

ASSEMBLY RESOLUTION No. 89

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED FEBRUARY 13, 2020

Sponsored by:

Assemblywoman GABRIELA M. MOSQUERA

District 4 (Camden and Gloucester)

SYNOPSIS

Urges Congress to pass H.R.770 allowing for discharge of student loan debt in bankruptcy.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ASSEMBLY RESOLUTION** urging the Congress of the United
2 States to pass H.R.770 which allows for the discharge of student
3 loan debt in bankruptcy.
4
5 **WHEREAS**, As government investment in higher education has
6 decreased, students have increasingly relied upon student loans to
7 fund their bachelor and graduate degree studies. Currently,
8 approximately 45 million Americans owe nearly \$1.5 trillion in
9 student loan debt; and
10 **WHEREAS**, Approximately 70 percent of bachelor’s degree recipients
11 graduate with student loan debt at a time when a bachelor degree is
12 becoming increasingly necessary in order to be competitive in the
13 job market; and
14 **WHEREAS**, An onerous student loan burden has impacted student lives
15 by, in many instances, forcing student loan debtors to delay the
16 achievement of such life goals as moving out of their parents’
17 house, purchasing a home, marrying, having children and saving for
18 retirement. In addition to affecting their buying power, student loan
19 debt may also impact the student’s career choice after graduation;
20 and
21 **WHEREAS**, Student loan debt is increasingly threatening the financial
22 stability of American households as one in four student loan
23 borrowers is either in delinquency or default on their student loans;
24 and
25 **WHEREAS**, In many instances, American households are unable to
26 escape the crushing burden of student loan debt through bankruptcy
27 because student loan debt is currently dischargeable in bankruptcy
28 only in very limited circumstances; and
29 **WHEREAS**, Currently pending before the Congress of the United States
30 is H.R.770, the “Discharge Student Loans in Bankruptcy Act of
31 2019”; and
32 **WHEREAS**, This bill recognizes the plight of Americans struggling
33 with an unsustainable student loan debt burden and would amend
34 the laws of the United States of America to allow the discharge of
35 student loan debt in bankruptcy; and
36 **WHEREAS**, Currently, student loan debt is dischargeable in bankruptcy
37 only upon a showing of undue hardship pursuant to 11 U.S.C.
38 523(a)(8). These bills would remove the “undue hardship”
39 requirement for the discharge of student loan debt and align the
40 requirements for discharge of student loan debt with the general
41 requirements for the discharge of consumer debt; and
42 **WHEREAS**, Discharge of student loan debt in bankruptcy would allow
43 student loan debtors a chance to address their debt burden through
44 bankruptcy and achieve a fresh financial start, an avenue which
45 bankruptcy affords the holders of other debts; and
46 **WHEREAS**, To permit the discharge of student loan debt in bankruptcy
47 would allow millions of Americans a chance to begin their life
48 anew and to achieve quintessential American goals such as the

1 purchase of a house or motor vehicle which, in turn, would help to
2 drive economic growth; and

3 **WHEREAS**, It is altogether fitting and proper for the United States of
4 America to formally recognize the student loan debt crisis engulfing
5 the nation and align the requirements for the discharge of student
6 loan debt in bankruptcy with those for the discharge of consumer
7 debt in bankruptcy; and

8 **WHEREAS**, It is altogether fitting and proper for the State of New
9 Jersey to urge the House of Representatives of the United States to
10 pass H.R.770, the “Discharge Student Loans in Bankruptcy Act of
11 2019”; now, therefore,

12
13 **BE IT RESOLVED** *by the General Assembly of the State of New*
14 *Jersey:*

15
16 1. The General Assembly of the State of New Jersey
17 respectfully urges the United States Congress to pass H.R.770,
18 currently pending before the House of Representatives, which
19 would allow the discharge of student loan debt in bankruptcy
20 through the same procedure as the discharge of other consumer debt
21 in bankruptcy.

22
23 2. Copies of this resolution, as filed with the Secretary of State,
24 shall be transmitted by the Clerk of the General Assembly to
25 Majority and Minority leaders of the United States Senate, Speaker
26 of the House of Representatives, Minority leader of the House of
27 Representatives, and every member of Congress elected from this
28 State.

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31 STATEMENT

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33 This resolution urges the Congress of the United States to pass
34 H.R.770, the “Discharge Student Loans in Bankruptcy Act of
35 2019,” currently pending before the House of Representatives. This
36 bill recognizes the crushing burden of student loan debt suffered by
37 many and proposes a solution to this crisis. Specifically, this bill
38 would allow the discharge of student loan debt in bankruptcy by
39 aligning the requirements to discharge student loan debt with the
40 requirements to discharge other debt in bankruptcy. The
41 recognition of the problem and the proposed solution is fitting and
42 proper in light of the enormous student loan debt burdening many
43 Americans today.