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HIGHER EDUCATION INFORMATION MEMO

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Gov. Hochul Signs New State Law Prohibiting the Withholding of Transcripts of Students who are Indebted to the Institution

On May 4, 2022, Gov. Hochul signed into law A.06938B, which amends New York State Education Law by adding a new Article 13-C; §640, which prohibits degree-granting institutions and licensed private career schools from withholding transcripts of students who owe a debt to the institution. It is also unlawful under §640 for institutions to condition the release of a transcript upon the student's payment of the debt. Finally, institutions may not charge a higher fee or provide less favorable treatment of a transcript request because a student owes a debt to the institution.

The law provides authority for the Superintendent of Financial Services to impose a penalty of \$500 for each violation an institution has been found to have committed after notice and hearing. Furthermore, individuals who have been injured as a result of prohibited practices under §640 may bring a civil action against an institution to enjoin such practices, and a court, in its discretion, may award reasonable attorneys' fees to the prevailing plaintiff.

The new law is effective as of June 3, 2022. The full text of the new law can be found [here](#).

If you have any questions, please consult [Sandra Casey](#), any attorney in Bond's [Higher Education practice](#) or the Bond attorney with whom you are regularly in contact.



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