

# STATE OF NEW YORK

5924--B

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

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

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

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

### ARTICLE 13-C

#### STUDENT DEBT; PROHIBITED PRACTICES

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

3  
4  
5  
6 § 640. Student debt; prohibited practices. 1. No institution of high-  
7 er education shall:

8 (a) withhold or condition the provision of a student's transcript on  
9 the payment of a debt to the institution; or

10 (b) charge a higher fee or provide less favorable treatment of a tran-  
11 script request because a student owes a debt to the institution,  
12 provided however, that an institution may charge a fee for the issuance  
13 of a transcript.

14 2. In addition to such penalties as may otherwise be applicable by  
15 law, the superintendent of financial services may, after notice and  
16 hearing, enjoin such transcript withholding practices and require any  
17 institution found to be in violation of the provisions of this article

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

LBD08218-08-2

1 to pay to the people of this state a penalty of five hundred dollars  
2 for each violation.

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

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