

Bond Case Briefs

Municipal Finance Law Since 1971

POLITICAL SUBDIVISIONS - MISSOURI

Good v. Department of Education

United States Court of Appeals, Tenth Circuit - November 12, 2024 - F.4th - 2024 WL 4745213

Consumer brought state court action against the United States Department of Education and Missouri Higher Education Loan Authority (MOHELA) alleging defendants violated Fair Credit Reporting Act (FCRA) as student loan lender and servicer, respectively, by failing to take corrective measures when consumer disputed accuracy of his credit reports.

Following removal, the United States District Court for the District of Kansas granted Department's motion to dismiss based on sovereign immunity and granted MOHELA's motion for judgment on the pleadings. Consumer appealed.

The Court of Appeals, Holmes held that:

- FCRA effects a clear waiver of the United States' sovereign immunity;
 - As a matter of first impression, characterization of MOHELA under Missouri law weighed in favor of considering it an arm of the state entitled to Eleventh Amendment immunity;
 - As a matter of first impression, MOHELA's autonomy weighed against considering it an arm of the state;
 - As a matter of first impression, MOHELA's finances weighed strongly against considering it an arm of the state;
 - As a matter of first impression, MOHELA's concern with state or local affairs weighed in favor of considering it an arm of the state;
 - As a matter of first impression, effect on state treasury weighed strongly against considering MOHELA an arm of the state;
 - As a matter of first impression, dignity of the state weighed against considering MOHELA an arm of the state; and
- As a matter of first impression, MOHELA was not an arm of the state