

BUREAU OF CONSUMER FINANCIAL PROTECTION | OCTOBER 2020

# 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.<sup>1</sup> This report refers to these agreements as “college credit card agreements” or simply “agreements.”<sup>2</sup> Affiliated organizations include fraternities, sororities, alumni associations, or foundations affiliated with or related to an institution of higher education.

This is the eleventh annual college credit card report issued pursuant to the CARD Act. The Federal Reserve Board (“Board”) submitted the first two reports.<sup>3</sup> 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.<sup>4</sup> The Bureau has since submitted eight reports.<sup>5</sup>

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

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<sup>1</sup> 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).

<sup>2</sup> 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.”

<sup>3</sup> See Appendix B of this report for a full listing of prior reports issued and submitted to Congress pursuant to 15 U.S.C. § 1637(r).

<sup>4</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, 124 Stat. 1376 (2010).

<sup>5</sup> See Appendix B of this report for a full listing of prior reports issued and submitted to Congress pursuant to 15 U.S.C. § 1637(r).

higher education.<sup>6</sup> 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.<sup>7</sup> 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;<sup>8</sup>
- 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.<sup>9</sup>

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.<sup>10</sup> 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](http://www.consumerfinance.gov)). Appendix A provides more information on how to access and interpret that dataset. The data are current as of the end of 2019.<sup>11</sup> Institutions of higher education are also required to make agreements available to the public.<sup>12</sup> In addition to

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<sup>6</sup> 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).

<sup>7</sup> 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.”

<sup>8</sup> All payment amounts included in this report are rounded to the nearest dollar.

<sup>9</sup> See 12 C.F.R. § 1026.57(d)(2).

<sup>10</sup> 15 U.S.C. § 1637(r)(3).

<sup>11</sup> Issuers were required to make their annual submission by March 31, 2020. These submissions were required by the applicable regulations to cover college credit card agreements to which the issuer was a party during 2019 and information regarding payments and accounts as of December 31, 2019.

<sup>12</sup> 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).

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 finds that, subject to the caveats and limitations noted below, the number of agreements and open accounts pursuant to agreements continues to contract, and that trend appears poised to continue into 2020. However, overall payments by issuers remain stable. Agreements with alumni associations continue to represent the large majority of agreements, accounts, and payments by issuers.

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.

Additionally, because issuers were required to submit all college credit card agreements to which they were a party at any time during 2019, issuers' submissions include agreements that are no longer in effect. By the same token, of course, agreements first entered into in 2020 are also not reflected in the data.

Finally, in response to the impact of the COVID-19 pandemic on credit card issuers, the Bureau in March of this year published a statement ("March Statement") with the aim of providing firms temporarily with more flexibility and reducing administrative burden temporarily on credit card issuers.<sup>13</sup> Among other things, the March Statement advised that "the Bureau does not intend to cite in an examination or initiate an enforcement action against any entity for

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<sup>13</sup> Bureau of Consumer Fin. Prot., "Statement on Supervisory and Enforcement Practices Regarding Bureau Information Collections for Credit Card and Prepaid Account Issuers," (Mar. 26, 2020), [https://files.consumerfinance.gov/f/documents/cfpb\\_data-collection-statement\\_covid-19\\_2020-03.pdf](https://files.consumerfinance.gov/f/documents/cfpb_data-collection-statement_covid-19_2020-03.pdf).

failure to submit to the Bureau...[a]nnual submission of certain information concerning agreements between credit card issuers and institutions of higher education (and certain affiliated organizations), as required by the Truth in Lending Act (TILA), 15 U.S.C. § 1637(r), and Regulation Z, 12 CFR 1026.57(d)(3).”<sup>14</sup> The March Statement further advised that “[a]t a later date, the Bureau will notify entities of when and how to submit information under these requirements.”<sup>15</sup>

Although the March Statement granted issuers flexibility in when and how to submit information, the number of submissions the Bureau has received was comparable to past years, including submission from issuers which in past years represented the overwhelming majority of agreements, accounts, and payments. Accordingly, while the findings in this report and the data released by the Bureau may not completely represent the current state of college credit card agreements,<sup>16</sup> the Bureau does not believe that complete data would result in findings that deviate substantially from those outlined in this report. The Bureau also intends to update the data available on the website periodically to reflect any additional submissions of college credit card agreements and data.

