Both the institution and BankMobile will be responsible for managing, storing and sharing any applicable personally identifiable information under the program. Under no circumstances shall the institution transmit Social Security numbers to BankMobile, in whole or part, throughout the life of the program. BankMobile will provide guidance and technical specifications to the institution to properly configure its student data and refund file(s) to comply with the Regulations.

ATM Requirements under Tier One Arrangements

As it relates to ATM access, the Regulations require that students that open a financial account offered by BankMobile under a Tier One Arrangement must have "convenient access to the funds… through a surcharge-free national or regional Automated Teller Machine (ATM) network".[18] As a standard part of our disbursements program, BankMobile will be responsible for providing student account holders access to a national or regional surcharge-free ATM network in compliance with this provision of the Regulations.

Account Fee Restriction under Tier One Arrangements

Accounts offered to students under Tier One Arrangements are prohibited from charging the following fees: (i) an account opening fee and/or fee for receiving a debit card; (ii) point-of-sale transaction fees; and (iii) in-network ATM balance inquiry and withdrawal fees.[19] BankMobile will be responsible for ensuring that the account offered under the Tier One Arrangement is compliant with all of the fee restrictions outlined in this section.

Required and Prohibited Account Features under Tier One Arrangements

Accounts offered to students under Tier One Arrangements must include certain features and prohibit others to ensure compliance with the Regulations.[20] Features that are prohibited include: (i) marketing, portraying or converting the financial account into a credit card; and (ii) extending a line of credit associated with the financial account and/or allowing for overdraft fees to be charged on card transactions. In addition, the financial account must provide at least one (1) free method to transfer/withdrawal "title IV, HEA program funds in part and in full up to the account balance". BankMobile will be responsible for prohibiting or providing certain functionality as outlined in this section.

Contract Disclosure

The Regulations require an institution to conspicuously disclose on its website the contract establishing a Tier One Arrangement "[n]o later than September 1, 2016, and then no later than 60 days following the most recently completed award year thereafter".[21] The institution may redact those portions of the contract that "if disclosed, would compromise personal privacy, proprietary information technology, or the security of information technology

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18 "(A) Has convenient access to the funds in the financial account through a surcharge-free national or regional Automated Teller Machine (ATM) network that has ATMs sufficient in number and housed and serviced such that title IV funds are reasonably available to students, including at the times the institution or its third-party servicer makes direct payments into the financial accounts of those students;" 34 C.F.R. § 668.164(e)(2)(iv)(A)

19 " (B) Does not incur any cost— (1) For opening the financial account or initially receiving an access device; (2) Assessed by the institution, third party servicer, or a financial institution associated with the third-party servicer, when the student conducts point-of-sale transactions in a State; and (3) For conducting a balance inquiry or withdrawal of funds at an ATM in a State that belongs to the surcharge-free regional or national network;" 34 C.F.R. § 668.164(e)(2)(iv)(B)(1)-(3)

20 "(v) Ensure that— (A) The financial account or access device is not marketed or portrayed as, or converted into, a credit card (B) No credit is extended or associated with the financial account, and no fee is charged to the student for any transaction or withdrawal that exceeds the balance in the financial account or on the access device, except that a transaction or withdrawal that exceeds the balance may be permitted only for an inadvertently authorized overdraft, so long as no fee is charged to the student for such inadvertently authorized overdraft; and (C) The institution, third-party servicer, or third-party servicer's associated financial institution provides a student accountholder convenient access to title IV, HEA program funds in part and in full up to the account balance via domestic withdrawals and transfers without charge, during the student's entire period of enrollment following the date that such title IV, HEA program funds are deposited or transferred to the financial account;" 34 C.F.R. § 668.164(e)(2)(v)(A)-(C)

