

The Department of Justice, in close coordination with the Department of Education, [announced](#) [CLICK ON LINK FOR DOJ PRESS RELEASE] today a new process for handling cases in which individuals seek to discharge their federal student loans in bankruptcy.

Congress has set a higher bar for discharging student loan debt compared to other debt—borrowers who seek to discharge their loans through bankruptcy must demonstrate that they will suffer “undue hardship” unless the debt is discharged. Although the bankruptcy judge makes the final decision whether to grant a discharge, the new process announced today provides Justice Department attorneys with clear standards for recommending discharge to the judge without unnecessarily burdensome and time-consuming investigations. The new process will also help borrowers who did not think they could get relief through bankruptcy more easily identify whether they meet the criteria to seek a discharge.

Today’s announcement will help ensure consistent treatment of the discharge of federal student loans, reduce the burden on borrowers of pursuing such proceedings, and make it easier to identify cases where discharge is appropriate. The new process will leverage Department of Education data and a new borrower-completed attestation form to assist the government in assessing a borrower’s discharge request. The Justice Department, in consultation with the Department of Education, will review the information provided, apply the factors that courts consider relevant to the undue-hardship inquiry, and determine whether to recommend that the bankruptcy judge discharge the borrower’s student-loan debt. Both agencies are committed to making this system work for borrowers, and will continue to monitor how the process plays out on the ground and will assess the effectiveness of this guidance after the first year, and beyond as warranted.

Best,

**Kaitlyn Vitez (she/her)**

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