

Statement Attributable to CFPB Student Loan Ombudsman Rohit Chopra on the Department of Education's College Debit and Prepaid Card Proposed Rule:

"Students deserve access to safe and affordable financial products—not to have their loans and scholarships skimmed away by surprise fees. Financial products marketed to students should have clear upfront terms and clearly disclose partnerships between colleges and financial institutions. The CFPB looks forward to reviewing the proposed rule and will continue to work with the Department of Education to ensure students are protected from harmful practices."

Department of Education announcement can be found [here](#).

Additional background:

- Earlier this year, the CFPB proposed a "[Safe Student Account Scorecard](#)" designed to help colleges to avoid partnering with financial institutions that offer checking and prepaid accounts with tricks and traps.
- In December 2014, the Bureau released a credit card report showing college credit card agreements are not readily assessable, including that 80% of schools surveyed did not put their agreements, or information about how to request them, on their websites. <http://www.consumerfinance.gov/newsroom/cfpb-report-finds-continued-decline-in-college-credit-card-agreements/>
- In 2013, the CFPB launched an inquiry into financial products marketed to students enrolled in institutions of higher education. In addition to credit card agreements, many colleges and universities also have arrangements with financial institutions related to deposit accounts, prepaid cards, debit cards, and other financial products. Here is the [initial public inquiry](#) the CFPB launched in January 2013 on campus financial products.
- In December 2013, Director Cordray [alerted banks](#) and financial institutions about the potentially risky practice of making secret payments to colleges to market their products to students. Director Cordray [called on financial institutions](#) to disclose their agreements with colleges around products such as checking accounts and prepaid and debit cards
- At the same time, the CFPB released a [report on college credit card agreements](#), which shows a continued decline in these agreements from 2011 to 2012. We also [found that financial product marketing partnerships have shifted away from credit cards towards other products](#).

Consumer Resources:

- To help students navigate their current options, the CFPB released [a guide for college students on how to choose a new card or checking account](#).
- In the wake of a public settlement with a financial company alleged to have targeted college students, the CFPB also released a [consumer advisory to warn students about potential pitfalls](#).
- The CFPB accepts consumer complaints on consumer financial products and services at www.consumerfinance.gov/complaint