21 "(vi) No later than September 1, 2016, and then no later than 60 days following the most recently completed award year thereafter, disclose conspicuously on the institution's Web site the contract(s) establishing the T1 arrangement between the institution and third-party servicer or financial institution acting on behalf of the third-party servicer, as applicable, except for any portions that, if disclosed, would compromise personal privacy, proprietary information technology, or the security of information technology or of physical facilities;" 34 C.F.R. § 668.164(e)(2)(vi)

or of physical facilities".[22] Further, the Regulations require that the institution provide to the Secretary (Department of Education) an up-to-date URL for the contact for publication. [23]

To ensure compliance with this provision, BankMobile will establish and maintain a website landing page that will include all legal documents related to the Tier One Arrangement with the institution. The institution will be responsible for: (i) posting a link to such a landing page on its public website; and (ii) providing the Secretary with an up-to-date URL of the landing page. BankMobile shall make available to the institution an up-to-date URL to the landing page containing the legal documents available on the BankMobileAdminSupport.com website at all times. In the event that the institution elects not to post on its public website a link to the aforementioned contract disclosure landing page provided by BankMobile, the institution shall be responsible for posting the contract at its discretion.

Contract Data, Account and Fee Disclosures

The Regulations require an institution with a Tier One Arrangement to conspicuously disclose on its website, in a format established by the Department, the total monetary and non-monetary compensation paid or received by the parties under the contract for most recently completed award year.[24] Further, for the most recently completed award year, the institution must disclose on its website: (i) the number of students who had financial accounts under the contracts; and (ii) the mean and median actual costs incurred by those accountholders.[25]

To ensure compliance with this provision, BankMobile will establish and maintain a website landing page (the same landing page used for the aforementioned contract disclosure) that will include all of the contract data, account and fee disclosures outlined in this section of the Regulations related to the Tier One Arrangement with the institution. The institution will be responsible for posting a link to the URL landing page on its website. BankMobile shall make a link to the landing page containing the aforementioned disclosures available on the BankMobileAdminSupport.com website for use on the institution's public website. In the event that the institution elects not to post on its public website a link to the aforementioned contract data, account and fee disclosures landing page provided by BankMobile, the institution shall be responsible for posting such information at its discretion.

Due Diligence Requirements for Schools

The Regulations require that the terms of the financial account offered under the Tier One Arrangement "are not inconsistent with the best financial interests of the student opening them". The Secretary defines this requirement is met in two ways: (i) the institution must conduct due diligence every two (2) years to determine whether the fees associated with the financial account offered under a Tier One Arrangement are "considered as a whole, consistent with or below prevailing market rates"; and (ii) the contract governing the Tier One Arrangement includes a provision for termination due to student complaints or if the institution determines the fees associated with the financial account offered under a Tier One Arrangement "are not consistent with or are higher than prevailing market rates".[26] The required contractual language set forth in this provision is included in BankMobile's

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22 *Id.*

23 "(viii) Provide to the Secretary an up-to-date URL for the contract for publication in a centralized database accessible to the public;" 34 C.F.R. § 668.164(e)(2)(viii)

24 "(vii) No later than September 1, 2017, and then no later than 60 days following the most recently completed award year thereafter, disclose conspicuously on the institution's Web site and in a format established by the Secretary— (A) The total consideration for the most recently completed award year, monetary and non-monetary, paid or received by the parties under the terms of the contract; and (B) For any year in which the institution's enrolled students open 30 or more financial accounts under the T1 arrangement, the number of students who had financial accounts under the contract at any time during the most recently completed award year, and the mean and median of the actual costs incurred by those account holders;" 34 C.F.R. § 668.164(e)(2)(vii)(A)-(B)

25 *Id.*

26 "(ix) Ensure that the terms of the accounts offered pursuant to a T1 arrangement are not inconsistent with the best financial interests of the students opening them. The Secretary considers this requirement to be met if— (A) The institution documents that it conducts reasonable due diligence reviews at least every two years to ascertain whether the fees imposed under the T1 arrangement are, considered as a whole, consistent with or below prevailing market rates; and (B) All contracts for the marketing or offering of accounts pursuant to T1 arrangements to the institution's students make provision for termination of the arrangement by the institution based on complaints received from students or a determination by the institution under paragraph (e)(2)(ix)(A)of this section that the fees assessed under the T1

standard contract with the institution. Further, BankMobile agrees to make available to the institution the data necessary to allow the institution to conduct its own due diligence related to the fees associated with the financial account under the Tier One Arrangement.

