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## Student loans and tax refunds

Between 1981 and 2002, Jeffrey Seto borrowed nearly \$100,000 to fund his higher education. As of 2018, all the loans were in default, and interest and fees had ballooned his debt to more than \$170,000. Mr. Seto began a repayment program, but soon fell behind.

In July 2019, Mr. Seto purchased a rooftop solar energy system for his home for \$26,939. When he filed his 2019 income tax return, he claimed a credit for the solar installation of \$7,994 and a total refund of \$9,288. He was notified that the entire refund would be applied to his student loan debt.

Mr. Seto filed a lawsuit with the Federal Claims Court for recovery of his tax refund, acting as his own attorney. Unfortunately for him, that Court does not have jurisdiction to recalculate his loan obligations. What's more, the Department of Education had warned him that failure to keep up with his loan payments could result in wage garnishment or offsetting the student loan against tax refunds.

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