

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

February 8, 2013

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

CFPB Launches Inquiry on Campus Financial Products

On January 31, 2013, the Consumer Financial Protection Bureau (CFPB) launched an inquiry into the impact of financial products marketed to students through colleges and universities. According to their [press release](#), the CFPB intends to use the information gathered to determine whether these arrangements are in the best interest of students.

The Credit CARD Act of 2009 (CARD Act) restricted financial institutions from using certain types of marketing practices on college campuses. The CARD Act also made agreements between credit card issuers and institutions of higher education subject to public disclosure. However, according to the CFPB, less is known about arrangements regarding other products marketed to students. To better understand the market, the CFPB published a [Notice and Request for Information](#) on the topic of campus financial products. Campus financial products include student identification cards that double as debit cards, cards used to access scholarships and student loans, and school-affiliated bank accounts.

The CFPB is asking the public, students, families, the higher education community, and financial institutions to provide input on their experiences with these products. They are seeking input on a variety of related issues, including:

- What information schools share with financial institutions when they establish these relationships;
- How campus financial products are marketed to students;
- What fees students are being charged to use these products;
- How schools set up marketing agreements with financial institutions; and
- Student experiences using campus financial products in their day to day lives.

The CFPB is seeking information on how current and future partnerships or other arrangements between institutions of higher education (including their affiliated entities) and financial institutions can be structured to promote positive financial decision-making and building of money management skills among young consumers. As the CFPB intends to use the information gathered to determine whether these arrangements are in the best interest of students, we encourage bankers to utilize the comment period as an opportunity to influence of the analysis of these activities. The notice, along with information on how to electronically submit comments, is located on the CFPB's [website](#). Comments are due by March 18, 2013.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information regarding supervisory expectations, please contact:
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