

CHAPTER 353

AN ACT concerning the withholding of student transcripts by institutions of higher education and certain proprietary institutions and supplementing Title 18A of the New Jersey Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

C.18A:3B-102 Definitions.

1. As used in this act:

“Current or former student” means a person who at any time enrolled in a course offered by an institution, including a student taking a leave of absence from the institution.

“Debt” means any money, obligation, claim, or sum, due or owing, or alleged to be due or owing, from a current or former student. Debt shall include, but not be limited to, an outstanding balance on the account of a current or former student. Debt shall not include the fee, if any, charged to all students for the actual costs of providing the transcripts.

“Institution” means an institution of higher education or proprietary institution licensed to offer academic degrees.

“Non-mandatory charges” means all charges and fees imposed by an institution on a student other than tuition, room and board, and mandatory student fees and charges, as defined by the Secretary of Higher Education.

C.18A:3B-103 Transcript fees, conditions.

2. a. (1) Except as otherwise provided in subsection c. of this section, if a current or former student meeting the criteria enumerated in paragraph (2) of this subsection requests a transcript, an institution shall not, due to an outstanding debt on a current or former student’s account of \$2,000 or less of non-mandatory charges:

(a) refuse to provide a transcript for a current or former student on the grounds that the student owes a debt;

(b) condition the provision of a transcript on the payment of a debt, other than a fee charged to provide the transcript;

(c) charge a higher fee for obtaining a transcript, or provide less favorable treatment of a transcript request because a current or former student owes a debt; or

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

(2) The provisions of this section shall only apply to a current or former student whose credits in a specified payment period were not paid for using funds received from a federal student aid program under Title IV of the “Higher Education Act of 1965” (20 U.S.C. s.1070 et seq.) or funds distributed through any State student financial aid program administered by the Higher Education Student Assistance Authority, including a student loan issued through the New Jersey College Loans to Assist State Students (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-21.

b. Except as otherwise provided in subsection c. of this section, an institution may condition the provision of a transcript to a student meeting the criteria enumerated in paragraph (2) of subsection a. of this section on the student’s agreement to enter into a good faith repayment plan and submission of the first payment on that plan if the student owes the institution:

(1) debt in any amount for unpaid tuition, room and board, or other mandatory student fees or charges; or

(2) debt exceeding \$2,000 from non-mandatory charges.

c. Notwithstanding the provisions of subsections a. and b. of this section to the contrary, an institution shall not restrict or condition the provision of a transcript to a student meeting

the criteria enumerated in paragraph (2) of subsection a. of this section who attests that the transcript is needed to apply for new student loans or to refinance existing student loans.

d. The provisions of this section shall not apply to an institution's provision of transcripts to students who reside outside of the United States and:

(1) are not citizens of the United States or;

(2) are current or former students who are or who were previously eligible for federal student aid or State student financial aid pursuant to section 1 of P.L.2018, c.12 (C.18A:71B-2.1).

C.18A:3B-104 Issuance of official transcripts, applicable payment periods.

3. An institution shall provide an official transcript to a current or former student upon the student's request for all applicable payment periods in which:

a. the student's credits obtained in the specified payment period were paid for using funds received from a federal student aid program under Title IV of the "Higher Education Act of 1965" (20 U.S.C. s.1070 et seq.) or funds distributed through any State student financial aid program administered by the Higher Education Student Assistance Authority, including a student loan issued through the New Jersey College Loans to Assist State Students (NJCLASS) Loan Program established pursuant to N.J.S.18A:71C-21; and

b. the student's institutional charges incurred for the payment period, as determined pursuant to federal regulations, were paid for or included in an agreement to pay, including a loan or a payment plan, at the time of the current or former student's request for an official transcript.

C.18A:3B-105 Prohibition against withholding official transcripts, error based in federal student aid administration, fraud, misconduct.

4. An institution shall not withhold official transcripts from a current or former student or take any other adverse action against a student related to debts of the student that resulted from an error in the institution's administration of federal student aid under Title IV of the "Higher Education Act of 1965" (20 U.S.C. s.1070 et seq.) or any fraud or misconduct by the institution or an employee of the institution.

C.18A:3B-106 Transmitting transcript to third parties.

5. A current or former student may permit a transcript released pursuant to the provisions of this act to be transmitted to a third-party entity. An institution releasing a transcript pursuant to the provisions of this act shall provide a current or former student the option to transmit the transcript to the current or former student or to a third-party entity.

C.18A:3B-107 Violation of act, penalties.

6. A violation by an institution of the requirements of this act shall constitute an unlawful practice under P.L.1960, c.39 (C.56:8-1 et seq.), and shall be subject to all remedies and penalties available pursuant to the provisions of that act.

C.18A:3B-108 Receipt of transcript not to be construed as debt forgiveness.

7. Receipt of a transcript by a current or former student pursuant to the provisions of this act shall not be construed to forgive any debt owed by the student to an institution and shall not preclude an institution from:

a. taking any action permitted by law to recoup the student's outstanding debt; or

b. withholding the diploma of a student with outstanding debt.

C.18A:3B-109 Transcript release policy to be posted on Internet website.

8. An institution shall post its policies concerning transcript release, including policies concerning transcript release to a current or former student with an outstanding debt, on the Internet website of the institution.

9. This act shall take effect immediately.

Approved January 20, 2026.