



TRANSCRIPT WITHHOLDING LEGISLATION

Updated May 18, 2022

Over the past year, many states have introduced measures that would prohibit colleges and universities from withholding transcripts due to unpaid debts. Withholding transcripts is a key tool in the process by which colleges and universities communicate with students about owed balances. In the same way a bank might place a lien on a vehicle for an auto loan, schools hold transcripts to keep students accountable for the debt they owe. Most institutions already have their students “read, understand, and agree” to a financial responsibility agreement. If a student fails to meet payment deadlines, then monthly reminder notices are often sent out and phone calls are made to remind students about unpaid balances. Eliminating this minor accountability tool will lead schools to pursue other measures resulting in negative impact to the former student.

PENDING LEGISLATION

Illinois - [SB3032](#), Student Debt Assistance Act

Status: **Sent to the Governor**

- Sent to the Governor on May 6, 2022
- Passed by House on March 29, 2022 by a vote of 74-33 with one Member voting present
- Passed the Senate on April 8, 2022 by a vote of 49-0.
- The bill has not yet been sent to the Governor.

Sponsors:

- Senate: Laura Fine (filed); Laura Murphy; Michael Hastings; Elgie Sims, Jr.; Laura Ellman; Mike Simmons; Celina Villanueva; Napoleon Harris, III; Jacqueline Collins
- House: Bob Morgan (Chief Sponsor); Carol Ammons; LaShawn Ford; Jennifer Gong-Gershowitz; Elizabeth Hernandez; LaToya Greenwood; Sonya Harper; Lamont Robinson, Jr.; Emanuel Welch; Camille Lilly; Lakesia Collins; Dagmara Avelar; Denyse Stoneback

Summary: *As introduced*, this bill would prohibit institutions from withholding transcripts from a current or former student if that student owes a debt to the institution. Beginning with 2022-2023 academic year, requires an institution to make a good faith effort to offer a debt repayment plan to any student who owes a debt of \$250 or more to the institution. *During Senate floor consideration*, Senator Fine offered an amendment to her bill that modified the bill significantly. The amendment prevents an institution from providing an unofficial transcript to a current or former student because that student may owe a debt. Further, the amendment requires an institution to provide an official transcript to a current or potential employer even if that student owes a debt. In addition, if an institution chooses a collection agency to secure a student’s debt, the past due debt may not be reported to any credit reporting agency or used against the student in a credit report or score. *The bill was further amended during House consideration* to modify the credit reporting agency prohibition provision, except to those instances where required by federal law.

The bill that passed both Chambers allows institutions to withhold the issuance of an official transcript, except when the student is requesting that transcript for employment purposes. However, the institution must issue an unofficial transcript for any purpose. If the institution uses a collection agency to recover a debt from a student, then that student's debt may not be reported to a credit reporting agency, unless required to do so by federal law.

Proposed Effective Date: Effective when signed into law. Academic Year 2022-2023 (Presumably July 1, 2022)

Connecticut – SB17

Status: **Passed by the Senate, Pending in the House**

- Passed by the Senate on April 20, 2022 (as modified) by a vote of 23-10
- Received and placed on calendar in the House on April 22, 2022

Sponsors:

- Senate: Kevin Witkos; Saud Anwar
- House: Michael Winkler; Trenee McGee; Brian Smith; Hubert Delany; Corey Paris; Anthony Nolan; Maryam Khan

Summary: *As introduced*, this bill would prohibit an institution from withholding transcripts for any enrolled or formerly enrolled student. It would further restrict that an institution condition the release on the payment of the debt, charging a higher fee to a student holding an institutional debt, or issuing the transcript as a method of collecting on a debt. *During Committee consideration*, an amendment was offered that streamlines the originally drafted language and modifies the restriction of withholding a transcript only when a student requests it for employment purposes.

Proposed Effective Date: Unknown at this time.

