

HIGHER EDUCATION

NEW STATE LAW PROHIBITS CERTAIN PRACTICES REGARDING THE COLLECTION AND ENFORCEMENT OF STUDENT DEBT

On May 4, 2022, Governor Hochul signed legislation amending the New York State education law to add article 13-C, which prohibits postsecondary institutions from: i) withholding a transcript due to a student's unpaid debt to the institution; ii) conditioning the provision of a transcript on a student's payment of institutional debt; and iii) charging an indebted student a higher fee or treating them less favorably in connection with any request for an official transcript. All debts owed by a student directly to the institution fall within the scope of the law, such as unpaid tuition, library fines, and even parking tickets.

The stated purpose of the new law is to ensure that students can access their transcripts to complete their education and obtain employment regardless of institutional debt. The new law does not prevent institutions from charging a fee for issuance of a transcript or collecting unpaid debts from students. Rather, the law "simply removes an ineffective and counter-productive barrier to students' ability to successfully repay that debt."

Article 13-C, which becomes effective on June 3, 2022, applies to institutions across New York, including but not limited to for-profit colleges, coding bootcamps, vocational schools, as well as public and private nonprofit universities.

Please feel free to contact a member of the Higher Education practice team with any questions or concerns about the legislation discussed above, or any other higher education matters at 585.232.6500, 716.853.1316, or visit www.hselaw.com.

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