Compliance and Reporting Tools

BankMobile's proprietary BankMobileAdminSupport.com website enables administrators to manage nearly every element of the BankMobile Disbursements service. Real time reports are time-stamped and downloadable into CSV (Excel) file format for easy searching, sorting, parsing and querying by college and university administrators. The comprehensive list of reports contained in BankMobileAdminSupport.com has been built over the years based on direct feedback from our clients. The reports provides institutions with easily searchable information to help give administrators more clarity and control over each aspect of the compliance process.

It is important to note that BankMobile's Disbursements service is also used by hundreds of campuses across the country to streamline the disbursement of funds to students. The Disbursements service has the ability to recognize between title IV funds and non-title IV funds if the institution would like to manage the funds independently. Campuses can do this by including an identifier in the flat file for the disbursement that is sent to BankMobile at the time of disbursement.

Tier Two Arrangements

Per the Regulations, if an institution enters into a contract with an entity that offers financial accounts through a financial institution under which financial account(s) are "marketed directly"[27] to students enrolled at the institution, the institution has entered into a Tier Two Arrangement.[28]

The institution and/or the entity entering into a contract to offer financial accounts "marketed directly" to students shall be solely responsible for determining whether it has entered into a Tier Two Arrangement and shall be responsible for any and all Tier Two Arrangement compliance requirements under the Regulations. The institution shall notify BankMobile immediately of any existing or new Tier Two Arrangement. In no way shall BankMobile be responsible for any and all representations, warranties, liabilities or compliance related to the institution's Tier Two Arrangements. Upon notification to BankMobile that the institution has a Tier Two Arrangement and should compliance with the Regulations require any modifications to the BankMobile program due to such a Tier Two Arrangement, BankMobile, the institution and/or the entity entered into the Tier Two Arrangement may be required to execute a formal amendment that will govern such modifications to the program.

Assistance with Department of Education Program Reviews

The Regulations define a "third-party servicer" as an "organization that enters into a contract with an eligible institution to administer, through manual or automated processing, any aspect of the institution's participation in any title IV, HEA program."[29] Because of the services we provide to certain eligible institutions in connection with the disbursement of title IV credit balances, BankMobile is a "third-party servicer" under the Regulations.[30] As a third-party servicer, each year we submit a "Compliance Attestation Examination of the title IV Student Financial Assistance Programs" audit to

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arrangement are not consistent with or are higher than prevailing market rates;" 34 C.F.R. § 668.164(e)(2)(ix)(A)-(B)

27 "(3) The Secretary considers that a financial account is marketed directly if— (i) The institution communicates information directly to its students about the financial account and how it may be opened; (ii) The financial account or access device is cobranded with the institution's name, logo, mascot, or other affiliation and is marketed principally to students at the institution; or (iii) A card or tool that is provided to the student for institutional purposes, such as a student ID card, is validated, enabling the student to use the device to access a financial account." 34 C.F.R. § 668.164(f)(3)(i)-(iii)

28 "(1) In a Tier two (T2) arrangement, an institution located in a State has a contract with a financial institution, or entity that offers financial accounts through a financial institution, under which financial accounts are offered and marketed directly to students enrolled at the institution." 34 C.F.R. § 668.164(f)(1)

29 34 C.F.R. § 668.2.

