

United States Bankruptcy Court

District of New Mexico

Office of the Clerk

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October 13, 1998

Notice to Practitioners

Amendment to 11 U.S.C. §523(a)(8) Effective October 8, 1998

The President signed Public Law 105-244 on October 7, 1998. Section 971 of the law states:

Sec. 971. NONDISCHARGEABILITY OF CERTAIN CLAIMS FOR EDUCATIONAL BENEFITS PROVIDED TO OBTAIN HIGHER EDUCATION.

(a) AMENDMENT - Section 523(a)(8) of title 11, United States Code, is amended by striking "unless--" and all that follows through "(B) excepting such debt" and inserting "unless excepting such debt."

(b) EFFECTIVE DATE - The amendment made by subsection (a) shall apply only with respect to cases commenced under title 11, United States Code, after the date of enactment of this Act.

Section 523(a)(8), as amended, reads as follows:

(8) for an educational benefit overpayment or loan made, insured or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend, unless==

~~(A) such loan, benefit, scholarship, or stipend overpayment first became due more than 7 years (exclusive of any applicable suspension of the repayment period) before the date of filing of the petition; or~~

~~(B) excepting such debt unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and the debtor's dependents.~~

MICHAEL M. SHEPPARD, Clerk

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