

Missouri Lawyers WEEKLY

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■ \$150,000 SETTLEMENT

Woman settles student debt for \$150,000

She had owed more than \$400,000 in student loans

BY NANCY HULL RIGDON
Special to Missouri Lawyers Weekly

A 50-year-old woman who owed more than \$400,000 in student loans settled the debt for \$150,000, with the possibility of getting out for less with consistent monthly payments.

“This debt was destroying her life and her ability to function, and that is what bankruptcy is for,” said attorney Neil Sader, who represented Maria Seedorff in her suit against Suntrust Bank and Educational Credit Management Corp.

The parties agreed to discharge Seedorff’s debt for either \$150,000 or \$78,607 if Seedorff pays \$750 per month for up to 10 years, according to a U.S. Bankruptcy Court for the Western District of Missouri order of judgment from Judge Cynthia Norton.

Larry Bork, of Goodell Stratton Edmonds & Palmer, in Topeka, Kan., represented Suntrust Bank and Educational Credit Management Corp. and declined to comment.

On July 30, 2012, Seedorff filed for Chapter 7 bankruptcy, according to the lawsuit. The suit said that Seedorff, of Liberty, incurred the majority of her \$400,873 student loan debt while obtaining her chiropractic degree between 1993 and 1999. She opened a chiropractic practice in 1999, and the business failed, closing one year later. She then joined her mother’s chiropractic practice for a year, according to the suit, and the decline in the economy combined with her medical bills left her unable to support herself in the profession.



Neil S. Sader



Megan D. Dennis

The suit said Seedorff contracted viral meningitis in 2001 and currently suffers from a progressive condition called thoracic outlet syndrome, which causes numbness, pain and weakness in her right arm.

She is currently employed with a health insurance company as a fraud investigator, and she and her spouse have a monthly average combined income of \$8,306, according to the suit.

After expenses, their household has a monthly net income of \$72, the suit said.

“Debtor is 50 years of age as of the time of this complaint with a deteriorating health condition that jeopardizes her future employment,” the suit said. “Repayment of the loans in question will result in an undue hardship to debtor, given the fact that the loans began being received 19 years ago, are being charged 7.375 percent interest, interest is accruing at almost \$2,300 per month and the loans will likely never be able to be repaid in full by debtor.”

Educational Management Credit Management Corp. requested in its answer that the case be dropped. The corporation disputed that the loans were 19 years old. It argued in its answer that while Seedorff did begin receiving loans 19 years prior to the suit, she had since consolidated loans in addition to taking out new loans. **MO**

■ \$150,000 Settlement

STUDENT LOAN DEBT DISCHARGE

- **Court:** U.S. Bankruptcy Court for the Western District of Missouri
- **Case Number/Date:** Bankruptcy No. 12-43138, Adversary Case No. 12-04219/May 29, 2013
- **Judge:** Cynthia A. Norton
- **Caption:** Maria Ellen Seedorff v. Suntrust Bank, Educational Credit Management Corp.
- **Plaintiffs’ Attorneys:** Neil S. Sader and Megan D. Dennis, The Sader Law Firm, Kansas City
- **Defendants’ Attorney:** Larry Bork, Goodell Stratton Edmonds & Palmer, Topeka, Kan.