

Press Releases

Waters Statement on FOIA Release Revealing Unpublished Consumer Bureau Analysis on Bank Fees Charged to Students

Washington DC, December 12, 2018

Today, in response to a Freedom of Information Act (FOIA) disclosure revealing a previously unreleased Consumer Financial Protection Bureau (Consumer Bureau) analysis on excessive account fees charged to students by large banks, **Congresswoman Maxine Waters (D-CA)**, Ranking Member of the Committee on Financial Services, made the following statement:

“It is deeply troubling that a previously unpublished Consumer Bureau analysis showing that some large banks, including Wells Fargo, charged excessive account fees to students, was only revealed in response to a Freedom of Information Act disclosure. Why wasn’t this important analysis publicly issued by the Consumer Bureau earlier? What is being done to ensure harmed students are being made whole, and what is being done to prevent excessive fees from being charged of more students?”

“This appears to be yet another example of Trump appointees working to undermine the Consumer Bureau by reducing transparency and turning a blind eye to bad actors. Mick Mulvaney has been working around the clock to block the agency’s important work.

“I intend to get to the bottom of this matter and hold the Trump Administration accountable for any actions that have harmed student borrowers and America’s consumers.”

The Consumer Financial Protection Bureau’s analysis examined 573 colleges and universities over the 2016-2017 academic year and determined that students collectively paid \$27.6 million in fees to banks. According to the Consumer Bureau’s analysis, while most students are able to use a college-sponsored account free of any fees, Wells Fargo charged students an average of \$46.99 in account fees over 12 months, which was the most in fees on average and nearly double the fees charged by TCF National Bank and U.S. Bank, which ranked second and third in the average amount of fees charged. [Prior research](#) by the Consumer Bureau suggests that cases where average account fees are significantly larger than median fees could result from accounts charging overdraft or other penalty fees. They found nearly one-in-ten student accounts that they analyzed incurred 10 or more overdrafts per year, paying on average \$196 in overdraft fees. As part of that analysis, the Consumer Bureau expressed concerns that college-sponsored accounts that charge such high fees may run afoul of federal regulations that these accounts “not be inconsistent with the best financial interests” of their students when lower-cost accounts are widely available.

In October, Ranking Member Waters [wrote to Chairman Hensarling](#) to urge him to use the full range of the Committee’s oversight authorities to conduct a formal investigation into allegations raised by Seth Frotman, former Assistant Director and Student Loan Ombudsman at the Consumer Financial Protection Bureau. Mr. Frotman alleges that the Consumer Bureau’s

leadership suppressed the release of a staff report that allegedly exposed efforts by the nation's largest banks to charge students dubious account fees. He further alleges that senior political leadership "blocked efforts to call attention to the ways in which the actions of this administration will hurt families ripped off by predatory for-profit schools."

Also in October, Ranking Member Waters [announced the introduction of the Consumers First Act](#), a bill to block the Trump Administration's anti-consumer agenda and reverse their efforts, led by Mick Mulvaney, Director of the Office of Management and Budget, to dismantle the Consumer Financial Protection Bureau. One provision in the bill requires the Consumer Bureau to provide Congress with all relevant documents about the suppression of a student lending report exposing that the largest banks charged students legally dubious account fees.

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