

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WISCONSIN

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UNITED STATES OF AMERICA,

Plaintiff,

v.

RENEE NINNEMAN,

Defendant.

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ORDER

05-C-0491-C

This is a civil action brought by plaintiff United States of America for recovery of a debt arising from defendant Renee Ninneman's default on student loans. The case is before the court on plaintiff's unopposed motion for summary judgment.

For the purpose of deciding plaintiff's motion, I find no dispute with respect to the following findings of fact proposed by plaintiff to which defendant has not responded.

UNDISPUTED FACTS

On August 21, 1982, July 24, 1982, November 13, 1980, December 3, 1979 and May 1, 1979, defendant Renee Ninneman executed promissory notes to obtain loans from the State of Wisconsin Higher Education Aids Board in Madison, Wisconsin, in the

amounts of \$1,210.00, \$2,500.00, \$2,000.00, \$1,960.00 and \$500.00, respectively, plus 7% per annum. The promissory notes were guaranteed by the Great Lakes Higher Education Corporation and then reinsured by the United States Department of Education, pursuant to the provisions of 20 U.S.C. § 1071 et seq., and 34 C.F.R, Part 682.

The lender demanded payment pursuant to the terms of the promissory notes and credited \$1,131.58 to the outstanding principal owed on the loans. On December 17, 1985, defendant defaulted on the promissory notes by failing to make payments of principal and interest when due. The lender made a claim to Great Lakes on the loan guarantee; Great Lakes paid the claim in the amount of \$7,306.80. Pursuant to 34 C.F.R. § 682.410(b), Great Lakes charged defendant interest on the total amount paid to the lender. From December 17, 1985 through March 30, 1994, defendant made eleven payments totaling \$946.00 to Great Lakes that were applied to her outstanding interest balance. Defendant made three payments through a collection agency; none of the payments exceeded \$50. Great Lakes has no record of ever having received an \$800 payment from any collection agency on defendant's behalf.

No collection agency would have had the authority to enter into a settlement agreement for less than payment in full without prior authorization from Great Lakes. Great Lakes never approved such a settlement agreement on defendant's student loan account.

The Department of Education reimbursed Great Lakes under its reinsurance

agreement. On March 30, 1994, Great Lakes assigned all rights, title and interest in the promissory notes to the department. Since March 30, 1994, the department has received no payments on defendant's student loan debt.

Once a student loan debt is held by the department, a collection agency has authority to enter into a settlement agreement with a debtor only for the full amount of the principal plus one-half of the interest accrued to debt. If any agency enters into such an agreement, it must record the agreement on the department's computer system. The department has no record of any settlement agreement reached with defendant.

#### OPINION

Defendant has not presented any evidence that suggests she could raise any dispute about any of the facts proposed by plaintiff. She alleged in her answer that she made certain payments to a collection agency and did so under the belief that she was doing so under a settlement agreement, but she never adduced any evidence to support these allegations. According to defendant, under the agreement, if she made five payments of \$800 each, her student loans would be deemed paid in full. She alleged also that a wage garnishment was cancelled because the department was satisfied that her obligation had been satisfied by the five \$800 payments she alleges she made. However, defendant has submitted no evidence of the agreement she thinks she had with the collection agency or of any payment she may

have made to that agency.

Even viewing all the facts in the light most favorable to defendant as the non-moving party, I cannot find that defendant has shown the existence of any genuine issue as to any material fact. Accordingly, plaintiff is entitled to summary judgment in its favor.

#### ORDER

IT IS ORDERED that the motion for summary judgment filed plaintiff United States of America is GRANTED. The clerk of court is directed to enter judgment in favor of the United States and against defendant Renee Ninneman in the amount of \$7,038.42, together with interest totaling \$8,977.42 as of July 15, 2005, plus interest thereafter to the date of judgment at the rate of 7% per annum, plus interest from the date of judgment at the legal rate until paid in full plus the civil filing fee in the amount of \$250.00

Entered this 21st day of February, 2006.

BY THE COURT:  
/s/  
BARBARA B. CRABB  
District Judge