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March 22, 2022

TO: The Honorable Maggie McIntosh
Chair, Appropriations Committee

FROM: Philip Ziperman, Deputy Chief - Consumer Protection Division

RE: SB 152 – Public Institutions of Higher Education – Transcript Requests by Students
With Unpaid Student Account Balances

(FOR INFORMATION PURPOSES)

The Consumer Protection Division of the Office of the Attorney General (the "Division") expresses concerns about Senate Bill 152 sponsored by Senator Kramer. Senate Bill 152, as originally drafted, prohibited higher education institutions from refusing to provide current or former students with their transcripts or taking other punitive measures regarding a student's transcript request because the student owes a debt to the institution. As currently amended, the bill now only applies to public institutions, and, even there, only limits the circumstances under which the institutions can withhold transcripts.

The Division no longer supports SB 152 because the institutions that have created the most significant debt issues for students are the for-profit colleges, which recently have been the focus of numerous enforcement actions based on their recruiting practices, failure to deliver promised services, and other violations of law. Limiting students' access to their transcripts when they either transfer to another institution or are seeking employment is unduly punitive, an ineffective means of collecting a debt, and is a practice that likely is unfair and abusive and prohibited by the Consumer Protection Act. The bill as originally introduced would have prohibited this practice both in public institutions and in the for-profit sector of the higher education industry, which has seen the most abusive practices in lending to students and collecting debts. States that have already prohibited this practice have not limited the application of their laws to only public universities.¹ Maryland, like the other states that have specifically addressed the problem, should have a statute like the one that Senator Kramer originally introduced.

cc: Members, Appropriations Committee
Honorable Benjamin F. Kramer

¹ See MINN. STAT. 136A.828, subd. 6(g) (2021) and California Educational Debt Collection Practices Act, CAL CIV. CODE 1.6C7 §§ 1788.90 -1788.93/.