



NACBA ENCOURAGED BY SENATOR ELIZABETH WARREN'S REINTRODUCTION OF THE *CONSUMER BANKRUPTCY REFORM ACT*

The National Association of Consumer Bankruptcy Attorneys (NACBA) commends Senator Elizabeth Warren for her longstanding fight on behalf of consumer debtors, especially those needing bankruptcy relief. In particular, NACBA is encouraged by her leadership in reintroducing the *Consumer Bankruptcy Reform Act*.

“Senator Warren’s bill would make many important improvements to current bankruptcy law and give individuals and their families burdened with debt a meaningful opportunity for a fresh start,” stated NACBA President John C. Colwell. “This is especially crucial in the wake of the COVID-19 crisis that many families continue to recover from. We share Senator Warren’s belief that now is the time to make the improvements to the Bankruptcy Code that have long been needed.”

Among the improvements NACBA is encouraged by include:

- restoring the dischargeability of student loans, a critical reform in light of the burden student loan debt places on debtors and the economy;
- reducing the cost and improving the efficiency of bankruptcy relief;
- improving debtors’ ability to retain their homes and modest personal property by creating updated fair federal exemptions; and
- saving homes from foreclosure by properly allowing for the modification of residential mortgages and treating those obligations like other secured debts, where the secured creditors are paid the value of the collateral over time.

NACBA Legislative Committee Co-chair Ike Shulman added, “We are very encouraged that Senator Warren’s bill will restore important rights that were taken away by the 2005 Bankruptcy Abuse Prevention and Consumer Protection Act, and also provide new forms of relief that will help families struggling with debt. In particular, the restoration of the bankruptcy discharge for student loans is essential for those who are clearly unable to repay these debts and have no other option available.”

As with all comprehensive bankruptcy reform bills, NACBA is committed to conducting a full review of its many provisions and consequences. NACBA looks forward to continuing to provide comments and suggestions that reflect the knowledge of our members and their experiences with real-life bankruptcy debtors.

Questions can be directed to Krista D’Amelio, NACBA Director of Government Affairs, krista.damelio@nacba.com

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