

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF MISSOURI  
(EASTERN DIVISION)

In re Jennifer Johnson, Debtor

Jennifer Johnson  
**Plaintiff**

v.

National Collegiate Student Loan  
Trust 2006-1,

National Collegiate Student Loan  
Trust 2006-3,

National Collegiate Student Loan  
Trust 2007-1,

Missouri Higher Education Loan  
Authority

**Defendants**

Case No.: [insert case number]

Adv. No.:

Chapter 7

**Complaint to determine the  
dischargeability of student loan  
debt as an undue hardship**

## **PARTIES**

1. Jennifer Johnson is a citizen of both Missouri and the United States, who resides in Ballwin, Missouri, which is within the jurisdiction of the Eastern District of Missouri.
2. Defendant National Collegiate Student Loan Trust 2006-1 is a statutory trust formed in Delaware. It can be served through its registered agent, Wilmington Trust Company, at Rodney Square North 1100 N. Market St, Wilmington DE 19890.
3. Defendant National Collegiate Student Loan Trust 2006-3 is a statutory trust formed in Delaware. It can be served through its

registered agent, Wilmington Trust Company, at Rodney Square North 1100 N. Market St, Wilmington DE 19890.

4. Defendant National Collegiate Student Loan Trust 2007-1 is a statutory trust formed in Delaware. It can be served through its registered agent, Wilmington Trust Company, at Rodney Square North 1100 N. Market St, Wilmington DE 19890.
5. Defendant Missouri Higher Education Loan Authority is a public or quasi-public corporation or body organized under Missouri state law. They can be served through their Chief Executive Officer, Raymond H Bayer Jr., at MOHELA, 633 Spirit Drive, Chesterfield, MO 63005-1243.

#### **JURISDICTION AND VENUE**

6. This adversary proceeding is brought under 11 USC § 523(a)(8) and Rule 7001(9) of the Federal Rules of Bankruptcy Procedure and its civil analog, 28 USC § 2201.
7. This Court has jurisdiction over this adversary proceeding under § 157(b) and § 1334(b) of the Judiciary and Judicial Procedural Rules. Venue is proper in the Eastern District of Missouri under 28 USC § 1409 because this matters arises in and is related to a bankruptcy case filed in this district.

## **FINAL ORDER CONSENT STATEMENT**

8. Jennifer consents to entry of final orders or judgment by the bankruptcy court.

## **FACTUAL ALLEGATIONS**

### *About Jennifer's financial situation*

9. Jennifer is a recently married 33-year old, mother of 2 children, ages 2 years and 6 months, who filed a chapter 7 bankruptcy petition in this district and received a discharge in 2012. (She later filed and successfully completed a chapter 13 bankruptcy petition in 2017.)
10. Aside from the clothes on her back and a few threadbare pieces of furniture, Jennifer's assets are nonexistent. She owns no home. Has no retirement savings. No stocks. No bonds. Nothing of value that can be sold to support her family.
11. As it stands, the only income Jennifer receives is from unemployment benefits. Right now, Jennifer receives about \$840/week. That will drop down to \$240/week at the end of this month when the Federal Unemployment Compensation Scheme ends. When that happens, Jennifer and her husband will try and support their family of four on her weekly benefit and his annual salary of ~\$50 thousand.

12. To make that money stretch, the couple has pared their expenses to the marrow. They know no luxuries, no extras. Only the daily grind of robbing Peter to promise to pay Paul at some point.
13. For two reasons, this grind will likely remain even when Jennifer returns to work. First, the type of work she has experience in, administrative assistant, is unlikely to pay her much more than what she was earning before being laid off (~\$50 thousand annually). Second, despite borrowing over \$150 thousand in federal and private student loans, Jennifer remains several credits shy of a degree. While a degree does not guarantee her income will increase, not having one is almost always a near economic death sentence.

*About Jennifer's loans*

14. In her attempt to earn an undergraduate degree, Jennifer borrowed tens of thousands of dollars in private student loan debt now held by MOHELA and various National Collegiate Student Loan Trusts.
15. Over the years, Jennifer, with the help of others, has made several payments on that debt when she could. And has requested deferments, forbearances, and interest rate reduction opportunities when she could not.
16. Those efforts, however, have gotten Jennifer nowhere. Her balances have nearly doubled; she owes over \$150 thousand.
17. Relief is not on the horizon. None of the loans qualify for any type of forgiveness, income-based repayment plans, or any sort of

modification that would give Jennifer a reasonable shot at getting from under this debt.

18. Furthermore, the loans held by MOHELA and the trusts have been reduced to judgments in Missouri state court. The full balance is now due and wage garnishment waits for her when she returns to work.
19. Jennifer cannot pay these loans back while maintaining a minimal standard of living for both her and her dependents. Repayment of the loans held by MOHELA and the various National Collegiate Student Loan Trusts imposes an undue hardship on Jennifer and her dependents.

### **PRAYER**

Jennifer asks this Court:

- determine that in accordance with 11 USC § 523(a)(8), the payment of Jennifer's loans would impose an undue hardship on her and her dependents
- Determine that Jennifer's loans were discharged in her bankruptcy proceeding; and
- grant such other relief this Court deems just and proper.

Respectfully submitted,

/s/ Stanley Tate  
Stanley Love Tate III • Bar No.:  
745 Old Frontenac Square • Suite 202  
Frontenac MO 63131  
314.884.1886 • tate@tatesq.com