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In the United States Bankruptcy Court  
for the  
Southern District of Georgia  
Savannah Division

In the matter of:	)	
	)	Adversary Proceeding
DAISY R. HENDRIX )	)	
(Chapter 7 Case <u>92-41708</u> )	)	Number <u>93-4137</u>
	)	
<i>Debtor</i>	)	
	)	
	)	
	)	
DAISY R. HENDRIX )	)	
	)	
<i>Plaintiff</i>	)	
	)	
	)	
	)	
v.	)	
	)	
GEORGIA HIGHER EDUCATION )	)	
ASSISTANCE CORPORATION )	)	
	)	
<i>Defendant</i>	)	

**MEMORANDUM AND ORDER**

A trial in the above-captioned case was conducted on January 21, 1994. At the close of the evidence the parties were afforded an opportunity to brief the issues. No

briefs have been submitted as of this date and accordingly the Court undertakes to rule on the case at this time.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

Debtor filed a Chapter 13 case on August 25, 1992, and, pursuant to a Motion to Convert, Debtor's case was converted to a Chapter 7 case on July 1, 1993. Debtor is employed as a counselor with the Chatham County Sheriff's Department and supports two minor children. While she has been employed by Chatham County for five years she foresees little opportunity for advancement and only occasionally receives cost of living increases from the County. Debtor and her dependents occupy a rent-subsidized apartment.

Debtor brings this action to obtain a discharge of a student loan alleging that being forced to repay the same would constitute an undue hardship within the meaning of 11 U.S.C. Section 523(a)(8). Evidence at the trial revealed that her gross income is \$1,851.00 per month and her net income, after taxes and insurance, amounts to \$1,341.00. Her budget also reveals total expenditures for the support of her family of approximately \$1,100.00.

Debtor remains indebted to the Georgia Higher Education Assistance

Corporation in the amount of \$2,188.04 on a federally guaranteed student loan obtained in 1983. Debtor lives a modest lifestyle and certainly could not be characterized as enjoying any luxuries. Moreover, the budget expenditures even for necessities are very conservative. Nevertheless, the amount necessary to retire the student loan at the time of the filing of her case amounted to approximately \$30.00 per month.

Having considered the evidence and applicable authorities I conclude that while repayment of this loan will constitute a hardship on this Debtor given her relatively limited income and the expenses of maintaining herself and her children, nevertheless it does not amount to an "undue hardship" within the meaning of that term in the Bankruptcy Code. Congress clearly intended that government-guaranteed student loans would be subject to being discharged only in the most extreme of cases and given the fact that the Debtor is regularly employed, enjoys good health, and has regular income which exceeds her demonstrable monthly expenses, I conclude that she has not carried the burden of showing that repayment of this obligation would constitute an undue hardship under 11 U.S.C. Section 523(a)(8)(B). *See* William Vernon Alldredge, et.al., v. Loan Servicing Center, et.al., (Matter of William Vernon and Melody Lynn Alldredge), Adv. Pro. No. 93-2020, Ch. 7 No. 92-20017, slip op. at 8-12 (Bankr. S.D.GA. March 7, 1994).

ORDER

Pursuant to the foregoing Findings of Fact and Conclusions of Law, IT IS THE ORDER OF THIS COURT that Debtor's obligation to the Georgia Higher Education Assistance Corporation in the amount of \$2,188.04 is non-dischargeable in this proceeding.

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Lamar W. Davis, Jr.  
United States Bankruptcy Judge

Dated at Savannah, Georgia

This \_\_\_\_ day of May, 1994.