

Chapter 105B.

Defaulted Student Loan Recovery Act.

Article 1.

Withholding of Personal Earnings.

§ 105B-1. Purpose and Definitions.

(a) It is the purpose of this Article to enable the State Education Assistance Authority to seek an order of withholding of personal earnings against a debtor who owes money to the Authority through default on a student loan as a means of enforcing a judgment which requires the payment of money to the Authority.

(b) As used in this Article:

- (1) "Annual federal poverty guidelines" means the annual federal poverty guidelines issued by the United States Department of Health and Human Services in effect at the time in question.
- (2) "Authority" means the State Education Assistance Authority as enabled by Article 23 of Chapter 116 of the General Statutes.
- (3) "Debtor" means any individual owing money to the Authority through default on a student loan made, guaranteed or owned by the Authority, which obligation has not been adjudicated satisfied by court order, set aside by court order, or discharged in bankruptcy.
- (4) "Family" means a parent or parents and minor children or spouses that reside together.
- (5) "Family income" means family income as set out in the annual federal poverty guidelines.
- (6) "Mistake of fact" means that the debtor:
 - a. Is not the actual person named in the judgment that is the basis for a withholding action under this section;
 - b. Has satisfied the obligation represented by the judgment in full and is entitled to have the judgment cancelled; or
 - c. Does not have monthly disposable earnings or is not employed by the payor as stated by the Authority in its motion to the court.
 - d. Has family income at or below two hundred percent (200%) of the annual federal poverty guidelines.
- (7) "Payor" means the person, firm, association or corporation by whom the debtor is employed.
- (8) "Student loan" means a loan or loans made to eligible students or parents of students to aid in obtaining an education beyond the high school level. (1989, c. 475, s. 1.)