



CFPB Seeks Information on Financial Products and Services Offered to College Students

The Consumer Financial Protection Bureau believes positive financial decision making should be learned at a young age. The Bureau recently issued a [Request for Information Regarding Financial Products Marketed to Students Enrolled in Institutions of Higher Education](#), seeking information from the public regarding financial products and services offered to college students. The request also specifically seeks information regarding products and services marketed through affinity relationships between educational institutions and financial institutions, in order to determine how current and future affinity arrangements “can be structured to promote positive financial decision making and building of money management skills among young consumers.”

The CFPB information request, which is directed to student and parent consumers, alumni associations, financial institutions and providers of financial aid disbursement services, and educational institutions, includes a number of specific questions in two categories: (1) products marketed through campus affinity relationships and (2) other financial products marketed to students.

Noting that relationships between educational institutions and financial service providers historically have been controversial, and that educational institutions occupy a unique position in creating a “beneficial environment” for students to select financial products and services, the CFPB requested information related to affinity products and services that carry the endorsement or logo of an educational institution (for example, credit cards or other products that display the name or logo of the institution, financial services bundled with student identification cards, and cards on which students can receive disbursements of financial aid or other funds), including:

- the types of affinity products and services offered and their features, terms and conditions, and associated fees (overdraft/swipe fees);
- how those products and services are marketed to students, including advertising, incentives, and ways in which financial institutions gain access to students on campus;
- whether students have a choice to participate and, if so, the mechanisms for exercising that choice, and the consequences, if any, for students who decline;
- the percentage of students at educational institutions using which products, and specifically the percentage of financial aid students;
- the availability of other financial products and services for students, how those products compare to the affinity products, and the percentage of students who choose those products;
- student access to funds on campus (availability of ATMs, for example) and any fees associated with accessing funds;
- the type of student information that educational institutions provide to financial institutions;
- complaints about the products and services, and students’ customer service experiences;
- the agreements educational institutions make with providers, including challenges to making those agreements, specific terms and conditions, limitations on

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fees charged to students, best practices or model terms for those agreements, and requests for proposals;

- revenue or cost savings educational institutions derive annually from the specific products; and
- the bundling of products and services with student I.D. cards, financial aid or education.

With respect to other financial products and services marketed to students, the CFPB requested information related to:

- the types of financial products tailored to the student consumer segment, including features and limitations;
- the factors students and parents consider when choosing financial products and the type of information that is helpful in making that decision;
- the marketing of these products to students and parents;
- the discounts and benefits offered to students who sign up for a student banking account;
- the percentage of students who sign up for student banking from banks and credit unions that are located on or in proximity to the campus;
- issues/complaints that students/parents have with these accounts;
- fees, including average fees a student incurs annually and which fees are charged most often;
- whether terms and conditions of student banking products are clearly and timely disclosed;
- the percentage of student accounts that have parents and/or family members as co-signers or joint account holders;
- general purpose reloadable cards, including whether educational and financial institutions market these cards to students and whether students use them;
- whether students sign up for overdraft protection;
- whether students usually sign up for their new accounts online or through an in-person interaction;
- the number of student account holders financial institutions serve; and
- student relationships with a financial institution after graduation or separation from college.

The deadline for submitting information and comments is March 18, 2013.

For more information about the content of this alert, please contact [Michael Mallow](#), [Michael Thurman](#) or [Patrick Downes](#).

Loeb & Loeb LLP's Consumer Financial Protection Bureau Task Force

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Attorneys

MICHAEL W. JAHNKE	MJAHNKE@LOEB.COM	212.407.4285
LIVIA KISER	LKISER@LOEB.COM	312.464.3170
MICHAEL MALLOW	MMALLOW@LOEB.COM	310.282.2287
MICHAELA. THURMAN	MTHURMAN@LOEB.COM	310.282.2122