

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA
THIRD DIVISION

In Re:

Stephen Wayne Carlson and
Vikki Leah Carlson,

Debtors.

Stephen Wayne Carlson,

Plaintiff,

v.

United States Department of Education;
Minnesota Office of Higher Education;
Gov. Mark Dayton, in his official
capacity; B. Todd Jones, U.S. District
Attorney; Financial Litigation Unit;
Board of Regents of the University
of Minnesota; and Eric Kaler, in his
official capacity,

Defendants.

Bankruptcy Case No. 11-34420

Chapter 7

Adversary Case No. 12-03025

STIPULATION BETWEEN
PLAINTIFF AND DEFENDANT
U.S. DEPARTMENT OF EDUCATION
ALLOWING THE DISCHARGE OF PLAINTIFF'S
U.S. DEPARTMENT OF EDUCATION STUDENT LOANS

IT IS HEREBY STIPULATED by and between plaintiff Stephen Wayne Carlson (“plaintiff”), and the defendant U.S. Department of Education (“ED”), by and through its attorneys, B. Todd Jones, United States Attorney for the District of Minnesota, and Roylene A. Champeaux, Assistant United States Attorney, that the following facts are true and that judgment may be entered as follows:

1. Plaintiff on or about October 19, 1976 executed a promissory note in favor of Minnesota Higher Education Coordinating Board which was guaranteed by the U.S. Department of Education (hereinafter "ED student loan"). On or about January 25, 1977, the student loan lender disbursed \$1,665.00 at 7% interest per annum.

2. Plaintiff on or about February 8, 1978 executed a promissory note in favor of Sallie Mae/EduServ Technologies which was guaranteed by HEAA Minnesota Region, and the reinsured by the U.S. Department of Education (hereinafter ED student loan). On or about February 8, 1978, the student loan lender disbursed \$2,500.00 at 7% interest per annum.

3. On January 18, 2002 Judgment was entered against plaintiff Stephen Wayne Carlson in favor of the United States, United States v. Stephen Carlson, Civil No. 99-1918 PAM/JGL, reducing the plaintiffs' ED student loans to a money judgment in the amount of \$9,323.85. The post-judgment interest rate was 2.13% per annum.

4. The ED student loans constitute student loans made to plaintiff under a program funded in whole or in part by a federal governmental unit within the meaning of 11 U.S.C. § 523(a)(8).

5. Plaintiff alleges that repayment of the money judgment for his ED student loans would cause an undue hardship. Plaintiff produced financial records showing that plaintiff and his wife's total income in 2012 was approximately \$14,800. Plaintiff's home is in foreclosure and plaintiff and his wife are over 60 years in age.

6. As of May 9, 2013 the unpaid balance on the ED judgment is 10,283.14 with post judgment interest accruing at a rate of 2.13% per annum.

7. Based on the facts contained in paragraphs 5 and 6 above, plaintiff and ED agree that requiring plaintiff to repay his ED student loans would cause an undue hardship to plaintiff and that the ED student loan debt is dischargeable under 11 U.S.C. § 523(a)(8).

8. Each party shall bear their own costs, expenses and attorney's fees (if any).

9. The parties to this stipulation certify that they have read and fully understand its terms.

10. The parties consent to the entry of a final judgment by the United States Bankruptcy Court for the District of Minnesota without further notice and hearing.

SO STIPULATED.

Dated:

Dated: 5-10-13

B. TODD JONES
United States Attorney

STEPHEN WAYNE CARLSON, PRO SE

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Attorneys for the U.S. Department of
Education

7. Based on the facts contained in paragraphs 5 and 6 above, plaintiff and ED agree that requiring plaintiff to repay his ED student loans would cause an undue hardship to plaintiff and that the ED student loan debt is dischargeable under 11 U.S.C. § 523(a)(8).

8. Each party shall bear their own costs, expenses and attorney's fees (if any).

9. The parties to this stipulation certify that they have read and fully understand its terms.

10. The parties consent to the entry of a final judgment by the United States Bankruptcy Court for the District of Minnesota without further notice and hearing.

SO STIPULATED.

Dated:

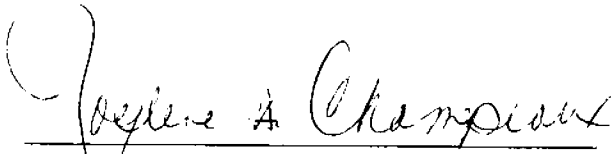
5-10-13

Dated:

5-10-13

B. TODD JONES
United States Attorney


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ORDER AS TO DEBT OWED TO
DEFENDANT U.S. DEPARTMENT OF EDUCATION

The parties having submitted a stipulated settlement; no appearance being necessary and, good cause appearing;

IT IS ORDERED that the stipulation is approved by the court.

IT IS FURTHER ORDERED that judgment be entered in accordance with the parties' stipulation;

IT IS FURTHER ORDERED that the plaintiff's complaint be dismissed with prejudice as to U.S. Department of Education; and

IT IS FURTHER ORDERED that each party bear its own costs, expenses and attorney's fees.

Dated:

ROBERT J. KRESSEL
United States Bankruptcy Judge

From Article at GetOutOfDebt.org