30 "[A] third-party servicer is an individual or organization that enters into a written contract with an institution to administer any aspect of the institution's participation in the title IV, HEA programs. This includes disbursing title IV funds, including paying or otherwise delivering credit balances to students or parents." Q&A6, DCL

the Department of Education, which includes a report by an independent audit firm. In addition to our own internal rigorous review of Regulations, the yearly audit submission to the U.S. Department of Education provides another layer of comfort that the Disbursements service is compliant with the Department's regulations. We provide the audit report to client institutions upon request to help them fulfill their compliance audit obligations as title IV participating institutions. Further, BankMobile's agreements with client institutions contain the contractual provisions that the Regulations require to be included in contracts between third party servicers and institutions, including a provision that BankMobile will be jointly and severally liable with the institution for any violation by BankMobile of the HEA or the Regulations.[31]

The Family Educational Rights and Privacy Act of 1974 (FERPA)

FERPA prohibits educational institutions that receive any federal funding from disclosing certain personally identifiable information of any student to third parties without the student's consent, subject to certain exceptions. Institutions using the Disbursements service may disclose to us personally identifiable information of students, including contact information, student identification numbers and the amount of students' credit balances, pursuant to one or more exceptions to the FERPA disclosure prohibition and the Regulations. First, personally identifiable information may generally be disclosed without a student's consent to a "school official" whom an educational institution has determined to have legitimate educational interests.[32] A contractor to whom a school has outsourced institutional functions or services may be considered a "school official" for purposes of FERPA under certain conditions.[33] Further, under certain conditions, schools can disclose personally identifiable information without student consent if the disclosure is in connection with financial aid for which the student has applied or received.[34]

It's important to note that BankMobile does not use such personally identifiable information to open financial account for students; rather, students, at their sole discretion, may choose to open a financial account.[35] Additionally, since BankMobile as a contractor to institutions is subject to FERPA's restrictions on the reuse and redisclosure of personally identifiable information from education records, we do not permit the transfer of any personally identifiable information to another party other than in a manner in which an educational institution may disclose it. We have a robust set of policies and procedures in place to safeguard against the risk of unauthorized disclosure of this information to third parties, including a comprehensive written information security policy in accordance with the Gramm Leach Bliley Act.

Questions

BankMobile is pleased to answer any questions you may have concerning this compliance handbook. Please note this document may change from time to time should the Department of Education issue additional guidance related to the Regulations and/or if BankMobile's system requires operational/technical modifications. Please contact your dedicated relationship manager or sales executive with any questions.

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31 34 C.F.R. § 668.25(c).

32 "An educational agency or institution may disclose personally identifiable information from an education record of a student without the consent required . . . if the disclosure . . . is to other school officials, including teachers, within the agency or institution whom the agency or institution has determined to have legitimate educational interests." 34 C.F.R. § 99.31(a)(1)(i)(A).

33 "A contractor, consultant, volunteer, or other party to whom an agency or institution has outsourced institutional services or functions may be considered a school official under this paragraph provided that the outside party . . . [p]erforms an institutional service or function for which the agency or institution would otherwise use employees. . . ." 34 C.F.R. § 99.31(a)(1)(i)(B)(1).

34 "An educational agency or institution may disclose personally identifiable information from an education record of a student without . . . consent . . . if . . . [t]he disclosure is in connection with financial aid for which the student has applied or which the student has received, if the information is necessary for such purposes as to (A) Determine eligibility for the aid; (B) Determine the amount of the aid; (C) Determine the conditions for the aid; or (D) Enforce the terms and conditions of the aid." 34 C.F.R. § 99.31(a)(4).

35 BankMobile's approach to providing students with choice in terms of how to receive their refund and whether to open a BankMobile Vibe Account, as opposed to pre-loading cards mailed to students or directly opening accounts for students, complies with the Department's interpretive guidance on FERPA. See DCL Q&A7.

