

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF INDIANA  
FORT WAYNE DIVISION

IN RE: CASE NO. 15-12358 )  
 )  
BRITTANY LYNN FOMLEY )  
 )  
Debtor )  
 )  
 )  
BRITTANY LYNN FOMLEY )  
 )  
Plaintiff )  
 )  
vs. ) PROC. NO. 15-1122  
 )  
INDIANA WESLEYAN UNIVERSITY )  
 )  
Defendant )

**NOT FOR PUBLICATION**

**DECISION**

On March 25, 2016.

When students fail to pay tuition bills on time, institutions can withhold education services until payment, or they can enter into a separate agreement with the student to accept later payment. A separate agreement to accept later payment would create a loan and would be excepted from discharge under § 523(a)(8). In re Chambers, 348 F.3d 650, 658 (7th Cir. 2003). See also, In re Johnson, 218 B.R. 449, 457 (8th Cir. BAP 1998); In re Gakinya, 364 B.R. 366, 372 (Bankr. W.D. Mo. 2007).

That is what happened here. When the debtor was unable to fully pay her tuition, prior to the start of classes she requested a loan from the defendant. The defendant agreed and a promissory note was signed on September 27, 2012, shortly after classes began. The promissory note of September 27, 2012 is a loan, excepted from discharge under § 523(a)(8). Judgment will be entered accordingly.

/s/ Robert E. Grant  
Chief Judge, United States Bankruptcy Court