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Colleges must stop holding student transcripts hostage

How one nearly universal policy mistreats struggling students and makes the debt crisis worse.

By Neil Swidey | JUNE 17, 2016

I won't pretend the college debt crisis I wrote about in a *Globe Magazine* cover story last month will be easy to solve. Tackling most of the problems I highlighted will demand lots of money, brainpower, and perseverance, and even then resolution may be elusive.

But there's one particularly troubling problem that could be solved immediately by any college president interested in exercising moral leadership. It involves the widespread but largely overlooked practice of colleges holding official transcripts hostage, denying students access to the credits they've already earned and paid for, simply because of an unpaid balance associated with just a few additional credits. This needs to stop.

In the story, I described the case of Luisa Centeno Silva, who had scraped together the funds to pay for three years at Emmanuel College. Unfortunately, she ran out of money at the start of her senior year and couldn't find anyone to cosign yet another loan to cover the \$10,000 she was short that fall semester. Several months into it, she reluctantly withdrew from school. But when she requested the official transcript she needed to transfer her credits to a less expensive college, Emmanuel refused to release it until she had paid her \$10,000 balance in full.

I wish I could say Emmanuel was just a brass-knuckled outlier. But this is the prevailing policy on transcript requests at colleges around the country.

Some in the bootstraps crowd may ask, why should we let "deadbeat" students start at another college before they've paid their bills? In reality, though, the students have already paid.

Most colleges no longer let students carry unpaid balances from semester to semester (aside from incidentals like library fines), says Mike Reilly, executive director of the American Association of Collegiate Registrars and Admissions Officers. And early in each semester, the students' loans are disbursed, meaning the college has been paid and the students are on the hook to repay those loans, even if they never finish school. If the students fail during that semester to pay any remaining out-of-pocket costs, they are typically not allowed to register for classes the next semester. But the unpaid balance is usually the shortfall from only that most recent semester, Reilly says.

If Emmanuel had refused Centeno Silva access only to those credits associated with her unpaid balance, that would have been defensible. But by refusing to give her the official transcript she needed to convert all those previously earned and paid-for credits into something usable, the college's penalty went too far.

I'm hardly the only one who feels this way. "Holding a financially strapped college student's transcript hostage is wrong, period," Senator Elizabeth Warren tells me. "If a student has credits that she's already paid for, then the school should not be able to hold [them] just because she has an outstanding balance for one semester, or a couple of classes. It should be easier for college students to make responsible decisions to continue their education at more affordable schools, not harder."

State Attorney General Maura Healey says: "Students have a right to what they have paid for, including the right to a transcript reflecting their completion of courses. At a time of unprecedented, often crippling student loan debt," colleges should review "their policies to make sure they are balanced and consistent with the school's educational mission."

I've spoken to dozens of students at public and private colleges who've been caught in this transcript vise. James Normil had been taking courses at UMass Boston for a couple of years while also logging lots of hours as a campus IT worker. Family obligations forced him to drop a course late into one semester, costing him aid dollars, and he says he was told he needed to fork over several thousand before he could continue his studies. Unable to pay, he decided to transfer to Bunker Hill Community College, so he could at least get his associate's degree. But UMass refused to release his transcript.

Sarema Monroe ran into financial trouble in her second year at Salem State University, after her construction-worker father got laid off. She says the college refused to let her register for more classes or release her transcript — and wouldn't even tell her exactly how many credits she had earned — until she paid her \$1,436 balance. (The state Department of Higher Education says transcript "holds" like these are standard across the country.)

Normil and Monroe ended up connecting with a Boston nonprofit called Match Beyond, which helps students earn low-cost degrees through the online College for America program. Both have since earned their associate's degrees, but only after leaving behind all those costly credits from their previous colleges. Match Beyond cofounder Mike Larsson says if these students had been able to transfer their credits, they might have bachelor's degrees by now.

Why are these tax-exempt, nonprofit colleges drawing such a hard line? In a word, leverage.

"The transcript is the primary carrot the colleges have to get students to repay their balances," says Reilly of the national association of registrars. The fear seems to be that if the college releases the transcript, the student will be less likely to pay back the remaining amount. Why then can't colleges release partial official transcripts, showing all the credits that the student has

earned and paid for in full? “I see the point,” Reilly says. “Unfortunately, the transcript is an all-or-nothing endeavor.”

But since most official transcripts are transmitted electronically these days, it shouldn't pose much of a technical challenge to devise some kind of annotated document. Or colleges could offer a “good faith” arrangement where they release the transcript after the student makes, say, three consecutive monthly payments and promises to continue paying after transferring. After all, a student who has the extra earning power that comes with a college degree is going to be in a better position to pay down debt.

Here's how we know colleges are withholding these transcripts primarily for leverage: At the end of any earlier semester where these students did not have an outstanding balance, the college would have happily provided an official transcript upon request. So maybe all students should now routinely request a transcript at the end of every semester, which could help should they run into financial trouble later. Perhaps the resulting spike in workload in registrar's offices will help persuade colleges to do the right thing and free the hostages.