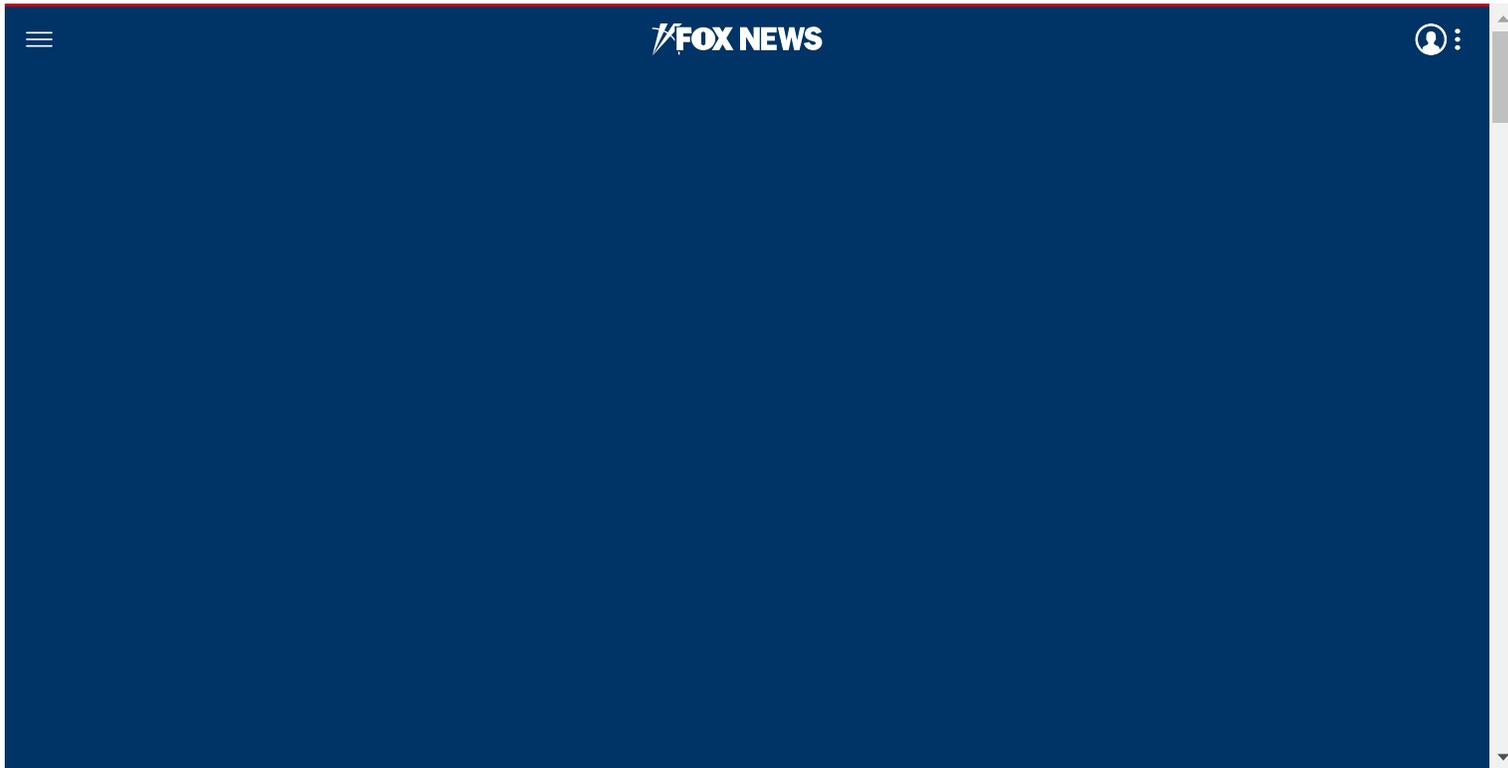


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OUTRAGEOUS (/WEB/20170723111756/HTTP://INSIDER.FOXNEWS.COM/OUTRAGEOUS) **Lenders Refuse to Forgive Dead Woman's \$200K Student Loan Debt**

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Aug 07, 2014 // 11:19am As seen on America's Newsroom (<https://web.archive.org/web/20170723111756/http://insider.foxnews.com/show/americas-newsroom>)

A California couple's finances have been devastated by their deceased daughter's student loan debt, which they are being forced to repay after the woman passed away unexpectedly four years ago.

Judge Nap: Obama's Student Loan Plan Is a 'Shrewdly Concocted' Executive Order
([/web/20170723111756/http://insider.foxnews.com/2014/06/10/judge-nap-obamas-student-loan-plan-shrewdly-concocted-executive-order](https://web.archive.org/web/20170723111756/http://insider.foxnews.com/2014/06/10/judge-nap-obamas-student-loan-plan-shrewdly-concocted-executive-order))

FoxNews.com reported: (<https://web.archive.org/web/20170723111756/http://www.foxnews.com/us/2014/08/06/california-couple-struggling-after-being-forced-to-pay-deceased-daughters/>)

Steve and Darnelle Mason's 27-year-old daughter Lisa died suddenly from a liver disease, leaving behind three children.

[...]

Lisa Mason had taken out close to \$100,000 in student loans in order to pay for nursing school, and was making payments on the debt when she died. Steve Mason said he and his wife, who had co-signed the loans, were contacted immediately after his daughter's death and were told they must start making payments.

"We knew if she didn't pay her debt we would be responsible by co-signing, but we didn't know that if she died the debt would fall to us," he said.

Mason said his daughter's debt has ballooned to \$200,000 and the payments exceed \$2,000 a month.

Mason, who is a minister, said some of the lenders have given them breaks, such as lowering their interest rate, and one loan was forgiven. However, he said the debt has still been "financially devastating" and wrecked their once-solid credit.

Mason said he believes private student loans should be regulated the same as federal student loans, and should be able to be forgiven if the borrower dies. He also said he believes student loans should be able to be discharged in bankruptcy, like other types of debt.

"There needs to be some relief," he said.

"It's somewhat confusing to me why student loan debt is the only debt that can't be discharged in bankruptcy," Steve Mason said. "I also find it confusing why private lenders are regulated differently than federal lenders that give student loans."

He added that if his daughter had taken out federal loans, the debt would have been forgiven already.

Darnelle Mason said she hopes the four-and-a-half year ordeal soon comes to an end, ideally with the lenders simply forgiving the debt.

The couple didn't know when they co-signed on the loan that they would still have to pay even if their daughter died. They suggest that parents think about life insurance if they plan on co-signing on a student loan from a private lender.

The Masons had planned to help their grandchildren with college loans, but cannot now that their credit is so badly damaged.

"Our daughter's gone. No one's benefiting from the education."

Watch the Mason's speak to Patti Ann Browne (/web/20170723111756/http://insider.foxnews.com/people/patti-ann-browne) in the clip from America's Newsroom (/web/20170723111756/http://insider.foxnews.com/show/americas-newsroom) above.

Student Selling Hand-Written Letter From President To Pay For Tuition

(/web/20170723111756/http://insider.foxnews.com/2014/07/31/student-selling-hand-written-letter-president-barack-obama-pay-tuition)

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