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6 IN THE UNITED STATES DISTRICT COURT
7 FOR THE DISTRICT OF ARIZONA

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9 HICA Education Loan Corporation,)

No. CV-12-0412-PHX-FJM

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Plaintiff,)

ORDER

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vs.)

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Angela R. Merzenich,)

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Defendant.)

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Before the court is plaintiff’s motion for default judgment (doc. 10).

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Plaintiff HICA Education Loan Corporation, a corporation organized under the laws of South Dakota, is the holder of promissory notes representing student loans issued to defendant in the unpaid principal amount of \$12,599.72. Defendant defaulted on repayment of the debt and HICA filed this breach of contract action.

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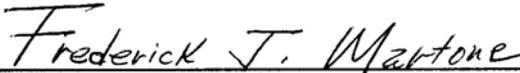
We have an obligation to determine *sua sponte* whether we have jurisdiction over this matter. Grupo Dataflux v. Atlas Global Group, L.P., 541 U.S. 567, 593, 124 S. Ct. 1920, 1937 (2004). It is clear that we do not have diversity jurisdiction given that the amount in controversy is less than \$75,000. See 28 U.S.C. § 1332. Plaintiff suggests, however, that we have jurisdiction under 28 U.S.C. § 1331 because the cause of action “arises under” federal law, presumably because the student loan was advanced pursuant to a federal student loan insurance program. See 42 U.S.C. § 292, *et seq.* Although a federal statute is implicated by

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1 the student loan, it nevertheless appears that this cause of action “arises under” a state law
2 breach of contract claim.

3 Therefore, IT IS ORDERED that plaintiff shall show cause why this case should not
4 be dismissed for lack of subject matter jurisdiction. Plaintiff shall file a supplemental brief,
5 no later than June 8, 2012, addressing this court’s subject matter jurisdiction.

6 DATED this 30th day of May, 2012.

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10 Frederick J. Martone
11 United States District Judge
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