

IN THE SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY
Citation: Cordeau (Re), 2012 NSSC 280

Date: July 24, 2012

Docket: B 29436

Registry: Halifax

District of Nova Scotia
Division No. 1 - Halifax
Court No. 29436
Estate No. 51-745739

In the Matter of the Bankruptcy of Charlene Mary Cordeau

LIBRARY HEADING

Registrar: Richard W. Cregan, Q.C.

Heard: June 22, 2012

Written Decision: July 24, 2012

Subject: The Applicant sought relief from her student loan debt under Subsection 178(1.1) of the *Bankruptcy and Insolvency Act*

Issue: She made an assignment in bankruptcy in June 2004 and understood that it would be effective to discharge her from her student loan debt, but learned in March of 2012 that her income tax refund had been held by the Canada Revenue Agency (CRA) and applied against her student loan. She had made her assignment ten years after she had graduated from nursing school. However, CRA took the position that for a student loan to be discharged by bankruptcy, under Subsection 178(1)(g), the assignment must be made ten years after she had ceased to be a student, not by the fact of formal graduation, but in

accordance with the regulations under the applicable *Act* which would have been the last day of August 2004.

Result:

However, she was granted relief under Subsection 178(1.1). The Court was satisfied that she had and would continue to experience financial difficulty so as to be unable to pay the debt.

She has three children. Her common law husband has four children. They both have reasonably well paid employment. However, the children have special needs which are a significant financial and emotional burden on them. This burden will continue for many years.

***THIS INFORMATION SHEET DOES NOT FORM PART OF THE COURT'S DECISION.
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