



New Law Prohibits Institutions in New York from Withholding a Student's Transcript Due to Outstanding Debt

May 5, 2022

On May 4, 2022, Governor Hochul signed [legislation](#) prohibiting all degree-granting institutions and licensed private career schools from (1) withholding a student's transcript because they owe the school a debt; (2) conditioning the release of the transcript on the payment of the student's debt; or (3) charging students who owe a debt a higher fee for a transcript or otherwise providing less favorable treatment of a transcript request from such students. The new law will be contained in New York Education Law Article 13-C § 640 and is effective on June 3, 2022.

The law does not prevent a school from generally charging a fee for providing a transcript, but the fee cannot be higher for students who owe a debt to the school. Further, the law does not explicitly discuss its effect on existing transcript holds. However, it provides no exception for transcript holds in effect prior to the law's effective date.

Any school found to have violated this law, after notice and a hearing, is subject to a \$500 penalty for each violation. Additionally, the law provides a private right of action to individuals injured by a school's violation of this law to enjoin the practice, which, if successful, may result in an award of attorneys' fees.

Institutions should review their existing policies and procedures regarding outstanding balances, as well as whether they have in place any existing transcript holds, to determine whether any modifications are required as a result of this new law. If you have questions regarding any implications of this law or its potential impact on your institution please feel free to contact [James Ryan](#), [Dina Vespia](#), [Jennifer McLaughlin](#), or [Jennifer Seeba](#).

Thank you to Samantha Schneider for her assistance with this client alert.

Please note that this is a general overview of the law and no content within this excerpt constitutes legal advice. Nothing herein creates an attorney-client relationship between the sender and recipient.

Practices

- Higher Education

Attorneys

- Dina L. Vespia
- Jennifer A. McLaughlin