



Testimony to the House Appropriations Committee
HB 384: Institutions of Higher Education – Transcripts – Prohibition on
Punitive 3 Measures Related to Student Debt
Position: Favorable

February 14, 2023

The Honorable Ben Barnes, Chair
House Appropriations Committee
Room 121, House Office Building
Annapolis, Maryland 21401
Cc: Members, House Appropriations Committee

Honorable Chair Barnes and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

For the past several seven years, Economic Action Maryland has been engaged in research, awareness-raising, and advocacy on student issues including expanding protections for students at for-profit colleges, addressing the needs of food and housing insecure college students, providing homeless and formerly foster youth with tuition waivers, and supporting college students needs in March 2020 when campuses closed suddenly due to the COVID-19 pandemic.

Withholding college transcripts due to students' debts is simply wrong. After speaking to students across the state, we heard stories of transcripts being held because of tickets, library fines, or other debts under \$1000. This practice penalizes low-income students and harms their ability to obtain employment in the field that they trained and studied for while at the college. Transcript withholding is an action that is punitive and disproportionate to the action that led to the withholding. This practice disproportionately harms Black and Brown college students, first generation college students, and students from immigrant and low-income backgrounds.

In October 2022, the Consumer Financial Protection Bureau (CFPB) issued a [report](#) and a finding that 'blanket policies to withhold transcripts in conjunction with an extension of credit is an abusive act or practice'. The CFPB noted in the report that there exists an asymmetric relationship between students and the

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institution of higher education, leaving students with little bargaining power since transcripts are needed for jobs or further education. Furthermore, faced with the disproportionate consequences of needing a transcript to pursue employment or higher education, students may be compelled to make payments on debts that are inaccurately calculated, improperly assessed, or otherwise problematic.

In October 2022, the Consumer Financial Protection Board found that colleges that lend directly to their students cannot later refuse to release a student's transcript as a method of persuading them to make loan payments.

Our 2018 report, [No Exit](#) addresses Maryland's CCU system which charges an additional 17% collection fee on debts, further increasing the debt students incur.

HB 384 addresses these abusive practices that harm the future prospects of our low-income students across the state by prohibiting this practice that has no place within higher education. For all of these reasons, we support HB 384 and urge a favorable report.

Best,

Marceline White
Executive Director

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