

2020 Regular Session

HOUSE BILL NO. 676

BY REPRESENTATIVES EMERSON, BRYANT, CARRIER, GARY CARTER, WILFORD CARTER, DUPLESSIS, FONTENOT, FREEMAN, FREIBERG, GAINES, IVEY, TRAVIS JOHNSON, LARVADAIN, LYONS, DUSTIN MILLER, CHARLES OWEN, SELDERS, AND STEFANSKI

HIGHER EDUCATION: Prohibits a public postsecondary education institution from withholding certain student services for financial reasons

1 AN ACT

2 To enact R.S. 17:3391, relative to student debt; to prohibit public postsecondary education  
3 institutions from withholding student transcripts and other records due to outstanding  
4 debt or defaulting on a loan; to prohibit public postsecondary education institutions  
5 from withholding certain services due to defaulting on a loan; to provide for  
6 definitions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 17:3391 is hereby enacted to read as follows:

9 §3391. Student records; outstanding student debt; student loan default

10 A. For purposes of this Section:

11 (1) "School" means any institution in Louisiana to which a Taylor  
12 Opportunity Program for Students award may be paid on behalf of students pursuant  
13 to Chapter 50 of this Title except a regionally accredited independent college or  
14 university in the state that is a member of the Louisiana Association of Independent  
15 Colleges and Universities.

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

1           (3) "Default" means the failure of a borrower to repay a loan according to  
2           the terms agreed to in the promissory note.

3           B. Notwithstanding any other provision of law, no school shall do any of the  
4           following:

5           (1) Refuse to provide a transcript for a current or former student on the  
6           grounds that the student owes a debt.

7           (2) Condition the provision of a transcript for a current or former student on  
8           the payment of a debt other than a fee charged to provide the transcript.

9           (3) Charge a higher fee for obtaining a transcript or provide any other less  
10          favorable treatment because a student or former student owes a debt.

11          (4) Use transcript issuance as a debt collection tool.

12          (5) Withhold services from a current or former student who is in default on  
13          a federal loan. Services that shall not be withheld include but are not limited to:

14           (a) Providing grades.

15           (b) Providing a diploma.

16           (c) Course registration services.

17           (d) Issuing transcripts.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 676 Reengrossed

2020 Regular Session

Emerson

**Abstract:** Prohibits certain postsecondary education institutions from withholding certain services when a student has an outstanding debt with the institution or a federal loan in default.

Proposed law provides relative to students with outstanding debt. Prohibits certain postsecondary education institutions from doing the following because of debt:

- (1) Refuse to provide a transcript.
- (2) Condition providing a transcript on debt payment other than the standard fee charged for a transcript.
- (3) Charge a higher fee for a transcript, or otherwise treat a student less favorably than a student without a debt.

- (4) Withhold a transcript as a tool for debt collection.

Proposed law provides relative to students who are in default on a federal loan. Prohibits certain postsecondary education institutions from withholding release of records, including transcripts, grades, and diplomas due to a student's defaulting on a loan.

Proposed law applies to the following postsecondary education institutions:

- (1) A public college or university in La.
- (2) A school that has a valid and current certificate of registration issued by the La. State Bd. of Cosmetology in accordance with law and that is accredited by an accrediting organization recognized by the U.S. Dept. of Education.
- (3) A proprietary school that has a valid and current license issued by the Bd. of Regents in accordance with law and that is accredited by an accrediting organization recognized by the U.S. Dept. of Education.

(Adds R.S. 17:3391)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Education to the original bill:

1. Limit the applicability of proposed law to La. public colleges and universities.

#### The House Floor Amendments to the engrossed bill:

1. Make proposed law applicable to proprietary schools and schools registered with the board of cosmetology to which TOPS payments may be made.