

FERPA FAQs Related to the Transcript Withholding Regulation

Introduction: The FSA regulation regarding the use of transcript withholding for students with an unpaid balance is understandably causing confusion with FERPA because they both relate to the transcript. However, the FSA regulation does not impact FERPA as it currently stands in any way.

Question: Do learners have a right to a copy of their transcript under FERPA?

Answer: *About transcripts in particular, please note that while students have a right to inspect and review their education records, including transcripts if they exist and are maintained by the school, they do not necessarily have a right to a copy. Schools are not required to create a transcript (official or unofficial), but if one exists, the student has the right to inspect and review it. Also, a school is not required to disclose transcripts at a learner's request to a new school or prospective employer. However, such a disclosure is permitted if the student has provided a signed consent or the conditions of one of the exceptions to signed consent, found at § 99.31 of the FERPA regulations, is met. Some institutions may have a policy prohibiting the disclosure of transcripts if the student owes money to the institution.*

Question: Our Finance admins want to enter the statement below on redacted transcripts. Are we violating FERPA by indirectly releasing financial information by citing the Amendments?

**Grade not available for release due to regulation 668.14(b)(33) and 668.14(b)(34) passed by Department of Education effective July 1, 2024.*

Answer: *Nothing in FERPA would prohibit the University from including such language on the transcript. Keep in mind that any disclosure of a transcript that is linked to a student would require a signed consent or that the institution meet the conditions of one of the exceptions to signed consent found at § 99.31 of the FERPA regulations. The most relevant exception would be the "seeks or intends to enroll" exception found at § 99.31(a)(2) which permits institutions to forward education records to another institution where the student is applying.*

Question: Is there anything in FERPA preventing an institution from using a partial-transcript hold for an unpaid balance?

Answer: *Nothing in FERPA would prevent such action by the institution*

Question: Under the guidance of FERPA, is there anything preventing an institution from indicating on a transcript that a learner has an unpaid balance? This could be accomplished either through an annotation or through the use of the AACRAO partial-transcript hold guidance

which recommends using a placeholder-grade code that indicates the final grade has been withheld for an administrative reason or for an unpaid balance.

Answer: *Nothing would prevent an institution from including this on the transcript. However, the institution would need a signed consent from the student to disclose the transcript or to meet the conditions of one of the exceptions to signed consent found at § 99.31. The most common one would be the "seeks and intends to enroll" exception found at § 99.31(a)(4).*

Question: If an institution annotates the transcript or uses a partial-transcript hold to help collect an unpaid balance, does anything in the institution's FERPA disclosure document need to be updated?

Answer: *The only notices required by FERPA are the annual notice and the directory information notice. The new FSA regulation does not have anything to do with FERPA. (See AACRAO's 2012 FERPA Guide Appendix D: Model Notification of Rights Under FERPA for Postsecondary Institutions, pg. 187)*