

Famed authors add to appeal of book festival



Copeland back at home and making plans



High: 87, Low: 69
0% chance of rain



Saturday: Partly cloudy, 86/68
Sunday: Partly cloudy, 86/70

Details on the back of Sports

Metro Atlanta unemployment rises to 9.3%

It's exactly the same figure the state recently recorded, meaning joblessness in these parts is well above the national average. Analysts say layoffs in construction, manufacturing and education have swelled the local unemployment rolls. Of the five core metro counties, Gwinnett is faring best, Clayton worst. A11

Truth-O-Meter
Poll/Fact Georgia

Initial efforts to strip airport contractors of their special diversity status have "no effect" on the contracts or the city's diversity goals.
— City of Atlanta spokeswoman Sonji Jacobs. True or not true? B1

NATION & WORLD
Serious questions about a nude prince

Pictures of Prince Harry cavorting with women are not just embarrassing, some experts say. If someone could snap a photo of him, perhaps the royal playboy was not as well guarded as he should have been. A10

» Stress from fasting? Officials offer a new theory on why more Afghans are killing their U.S. allies. A2

» Rodney King: He drowned accidentally while under the influence of drugs and alcohol, police conclude. A4

» John Lennon's assassin: Former DeKalb resident Mark David Chapman is denied parole yet again. A5

BUSINESS
Nuclear companies join hands with Navy

The sea service has long been a recruiting source for companies working with nuclear energy. A new agreement involving Southern Nuclear, which does considerable work in Georgia, formalizes those traditional ties. A11

» Withered crops: Drought will cut into corn production this year, so food prices are destined to climb. A11

» Slaughterhouse beef: McDonald's and the feds stop buying meat from a facility where animal cruelty is alleged. A12

METRO
Governor adamant on charter schools

Speaking in Gwinnett County, where powerful education officials strongly oppose the charter school amendment, Gov. Nathan Deal says he's 100 percent behind the measure. B1

» Plea for a break: A Public Service Commission member asks that his agency be exempt from spending cuts, but gets little sympathy. B1

The Atlanta Journal-Constitution

Credible. Compelling. Complete.

FALCONS STADIUM NEGOTIATIONS

Stadium plan stays on track

Deal could be reached by year's end, but obstacles could foil 2017 opening.

By **Leon Stafford**
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and **Tim Tucker**
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After a lengthy process that included switching plans mid-stream, a deal to build a \$948 million retractable-roof foot-

ball stadium in downtown Atlanta could be reached by year's end, the Georgia World Congress Center said.

It's the strongest indication so far that negotiations with the Atlanta Falcons — which began 18 months ago — are closing in on an agreement to

make a playing field become reality.

But some obstacles remain that could prevent the Falcons from achieving their stated goal of opening the stadium by the 2017 season. They include a decision on its location, as well as changes going on in the political arena that could affect the funding the state previously said it would contribute toward construction.

Jennifer LeMaster, a spokes-

woman for the Georgia World Congress Center Authority, said in an email that the organization is working diligently and hopes to reach an agreement by year's end. She described previous target dates for an agreement — the most recent of which was June or July — as guidelines, not hard deadlines.

"The complexity of the deal

Stadium continued on A8

CONSUMER DEBT



Cobb County Magistrate Court Judge Jennifer M. Inmon presides over a number of credit card cases, among others, on Monday. Collection companies are churning out some flawed lawsuits to collect credit card debt, angering judges and raising complaints of consumer abuses. EOB ANDRES / BANDRES@AJC.COM

Credit card lawsuits light on paperwork

Judges say they're fed up with careless collection efforts.

By **Craig Schneider**
cschneider@ajc.com

Credit card firms and collection companies are churning out slapdash lawsuits to collect unpaid sums, say exasperated consumer advocates and some judges.

Judges complain that many lawsuits are so lacking in doc-

umentation, it's impossible for them to know who's right or wrong. Advocates say the companies sometimes victimize cardholders by inflating the amounts owed, not giving their targets proper notice, and suing for debts already paid.

"They do get pretty loosey-goosey on documents," said Frank Cox, the chief magistrate court judge in Cobb County. "When they are contested, most of the time they

Lawsuits continued on A10

In-depth coverage

With the downturn in the economy, many Americans are facing growing problems related to consumer debt. Today, we explore two issues: an increased number of lawsuits filed to collect credit card debt and the growing number of seniors (including 3,500 in Georgia) whose Social Security payments have been tapped to pay outstanding student loan debts.

Student debt saps Social Security

More seniors losing income on old loans.

