



Prepaid Card Regulation for College Students: Addressing the Needs of Future Banking Customers

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The CARD Act of 2009 severely limited the once-pervasive trend of issuing credit cards to college students, and some issuers turned to prepaid cards to continue providing cards to college campuses. Fast forward to 2014, regulators are once again proposing regulations for college cards that could dramatically alter payments for students. Card issuers are particularly focused on students because they soon will become financially independent and evolve into important banking customers. Today, 23% of students own a general-purpose reloadable (GPR) prepaid card and approximately 107 colleges offer a campus-specific prepaid card to students. This report examines the controversial regulatory environment for campus prepaid cards and recommends how issuers and universities can best manage potential regulation. This report also analyzes the unique financial needs of today's college students and offers insight into how providers can best help young customers and build long-term financial relationships.

Primary Questions:

- How have recent regulations fueled the growth of prepaid cards on and off college campuses?
- What is the current regulatory environment for campus prepaid cards?
- What are the financial needs of today's college students?
- How can card issuers best serve college students while remaining profitable?
- How can campus prepaid issuers improve their college card programs?
- Who are the winners and losers of campus prepaid cards?

Companies Mentioned

American Express	Blackboard Pay	Discover
Heartland	Mastercard	U.S. Bank
Barnes & Noble	Citibank	Fifth Third Bank
Higher One	PNC Bank	Visa

Press Release

[University-Issued Prepaid Cards Face the Regulatory Firing Squad](#)

- A random-sample panel of 3,509 consumers in November 2013
- A random-sample panel of 6,000 consumers in May 2014
- A random-sample panel of 3,212 consumers in September 2013

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