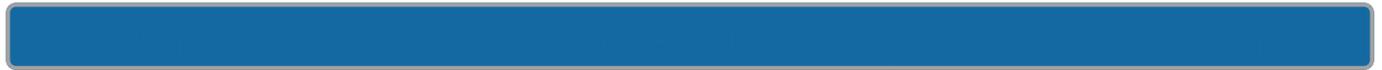




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Monday, December 13, 1999

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
In re

JOANN JONES,

No. 98-12252

[Debtor](#) ⓘ(s).

_____ /

JOANN JONES,

[Plaintiff](#) ⓘ(s),

v.

A.P. No. 99-1015

UNITED STATES OF AMERICA,

[Defendant](#) ⓘ(s).

_____ /

Memorandum of Decision

Debtor Joann Jones is a single mother of two minor children, one of which has a learning disability and has suffered from leukemia. She receives no child support payments. She has recently returned to the work force after almost 10 years on welfare and drug abuse. She earns about \$1,000 per month at a local hospital doing housecleaning and dish washing. In this [adversary proceeding](#), she seeks a hardship [discharge](#) of her student loan obligations. To obtain discharge of student loan as undue hardship, bankruptcy debtor must establish that she cannot maintain, based on current income and expenses, a minimal standard of living for herself and her dependents if forced to repay the loan, that additional circumstances exist indicating that this state of affairs is likely to persist for a significant portion of the repayment period, and that the debtor has made good faith efforts to repay the loan. *In re Pena*, 155 F.3d 1108 (9th Cir. 1998). The United States concedes that the first and third conditions are present, in that Jones' current income is not sufficient to both maintain her family and pay the loans and that Jones has made a good faith effort to repay the loans. However, it argues that the current state of affairs is not likely to persist. All of the evidence supports the debtor's position. Jones' current situation represents a major improvement of her life to regular employment and income from welfare and drug abuse. While Jones enjoys her work and intends to keep her job, she will not be eligible for advancement for many years, if at all. In addition, she will lose \$570 per month in income Social Security income when her son reaches the age of 18 in three years. Her present situation is the best that can reasonably be expected for the foreseeable future. Accordingly, the court finds that all three of the *Pena* conditions have been demonstrated and Jones is entitled to a hardship discharge of her student loans. This memorandum constitutes the court's findings and conclusions pursuant to FRCP 52(a) and FRBP 7052. Counsel for Jones shall submit an appropriate form of judgment forthwith.

Dated: December 13, 1999

Alan Jaroslovsky

U.S. [Bankruptcy Judge](#)

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