# STATE OF NEW YORK

5924--C

Cal. No. 132

2021-2022 Regular Sessions

# IN SENATE

March 23, 2021

Introduced by Sens. THOMAS, ADDABBO, BIAGGI, GOUNARDES, HINCHEY, JACKSON, MANNION, MAY, RAMOS -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Consumer Protection in accordance with Senate Rule 6, sec. 8 -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading -- again amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the education law, in relation to prohibiting certain practices in the collection of student debt

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. The education law is amended by adding a new article 13-C to read as follows:

**ARTICLE 13-C**

**STUDENT DEBT; PROHIBITED PRACTICES**

**Section 640. Student debt; prohibited practices.**

**§ 640. Student debt; prohibited practices. 1. No degree-granting institution or licensed private career school, as defined by section five thousand one of this chapter, shall:**

**(a) withhold a transcript because a student owes a debt to such institution or school;**

**(b) condition the provision of a transcript on a student's payment of a debt to such institution or school; or**

**(c) charge a higher fee or provide less favorable treatment of a transcript request because a student owes a debt to such institution or school, provided however, that an institution or school may charge a fee for the issuance of a transcript.**

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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**2. In addition to such penalties as may otherwise be applicable by law, the superintendent of financial services may, after notice and hearing, enjoin such transcript withholding practices and require any institution or school found to be in violation of the provisions of this article to pay to the people of this state a penalty of five hundred dollars for each violation.**

**3. In addition to the right of action granted to the superintendent of financial services pursuant to this section, any person who has been injured by reason of any violation of this section may bring an action in their own name to enjoin such unlawful act or practice. The court may, in its discretion, award reasonable attorneys' fees to the prevailing plaintiff.**

§ 2. This act shall take effect on the thirtieth day after it shall have become a law.