By **Katla Leslie**
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Student debt and Social Security aren't generally linked, but for a growing number of Georgians, that's changing. One is now paying for the other.

In 1996, Congress authorized the U.S. Department of the Treasury to take a bite out of Americans' Social Security payments to recoup certain unpaid debts, including federally issued student loans. "The number of seniors to whom that has happened is small, but it's on the rise.

About 115,000 people, including 3,500 in Georgia, are seeing their Social Security tapped to pay for old loans, according to Treasury figures. That's more than triple the number affected a decade ago.

"If someone got the benefit of going to college and they were given the student loans, they owe the money," said Georgia bankruptcy attorney Ira Gingold. "But the flip side to that coin is that to take someone's Social Security is about the most awful way to collect a

Social Security continued on A10

Seniors lose income on old loans

Social Security

continued from A1

student loan that I know of."

It's also likely to become more commonplace, he said, as the economic slump drags on and younger adults with crushing student loans reach retirement age.

"Needless to say this is a coming problem. This is a real coming problem," Gingold said.

Mark Kantrowitz, a national expert on financial aid and founder of FinAid.com, said that in addition to seniors who took out federal student loans, those at risk include parents who obtained federal Parent Plus loans to cover a child's education.

Parents or other adults who co-signed on privately backed student loans aren't at risk, he said. Private loans can't be recouped through Social Security.

More than 2 million Americans 60 and older owe a combined \$43 billion in student loan debt, according to the Federal Reserve Bank of New York. Those figures don't differentiate between private and government loans.

The average debt among the 60-and-over set is just over \$19,000, according to the Fed, and about one in 10 debtors are at least three months behind on payments.

Nancy Pitra, a staff attorney with Atlanta Legal Aid's senior hotline, said she fields a couple of calls about Social Security and student debt each month. In a typical case, the debt is decades old and the caller may not have heard from the U.S. Department of Education or the Treasury for years.

They're often unaware that their Social Security can be tapped until they receive warning letters or hear from debt collection agencies, she said.

The most complicated cas-



Barbara Smith, 66, from Atlanta, is hounded by collection agencies for outstanding student debt. BOB ANDRES / BANDRES@AJC.COM

es involve seniors who have dementia, have become disabled or have been hospitalized. Most live on fixed incomes, she said.

"Oftentimes, they're contacted by third parties who don't tell them all of their rights," Pitra said.

Even bankruptcy doesn't wipe out old student debts, so they can follow a person for the rest of his or her life, Kantrowitz said. He recently heard from a 78-year-old man who was contacted about a student loan he had taken out nearly three decades ago.

The Treasury can take up to 15 percent of a debtor's monthly check, but only if that leaves the senior with at least \$750 per check, a Treasury spokesman said.

For seniors who rely on Social Security as their primary income, even a 15 percent reduction can be devastating, said Kevin Doyle, spokesman for the Georgia AARP. He said \$1,158 is the average monthly Social Security check in Georgia.

"If you whack that, holy cow," he said.

For Barbara Smith, paying back old debt is an ongoing battle. The 66-year-old Atlanta woman took out a \$3,000 federal loan in the 1980s to study hotel management at a now-defunct small college.

Her dreams of landing a management job didn't come to fruition. She spent her career as a

BY THE NUMBERS

115,000 number of U.S. seniors whose Social Security is garnished to pay for old loans

2 million number of Americans 60 and older who have student loan debt

\$43 billion the combined debt they owe

\$19,000 the average debt among those 60 and older

3 number of months that 1 out of 10 seniors is behind in student loan payments

hotel receptionist making minimum wage.

Smith said she made \$50 monthly payments for years, but several years ago began missing payments. With interest and penalties, the government now claims Smith owes nearly \$10,000, she said.

Because the Treasury works through private debt collection agencies, Smith said, she was contacted 24 hours a day by agents seeking payments. The Treasury also took her tax refunds in previous years to apply toward her debt, one year getting nearly \$900, she said.

She doesn't dispute that she owes money, but the whole situation strikes her as unfair.

"I've paid [the \$3,000] back several times," said Smith, who lives in subsidized senior housing in Atlanta. "I said [to a collector once], 'You are going to bother me until the day I die.'"

Smith, who relies on a Social Security payment of \$873 as her only income, turned to Atlanta Legal Aid to learn her options. With their help, she was able to get a payment deferral, something she must reapply for each year.

Looking back, her education just doesn't seem worth it, she said.

"If I had known it was going to be this hard, I never would have gone to that little college. I never would have tried to do any of this stuff," she said.