

BUREAU OF CONSUMER FINANCIAL PROTECTION | DECEMBER 2019

College credit card agreements

Annual report to Congress



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1. Introduction and summary of findings

The Credit Card Accountability, Responsibility, and Disclosure Act (“CARD Act” or “Act”) requires the Bureau of Consumer Financial Protection (the “Bureau”) 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 in connection with the issuance of credit cards.¹ This report refers to these agreements as “college credit card agreements” or simply “agreements.”² Affiliated organizations include fraternities, sororities, alumni associations, or foundations affiliated with or related to an institution of higher education.

This is the tenth annual college credit card report pursuant to the CARD Act. The Federal Reserve Board (“Board”) submitted the first two reports. Pursuant to Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”), responsibility for collecting data and submitting to Congress annual reports regarding college credit card agreements transferred from the Federal Reserve Board to the Bureau on July 21, 2011.³ The Bureau has since submitted seven reports.⁴

¹ 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).

² 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.”

³ Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111–203, 124 Stat. 1376 (2010).

⁴ See Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Oct. 2012), available at

https://www.consumerfinance.gov/documents/3110/2012_cfpb_college_credit_card_agreements_report.pdf; Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Dec. 2013), available at https://www.consumerfinance.gov/documents/3124/2013_cfpb_college_credit-card-agreements_report.pdf; Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Dec. 2014), available at https://www.consumerfinance.gov/documents/3108/2014_cfpb_college_credit-card-agreements-report.pdf; Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Dec. 2015), available at https://www.consumerfinance.gov/documents/3106/2015_cfpb_college_credit-card-agreements-report.pdf; Consumer Fin. Prot. Bureau, *Student Banking: Annual Report to Congress*, (Dec. 2016), available at https://www.consumerfinance.gov/documents/3104/2016_cfpb_student_banking_report.pdf; Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Dec. 2017), available at https://www.consumerfinance.gov/documents/5948/cfpb_college-credit-card-agreements-report_2017.pdf. Consumer Fin. Prot. Bureau, *College Credit Card Agreements: Annual Report to Congress*, (Dec. 2018), available

The regulations implementing section 305 of the CARD Act require credit card issuers to 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.⁵ The same requirement applies to agreements between an issuer and an affiliated organization of the institution, such as an alumni organization or a foundation associated with the institution.⁶ All such institutions and affiliated organizations are referred to as “educational or affiliated entities,” or simply “entities,” throughout this report.

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 entity during the year;⁷
- 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.⁸

The CARD Act requires the Bureau each year to submit to Congress and make publicly available a report on the information and documents provided by card issuers.⁹ The Bureau makes public all agreements submitted to the Bureau and a dataset containing all data submitted by issuers regarding agreements, both from the current year and from past years, on its website (www.consumerfinance.gov). Appendix A provides more information on how to access and

at

https://www.consumerfinance.gov/documents/7050/College_Credit_Card_Agreements_Report_2018_Final.pdf.

⁵ 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).

⁶ 12 CFR 1026.57(a)(4) and (5) and (d). 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.”

⁷ All payment amounts included in this report are rounded to the nearest dollar.

⁸ See 12 C.F.R. §1026.57(d)(2).

⁹ 15 U.S.C. §1637(r)(3).

interpret that dataset. The data are current as of the end of 2018.¹⁰ Institutions of higher education are also required to make agreements available to the public.¹¹ In addition to incorporating by reference information and agreements credit card issuers submitted to the Bureau, this report also provides a high-level summary of certain trends in those data. We encourage all interested members of the public to access those data directly as the best way to inform themselves on the state and history of this market.

This report makes the following findings:

- Aggregate metrics point to a market in decline, continuing general trends observed since these data were first reported;
- No new issuers submitted data to the Bureau, and two issuers exited the market; and
- Agreements with alumni associations continue to dominate this market by most metrics.

All findings derived from these data are subject to a number of 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 sent to him or her by an issuer.

Finally, because issuers were required to submit all college credit card agreements to which they were a party at any time during 2018, issuers' submissions may include agreements that are no longer in effect. By the same token, of course, agreements first entered into in 2019 are also not reflected in the data.

¹⁰ Issuers were required to make their annual submission by April 1, 2019. These submissions were required by the applicable regulations to cover college credit card agreements to which the issuer was a party during 2018 and information regarding payments and accounts as of December 31, 2018.

¹¹ 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).

2. Findings

TABLE 1: OVERALL TRENDS IN COLLEGE CREDIT CARD AGREEMENTS

	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	34	293	833,641	\$27,592,293	53,573
2016	39	253	752,783	\$27,753,659	57,999
2017	41	265	744,509	\$24,048,154	67,128
2018	39	256	715,442	\$22,397,547	55,381
Net change 2009-2018	21	-789	-1,326,069	-\$62,065,220	-366
Percent change 2009-2018	117%	-76%	-65%	-73%	-1%

Table 1 above contains aggregate statistics for all issuers and institutions listed by year.¹² In general, these metrics point to a market in decline, both year-over-year as well as in comparison to 2009, the first year when these data were collected. In fact, 2018 represents the first year since 2011 in which year-over-year declines were registered in all five of the metrics listed in Table 1. While these declines are largely a continuation of previous trends, two are notable. First, the total number of issuers participating in this market declined from 2017 to 2018, a reversal of a general trend of the number of issuers in this market increasing since 2009. Second, the total number of agreements declined from 2017 to 2018; while that decline was slight, it represents the resumption of a trend of decline from 2009 that was only interrupted in

¹² Figures for prior years reflect current data, which may have been revised since the publication of the Bureau's prior college credit card report due to resubmissions or amendments made by issuers.

