

Amendment to 11 U.S.C. Sec. 523(a)(8)

(a) A discharge under section 727, 1141, 1192, 1228(a), 1228(b), or 1328(b) of this title does not discharge an individual debtor from any debt—

(8) unless excepting such debt from discharge under this paragraph would impose a substantial hardship on the debtor and the debtor’s dependents, for—

(A) **(i)** an educational benefit overpayment or loan made, insured, or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution, incurred for the debtor’s own education; or

(ii) an obligation to repay funds received as an educational benefit, scholarship, or stipend, for the debtor’s own education; or

(B) any other educational loan that is a qualified education loan, as defined in section 221(d)(1) of the Internal Revenue Code of 1986, incurred by a debtor who is an individual for the debtor’s own education;

(C) for purposes of this subsection the term “substantial hardship” shall mean that (i) at least ten years has passed since the debt first became payable; and (ii) if required to pay such debt, the debtor’s monthly disposable income would be less than 80% of the amount calculated on line 39c of Official Form 122A-2 if the debtor has filed a case under chapter 7 or line 45 of Official Form 122C-2 if the debtor has filed a case under chapter 13; and (iii) this state of affairs is likely to persist for at least five years. Notwithstanding the foregoing, a substantial hardship shall be presumed if any one of the following conditions is present:

(i) the debtor:

(a) is receiving disability benefits under the Social Security Act; or

(b) the debtor has either a 100% disability rating or has a determination of individual unemployability under the disability compensation program of the Department of Veterans Affairs; or

(ii) in the seven years before bankruptcy, the debtor’s household income averaged less than 175% of the federal poverty guidelines; or

(iii) at the time of bankruptcy, the debtor’s household income is less than 200% of the federal poverty guidelines and

(a) the debtor’s only source of income is from Social Security benefits or a retirement fund; or

(b) the debtor provides support for an elderly, chronically ill, or disabled household member or member of the debtor’s immediate family.

Amendment to 11 U.S.C. Sec. 1141(d)(2) –A discharge under this chapter does not discharge a debtor who is an individual from any debt excepted from discharge under section 523 of this title, except for

a debt of the kind specified in paragraph (8) of section 523(a) if the debtor has paid at least 10% of the outstanding principal owing on such debt as of the petition date under the plan.

Amendment to 11 U.S.C. Sec. 1222 - (b) Subject to subsections (a) and (c) of this section, the plan may—

(1) designate a class or classes of unsecured claims, as provided in section 1122 of this title, but may not discriminate unfairly against any class so designated; however, such plan may treat claims for a consumer debt of the debtor if an individual is liable on such consumer debt with the debtor differently than other unsecured claims or if the debt is a debt described by 11 U.S.C. Sec. 523(a)(8);

Amendment to 11 U.S.C. Sec. 1228 – (g) Notwithstanding paragraph (c)(2), a discharge under this chapter does discharge a debtor from a debt of the kind specified in paragraph (8) of section 523(a) if the debtor has paid at least 10% of the outstanding principal owing as of the petition date under the plan.

Amendment to 11 U.S.C. Sec. 1322 - (b) Subject to subsections (a) and (c) of this section, the plan may—

(1) designate a class or classes of unsecured claims, as provided in section 1122 of this title, but may not discriminate unfairly against any class so designated; however, such plan may treat claims for a consumer debt of the debtor if an individual is liable on such consumer debt with the debtor differently than other unsecured claims or if the debt is a debt described by 11 U.S.C. Sec. 523(a)(8);

Amendment to 11 U.S.C. Sec. 1328 - (g) Notwithstanding paragraph (c)(2), a discharge under this chapter does discharge a debtor from a debt of the kind specified in paragraph (8) of section 523(a) if the debtor has paid at least 10% of the outstanding principal owing as of the petition date under the plan.