Policies – Procedures – Roles – Responsibilities

Items	Citation	Description	Institution	BankMobile
Title IV Eligibility	34 CFR 668.32	The institution must verify that the student is eligible to receive title IV funds.	X	
Disbursing FSA Funds to a Student Account	34 CFR 668.164(a)	There are two ways to disburse FSA funds: by crediting the student's ledger account for allowable charges, or by paying the student or parent directly.	X	
Notification of the Disbursement of FSA Funds	34 CFR 668.165(a)	Before an institution disburses title IV, HEA program funds for any award year, the institution must notify a student of the amount of funds that the student or his or her parent can expect to receive under each title IV, HEA program, and how and when those funds will be disbursed.	X	
Credit Balances	34 CFR 668.164(h)(1)	An FSA credit balance occurs whenever the institution credits FSA program funds to a student's account and the total amount of those FSA funds exceeds the student's allowable charges. The institution is responsible for determining how FSA funds are allocated for allowable charges.	X	
14 Day Timeline for Direct Payment	34 CFR 668.164(h)(2)(i)&(ii)	"Direct Payment" of an FSA credit balance must be made no later than 14 days after the balance occurs or 14 days after the first day of class of a payment period. The institution must transmit to BankMobile the refund data file and associated funds for all title IV credit balances prior to the 14 day deadline.	X	

Items	Citation	Description	Institution	BankMobile
Paying Credit Balances	34 CFR 668.164(d)(1)(i)(A)&(B) 34 CFR 668.164(d)(2)(i)&(ii)	With the exception of the student visiting the institution's business office to pick up a BankMobile paper check (Instant Check Issuance), BankMobile will be responsible for making "direct payment" to students.		X
Default Paper Check Issuance	34 CFR 668.164(d)(2)(ii)	For those instances where a student has not made a refund preference selection within 21 days after being notified of its availability, BankMobile automatically mails a default check to the student before the expiration of the 21-day period.		X
Student Choice Process	34 CFR 668.164(d)(4)(i)(A)(1)-(6)	BankMobile will manage compliance with the new Regulations regarding how the selection process is designed and implemented, and any required disclosures related to the disbursement options.		X
Tier One Arrangements	34 CFR 668.164(e)(1)(i)-(ii)	As it relates to an institution's disbursement program, BankMobile is considered a "third party servicer" operating a "Tier One Arrangement" with the institution. BankMobile will be responsible for communicating any change as to its status as a "third party servicer" operating a "Tier One Arrangement".		X
Card Issuance Restrictions for Tier One and Tier Two Arrangements	34 CFR 668.164(e)(2)(i)	BankMobile will be responsible for issuing students a "Personal Refund Code" to access the BankMobile disbursement website and to authenticate the student's identity. Further, BankMobile will be responsible for issuing debit cards and/or "institutional purpose" cards in accordance with the Regulations. If the institution elects to use the BankMobile debit card for "institutional purposes" (for example ID, library card, etc.), the institution shall be responsible for completing and signing an Institutional Purpose Verification form prior to card issuance.	X	X

Items	Citation	Description	Institution	BankMobile
Student Data Limitations for Tier One Arrangements	34 CFR 668.164(e)(2)(ii)(A) 34 CFR 668.164(e)(2)(ii)(B) 34 CFR 668.164(e)(2)(ii((C)	The institution will be responsible for ensuring that any personally identifiable information transmitted to BankMobile in administering the disbursement program complies with state and federal regulations. Both the institution and BankMobile will be responsible for managing, storing and sharing any applicable personally identifiable information under the program. Under no circumstances shall the institution transmit Social Security numbers to BankMobile, in whole or part, throughout the life of the program. BankMobile will provide guidance and technical specifications to the institution to properly configure its student data and refund file(s) to comply with the Regulations.	X	X
Student Data File Transfers	N/A	All data passed from the institution to BankMobile in either the demographic or refund files will be sent via SSH protocol in order to ensure a secure information exchange. BankMobile will work with the institution to configure SSH transfers associated with administering the program.	X	
ATM Requirements under Tier One Arrangements	34 CFR 668.164(e)(2)(iv)(A)	BankMobile will be responsible for ensuring that a “surcharge-free national or regional ATM network” is “reasonably available” to students accountholders throughout the academic year.		X
Account Fee Restriction on Tier One Arrangements	34 CFR 668.164(e)(2)(iv)(B)(1)-(3)	BankMobile will be responsible for ensuring that the financial account offered under the Tier One Arrangement is compliant with all of the fee restrictions outlined in the Regulations.		X
Required and Prohibited Account Features under Tier One Arrangements	34 CFR 668.164(e)(2)(v)(A)-(C)	BankMobile will be responsible for prohibiting or providing certain functionality associated with the financial account offered under the Tier One Arrangement to ensure compliance with the Regulations.		X

