

**Assembly Joint Resolution**

**No. 11**

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**Introduced by Assembly Member Wieckowski**

February 6, 2013

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Assembly Joint Resolution No. 11—Relative to the dischargeability of private student loan debt.

LEGISLATIVE COUNSEL'S DIGEST

AJR 11, as introduced, Wieckowski. Bankruptcy.

This measure would urge the President and Congress of the United States to support and pass legislation that would ease the dischargeability of private student loan debt in a bankruptcy case filed under Chapter 7 or Chapter 13 of the Bankruptcy Code.

Fiscal committee: no.

1     WHEREAS, Existing federal law excepts from discharge in a  
2 bankruptcy case filed under Chapter 7 or Chapter 13 of the  
3 Bankruptcy Code specified educational loans made, or secured,  
4 by a lender other than the federal government, also known as  
5 private student loans, unless the debtor convinces a bankruptcy  
6 court that repayment would be an undue hardship on the debtor  
7 and the debtor's dependents, a sometimes difficult and expensive  
8 process not required to discharge other unsecured nonpriority debt;  
9 and  
10    WHEREAS, Californians should have the same ability to  
11 discharge their private student loan debt as they do to discharge  
12 their unsecured nonpriority debt; and  
13    WHEREAS, Californians who are not given relief from their  
14 burden of private student loan debt, even after a successful

1 completion of a bankruptcy case, are seriously hindered from  
2 establishing their personal economic stability and contributing to  
3 the economic growth of the state; and

4 WHEREAS, The inability of Californians to more easily  
5 discharge private student loan debt prevents them from gaining  
6 the “fresh start” that a successful bankruptcy case is intended to  
7 provide; now, therefore, be it

8 *Resolved by the Assembly and the Senate of the State of*  
9 *California, jointly,* That the Legislature urges the President and  
10 the Congress of the United States to support and pass legislation  
11 that would allow private student loan debt to be dischargeable in  
12 a bankruptcy case filed under Chapter 7 or Chapter 13 of the  
13 Bankruptcy Code similar to the dischargeability of unsecured  
14 nonpriority debt; and be it further

15 *Resolved,* That the Chief Clerk of the Assembly transmit copies  
16 of this resolution to the President and Vice President of the United  
17 States, the Speaker of the House of Representatives, the Minority  
18 Leader of the House of Representatives, the Majority Leader of  
19 the United States Senate, the Minority Leader of the United States  
20 Senate, and to each Senator and Representative from California  
21 in the Congress of the United States.