

AMENDED IN ASSEMBLY MAY 13, 2013

AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**Assembly Joint Resolution**

**No. 11**

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**Introduced by Assembly Member Wieckowski**  
**(Coauthor: Assembly Member Dickinson)**

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 amended, 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, This resolution shall be known as the Financial  
2 Fresh Start Resolution of 2013; and  
3 WHEREAS, Existing federal law—~~excepts~~ *exempts* from  
4 discharge in a bankruptcy case filed under Chapter 7 or Chapter  
5 13 of the Bankruptcy Code specified educational loans made, or  
6 secured, by a lender other than the federal government, also known  
7 as private student loans, unless the debtor convinces a bankruptcy  
8 court that repayment would be an undue hardship on the debtor  
9 and the debtor's dependents, a sometimes difficult and expensive

1 process not required to discharge other unsecured nonpriority debt;  
2 and

3 WHEREAS, Californians should have the same ability to  
4 discharge their private student loan debt as they do to discharge  
5 their unsecured nonpriority debt; and

6 WHEREAS, Californians who are not given relief from their  
7 burden of private student loan debt, even after a successful  
8 completion of a bankruptcy case, are seriously hindered from  
9 establishing ~~their~~ personal economic stability and contributing to  
10 the economic growth of the state; and

11 WHEREAS, United States Senator Dick Durban and  
12 Representative Steve Cohen have recently introduced the following  
13 legislation in their respective congressional houses that would  
14 permit private student loan debt to be discharged in bankruptcy  
15 and are substantially similar to legislation they each introduced in  
16 2010 and 2011:

17 (a) The Fairness for Struggling Students Act of ~~2013~~, supported  
18 ~~by eight cosponsors at the time of this resolution~~ 2013.

19 (b) The Private Student Loan Bankruptcy Fairness Act of ~~2013~~,  
20 supported by ~~24 cosponsors at the time of this resolution~~; and  
21 2013; and

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

26 *Resolved by the Assembly and the Senate of the State of*  
27 *California, jointly*, That the Legislature urges the President and  
28 the Congress of the United States to support and pass legislation  
29 that would allow private student loan debt to be dischargeable in  
30 a bankruptcy case filed under Chapter 7 or Chapter 13 of the  
31 Bankruptcy Code similar to the dischargeability of unsecured  
32 nonpriority debt; and be it further

33 *Resolved*, That the Chief Clerk of the Assembly transmit copies  
34 of this resolution to the President and Vice President of the United  
35 States, the Speaker of the House of Representatives, the Minority  
36 Leader of the House of Representatives, the Majority Leader of  
37 the United States Senate, the Minority Leader of the United States

- 1 Senate, and to each Senator and Representative from California
- 2 in the Congress of the United States.

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