

Safe Student Account Toolkit



Forty percent of college students attend a school that has made a deal with a financial institution where the college helps with or allows the promotion of debit or prepaid cards. These agreements, historically, have had fewer disclosure requirements and other consumer protections than agreements related to college-sponsored credit cards. Recognizing the market shift from college-sponsored credit cards toward deposit and prepaid arrangements, earlier this year, the Bureau sought feedback from the public on ways to help colleges enter into agreements to provide safer and more affordable accounts to students. The Bureau also warned consumers about risks associated with these products.

Today the Bureau is publishing a [Safe Student Account Toolkit](#) to help colleges evaluate whether to co-sponsor a prepaid or checking account with a financial institution. Colleges can choose to use the Safe Student Account Toolkit to evaluate costs and benefits for students, including accessing upfront information about fees, features, and sales tactics before agreeing to a sponsorship.

Many colleges enter into agreements with financial institutions using a transparent, competitive bidding process to establish their relationships with financial institutions. However, colleges may find it challenging to compare proposals because they lack clear information on the benefits or drawbacks of specific account features and fees.

In October, the Department of Education established new requirements for colleges that partner with vendors to distribute student aid and sponsor or directly market accounts to their student aid recipients. These rules also put in place a series of feature, marketing, and transparency requirements for a broader range of school-sponsored accounts. Today's toolkit highlights several of these new account requirements that can serve as a baseline for colleges seeking to identify safer and more affordable accounts for their students.

The Safe Student Account Toolkit is available at:

http://files.consumerfinance.gov/f/201512_cfpb_safe-student-account-toolkit.pdf