Colorado – HB1049, Prohibiting Transcript and Diploma Withholding

Status: **Became law on April 21, 2022**

- Signed by Governor on April 21, 2022
- Passed by House (Senate amended version) on March 31, 2022 by a vote of 41-24
- Passed by the Senate (amended) on March 29, 2022 by a vote of 20-13
- Passed by the House (amended) on February 28, 2022 by a vote of 40-24

Sponsors:

- House: Jennifer Bacon; Naquetta Ricks
- Senate: Brittany Pettersen; Jeff Bridges

Summary: *As introduced*, this would prohibit an institution from withholding a transcript or a diploma from a current or former student for any reason. The institution also may not charge a higher fee due to the student owing the institution a debt or issuing a transcript or diploma as a means for debt collection. In addition, this bill provides a civil right of action to a current or former student whose transcript or diploma is withheld and entitles the student to injunctive

relief. Other penalties could include a civil penalty of up to \$500 for each violation and reasonable attorney fees and costs.

The *House Education Committee* adopted an amendment on a 6-3 vote that amended the original bill which removed the civil right of action and allowed an institution of higher education to withhold a transcript or diploma except when a student requested the document for the following:

- A job application;
- Transferring to another postsecondary institution;
- Applying for state, federal or institutional financial aid;
- Pursuing an opportunity in the military or national guard; or
- Pursuit of other postsecondary opportunities.

In addition, the amendment requires each postsecondary institution to adopt and post a policy that outlines the process by which a student may obtain a transcript or diploma may be withheld from a current or former student. Of note, such policy may include an opportunity to allow the student to pay their debt through a payment plan. Beginning on July 1, 2024, each institution must annually report certain information to the Colorado Department of Higher Education concerning transcript, diploma, and registration holds.

During Senate consideration, the language of the bill was amended a bit for structure, but the effect of the language remained essentially the same.

Proposed Effective Date: **Law unclear**, state implementation likely to determine. Reporting requirements begin July 1, 2024.

Minnesota – [HF1181](#)

Status: Introduced in the House on February 18, 2021.

- The bill was amended by the Higher Education Finance and Policy Committee and referred to the Labor, Industry, Veterans and Military Affairs Finance and Policy Committee and the Ways and Means Committee.
- There is no Senate companion version.

Sponsors:

- House: Connie Bernardy

Summary: As introduced, the bill would expand current law (see below) to restrict institutions in the state (public and private) from withholding a student's transcript if any of the following apply to a current or former student:

- The debt owed is less than \$1,000;
- The student has entered into a payment plan with the school;
- The transcript is being requested by a prospective employer;
- The student graduated and the debt is a result of the program in which the student was enrolled; **or**
- The school has sent the debt to collections for repayment.

In addition, the school may not condition the release of the transcript on the payment of the debt, charge a higher fee for the transcript due to a debt, or use the issuance of the transcript as a tool for debt collection before all other options have been attempted and exhausted. During Committee debate the bill was amended to reduce the amount owed from \$1,000 to \$500. In addition, the language associated with a graduate incurring the debt related to the program of study was removed. Further, the condition of a student having entered a payment plan was refined to include language that the student must be complying with the payment plan, as determined by the institution. Further, the debt being sent to collections was clarified to say “the school has sent the debt for repayment to the Department of Revenue or to a collections agency, as defined by section 332.31, subdivision 3, external to the institution.” The language was further modified to allow institutions to use transcript issuance as a tool to collect a debt must publish their policy detailing how the collections process works. Finally, institutions are supposed to pursue using transcript issuance as a tool for debt collection as minimally as possible.

New Jersey – S1115, A1198

Status: **Introduced in Senate and House. No action has occurred.**

Sponsors:

- Senate: Sandra Cunningham, Andrew Zwicker
- House: Mila Jasey; Verlina Reynolds-Jackson

Summary: Prohibits institutions of higher education and certain proprietary institutions from withholding transcripts due to an outstanding balance on the student’s account. The bill has similar provisions to other state legislation where the institution may not charge a higher fee for a student who owes a balance or use the issuance of a transcript as a tool for debt collection.

Effective date: Would be immediate upon becoming law.

Louisiana – HB183

Status: **Passed the House; Pending in the Senate**

- Referred to the Senate Committee on Education on May 18, 2022
- Passed the House on May 17, 2022 by a vote of 73 to 23.
- House Higher education Committee reported bill favorably by a vote of 10 to 0.
- There is no companion measure in the Senate.