2017. Slightly more agreements were terminated in 2018 compared to 2017 (25, up from 20) and fewer new agreements were originated (11, down from 30).

TABLE 2: REPORTED METRICS WITH COLLEGE AGREEMENTS IN EFFECT IN 2018, BY ISSUER

Issuer	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
American Trust & Savings Bank	1	66	\$859	15
Andigo Credit Union	1	22	\$121	4
Apple Federal Credit Union	1	264	\$15,000	34
Banco Santander Puerto Rico	10	0	\$0	0
Bank of America	74	508,806	\$12,889,794	22,081
Boeing Employees' Credit Union	1	32,395	\$265,302	8,133
Carolina Trust Federal Credit Union	1	241	\$1,805	13
Central Bank & Trust Co.	1	343	\$4,207	70
Chief Financial Federal Credit Union	1	11	\$62	0
Christian Community Credit Union	1	246	\$7,581	28
Commerce Bank	27	3,484	\$6,783	1,135
Farmers & Merchants State Bank	1	23	\$20,000	5
First Interstate Bank	1	124	\$6,120	4
First National Bank of Omaha	12	7,693	\$738,272	643
Georgia's Own Credit Union	1	117	\$106,221	49
Goldenwest Federal Credit Union	1	5,662	\$50,501	1,257
Harvard University Employees Credit Union	1	11,542	\$396,967	665
MidFirst Bank	4	2,865	\$389,875	551
MIT Federal Credit Union	1	4,648	\$42,205	308

Issuer	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
Mountain America Federal Credit Union	2	8,881	\$277,582	5,782
New Mexico Bank & Trust	1	13	\$0	6
Oregon Community Credit Union and OCCU Card Services, LLC	2	8,045	\$37,500	1,273
Pen Air Federal Credit Union	2	207	\$1,799	20
Pennsylvania State Employees Credit Union	36	1,026	\$29,650	783
ProFed Federal Credit Union	1	3	\$70	0
Purdue Federal Credit Union	1	30,453	\$1,000,000	2,298
Stanford Federal Credit Union	2	3,006	\$1,100,000	1,321
Texas Trust Credit Union	1	167	\$1,746	2
The Southern Credit Union	1	23	\$0	2
U.S. Bank National Association ND	24	38,109	\$2,534,571	3,606
UMB Bank	21	973	\$18,744	21
University Credit Union	2	363	\$12,679	99
University First Federal Credit Union	2	11,021	\$0	1,429
University of Illinois Community Credit Union	2	15,459	\$931,837	1,398
University of Wisconsin (UW) Credit Union	4	8,146	\$295,000	1,584
USAA Savings Bank	8	6,901	\$665,815	334
USC Credit Union	1	953	\$257,403	200
USF Federal Credit Union	1	2,424	\$282,557	148
Wright-Patt Credit Union	1	717	\$8,917	80
Grand Total	256	715,442	\$22,397,547	55,381

Table 2 shows the aggregated metrics for all 2018 agreements by issuer. Bank of America remains the largest issuer in this market by all metrics. 2018 was the first year since 2011 in which no new issuers submitted data to the Bureau. 2018 also saw two issuers exit the market – Nationwide Bank and Banco Popular de Puerto Rico. These two issuers accounted for seven agreements, 16,373 accounts, and \$331,865 in payments in 2017.

TABLE 3: COLLEGE CREDIT CARD AGREEMENT METRICS BY TYPE OF PARTNER INSTITUTION OR ORGANIZATION IN 2018

Type of institution or organization	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
Alumni associations	130	497,107	\$18,005,531	40,579
Institutions of higher education	87	119,514	\$2,563,153	9,150
Other organizations	19	57,020	\$1,595,602	2,681
Foundations	18	30,780	\$233,260	1,542
Multiple institutions and organizations	2	11,021	\$0	1,429
Total	256	715,442	\$22,397,547	55,381

Table 3 summarizes agreements submitted by the type of institution or organization with whom each issuer has partnered. Agreements with alumni associations dominate this market by most metrics. Agreements with alumni associations increased as a share of all agreements, open accounts, new accounts, and payments in 2018 compared to 2017, reflecting a general trend of continuing or increasing dominance of agreements with alumni associations since these data were first collected in 2009. Indeed, the share of open accounts and payments represented by alumni association agreements reached nearly 70% and over 80%, respectively, in 2018, the highest such shares yet observed in the data.

APPENDIX A: COLLEGE CREDIT CARD DATA

The Bureau 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 Bureau intends to continue updating the CSV file 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. 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 Bureau intends for the public dataset to be the Bureau’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:¹³
 - “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.

¹³ In a few cases, issuers provided invalid responses to this question. In those cases in which the Bureau has been unable to receive corrected responses from issuers, these invalid responses have been published as submitted.