

United States Bankruptcy Court Southern District of New York

Cecelia G. Morris Chief Judge Vito Genna *Clerk of Court* 212-668-2892

## FOR IMMEDIATE RELEASE

## The United States Bankruptcy Court for the Southern District of New York Adopts Student Loan Mediation Program for Individual Bankruptcy Filers

New York, NY, January 30, 2020-- The United States Bankruptcy Court for the Southern District of New York has adopted a uniform, comprehensive, court-supervised student loan mediation program in order to facilitate consensual resolutions of student loan issues for the benefit of bankruptcy petitioners and lenders. (See Gen. Order M-536, available at http://www.nysb.uscourts.gov/sites/default/files/m536.pdf.)

The new Student Loan Mediation Before Litigation Program ("SLM") creates a forum for bankruptcy petitioners and lenders to discuss consensual repayment options for student loans. To commence SLM, a party must meet certain eligibility requirements to file and serve a request for SLM. If the request is approved, the Court will oversee the following student loan negotiations: (1) requests for Student Loan Repayment Option relief, such as a loan modification; and (2) requests for the resolution of disputes over the dischargeability of a Student Loan debt.

The goal of SLM is to ensure communication and the exchange of information in an efficient and transparent manner and to encourage the parties to finalize a feasible and beneficial agreement under the administrative oversight of the United States Bankruptcy Court for the Southern District of New York.

The SLM Program went into effect on January 27, 2020. For more complete instructions on how the SLM Program works, please see the SLM Program Procedures and forms, available at <a href="http://www.nysb.uscourts.gov/student-loan-mediation-litigation-program">http://www.nysb.uscourts.gov/student-loan-mediation-litigation-program</a>.