Sponsors:

- House: Jason Hughes (Sponsor)

Summary: Under current Louisiana law, public postsecondary education management boards **may** adopt policies to prohibit the institutions under their supervision from withholding student transcripts and other records due to outstanding debt or defaulting on a loan. The bill would

require postsecondary education management boards to adopt a policy. (See Louisiana bill below in state passed section.)

Rhode Island – H7061

Status: **Under consideration in the House Education Committee**

- Committee held a hearing on January 26, 2022
- There is no Senate companion measure.

Sponsors:

- House: Joseph McNamara; Brandon Potter; Julie Casimiro; Jacquelyn Baginski; Joshua Giraldo; Steven Lima; Thomas Noret

Summary: The bill would not allow Institutions of higher education to withhold a student's academic transcripts solely due to that student's failure to pay any loan payments, fines, fees, tuition, or other expenses owed to the institution, except that a student's academic credits and grades may be withheld for any course for which that student's tuition and mandatory course fees are not paid in full. For students paying on a per semester basis, such an institution may withhold a student's academic credits or grades for any course taken in a semester for which that student's tuition and mandatory course fees have not been paid. The bill does allow an institution to withhold a diploma or degree for a student's failure to pay a debt.

STATES THAT HAVE PASSED LEGISLATION

California – [AB1313](#)

Status: Signed by the governor on October 4, 2019, effective January 1, 2020

- Passed assembly on September 9, 2019 by a vote of 79-0
- Passed the Senate on September 5, 2019 by a vote of 40-0

Sponsors:

- Assembly: Luz Rivas (Filed)

Summary: This bill says that a school shall not do any of the following:

- This bill states that an institution cannot refuse to provide a transcript for a current or former student on the grounds that the student owes a debt, condition the provision of a transcript on the payment of a debt, other than a fee charged to provide the transcript, charge a higher fee for obtaining a transcript, or provide less favorable treatment of a transcript request, because a student owes a debt, or use transcript issuance as a tool for debt collection.

Louisiana - HB676

Status: Signed by the governor on June 13, 2020. Effective August 1, 2020

- Passed by the House on May 31, 2020 by a vote of 88 to 6
- Passed by the Senate on May 29, 2020 by a vote of 32 to 0

Sponsors:

- House: Julie Emerson (Filed), John Stefanski, Dustin Miller, Bryan Fontenot, Randal Gaines, Wilford Carter, Chuck Owen, Marcus Bryant, Aimee Freeman, Ed Larvadain, Larry Selders, Gary Carter, Barbara Freiberg, Royce Duplessis, Travis Johnson, Rodney Lyons, Dewith Carrier, Barry Ivey
- Senate: Katrina Jackson, Cleo Fields

Summary: This bill allowed public postsecondary education management boards to adopt policies for institutions under their authority that prohibits the withholding of transcripts because a student owes a debt.

Minnesota – [SF3638](#), [HF3392](#)

Status: Became law on May, 27, 2020

- Signed by the Governor on May 27, 2020
- Passed the House on May 17, 2020 by a vote of 126-5
- Passed the Senate on May 14, 2020 by a vote of 67-0

Sponsors:

- Senate: Paul Anderson; Gregory Clausen
- House: Connie Bernardy

Summary: The measure made it a condition of approval for operating in the state that an institution may not withhold a student's official transcript if the student is delinquent or in default on any institution loan issued by the school to the student such that it qualifies as an institutional loan under USC, Title 11, section 523(a)(8)(b). This provision would only apply to private institutions seeking approval to operate in Minnesota either through an initial application or a renewal application. In addition, the measure only applies to loan debt owed to the institution.

Effective Date: August 1, 2020

New York – [S5294C](#), [A6938](#)

Status: **Became law on May 4, 2022**

- Signed by the Governor on May 4, 2022
- Passed the Senate (House amendment) on March 31, 2022 by a vote of 44-19.
- Passed the House (Amended) on March 28, 2022
- Passed the Senate on March 7, 2022

Sponsors:

- Senate: Kevin Thomas (Sponsor); Joseph Addabbo, Jr; Alessandra Biaggi; Samra Brouk; Cordell Cleare; Andrew Gounardes; Michelle Hinchey; Robert Jackson; John Mannion; Rachel May; Jessica Ramos
- House: Harvey Epstein (Sponsor); Rebecca Seawright; Phil Steck; Chris Burdick; Jeffrey Dinowitz; Sarah Clark; William Magnarelli; Jessica Gonzalez-Rojas; Richard Gottfried; Anna Kelles; Jo Anne Simon; Stefani Zinerman; William Colton; Philip Ramos; Nathalia Fernandez; Jonathan Jacobson; Eddie Gibbs; Manny DeLos Santos; Phara Souffrant Forrest

