



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

**Institutions of Postsecondary Education
Institutional Debt - Report (HB 920) - 2025
Testimony of Delegate Ryan Spiegel – Favorable**

Chair Feldman, Vice Chair Kagan, and Members of the Committee:

HB 920 establishes reporting requirements to provide insight into an overlooked type of debt many Marylanders owe to their colleges or universities—*institutional* debt, or debt they owe directly to a higher education institution.

The bill requires Maryland's higher education institutions to report annually to the Maryland Higher Education Commission (MHEC) on the overall amount of debt students owe directly to the institution, alongside other important statistics, including the demographics of the students who own this debt, whether or not they were Pell Grant recipients, and the types of charges for which students owe debt.

We hear frequently about the student debt crisis and its two main components: federal student loans provided by the government and private student loans provided by student financing companies. However, there is another type of debt that can also plague students long after they leave—institutional debt, which is debt a student owes directly to their college or university for any number of reasons, including administrative fees and other charges posted to a student's account.

This debt follows students into their professional lives in the same way that student loans do. Not only can institutions pursue students for this debt, but they can also withhold vital information needed for careers, such as academic transcripts, from students owing this debt.

While one study estimates that approximately [125,000 Marylanders may owe as much as \\$332 million in institutional debt](#), the precise landscape of institutional debt in our state remains unknown, because only higher education institutions know what is owed and by whom; there is currently no obligation for them to disclose this information.

HB 920 gives Maryland policymakers and consumers insight into the institutional debt landscape facing our residents, by requiring higher education institutions to report anonymized data annually on the debt owed directly to

them and the demographics of the people who owe this debt, so that we can have a better picture of not only what kind of debt our institutions collect on, but also the people these practices impact.

This bill does not alter any institution's operating procedures or debt collection practices. It merely requires them to report to the State the information they should already have on file. It is hard to imagine that this requirement could not be addressed with existing or minimal additional resources, given the information management systems and other reporting requirements of higher education institutions.

In 2022, the State Council of Higher Education for Virginia produced [a report on institutional debt owed by Virginians](#), and the results showed staggering inequities in who owes this debt, demonstrating that institutional debt is not a burden equally shared among the student population: while Black and Hispanic students comprise 17 percent and 8 percent of enrolled undergraduates at Virginia schools, they make up 40 percent and 11 percent (respectively) of those students who owe debts to their schools.

These inequities are startling—and without HB 920, we have absolutely no idea if they are happening in Maryland. Beyond the demographic concerns, the sheer volume of overall debt owed to schools in Maryland is also unknown. Shining a light on this information will help us better understand the scope of the problem of this type of student debt, so we can develop appropriate policies and strategies for addressing it.

Thank you and I ask for a favorable report on HB 920.