

How to Bankrupt Your Student Loans and Other Discharge Strategies

By Chuck Stewart, Ph.D.

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FAQ

Can I bankrupt my student loans?

Yes. Regardless of how many people or websites tell you that it is impossible or virtually impossible to bankrupt your student loans, you can do it.

Can I do it myself?

Yes. Many people have been successful at bankrupting their student loans with the help of *How to Bankrupt Your Student Loans and Other Discharge Strategies*. We find that people who represent themselves seem to be more successful than those who hire an attorney. We think this is due to the courts recognizing that a person in this situation is in dire financial stress and could not possibly afford an attorney who wants to charge \$10,000 or more for these kinds of cases. Also, the debtor is much more familiar with his/her case and can make a stronger passionate plea.

How do I bankrupt my student loans?

In 1998, Congress changed the bankruptcy laws such that student loans could no longer be automatically discharged through bankruptcy. Instead, the debtor must file an adversary proceeding in conjunction with the bankruptcy. During the proceeding, the courts determine whether or not repaying the student loans create an “undue hardship” for the debtor. If the court agrees, then the student loan debts are discharged as part of the bankruptcy.

Is it difficult to bankrupt my student loans?

Actually, no. The steps are easy and the book— *How to Bankrupt Your Student Loans and Other Discharge Strategies*— provides all the forms and examples. What is difficult is the emotional struggle representing yourself against attorneys who fight against you. The book takes you through the entire process step-by-step. The website— www.HowToBankruptYourStudentLoans.com — has videos to help address the emotional struggle.

Really, I hear no one wins these cases. It must be very difficult.

Why there are so few people who have won these cases is because, so few people have tried. There has been a significant up-tick in the number of adversary proceedings that have been filed since the advent of this book. More and more people are winning their cases— and without the use of an attorney. The State Department, Department of Education, and attorneys keep repeating the mantra that it is nearly impossible. That does not make it true. Think of it this way. If you don’t take the effort to file an adversary proceeding, you will be stuck with your student loans probably for the rest of your life. A small debt of \$32,000 (which is the amount of student loans the average college student leaves college owing) can easily grow to \$100,000 or more in a few short years. You will never be able to

buy a house or participate in the American Dream. What have you got to lose but a mountain of debt?

How many people face overwhelming student loan debt?

Approximately one million people file for bankruptcy each year. About half of them have student loans. That means almost 500,000 people each year should be filing an adversary proceeding. Yet, until the book was released only about 200 proceedings were filed each year. That means virtually everyone who has gone through a bankruptcy since 1998 still owe on his or her student loans.

What is the largest award you know of who used the book?

R.W. had his entire student loan debt of \$225,00 discharged by the court in 2009. He took the example forms from the book, whited-out some of the pertinent sections, hand printed in his information, and filed the adversary proceeding. All subsequent documents were hand-printed. Obviously, typed forms or correspondence are not required. In his jurisdiction, instead of going to mediation he was given interrogatories to complete. The Department of Education held fast and went all the way to trial. There, he read an impassioned plea to the court. Later the court sided with him and discharged his entire student loan debt through bankruptcy. Congratulations R.W.!!!

Does it take long to bankrupt student loans?

It seems to take about eight months to a year for the adversary proceeding to complete. The adversary proceeding must be filed within 30 or 60 days of the meeting of the creditors. The COVID-19 pandemic has significantly delayed court proceedings.

Can filing an adversary proceeding make it worse for me?

No! If you do not win the adversary proceeding, no additional fees or costs stemming from the proceeding can be assigned to you. Of course, if you hire an attorney or paralegal to help, you will be obligated to pay them what ever you agreed to pay for their services.

What does it cost to file an adversary proceeding?

Zero dollars. There are no court costs to the plaintiff for filing an adversary proceeding related to student loans.

I've already completed a bankruptcy a few years ago. My student loans were not discharged and are becoming a severe burden. What can I do?

A number of people have successfully reopened their bankruptcies for the purpose of filing an adversary proceeding. Some have been successful. Their cases are reviewed in the book.

The book seems to target Chapter 7 bankruptcies only. Can I discharge my student loans through other forms of bankruptcy like Chapter 11, 12, or 13?

Yes. The book uses Chapter 7 forms for illustrative purposes only. The adversary proceeding is related to bankruptcy in general and can be used in conjunction with a Chapter 11, 12, or 13.

What would happen if everyone with student loans facing bankruptcy were to file an adversary proceeding?

It is estimated that 500,000 debtors a year should file the adversary proceeding. There are also another 10 million or so people who have completed a bankruptcy who should consider reopening their bankruptcy for the purpose of filing an

adversary proceeding. If even 1% of these people were to file the adversary proceeding, it is thought the entire system would crash. The State Department does not have enough attorneys to handle that many cases. There are not enough physical courts to handle the wave of adversaries. The author of the book encourages everyone to file an adversary proceeding. The crash would bring this horrible state of affairs to the attention of Congress. Hopefully, they would return student loans to the status they held before the 1998 bankruptcy reform as unsecured debt that would be discharged automatically through the standard bankruptcy process.

I'm not planning a bankruptcy. The only real debt I have is my student loans and they are becoming oppressive. What can I do?

There are two virtually unknown programs called *Compromise* and *Write-Off* that allow the Department of Education to discharge student loans. Details of these programs are discussed in the book. Also, there are many repayment or discharge options provided by the DOE. Perhaps one of these would be better suited to your situation. Again, the book details many of these different programs.

Are there any class-action suits pending on the issue of discharge ability of student loans?

It is not known if such suits are pending. The author hopes a concerted effort can be made to challenge the legitimacy of the 11 U.S.C.A. Bankruptcy Reform Act (1998) §523(a)(8). Many different strategies are discussed in the book. Perhaps some attorney reading this post will take up the challenge.

Any words of support?

Yes. Don't hesitate to file the adversary proceeding. You can do it and without an attorney. You have nothing to lose but a mountain of debt.