



National Association
of Federal Credit Unions
3138 10th Street North
Arlington, VA 22201-2149

NAFCU | Your Direct Connection to Education, Advocacy & Advancement

March 30, 2015

Ms. Monica Jackson
Office of Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552

RE: Request for Information Regarding an Initiative on Safe Student Banking (Docket No. CFPB-2015-0001)

Dear Ms. Jackson:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I write to you about the request for information regarding an Initiative on Safe Student Banking. *See* 80 FR 4255 (January 27, 2015). NAFCU appreciates the opportunity to participate in this important discussion about student banking.

NAFCU supports the Bureau's ongoing efforts to solicit feedback from industry stakeholders about marketing safe and affordable financial accounts for student consumers. The request for information from industry stakeholders allows credit unions the opportunity to further demonstrate its unique positioning as member-centered financial institutions as well as show how credit unions consistently lead the financial sector in fostering consumer protection to over 100 million members worldwide.

Proposed Scorecard

Section 1021 of the *Dodd-Frank Act* tasks the Bureau with collecting, researching, monitoring and publishing information about consumer financial products and services. In this request for information, the Bureau seeks feedback on a potential *Safe Student Account Scorecard* that institutions of higher learning can voluntarily use when negotiating with providers. The Bureau reasons that having this information ensures that financial accounts marketed to students are accounts that the institution deems safe and affordable.

Credit unions, like many small community institutions, have strong individual relationships with their members and strive to meet their financial needs. As a result, credit unions have been leaders in tailoring their products and services for their unique fields of memberships. While the

products offered by credit unions vary based on their particular fields of memberships, NAFCU's member credit unions strive to develop products and platforms that will safely and soundly improve their consumers' financial livelihood. For example, NAFCU's members who serve institutions of higher education indicated they currently offer the services and protections noted on the *Safe Student Account Scorecard*. Therefore, NAFCU believes that the fees and features as outlined by the proposed *Scorecard* would be a sufficient gauge for evaluating student banking products.

However, NAFCU strongly urges the CFPB to maintain the *Safe Account Scorecard* as a voluntary tool for several reasons. First, NAFCU believes if the *Scorecard* were mandatory it would discourage many credit unions from offering student centered products as it would create additional compliance hoops. Further, it is important that credit unions maintain engagement with young consumers and provide ways for them to practice safe and sound financial planning. Finally, offering products which take student financial trends into account adds value to the industry as credit unions often seek out dynamic, innovative ways to serve their members. Therefore, NAFCU strongly urges the CFPB to treat the *Scorecard* as a voluntary tool.

With that, NAFCU commends the Bureau for the proposed *Safe Student Account Scorecard* and appreciates the opportunity to provide our comments. Should you have any questions or concerns, please feel free to contact me at cstewart@nafcu.org or (703) 842-2272.

Sincerely,

A handwritten signature in black ink, appearing to read "Celina Stewart". The signature is fluid and cursive, with a large initial "C" and "S".

Celina Stewart
Regulatory Affairs Counsel