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JUDGE: M. A. Mahoney

PARTIES: Leonard Eugene Peoples, United States of America, Department of Education

CHAPTER:

ATTORNEYS:

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF ALABAMA

In Re

LEONARD EUGENE PEOPLES

Case No. 95-10190

Debtor.

LEONARD EUGENE PEOPLES

Plaintiff,

v.

Adv. No. 95-1104

UNITES STATES OF AMERICA  
DEPARTMENT OF EDUCATION

Defendant.

**ORDER AND JUDGMENT**

This matter came before the Court on the complaint of Leonard Eugene Peoples to determine the dischargeability of his debt to United States of America, Department of Education for an education loan pursuant to 11 U.S.C. § 523(a)(8). The parties stipulated to the Court's jurisdiction to hear the matter and to the evidence to be considered. Based on the evidence, the debt is dischargeable as an "undue hardship on the debtor's dependents." 11 U.S.C. § 523(a)(8)(B).

To prove undue hardship, a debtor must provide evidence that "his resources will allow him to live only at a poverty level standard for the foreseeable future if he is obligated to repay the student loan." *The Cadle Company v. Webb (In re Webb)*, 132 B.R. 199, 202 (Bankr. M.D. Fla. 1991). In this case, the debtor's income and expenses both are at poverty levels. With three minor children and a pregnant spouse, there is no evidence that the situation will improve in the

foreseeable future. *Clay v. Westmar College (In re Clay)*, 12 B.R. 251, 254 (Bankr. N.D. Iowa 1982).

Therefore, it is ORDERED and ADJUDGED that Plaintiff Leonard Eugene Peoples is awarded a judgment against United States of America, Department of Education, declaring Plaintiff's debt to Defendant discharged pursuant to 11 U.S.C. §§ 727(b) and 523(a)(8).

Dated: September 6, 1995

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MARGARET A. MAHONEY  
CHIEF BANKRUPTCY JUDGE