

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 twelfth annual college credit card report issued pursuant to the CARD Act. The Federal Reserve Board (“Board”) submitted the first two reports.³ 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, 2011.⁴ The Bureau has since submitted nine reports.⁵

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.⁶ The same requirement applies to agreements between an issuer and an affiliated organization of the institution, such as an alumni organization or a foundation

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 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).

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

⁵ 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).

⁶ 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).

associated with the institution.⁷ 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;⁸
- 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.⁹

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.¹⁰ 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 interpret that dataset. The data are current as of the end of 2020.¹¹ Institutions of higher education are also required to make agreements available to the public.¹² 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

⁷ 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.”

⁸ All payment amounts included in this document are rounded to the nearest dollar.

⁹ See 12 C.F.R. § 1026.57(d)(2).

¹⁰ 15 U.S.C. § 1637(r)(3).

¹¹ Issuers were required to make their annual submission by March 31, 2021. These submissions were required by the applicable regulations to cover college credit card agreements to which the issuer was a party during 2020 and information regarding payments and accounts as of December 31, 2020.

¹² 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).

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, overall payments, and open accounts pursuant to agreements continues to contract, and that trend appears poised to continue into 2021. Agreements with alumni associations continue to represent most 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 2020, issuers' submissions include agreements that are no longer in effect. By the same token, agreements first entered into in 2021 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 2020 published a statement ("March Statement") with the aim of temporarily reducing the administrative burden on credit card issuers.¹³

On March 31, 2021, and applicable the following day, the Bureau issued a statement ("Rescission") that rescinded the March Statement and advised, "Credit card issuers required to submit information pursuant to 15 U.S.C. 1637(r) and 12 CFR 1026.57(d)(3) relating to agreements in effect in calendar year 2020 should do so by March 31, 2021. Issuers should also

¹³ The March Statement advised that "the Bureau does not intend to cite in an examination or initiate an enforcement action against any entity for 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)." See 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.

submit all delayed submissions for agreements in effect in calendar year 2019.”¹⁴ As of this publication, the Bureau has received submissions from all issuers whose previous submissions indicated they maintained at least one agreement in effect during 2019 or 2020. This includes some delayed submissions covering 2019, meaning that this report’s statement of 2019 data differs from the prior (2020) report; however, concurrent with the Bureau’s expectations outlined in that prior report, the restated data do not cause substantial deviation from that report’s findings.

¹⁴ Bureau of Consumer Fin. Prot., “Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Bureau Information Collections for Credit Card and Prepaid Account Issuers,” (Mar. 31, 2021), https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_cc-prepaid-info-collectns-cons_2021-03.pdf.

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	35	289	833,770	\$28,092,278	53,753
2016	40	245	753,655	\$28,253,654	58,796
2017	42	254	746,034	\$24,448,154	67,866
2018	40	246	717,674	\$22,797,547	56,183
2019	40	226	618,415	\$24,980,457	48,017
2020	35	179	546,547	\$20,882,930	36,230

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 to decline. After remaining roughly stable for a number of years, the total volume of payments by issuers shrank in 2020.

These trends appear likely to continue into 2021. Of the 179 agreements represented by issuers' submissions for 2020, 18 were marked as having been terminated at some point during the course of the year, representing 10% of all 2020 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 25,000 open accounts, or just under 5% of all accounts open as of year-end 2020, and less than \$800,000 in payments, about 4% of payments by issuers. This suggests while 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.¹⁵

¹⁵ 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.

TABLE 2: REPORTED METRICS WITH COLLEGE AGREEMENTS IN EFFECT IN 2020, BY ISSUER

Issuer	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
Alabama Credit Union	1	3,977	\$375,000	864
Apple Federal Credit Union	1	241	\$15,000	34
Bank of America	48	337,452	\$9,559,388	9,766
Boeing Employees' Credit Union	2	43,576	\$554,188	5,535
Carolina Trust Federal Credit Union	1	267	\$2,024	26
Celtic Bank Corporation	1	157	\$6,204	46
Central Bank & Trust Co.	1	406	\$3,966	24
Chief Financial Federal Credit Union	1	13	\$89	1
Christian Community Credit Union	2	294	\$6,555	43
Commerce Bank	28	4,252	\$6,733	447
First Interstate Bank	1	259	\$90	3
First National Bank of Omaha	4	5,436	\$441,935	54
Goldenwest Federal Credit Union	1	6,157	\$13,580	202
Harvard University Employees Credit Union	1	11,262	\$204,453	332
MidFirst Bank	4	3,064	\$406,378	226
MidWestOne Bank (formerly American Trust & Savings Bank)	1	0	\$107	0
Mountain America Credit Union	1	1,607	\$0	100
New Mexico Bank & Trust	1	13	\$0	0
Oregon Community Credit Union and OCCU Card Services, LLC	2	9,665	\$145,000	1,426

Issuer	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
Pennsylvania State Employees Credit Union	22	3,079	\$2,848,097	1,822
Purdue Federal Credit Union	1	26,542	\$1,000,000	1,289
Sierra Pacific FCU	1	102	\$9,943	97
Stanford Federal Credit Union	2	5,381	\$1,212,996	1,012
Texas Trust Credit Union	1	150	\$0	3
The Southern Credit Union	1	31	\$0	0
U.S. Bank National Association ND	11	29,645	\$1,729,301	1,199
UMB Bank	21	777	\$15,003	9
University Credit Union	2	452	\$5,678	39
University First Federal Credit Union	1	14,002	\$0	5,488
University of Illinois Community Credit Union	2	15,072	\$677,751	325
University of Wisconsin (UW) Credit Union	1	8,415	\$275,000	3,878
USAA Savings Bank	8	10,728	\$557,346	1,467
USC Credit Union	1	836	\$484,100	173
USF Federal Credit Union	1	2,470	\$313,462	216
Wright-Patt Credit Union	1	767	\$13,563	84
Grand Total	179	546,547	\$20,882,930	36,230

Table 2 shows the aggregated metrics for all 2020 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 2020

Type of institution or organization	Agreements in effect	Year-end open accounts	Payments by issuers	New accounts opened
Alumni associations	100	385,210	\$14,580,743	24,936
Institutions of higher education	60	86,051	\$2,658,991	3,147
Other organizations	9	46,160	\$3,520,754	1,986
Foundations	9	15,124	\$122,442	673
Multiple institutions and organizations	1	14,002	\$0	5,488
Grand Total	179	546,547	\$20,882,930	36,230

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:¹⁶
 - “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.

¹⁶ 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 eleven 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

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

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

Consumer Financial Protection Bureau. "College Credit Card Agreements: Annual Report to Congress." Dec. 2013.

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

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

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

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

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

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.

Consumer Financial Protection Bureau. “College Credit Card Agreements: Annual Report to Congress.” Oct. 2020.

https://files.consumerfinance.gov/f/documents/cfpb_college-credit-card-agreements-report_2020-10.pdf.