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<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

<sup>16</sup> Issuers who availed themselves of the flexibilities provided by the March Statement could include both issuers who have submitted college credit card agreements in previous years as well as issuers who first incurred an obligation to submit such agreements in 2019. The March Statement did not require issuers to notify the Bureau if they were availing themselves of any of the provided flexibilities. Therefore, the Bureau cannot know with certainty how many issuers have in fact so availed themselves and, if so, how many agreements, accounts, etc., such issuers represent.

## 2. Findings

TABLE 1: OVERALL TRENDS IN COLLEGE CREDIT CARD AGREEMENTS

|             | <b>Number<br/>of issuers</b> | <b>Agreements<br/>in effect</b> | <b>Year-end open<br/>accounts</b> | <b>Payments by<br/>issuers</b> | <b>New accounts<br/>opened</b> |
|-------------|------------------------------|---------------------------------|-----------------------------------|--------------------------------|--------------------------------|
| <b>2009</b> | 18                           | 1,045                           | 2,041,511                         | \$84,462,767                   | 55,747                         |
| <b>2010</b> | 22                           | 1,005                           | 1,709,054                         | \$73,459,987                   | 46,385                         |
| <b>2011</b> | 21                           | 796                             | 1,501,085                         | \$62,508,677                   | 43,227                         |
| <b>2012</b> | 22                           | 616                             | 1,209,608                         | \$50,407,472                   | 44,924                         |
| <b>2013</b> | 25                           | 447                             | 948,158                           | \$42,934,507                   | 53,699                         |
| <b>2014</b> | 33                           | 369                             | 853,725                           | \$34,105,376                   | 62,540                         |
| <b>2015</b> | 34                           | 293                             | 833,641                           | \$27,592,293                   | 53,573                         |
| <b>2016</b> | 39                           | 253                             | 752,783                           | \$27,753,659                   | 57,999                         |
| <b>2017</b> | 41                           | 265                             | 744,509                           | \$24,048,154                   | 67,128                         |
| <b>2018</b> | 39                           | 256                             | 715,442                           | \$22,397,547                   | 55,381                         |
| <b>2019</b> | 35                           | 220                             | 608,117                           | \$22,384,408                   | 44,006                         |

Table 1 above contains aggregate statistics for all issuers and institutions listed by year. The number of total agreements in effect, as well as the number of accounts open under such agreements, continues a general trajectory of decline. The total volume of payments by issuers, by contrast, was roughly stable.

These trends appear likely to continue into 2020. Of the 220 agreements represented by issuers' submissions for 2019, 49 were marked as having been terminated at some point during the course of the year, representing 22% of all 2019 agreements. (This information is not shown in Table 1 but can be seen in the public dataset; see Appendix A below for details.) However, terminated agreements represented only about 52,000 open accounts, or just under 9% of all accounts open as of year-end 2019, and only about \$800,000 in payments, less than 4% of payments by issuers. This suggests that even as issuers continue to reduce the number of

college credit card agreements to which they are a party, they are preserving those agreements which comprise most of their activity pursuant to such agreements.<sup>17</sup>

