

Joint Statement by Higher Education Associations on Importance of Clear, Fair Transcript Withholding Policies

Oct. 12, 2022

The American Council on Education (ACE) and the undersigned higher education associations urge our member institutions, and the leaders of all colleges and universities in this country, to have a clear understanding of institutional policies regarding transcript and enrollment holds, and be prepared to explain how they determined these policies to be effective and fair.

We take extremely seriously the recent Consumer Financial Protection Bureau (CFPB) [report](#) that included “supervisory findings” on problems the Bureau identified with student loan servicing. We paid close attention to the finding by the CFPB identifying the practice of institutions withholding transcripts from current or former students as a top concern. Specifically, the CFPB “determined that blanket policies to withhold transcripts in connection with an extension of credit are abusive under the Consumer Financial Protection Act” and the CFPB “directed institutional lenders to cease this practice.”

We note that over the past several years national higher education organizations have called on institutional leaders to closely examine their policies on withholding transcripts, determine under what circumstances such policies may be contributing to existing inequities in higher education, and, if so, take steps to amend those policies to the extent they are not bound by relevant state laws or other external rules or regulations. In particular, withholding transcripts from, or placing enrollment holds on, students who owe de minimis amounts of money to an institution can be harmful to students and counter-productive to institutional goals.

The American Association of Collegiate Registrars and Admissions Officers (AACRAO), in its [2020 white paper](#) “Stranded Credits: Another Perspective on the Lost Credits Story,” recommended reconsidering the practice of withholding a transcript for an outstanding balance of \$25 or less. It noted that institutions might establish an internal fund to eliminate these small debts or develop debt elimination and debt forgiveness programs if none exists. Regardless of the steps an institution takes to remove unnecessary barriers, colleges and universities should make their policies on transcript holds clear for students to access and understand and provide a formal avenue for students to appeal a transcript hold, the AACRAO report recommended.

A [2021 report](#) by ACE’s National Task Force on the Transfer and Award of Credit recommended that institutions adjust their policies to remove unnecessary obstacles that prevent students from accessing their education at another college or university. “Institutional policies for withholding transcripts should reflect a proportionate response, and transcripts should only be withheld for the most severe situations and as a last resort, not in the ordinary course of business,” stated the Task Force report. “Institutions are encouraged to consider adopting policies that make clear transcripts will not be withheld for outstanding balances of less than a specified amount.”

In addition, a [2022 joint statement](#) by AACRAO and the National Association of College and

University Business Officers notes that an examination of institutional policies regarding transcript holds shows them to often be vague and unclear. That statement noted that while administrative-process holds can be carried out effectively, they “should not be tied to trivial or minor debt compared to the overall fees already paid to the institution by the student” lest a hold become a “stop sign rather than a yield sign.”

Clearly, some institutions still have work to do in this area, and the CFPB’s heightened scrutiny follows years of increased attention to transcript withholding policies by the public and policymakers. A number of states have barred the practice, and legislation has been introduced in Congress that would impose similar limitations. Secretary of Education Miguel Cardona has publicly [declared](#) that “institutional leaders must embrace long-term change. That means evaluating longstanding institutional policies that block retention and completion for our most underserved students, such as enrollment and transcript holds for students with unpaid balances.”

The CFPB findings and possible enforcement actions are likely to affect a large number of institutions. While the CFPB has previously considered its oversight authority to be limited to situations in which institutions make private student loans directly to their students, in these findings the CFPB expands the scope of institutional lending to include situations in which “institutions also extend credit for postsecondary education through products like deferred tuition or tuition payment plans.” Given the widespread use of tuition payment plans across campuses, the CFPB findings will have a broad impact across higher education.

We urge all college and university institutional and system leaders to review their existing transcript-hold policies and consider how they might be revised to address inequities, improve educational access and better serve their students. We will continue to work with our institutions to make progress on this important issue and ensure that all students are served fairly and effectively.

On behalf of:

Achieving the Dream

ACPA-College Student Educators International

American Association of Colleges and Universities

American Association of Collegiate Registrars and Admissions Officers

American Association of Community Colleges

American Association of University Professors

American Council on Education

American Indian Higher Education Consortium

APPA, “Leadership in Educational Facilities”

Association of Community College Trustees

Association of Governing Boards of Universities and Colleges

Career Education Colleges and Universities

Common App

Council for Higher Education Accreditation

Council for Opportunity in Education

HACU

NASPA - Student Affairs Administrators in Higher Education

National Association for College Admission Counseling

National Association of College and University Business Officers

National Association of Colleges and Employers

National Association of Student Financial Aid Administrators

UPCEA