

ORDERED.



Dated: September 21, 2006

Eileen W. Hollowell

EILEEN W. HOLLOWELL
U.S. Bankruptcy Judge

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**IN THE UNITED STATES BANKRUPTCY COURT
IN AND FOR THE DISTRICT OF ARIZONA**

In Re:

LAURA ELEN ESQUIVEL,

Debtor.

LAURA ELEN ESQUIVEL,

Plaintiff

vs.

U.S. DEPARTMENT OF EDUCATION,

Defendant.

CHAPTER 7

Case No. 4:05-01585-TUC-EWH

Adversary Proceeding

Case No. 4:05-ap-00192-EWH

**PROPOSED FINDINGS OF
FACT, CONCLUSIONS OF
LAW AND JUDGMENT**

This matter came before the Court on August 2, 2006, and the court makes the following findings of fact and conclusions of law.

FINDINGS OF FACT

After notice and hearing, the Court finds that:

1. The debtor is a 41 year old single female with 2 minor children, ages 17 and 15.
2. The debtor has loans from the United States Department of Education William D. Ford Federal Direct Loan Program with a balance of approximately \$14,595.86 with accruing interest. The initial principal amount of the loans was \$13,605.00.
3. The student loans were incurred 1998, and were consolidated in 2002.
4. The debtor made the monthly payments due on the student loans through the date

1 she filed her bankruptcy petition in February 2005, and has therefore made a good faith effort to
2 repay the loans.

3 5. The debtor obtained a 2 year associates degree from Pima Community College in
4 May 99.

5 6. The debtor is qualified to earn \$8.50 per hour, or \$1,473.33 per month. Together
6 with the debtor's current child support in the amount \$453.00 per month, the debtor's maximum
7 total income is \$1,926.33. The court will not consider income from potential foster care, because
8 that amount is speculative, as there is no assurance the debtor will receive any foster children.

9 7. The debtor's expenses of \$2,532.00 per month are reasonable. The debtor's
10 mortgage of \$312.00 per month, and utility bill of \$137.00 per month, are substantially less than
11 the Arizona Local Housing and Utilities Standards. The debtors expenses are also within the
12 Trustee's Guidelines and the IRS National Standards for Allowable Living Expenses.

13 8. Based on income of \$1,926.33 per month, and expenses of \$2,532.00 per month,
14 the debtor cannot maintain, based on current income and expenses, a minimal standard of living
15 for herself and her dependents if forced to repay the loans.

16 9. When the debtor's children become adults, the debtor's expenses will decrease, but
17 she will lose child support, and therefore her ability to maintain a minimal standard of living will not
18 improve.

19 10. Additional circumstances exist indicating that this state of affairs is likely to persist
20 for a significant portion of the repayment period of the student loans. The debtor cannot reduce
21 her living expenses, and she has maximized her income potential. She has a 2 year associates
22 degree, and is not qualified for jobs requiring a bachelor's degree.

23 **ORDER**

24 The court therefore finds that the student loan debt is dischargeable.

25 DATED the _____ day of _____, 2006.

26 _____
27 UNITED STATES BANKRUPTCY JUDGE
28

1 Copies of the forgoing mailed
2 this ____ day of August, 2006 to:

3
4 US Attorney
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GRANTED