CERTIFICATION OF ENROLLMENT

SECOND SUBSTITUTE HOUSE BILL 2513

Chapter 281, Laws of 2020

66th Legislature
2020 Regular Session

HIGHER EDUCATION DEBT COLLECTION--TRANSCRIPT AND REGISTRATION HOLDS

EFFECTIVE DATE: June 11, 2020

Passed by the House March 10, 2020
Yeas 59  Nays 38

LAURIE JINKINS
Speaker of the House of
Representatives

Passed by the Senate March 6, 2020
Yeas 36  Nays 13

CYRUS HABIB
President of the Senate

Approved April 2, 2020 2:28 PM

CERTIFICATE

I, Bernard Dean, Chief Clerk of the
House of Representatives of the
State of Washington, do hereby
certify that the attached is SECOND
SUBSTITUTE HOUSE BILL 2513 as
passed by the House of
Representatives and the Senate on
the dates hereon set forth.

BERNARD DEAN
Chief Clerk

FILED
April 3, 2020

JAY INSLEE
Secretary of State
State of Washington

Governor of the State of Washington
AN ACT Relating to prohibiting the practice of transcript withholding and limiting the practice of registration holds at institutions of higher education as debt collection practices; amending RCW 28B.10.293; and adding a new section to chapter 28B.10 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

Sec. 1. RCW 28B.10.293 and 1977 ex.s. c 18 s 1 are each amended to read as follows:

(Each state public or private) (1) Institutions of higher education may, in the control and collection of any debt or claim due owing to it, impose reasonable financing and late charges, as well as reasonable costs and expenses incurred in the collection of such debts, if provided for in the note or agreement signed by the debtor.

(2) Institutions of higher education may not do any of the following for the purposes of debt collection, unless the debts are related to nonpayment of tuition fees, room and board fees, or financial aid funds owed:

(a) Refuse to provide an official transcript for a current or former student on the grounds that the student owes a debt;
(b) Condition the provision of an official transcript on the payment of the debt, other than a fee charged to provide the official transcript;

(c) Charge a higher fee for obtaining the official transcript, or provide less than favorable treatment of an official transcript request because a student owes a debt; or

(d) Use transcript issuance as a tool for debt collection.

(3) Institutions of higher education may not withhold a student's official transcript, regardless of debt, except the fee charged to provide an official transcript, if the official transcript is requested by a student or entity for any of the following purposes:

(a) Job applications;

(b) Transferring to another institution;

(c) Applying for financial aid;

(d) Pursuit of opportunities in the military or national guard; or

(e) Pursuit of other postsecondary opportunities.

(4) Institutions of higher education may not withhold registration privileges as a debt collection tool, excluding the case of any debts related to nonpayment of tuition fees, room and board fees, or financial aid funds owed.

(5) If an institution of higher education chooses to withhold official transcripts or registration privileges as a tool for debt collection, the institution shall disclose to students through a secure portal or email and the class registration process the following at the start of each academic term:

(a) The amount of debt, if any, owed by the student to the institution;

(b) Information on payment of the debt, including who to contact to set up a payment plan; and

(c) Any consequences that will result from the nonpayment of the debt.

(6) For the purposes of this section:

(a) "Debt" means any money, obligation, claim, or sum, due or owing, or alleged to be due or owing, from a student.

(b) "Financial aid funds owed" means any financial aid funds owed to the institution under Title IV, or to the state, due to miscalculation, withdrawal, misinformation, or other reason, not including standard repayment of student loans.
(c) "Institutions of higher education" means the same as in RCW 28B.92.030.

(d) "Room and board fees" means any money, obligation, claim, or sum, due or owing, or alleged to be due or owing, from a student for the provision of contractually agreed to on-campus housing or meal services plans.

(e) "Tuition fees" means tuition fees as defined in RCW 28B.15.020, services and activities fees as defined in RCW 28B.15.041, technology fees as defined in RCW 28B.15.051, and fees charged for nonstate funded, fee-based, self-supporting degree, certificate, or continuing education courses, or similar charges for nonpublic institutions.

NEW SECTION. Sec. 2. A new section is added to chapter 28B.10 RCW to read as follows:
Institutions of higher education shall report to the governor and the higher education committees of the legislature in accordance with RCW 43.01.036 annually beginning on December 1, 2020, on transcript and registration holds used as debt collection tools, including:
(1) Each institution's policy on when transcript and registration holds are used, including the time frames and amounts for which holds are to be used and the lowest amount for which an institution assigns a debt to a third-party collection agency;
(2) The number of official transcripts and registration privileges being withheld by each institution; and
(3) The number of past-due accounts assigned to third-party collection agencies.

Passed by the House March 10, 2020.
Passed by the Senate March 6, 2020.
Approved by the Governor April 2, 2020.
Filed in Office of Secretary of State April 3, 2020.