

Thursday, February 19, 2015

Consumers Union to CFPB: Some colleges may be violating credit-card law

CARD Act requires colleges to make credit-card marketing agreements available to public, but none of the schools contacted by CU could provide information

Washington, D.C. -- Some colleges and universities may be violating federal law by failing to make their college credit-card marketing agreements available to the public, according to Consumers Union, the advocacy arm of Consumer Reports.

The Credit Card Accountability Responsibility and Disclosure Act, or CARD Act, was passed after the 2008 financial crisis to provide credit-card reforms and protections to help consumers. The law requires colleges that have credit-card marketing agreements with financial institutions to make the agreements available to the public, online or upon request.

The Consumer Financial Protection Bureau (CFPB) reported in December 2014 that most colleges did not post their college credit card agreements on their websites, and only a few schools provided any online guidance as to how to obtain them.

In a letter to the CFPB today, Consumers Union said it placed calls in January to 10 schools with the largest active account volume that did not post their agreements or offer guidance for how to get them online (see schools in letter below). None of the schools provided CU with any information or copies of their college credit card agreements.

Suzanne Martindale, staff attorney for Consumers Union, said, "We found it can be challenging, if not impossible, for a member of the public to get information about college credit card agreements. Staff are not prepared or trained to respond to these requests, and are legitimately confused when asked for more information about the agreements. It just adds to the confusion and secrecy surrounding these partnerships. If your school makes a deal with a bank for a card like this, you have a right to know the details."

CU is urging the Bureau to continue its important work to implement the CARD Act and actively promote compliance at all colleges and universities with credit card agreements.

Pamela Banks, senior policy counsel for Consumers Union, said, "Schools clearly need to step up and make sure they follow the law. You should be able to find out whether these contracts will help you get a good deal, or

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