



Consumer Financial  
Protection Bureau

1700 G Street, N.W., Washington, DC 20552

March 12, 2015

Suzanne Martindale  
Consumers Union  
1535 Mission Street  
San Francisco, CA 94103

Dear Ms. Martindale:

Thank you for your letter on February 19<sup>th</sup> regarding potential noncompliance with the Credit CARD Act of 2009 (CARD Act) by certain institutions of higher education. We are pleased to respond on behalf of the Bureau.

As you noted in your letter, pursuant to the CARD Act, the Consumer Financial Protection Bureau (CFPB) published a report in December 2014 regarding College Credit Card Agreements.<sup>1</sup> In this report, the CFPB noted that 80% of institutions in the report's sample did not post the agreement on their institution's website.

While institutions of higher education are not specifically required<sup>2</sup> to post the agreement online, it is a simple, clear way to meet the disclosure requirement of the CARD Act. For example, Michigan State University posts its credit card affinity agreement online, making it readily available to the public.<sup>3</sup> Given the low burden to potential requestors and the institution of higher education, it is peculiar that not all institutions have chosen this method of disclosure.<sup>4</sup>

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<sup>1</sup> The full report is available at <http://www.consumerfinance.gov/reports/2014-college-credit-card-agreements>

<sup>2</sup> According to the CARD Act, "An institution of higher education shall publicly disclose any contract or other agreement made with a card issuer or creditor for the purpose of marketing a credit card." See 15 USC 1650(f)(1). Institutions of higher education may comply with this requirement by publishing these agreements on their website or by making them available free of charge upon request using reasonable procedures and in a reasonable timeframe. See 12 CFR 1026.57(b), comment 1.

<sup>3</sup> The CFPB was able to easily locate the agreement using a commercial search engine, as well as the search feature of the institution's website. As of the date of this letter, we used the search term "Michigan State University Credit Card Agreement" in a commercial search engine. We used the term "Credit Card Agreement" when using the search feature on the university's website.

<sup>4</sup> An institution's reluctance to make the agreement readily available online may suggest that the agreement's terms may not have considered the interests of prospective cardholders.

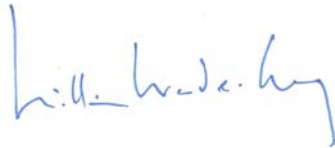
Your letter noted a number of obstacles that may not constitute “reasonable” procedures when a member of the public is seeking to obtain a college credit card agreement. While we cannot comment on the specific policies or actions of the institutions of higher education you contacted, the lack of a timely response to a request by an institution of higher education with a college credit card agreement may be noncompliant and could pose consumer protection risks.<sup>5</sup> Furthermore, transferring members of the public to various departments, such as Parking Services or Dining Services, only for them to reach a dead end, would not represent a reasonable procedure for making agreements available upon request.

Thank you again for your letter. We will continue to closely monitor the market for student financial products, promote transparency, and take appropriate action.

Sincerely,



Rohit Chopra  
Assistant Director, Students



William Wade-Gery  
Assistant Director, Card and Payment Markets

cc: Jeff Appel, Deputy Under Secretary, US Department of Education

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<sup>5</sup> Timely public disclosure by institutions of higher education is the only vehicle for members of the public to ascertain the existence of current arrangements, which may change or be terminated after they have been submitted to the CFPB by credit card issuers for the preceding year.