

University of Minnesota response to ABC News request for interview re: student ID cards and related banking relationships

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The University of Minnesota shares the concern of ABC News and policymakers that there may be existing questionable practices by some financial institutions that adversely affect students. In such cases, the University supports policymakers who want to do what's best for students. We share that goal and our contracts and policies reflect these values.

While there may be some existing business arrangements across the country that negatively affect students, the U of M's relationship with TCF Bank is not one of them. Our current arrangement allows students to make their own choices about banking, provides students convenience and abides by state and federal laws that protect student consumers.

Specifically, our agreement ensures:

- **Students have the choice of where to bank.** No student, staff or faculty member is required to open a bank account to receive a U Card, nor is the process to link the U Card and the optional TCF Bank checking account automatic. The U of M campus also provides access to ATMs from competing banks including U.S. Bank and Wells Fargo, as well as a non-bank ATM. U.S. Bank also has a branch office on the West Bank of the Twin Cities campus. Other banks can market on campus, participate in events and sponsor programs.
- **Students' best interests are protected.** The optional checking account is one of the best banking options available to students and is in line with U.S. Public Interest Research Group (PIRG) principles. Features include: totally free checking; no minimum balance; free checks; and 21 ATMs on campus. TCF Bank was one of the first banks to adopt the Pew Foundation model disclosure to ensure transparency about account terms.
- **Aggressive marketing is prohibited.** The U Card Office pre-approves all TCF Bank marketing. TCF Bank occasionally offers modest incentives, such as a free U of M sweatshirt. U Card holders are offered information about TCF Bank account options at the U Card office and the U Card contains a TCF Bank logo. However, U Card holders must actively pursue opening a TCF Bank account or linking their U Card to a TCF Bank checking account. It is not required.
- **The program reinvests in students.** The U Card/TCF Bank agreement provides a payment to the University based on the number of active TCF Bank checking accounts from students, faculty and staff. To date, the University has received approximately \$1 million per year in payments (the minimum payment allowed), which directly benefits students through scholarships and programs such as the Office for Equity and Diversity Annual Program, Homecoming and Spring Jam, the annual Transportation Fair and other events organized by student groups. The Center for Academic Planning and Exploration also receives funding to help students determine their major and make career decisions.

Background

The U Card is the official University of Minnesota photo ID card and conveniently links to multiple accounts, including Gopher Gold™ Value, FlexDine, Meal Plans and the Student Account. Students may also take the active choice of linking the U Card with a TCF Bank checking account – but only if cardholders opt into that account. The U Card, which contains a TCF Bank logo, also provides access to recreational facilities and computer labs, and serves as a building access card. The University has had a relationship with TCF Bank for nearly 20 years.