section of the report to discuss student debit cards and bank accounts and another section to discuss college credit cards. The 2017 report, which revives the title "College credit card agreements," abandons that practice and discusses only college credit card agreements.

The CFPB's findings based on the agreements and related information that issuers are required to submit annually to the CFPB include:

- Continuing a trend that began in 2009, the number of college credit card agreements, the total number of associated credit card accounts and the amount paid by issuers to schools and affiliated organizations declined again in 2016.
- Agreements between issuers and alumni associations remained the dominant agreements and alumni associations increased their share of issuer payments.
- The largest agreements by each of the three metrics of agreement size—year-end open accounts, new accounts, and payment volume—continued to increase their share of the overall market, with the ten most lucrative agreements representing 43% of payments by all issuers.

For several years, the CFPB has used its annual report as an opportunity [to take schools to task](#) for not meeting their obligation under the CARD Act to publicly disclose their college credit card marketing agreements (which, pursuant to the Official Commentary to Regulation Z, can be fulfilled by either posting the agreements on a school's website or by making the agreements available on request, as long as the procedure for requesting the documents is reasonable and free of cost.) The new report makes no mention of this issue.

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