

Public Law 96-56
96th Congress

An Act

To amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States.

Aug. 14, 1979
[H.R. 2807]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17a of the Bankruptcy Act (11 U.S.C. 35(a)) is amended—

Bankruptcy Act,
amendment.
Certain student
loan debts, non-
dischargeability.

(1) by striking out “or” at the end of clause (7); and

(2) by striking out the period at the end of clause (8) and inserting in lieu thereof: “or; (9) for a loan insured or guaranteed under the authority of part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) unless (a) the discharge is granted after the five-year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan, or (b) the discharge is granted prior to the expiration of such five-year period and the court determines that payment from future income or wealth will impose an undue hardship on the bankrupt or his dependents.”.

SEC. 2. The amendments made by section 1 shall apply with respect to any proceeding commenced under the Bankruptcy Act during the period beginning on the date of enactment of this Act and ending October 1, 1979.

Effective date.
11 USC 35 note.
11 USC 1 note.

SEC. 3. Section 523(a)(8) of title 11, United States Code, as enacted by section 101 of Public Law 95-598, is amended—

(1) by striking out “to a governmental unit, or a nonprofit institution of higher education, for an educational loan” and inserting instead “for an educational 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 a nonprofit institution of higher education”; and

(2) in subparagraph (A), by inserting “(exclusive of any applicable suspension of the repayment period)” after “before five years”.

Approved August 14, 1979.

LEGISLATIVE HISTORY:

SENATE REPORT No. 96-230 (Comm. on the Judiciary).
CONGRESSIONAL RECORD, Vol. 125 (1979):

May 7, considered and passed House.
July 11, considered and passed Senate, amended.
Aug. 1, House concurred in Senate amendments.