

## Overview of Tier 1 and Tier 2 Requirements

Regulatory Provision	T1	T2 (lower threshold <sup>1</sup> )	T2 (higher threshold <sup>2</sup> )
Obtain student's consent to open account before providing personally identifiable information (PII), other than directory information, about student to bank or its agents		✓	✓
Before student selects a refund method, don't share any PII with third-party servicer except for directory information and: <ul style="list-style-type: none"> <li>• unique student identifier generated by institution (not Social Security number, in whole or in part)</li> <li>• disbursement amount</li> <li>• password, PIN, or other shared secret provided by institution to identify student</li> <li>• any additional items specified by ED</li> </ul>	✓		
Ensure third-party servicer only uses student PII to support making direct payments of Title IV program funds and does not share it with any other entity	✓		
Obtain student's consent to open account before access device, or any representation of an access device, is sent to student, except for student ID cards, etc. that are not validated	✓	✓	✓
Inform students of terms and conditions of accounts before financial account is opened	✓	✓	✓
Ensure students have convenient access to funds through surcharge-free ATM network with enough ATMs so that funds are reasonably available to students, including at peak times	✓		✓
No cost to student for opening account or initially receiving (or validating, for T2 arrangements) an access device	✓	✓	✓
No cost to student for <ul style="list-style-type: none"> <li>• point-of-sale transactions (in US)</li> <li>• balance inquiry or withdrawal at ATM belonging to the surcharge-free network</li> </ul>	✓		
Account or access device may not be marketed or portrayed as, or converted into, a credit card	✓	✓	✓
No credit may be extended or associated with the account, and no overdraft fees may be charged to student for any transaction or withdrawal that exceeds the balance in the account or on the access device (except for inadvertently authorized overdrafts where no fee is charged)	✓		
Provide student convenient access to Title IV funds in part and in full up to the account balance via domestic withdrawals and transfers without charge, during student's entire period of enrollment	✓		
Establish a selection process under which students choose one of several options for receiving credit balance payments	✓	✓	✓

## Overview of Tier 1 and Tier 2 Requirements

Regulatory Provision	T1	T2 (lower threshold <sup>1</sup> )	T2 (higher threshold <sup>2</sup> )
Disclose on the institution's website the contract(s) establishing the arrangement, except for allowed retractions	✓	✓	✓
Disclose on institution's website in a format established by ED: <ul style="list-style-type: none"> <li>Total consideration for most recently completed award year, monetary and non-monetary, paid or received by the parties under terms of the contract</li> <li>Number of students (if more than 30) who had financial accounts under the contract at any time during most recently completed award year, and mean and median of actual costs incurred by those account holders</li> </ul>	✓		✓
Provide ED an up-to-date URL for the contract for publication in a centralized database accessible to the public	✓	✓	✓
Ensure terms of accounts offered in the arrangement are in the best financial interests of the students opening them <ul style="list-style-type: none"> <li>Institution must conduct reasonable due diligence reviews at least every two years</li> <li>Contract terms must allow for termination by institution based on complaints received from students or a determination that fees assessed under the arrangement are higher than prevailing market rates</li> </ul>	✓		✓
Take affirmative steps, by way of contractual arrangements as necessary, to ensure that requirements are met with respect to all accounts offered pursuant to T1 or T2 arrangements.	✓	✓	✓

<sup>1</sup> An institution with at least one student with a Title IV credit balance refund in each of the three most recently completed award years

<sup>2</sup> An institution with an average of 500 or more students, or an average of five percent or more of its students, receiving a Title IV credit balance refund in each of the three most recently completed award years