

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 1. Short title. This Act may be cited as the Student Debt Assistance Act.

Section 5. Definitions. In this Act:

"Debt" means any money, obligation, claim, or sum due or owing or alleged to be due or owing from a student to an institution of higher education. "Debt" does not include the fee, if any, that is charged to students by an applicable provider for the actual cost of providing an academic transcript to a student.

"Institution of higher education" includes, but is not limited to, an institution to which the Private Business and Vocational Schools Act of 2012 or the Private College Act applies and a public institution of higher education included in the definition of "public institutions of higher education" under the Board of Higher Education Act. "Institution of higher education" also includes a person engaged in the business of providing postsecondary education, via correspondence or online or in this State, to an individual located in this State, regardless of whether the person has obtained authorization from the Board of Higher Education to

operate in this State or is accredited.

"Official transcript" means the academic transcript or a similar academic record of each current or former student of an institution of higher education that is deemed official, authenticated, certified, or bona fide and that contains information customarily provided on an official academic transcript, including, but not limited to, courses taken, terms, grades, degrees or credentials conferred, and any other similar information.

"Unofficial transcript" means the academic transcript or a similar academic record of each current or former student of an institution of higher education that contains information customarily provided on an official transcript, but cannot be used to transfer academic credits to another institution of higher education.

Section 10. Withholding of unofficial transcripts prohibited. An institution of higher education may not do any of the following:

(1) Refuse to provide an unofficial transcript to a current or former student on the grounds that the student owes a debt.

(2) Condition the provision of an unofficial transcript on the payment of a debt, other than a fee charged to provide the transcript.

(3) Charge a higher fee for obtaining an unofficial

transcript or provide less favorable treatment of a request for an unofficial transcript because a current or former student owes a debt.

Section 15. Withholding of official transcripts. An institution of higher education:

(1) must provide an official transcript of a current or former student to a current or potential employer, even if the current or former student owes a debt;

(2) may not condition the provision of an official transcript to a current or potential employer on the payment of a debt, other than a fee charged to provide the transcript; and

(3) may not charge a higher fee for transferring an official transcript to a current or potential employer or provide less favorable treatment for such a request because a current or former student owes a debt.

Section 20. Physical or financial hardship policy.

(a) Beginning with the 2022-2023 school year, every institution of higher education must have a policy instituting a financial or physical hardship withdrawal process. The process must work to limit debt owed by students who have to withdraw from the institution due to a significant financial or physical hardship and to assist those students if and when they choose to re-enroll. Types of hardship shall include, but

are not limited to:

- (1) serious injury or illness;
- (2) chronic illness;
- (3) a medical issue of a family member in which the student has to become a part-time or full-time caretaker of that family member;
- (4) a mental health condition;
- (5) a sudden or consistent lack of transportation issue; and
- (6) a significant cost of living increase.

(b) Information regarding the existence of the financial or physical hardship withdrawal process shall be publicized on the institution of higher education's website, and information must be given to students as part of any school orientation process.

Section 25. Student debt and credit report. If an institution of higher education chooses to send a current or former student's past due debt to a debt collection agency, the past due debt may not be reported to any credit reporting agencies, except as provided by federal law.

Section 99. Effective date. This Act takes effect upon becoming law.