UNITED STATES BANKRUPTCY COURT

EASTERN DISTRICT OF WASHINGTON

In Re: DIXIE LEE CARTER, Debtor(s).	No. 99-02115-W1B Adv. No. A99-00085-W1B
DIXIE LEE CARTER, Plaintiff(s), vs. ALASKA STUDENT LOAN CORPORATION, a state agency, Defendant(s).	MEMORANDUM DECISION RE: DEFENDANT'S MOTION TO DISMISS

Debtor/Plaintiff commenced a Chapter 7 proceeding on April 6, 1999. On May 7, 1999 plaintiff commenced this adversary proceeding alleging that her student loan obligation to defendant Alaska Student Loan Corporation (ASLC) was dischargeable under 11 U.S.C. § 523(a)(8) as it imposed an undue hardship on the plaintiff. By stipulation filed January 19, 2000, the parties agreed that, for sovereign immunity purposes, ASLC is an arm of the State of Alaska.

FILED

MAR 13 2000

T.S. McGREGOR, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

ENTERED
MAR 13

On August 28, 1999, ASLC filed a Motion to Dismiss alleging that the doctrine of sovereign immunity precludes this court from exercising its jurisdiction over ASLC. Further, that ASLC has not waived its immunity from suit. The matter was argued on February 28, 2000.

HOLDING

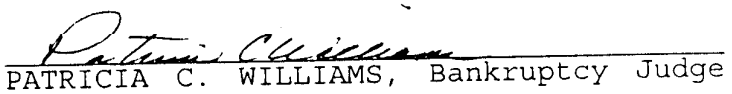
This court recently issued its Memorandum Decision in *Huffine v. California State University-Chico, et al.*, cause No. A97-0012-W1B, which has recently been submitted for publication and addresses the same issue as presented here, to wit; does this court have jurisdiction to determine dischargeability of student loan obligations when the defendant is an arm of the state. A thorough analysis of this issue is contained in *Huffine*.

The evidence in this case consists of the Promissory Note signed by the plaintiff on July 18, 1985. That Note indicates that the student loan in dispute originated under the Alaska Student Loan Program. Although ALASKA STAT. § 14.42(16) (1999) authorizes the defendant to enter into agreements with the federal government and participate in the federal student loan program under the Higher Education Act of 1965, the plaintiff does not deny that the loan in controversy was initiated under the Alaska Student Loan program established by ALASKA STAT. § 14.42.210 (1999). No federal funds were involved and the federal student loan program requirements are not applicable to the particular loan which is the subject matter of this adversary proceeding. Consequently, under the legal analysis set forth in *Huffine, supra*, the defendant has not in this action waived its immunity from suit in federal courts.

The Motion to Dismiss is granted and an order of dismissal will be entered accordingly.

The Clerk of Court is directed to file this Memorandum Decision and provide copies to counsel.

DATED this 13th day of March, 2000.



PATRICIA C. WILLIAMS, Bankruptcy Judge