

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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TENNESSEE STUDENT ASSISTANCE CORPORATION
v. HOODCERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SIXTH CIRCUIT

No. 02–1606. Argued March 1, 2004—Decided May 17, 2004

Respondent Hood had an outstanding balance on student loans guaranteed by petitioner Tennessee Student Assistance Corporation (TSAC), a state entity, at the time she filed a Chapter 7 bankruptcy petition. Hood’s general discharge did not cover her student loans, as she did not list them and they are only dischargeable if a bankruptcy court determines that excepting the debt from the order would be an “undue hardship” on the debtor, 11 U. S. C. §523(a)(8). Hood subsequently reopened the petition, seeking an “undue hardship” determination. As prescribed by Federal Rules of Bankruptcy Procedure 7001(6), 7003, and 7004, she filed a complaint and, later, an amended complaint, and served them with a summons on TSAC and others. The Bankruptcy Court denied TSAC’s motion to dismiss the complaint for lack of jurisdiction, holding that 11 U. S. C. §106(a) abrogated the State’s Eleventh Amendment sovereign immunity. The Sixth Circuit Bankruptcy Appellate Panel affirmed, as did the Sixth Circuit, which held that the Bankruptcy Clause gave Congress the authority to abrogate state sovereign immunity in §106(a). This Court granted certiorari to determine whether the Bankruptcy Clause grants Congress such authority.

Held: Because the Bankruptcy Court’s discharge of a student loan debt does not implicate a State’s Eleventh Amendment immunity, this Court does not reach the question on which certiorari was granted. Pp. 4–13.

(a) States may be bound by some judicial actions without their consent. For example, the Eleventh Amendment does not bar federal jurisdiction over *in rem* admiralty actions when the State does not possess the res. *California v. Deep Sea Research, Inc.*, 523 U. S. 491, 507–

(b) With regard to the procedure used in this case, the Bankruptcy Rules require a debtor to file an adversary proceeding against the State to discharge student loan debts. While this is part of the original bankruptcy case and within the bankruptcy court's *in rem* jurisdiction, it requires the service of a summons and a complaint, see Rules 7001(6), 7003, and 7004. The issuance of process is normally an indignity to a State's sovereignty, because its purpose is to establish personal jurisdiction; but the court's *in rem* jurisdiction allows it to adjudicate the debtors' discharge claim without *in personam* juris-

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diction over the State. Section 523(a)(8) does not require a summons, and absent Rule 7001(6) a debtor could proceed by motion, which would raise no constitutional concern. There is no reason why service of a summons, which in this case is indistinguishable in practical effect from a motion, should be given dispositive weight. Dismissal of the complaint is not appropriate here where the court has *in rem* jurisdiction and has not attempted to adjudicate any claims outside of that jurisdiction. This case is unlike an adversary proceeding by a bankruptcy trustee seeking to recover property in the State's hands on the grounds that the transfer was a voidable preference. Even if this Court were to hold that Congress lacked the ability to abrogate state sovereign immunity under the Bankruptcy Clause, the Bankruptcy Court would still have authority to make the undue hardship determination Hood seeks. Thus, this Court declines to decide whether a bankruptcy court's exercise of personal jurisdiction over a State would be valid under the Eleventh Amendment. If the Bankruptcy Court on remand exceeds its *in rem* jurisdiction, TSAC would be free to challenge the court's authority. Pp. 10–13.

319 F. 3d 755, affirmed and remanded.

REHNQUIST, C. J., delivered the opinion of the Court, in which STEVENS, O'CONNOR, KENNEDY, SOUTER, GINSBURG, and BREYER, JJ., joined. SOUTER, J., filed a concurring opinion, in which GINSBURG, J., joined. THOMAS, J., filed a dissenting opinion, in which SCALIA, J., joined.