Items	Citation	Description	Institution	BankMobile
Contract Disclosure	34 CFR 668.164(e)(2)(vi)	BankMobile will establish and maintain a website landing page that will include all legal documents related to the Tier One Arrangement with the institution. The institution will be responsible for posting a link to the contract disclosure landing page on its public website and for providing an up-to-date URL to such a landing page to the Secretary (Department of Education). *In the event that the institution elects not to post on its public website a link to the aforementioned contract disclosure landing page provided by BankMobile, the institution shall be responsible for posting the contract at its discretion.	X*	X
Contract Data, Account and Fee Disclosures	34 CFR 668.164(e)(2)(vii) (A)-(B)	BankMobile will be responsible for establishing and maintaining a website landing page that will include all of the contract data, account and fee disclosures required under this provision. The institution will be responsible for posting a link to such a landing page on its public website. **In the event that the institution elects not to post on its public website a link to the aforementioned contract data, account and fee disclosures landing page provided by BankMobile, the institution shall be responsible for posting such information per the Regulations.	X**	X
Due Diligence Requirements for Institutions	34 CFR 668.164(e)(2)(x) (A)-(B)	BankMobile and the institution shall be responsible for ensuring that the contract language required under these provisions is included in the contract governing the Tier One Arrangement. As it relates to the institution's due diligence obligation, BankMobile agrees to make available to the institution the data necessary to allow the institution to conduct its own due diligence related to the fees associated with the financial account under the Tier One Arrangement. Further, the institution shall be responsible for conducting the required due diligence every two (2) years as set forth in this provisions. BankMobile will provide the institution a reminder 90 days prior to the end of the previous two-year period.	X	X

Items	Citation	Description	Institution	BankMobile
Tier Two Arrangements	34 CFR 668.164(f)(1) 34 CFR 668.164(f)(3)(i)-(iii)	The institution and/or the entity entering into a contract to offer financial accounts "marketed directly" to students under a Tier Two Arrangement shall be solely responsible for determining whether it has entered into a Tier Two Arrangement and shall be responsible for any and all compliance requirements under the Regulations. The institution shall notify BankMobile immediately of any existing or new Tier Two Arrangement. In no way shall BankMobile be responsible for any and all representations, warranties, liabilities or compliance related to Tier Two Arrangements.	X	
Instant Checks	N/A	BankMobile offers the Instant Issue checkbook to allow the institution to make direct payment of a refund in cases where a student has not made a refund preference selection. Students who have not selected a refund preference will be notified via email that they have the option to pick up a check for their refund at a specific location at the institution. Institution administrators with the appropriate permissions will then be able to issue the student a refund check on the spot.	X	X
Customer Identification for Accounts	N/A	As required by federal law, BankMobile shall be responsible for verifying the identity of any student who opens a checking account with BankMobile.		X
Return of Title IV Funds to Institution	N/A	If a title IV refund issued as a check or ACH transfer is returned to BankMobile as undeliverable, the student will have 35 calendar days from the date the refund is returned to update their information and have their refund re-disbursed. Multiple attempts to re-disburse the refund may be made, however in accordance with the Regulations each attempt must be made within 45 calendar days of the last return and no later than 210 calendar days from the date BankMobile processed the refund, otherwise the funds will be returned to the institution.		X