

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:)	
)	Bkr. Case No. 12-20271-659
EMMA E. BECKLEY,)	
)	Chapter 7
Debtor,)	
_____)	
)	
EMMA E. BECKLEY,)	
)	
Plaintiff,)	
v.)	Adm. No. 12-02009-659
)	
EDUCATIONAL CREDIT MANAGEMENT)	
CORPORATION, et al.,)	
)	
Defendants.)	

STIPULATED JUDGMENT THAT STUDENT LOANS ARE DISCHARGABLE

IT IS HEREBY STIPULATED by and between Emma E. Beckley ("Plaintiff"), and Educational Credit Management Corporation ("ECMC"), that the following facts are true and that judgment be entered in this matter as follows:

1. On or about August 18, 1997, February 6, 1998, September 11, 1998, February 8, 2000, March 2, 2000, October 4, 2000, and August 8, 2003, respectively, Plaintiff executed an Application and Promissory Note for Federal Stafford Loans (collectively, the "Promissory Notes"). A total of seven (7) student loans in the original principal amount of \$13,834.00 (referred to collectively as the "Student Loans") were disbursed under the Promissory Notes on the following dates and in the following amounts:

	Loan Date	Loan Type	Original Loan Amount Disbursed	Approximate Outstanding Loan Balance¹
1	09/08/1997	Stafford - Subsidized	\$2,625.00	\$1,726.54
2	02/25/1998	Stafford - Subsidized	\$1,310.00	\$1,722.54
3	10/14/1998	Stafford - Subsidized	\$2,139.00	\$2,568.22
4	02/15/2000	Stafford - Subsidized	\$680.00	\$856.47
5	03/08/2000	Stafford - Subsidized	\$776.00	\$977.47
6	10/10/2000	Stafford - Subsidized	\$804.00	\$1,012.82
7	01/19/2004	Stafford - Subsidized	\$5,500.00	\$8,527.05
Totals			\$13,834.00	\$17,391.11

2. The Promissory Notes evidence Student Loans made to Plaintiff under a program funded in whole or in part by a governmental unit or nonprofit institution within the meaning of 11 U.S.C. § 523(a)(8). The program, referred to as the Federal Family Educational Loan Program (“FFELP”), formerly known as the Guaranteed Student Loan Program, was established by the Higher Education Act of 1965, as codified at 20 U.S.C. § 1071 *et seq.*

3. ECMC is a private, nonprofit corporation and a guaranty agency under the FFELP. ECMC is a Minnesota corporation with its principal place of business located at 1 Imation Place, Building 2, Oakdale, MN 55128.

4. Plaintiff filed a Complaint on or about September 5, 2012, seeking a discharge of the Student Loans pursuant to 11 U.S.C. § 523(a)(8). In her Complaint, Plaintiff named the U.S.

¹ The loan amounts listed herein are for the purposes of identifying the loans on which ECMC has moved to substitute as a defendant. The outstanding loan balances are as of October 10, 2012. Fees, costs and interests may continue to accrue pursuant to applicable law.

Department of Education and the Missouri Department of Higher Education as defendants and holders of the student loan debt.

5. The U.S. Department of Education and the Missouri Department of Higher Education were not the proper parties in interest in this litigation with regard to the Student Loans because all right, title, and interest in the Promissory Notes evidencing the Student Loans (as that term is defined in paragraph 1 to include the seven (7) loans summarized in the chart in paragraph 1) had been assigned to ECMC. ECMC is the current holder of the Promissory Notes evidencing the Student Loans.

6. Plaintiff alleges that repayment of the Student Loans would cause an undue hardship on her. Plaintiff's only source of income is \$846 per month of social security disability. Plaintiff, who is 62 years old, suffers from severe health impairments, including: double knee replacements, rotator cuff surgery, fibromyalgia, degenerative disc disease, chronic back pain and IBS.

7. As of October 10, 2012, the unpaid balance on the Student Loans secured by the Promissory Notes was \$17,391.11.

8. Interest on the Student Loans accrues at the rate of approximately \$0.93 per diem.

9. Based on the facts stated in Paragraph 5, Plaintiff and ECMC stipulate that requiring Plaintiff to repay the Promissory Notes evidencing the Student Loans would impose an undue hardship on the Plaintiff and the Student Loans are therefore dischargeable under 11 U.S.C. § 523(a)(8).

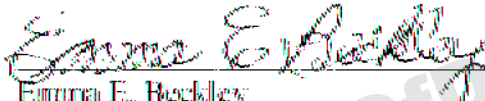
10. To the extent that Plaintiff has student loans she seeks to discharge in this action other than the Student Loans listed in paragraph 1 of this motion, including but not limited to any private student loans, ECMC does not have an interest in any such student loan debt at this time.

11. The parties hereto agree to bear their own costs, expenses and attorney's fees in connection with the aforementioned lawsuit and claims.

12. The parties to this Stipulation certify that they have read and fully understand its terms and have full authority to enter into this Stipulation.

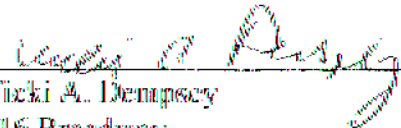
SO STIPULATED.

Dated: 10/29/12


Emma E. Beckley
Plaintiff

Dated: 10/29/12

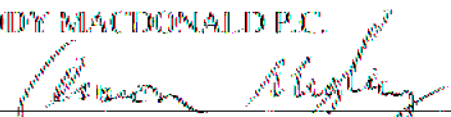
DEMPSEY, DEMPSEY & MOELLERING, P.C.

By: 
Wendi A. Dempsey
716 Broadway
P.O. Box 510
Hannibal, Missouri 63401
Telephone: (573) 221-2150
Facsimile: (573) 221-2808
jennifer@dbdrr.com

Attorney for Plaintiff Emma E. Beckley

Dated: 11/1/2012

CARMODY MACDONALD P.C.

By: 
David P. Stoelber #46024MCO
Katherine W. Murphy #58958MCO
120 South Central Avenue, Suite 1800
St. Louis, Missouri 63105-1705
314-854-8600 Telephone
314-854-8660 Facsimile
dps@carmodymcdonald.com
kwm@carmodymcdonald.com

OF COUNSEL:

Kelly Prettner
Educational Credit Management Corporation
1 Innovation Place, Building 2
Oakdale, Minnesota 55128
651-325-3223 Telephone

Attorneys for Defendant
Educational Credit Management Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served electronically by operation of the Court's CM/ECF system this 1st day of October 2012 on the following:

Wicki A. Dempsey
316 Broadway
P.O. Box 510
Hannibal, Missouri 63400
Attorneys for Plaintiff

