

HOUSE JOINT RESOLUTION NO. 21

INTRODUCED BY BENGTON

IN THE HOUSE

February 12, 1983	Introduced and referred to Committee on Education and Cultural Resources.
February 16, 1983	Committee recommend bill do pass. Report adopted.
February 17, 1983	Bill printed and placed on members' desks.
February 18, 1983	Second reading, do pass.
February 21, 1983	Considered correctly engrossed.
February 22, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Education and Cultural Resources.
March 21, 1983	Committee recommend bill be concurred in. Report adopted.
March 23, 1983	Second reading, concurred in.
March 25, 1983	Third reading, concurred in. Ayes, 48; Noes, 1.

IN THE HOUSE

March 25, 1983	Returned to House.
March 26, 1983	Sent to enrolling. Reported correctly enrolled.

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
5 REPRESENTATIVES OF THE STATE OF MONTANA URGING THE CONGRESS
6 OF THE UNITED STATES TO AMEND THE BANKRUPTCY LAWS TO MAKE IT
7 MORE DIFFICULT FOR INDIVIDUALS TO DISCHARGE STUDENT LOAN
8 DEBTS IN A BANKRUPTCY PROCEEDING.
9

10 WHEREAS, student loan programs, whether federal, state,
11 or private, have an important role in making quality
12 education available to students from all economic classes;
13 and

14 WHEREAS, the economic and social welfare of the state
15 and the nation is strongly dependent upon the ability of the
16 country to educate its citizens, regardless of their
17 economic or social conditions; and

18 WHEREAS, the growing number of bankruptcies that result
19 in the discharge of student loans have harmed the student
20 loan programs by reducing the amount of funds available for
21 loans and by reducing the public esteem of such programs;
22 and

23 WHEREAS, control of the provisions of the bankruptcy
24 laws is vested in the federal government.
25

1 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
2 OF REPRESENTATIVES OF THE STATE OF MONTANA:

3 That the Congress of the United States is urged to
4 amend the bankruptcy laws of the United States to make it
5 more difficult for individuals to discharge student loans in
6 bankruptcy proceedings while still preserving the
7 flexibility necessary to permit those without present or
8 foreseeable future repayment ability to obtain a discharge.
9 To meet this objective, the following changes in the
10 bankruptcy laws are advocated:

11 (1) Amend Section 523(a)(8)(A) of the Bankruptcy
12 Reform Act to provide for a 10-year period of
13 nondischargeability.

14 (2) Amend Section 523(a)(8)(B) of the Bankruptcy
15 Reform Act to define undue hardship, incorporating the
16 three-tiered analysis of In Re Johnson, 5 B.C.D. 532 (1979)
17 and In Re Lezer, 21 B.R. 783 (1982).

18 (3) Amend Section 1325(a)(3) of the Bankruptcy Reform
19 Act to clarify that the term "good faith" refers to both the
20 debtor's ability to pay and the debtor's use of a Chapter 13
21 proceeding to avoid the nondischargeability provisions of
22 Chapter 7 without providing for substantial repayment of the
23 student loan debt.

24 (4) Amend Section 1328(a)(2) of the Bankruptcy Reform
25 Act to add debts provided for under Section 523(a)(8) as

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1 exceptions to discharge under Chapter 13.

-End-

App. by comm. on education
and cultural resources

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WHEREAS, student loan programs, whether federal, state, or private, have an important role in making quality education available to students from all economic classes; and

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