**TABLE 2:** REPORTED METRICS WITH COLLEGE AGREEMENTS IN EFFECT IN 2019, BY ISSUER

| Issuer   | Agreements<br>in effect | Year-end<br>open<br>accounts | Payments<br>by issuers | New<br>accounts<br>opened |
|--|-------------------------|------------------------------|------------------------|---------------------------|
| Andigo Credit Union                                      | 1                       | 22                           | \$150                  | 0                         |
| Banco Santander Puerto Rico                              | 4                       | 0                            | \$0                    | 0                         |
| Bank of America  | 69                      | 414,912                      | \$11,601,599           | 17,280                    |
| Boeing Employees' Credit Union                           | 2                       | 38,800                       | \$541,931              | 6,767                     |
| Carolina Trust Federal Credit Union                      | 1                       | 272                          | \$2,276                | 31                        |
| Central Bank & Trust Co.                                 | 1                       | 382                          | \$4,467                | 49                        |
| Chief Financial Federal Credit Union                     | 1                       | 12                           | \$44                   | 1                         |
| Christian Community Credit Union                         | 1                       | 251                          | \$2,800                | 5                         |
| Commerce Bank  | 29                      | 4,294                        | \$6,423                | 1,204                     |
| Farmers & Merchants State Bank                           | 1                       | 0                            | \$25,000               | 1                         |
| First Interstate Bank                                    | 1                       | 127                          | \$150                  | 5                         |
| First National Bank of Omaha                             | 11                      | 6,837                        | \$701,062              | 149                       |
| Georgia's Own Credit Union                               | 1                       | 0                            | \$77,705               | 0                         |
| Harvard University Employees Credit Union                | 1                       | 11,814                       | \$394,758              | 496                       |
| MidFirst Bank  | 4                       | 3,006                        | \$398,813              | 636                       |
| MidWestOne Bank (formerly American Trust & Savings Bank) | 1                       | 63                           | \$983                  | 0                         |

<sup>17</sup> As noted in the introduction to this report, issuers may report all payments pursuant to college credit card agreements, even if those payments relate to other financial products or services beyond college credit cards.

| <b>Issuer</b>   | <b>Agreements<br/>in effect</b> | <b>Year-end<br/>open<br/>accounts</b> | <b>Payments<br/>by issuers</b> | <b>New<br/>accounts<br/>opened</b> |
|---|---------------------------------|---------------------------------------|--------------------------------|------------------------------------|
| Mountain America Federal Credit Union                     | 1                               | 2,024                                 | \$18,187                       | 535                                |
| New Mexico Bank & Trust                                   | 1                               | 13                                    | \$0                            | 0                                  |
| Oregon Community Credit Union and OCCU Card Services, LLC | 2                               | 8,724                                 | \$34,167                       | 1,178                              |
| Pen Air Federal Credit Union                              | 2                               | 0                                     | \$395                          | 0                                  |
| Pennsylvania State Employees Credit Union                 | 23                              | 2,872                                 | \$1,512,950                    | 830                                |
| Purdue Federal Credit Union                               | 1                               | 31,322                                | \$1,000,000                    | 2,137                              |
| Stanford Federal Credit Union                             | 2                               | 4,381                                 | \$1,258,371                    | 1,383                              |
| Texas Trust Credit Union                                  | 1                               | 170                                   | \$2,669                        | 1                                  |
| The Southern Credit Union                                 | 1                               | 31                                    | \$0                            | 9                                  |
| U.S. Bank National Association ND                         | 16                              | 32,343                                | \$2,335,714                    | 2,043                              |
| UMB Bank  | 21                              | 929                                   | \$17,671                       | 10                                 |
| University Credit Union                                   | 2                               | 439                                   | \$5,768                        | 83                                 |
| University First Federal Credit Union                     | 1                               | 14,059                                | \$0                            | 4,138                              |
| University of Illinois Community Credit Union             | 2                               | 15,432                                | \$774,382                      | 1,357                              |
| University of Wisconsin (UW) Credit Union                 | 4                               | 970                                   | \$295,000                      | 277                                |
| USAA Savings Bank   | 8                               | 9,560                                 | \$627,726                      | 2,904                              |
| USC Credit Union  | 1                               | 1,127                                 | \$470,000                      | 245                                |
| USF Federal Credit Union                                  | 1                               | 2,231                                 | \$263,136                      | 187                                |
| Wright-Patt Credit Union                                  | 1                               | 698                                   | \$10,111                       | 65                                 |
| <b>Grand Total</b>  | <b>220</b>                      | <b>608,117</b>                        | <b>22,384,408</b>              | <b>44,006</b>                      |

Table 2 shows the aggregated metrics for all 2019 agreements by issuer. Bank of America remains the largest issuer in this market by all metrics.