Summary: *As introduced*, the bill would make transcript withholding a prohibited debt collection practice and a deceptive business practice. The bill contains similar language as other state legislation. However, the bill indicates that an institution may not withhold a “transcript” because of unpaid “tuition”, condition the issuance of the transcript on a condition of payment of a “debt”, charge a higher fee, or use the issuance as a tool for debt collection. It goes further to say that an “official transcript” may not be withheld for the same five provisions in the Colorado law. In addition, the bill creates a \$500 state penalty for each violation and creates a private right of action for the student.

During Senate consideration, an amendment was offered that simplified the language by removing the “official transcript” language. *During debate in the House*, the language was modified twice. The first amendment removed the language designating transcript withholding as a prohibited debt collection practice and a deceptive practice. It also further greatly simplified the transcript withholding prohibition to an institution may not withhold because of a debt nor can it charge a higher fee, with no other stipulation. The second amendment added back in language that an institution cannot condition the issuance of a transcript on a student’s debt payment.

The law signed by the Governor prevents and institution of higher education from withholding a student’s transcript due to a debt owed by that student, may not charge a higher fee to a student that has debt or condition the issuance of the transcript on a debt payment. In addition, the law creates a \$500 state penalty for each infraction and provides a private right of action to collect attorney’s fees.

Effective Date: May 30, 2022

Ohio – HB110

Status: Signed by the governor on June 30, 2021, effective July 1, 2021

- Conference report agreed to on June 28, 2021
- Passed the Senate June 28, 2021 by a vote of 32 to 1
- Passed the House on April 28, 2021 by a vote of 89 to 13

Sponsors:

- House: Scott Oelslager (Filed), Cindy Abrams, Brian Baldrige, Adam Bird, Jamie Callender, Rick Cargagna, Sara Carruthers Gary Click, Jon Cross, Robert Cupp, Al Cutrona, Jay Edwards, Haraz Ghanbari, Timothy Ginter, Thomas Hall, Adam Holmes, Marilyn John, Mark Johnson, Don Jones, Laura Lanese, P. Scott Lipps, Mike Loychik, Thomas Patton, Gail Pavliga, Phil Plummer, Tracy Richardson, Bill Roemer, Jean Schmidt, Dick Stein, Jason Stephens, Brian Stewart, Daniel Troy, Andrea White, Scott Wiggam, Bob Young, Tom Young
- Senate: Louis Blessing, Andrew Brenner, Jerry Cirino, Matt Dolan, Theresa Gavarone, Bob Hackett, Frank Hoagland, Jay Hottinger, Stephen Huffman, Terry Johnson, George Lang, Nathan Manning, Sandra O'Brien, Bill Reineke, Kristina Roegner, Michael Rulli, Tim Schaffer

Summary: This bill states that an Ohio institution of higher education shall not withhold a student's official transcripts from a potential employer because the student owes money to the institution, provided the student has authorized the transcripts to be sent to the employer and the employer affirms to the institution that the transcripts are a prerequisite of employment.

Washington – [HB2513](#)

Status: Signed by the governor on April 2, 2020, effective June 11, 2020

- Passed by the Senate on March 6, 2020 by a vote of 36 to 13
- Passed the House on March 11, 2020 by a vote of 59 to 38

Sponsors:

- House: Debra Lekanoff, Gerry Pollet, Javier Valdez, Jesse Johnson, Lauren Davis, Lillian Ortiz-Self, Marcus Riccelli, Mari Leavitt, Roger Goodman, Steve Bergquist, Timm Ormsby
- Emily Randall (Filed Companion Bill), Claire Wilson, Liz Lovelett, David Frockt, Joe Nguten, Mank Dhingra, Patty Kuderer, Bob Hasegawa, Derek Stanford

Summary: This bill prohibits the practice of transcript withholding and limiting the practice of registration holds at institutions of higher education as debt collection practices.