**TABLE 3:** COLLEGE CREDIT CARD AGREEMENT METRICS BY TYPE OF PARTNER INSTITUTION OR ORGANIZATION IN 2019

| Type of institution or organization     | Agreements in effect | Year-end open accounts | Payments by issuers | New accounts opened |
|---|----------------------|------------------------|---------------------|---------------------|
| Alumni associations                     | 124                  | 421,137                | \$17,456,645        | 31,425              |
| Institutions of higher education        | 69                   | 100,935                | \$3,541,789         | 5,890               |
| Other organizations                     | 13                   | 58,431                 | \$1,218,450         | 1,968               |
| Foundations                             | 13                   | 13,555                 | \$167,524           | 585                 |
| Multiple institutions and organizations | 1                    | 14,059                 | \$0                 | 4,138               |
| <b>Total</b>                            | <b>220</b>           | <b>608,117</b>         | <b>\$22,384,408</b> | <b>44,006</b>       |

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, reflecting a general trend of continuing or increasing dominance of agreements with alumni associations since these data were first collected in 2009.

## 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 publicly-available dataset is as accurate and complete as possible. This means that the dataset (as well as some of the charts and figures in this report) may not be completely consistent with past iterations of this report because submitting entities sometimes make corrections to earlier submissions. In all cases, the 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:<sup>18</sup>
  - “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 1<sup>st</sup> 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<sup>st</sup>, 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<sup>st</sup> 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.

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<sup>18</sup> 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.

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

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

Federal Reserve Board of Governors. "Federal Reserve Board of Governors Report to the Congress on College Credit Card Agreements." Oct. 2010.

[https://files.consumerfinance.gov/f/documents/2010\\_college-credit-card-agreements\\_report.pdf](https://files.consumerfinance.gov/f/documents/2010_college-credit-card-agreements_report.pdf)

Federal Reserve Board of Governors. "Federal Reserve Board of Governors Report to the Congress on College Credit Card Agreements." Jul. 2011.

[https://files.consumerfinance.gov/f/documents/2011\\_college-credit-card-agreements\\_report.pdf](https://files.consumerfinance.gov/f/documents/2011_college-credit-card-agreements_report.pdf)

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Oct. 2012.

[https://www.consumerfinance.gov/documents/3110/2012\\_cfpb\\_college\\_credit\\_card\\_agreements\\_report.pdf](https://www.consumerfinance.gov/documents/3110/2012_cfpb_college_credit_card_agreements_report.pdf)

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[https://www.consumerfinance.gov/documents/3124/2013\\_cfpb\\_college-credit-card-agreements\\_report.pdf](https://www.consumerfinance.gov/documents/3124/2013_cfpb_college-credit-card-agreements_report.pdf)

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2014.

[https://www.consumerfinance.gov/documents/3108/2014\\_cfpb\\_college-credit-card-agreements-report.pdf](https://www.consumerfinance.gov/documents/3108/2014_cfpb_college-credit-card-agreements-report.pdf)

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

[https://www.consumerfinance.gov/documents/3106/2015\\_cfpb\\_college-credit-card-agreements-report.pdf](https://www.consumerfinance.gov/documents/3106/2015_cfpb_college-credit-card-agreements-report.pdf)

Consumer Financial Protection Bureau. “Student Banking: Annual Report to Congress.” Dec. 2016.

[https://www.consumerfinance.gov/documents/3104/2016\\_cfpb\\_student\\_banking\\_report.pdf](https://www.consumerfinance.gov/documents/3104/2016_cfpb_student_banking_report.pdf)

Consumer Financial Protection Bureau. “College Credit Card Agreements: Annual Report to Congress.” Dec. 2017.

[https://www.consumerfinance.gov/documents/5948/cfpb\\_college-credit-card-agreements-report\\_2017.pdf](https://www.consumerfinance.gov/documents/5948/cfpb_college-credit-card-agreements-report_2017.pdf)

Consumer Financial Protection Bureau. “College Credit Card Agreements: Annual Report to Congress.” Dec. 2018.

[https://www.consumerfinance.gov/documents/7050/College\\_Credit\\_Card\\_Agreements\\_Report\\_2018\\_Final.pdf](https://www.consumerfinance.gov/documents/7050/College_Credit_Card_Agreements_Report_2018_Final.pdf)

Consumer Financial Protection Bureau. “College Credit Card Agreements: Annual Report to Congress.” Dec. 2019.

[https://files.consumerfinance.gov/f/documents/cfpb\\_college-credit-card-agreements-report\\_2019.pdf](https://files.consumerfinance.gov/f/documents/cfpb_college-credit-card-agreements-report_2019.pdf)