

Legislative News

● FL State Legislation

7 December 2002 In re Giles 271 BR 903 (Bankr. MD Fla., 2002), §77.06 FlaStat.

Recent state law legislation on garnishment may prevent a bankruptcy from being able to release a garnishment after a bankruptcy case is filed. If a garnishment is entered before the bankruptcy is filed, there is a better chance of eliminating the garnishment if the bankruptcy is filed within three months of entry of the garnishment. Therefore it is very important to file the bankruptcy as soon as possible now if someone is suing you.

● Bankruptcy Legislation

Summary of changes that will be effective under new law
<http://abiworld.net/bankbill/changes.html>

Warning: Homestead exemption changes effective immediately upon signing of law by President Bush. Exemption limited to \$125,000 under certain circumstances if acquired within 3 1/3 years (1,215 days) prior to filing bankruptcy.

◆21 April 2005: www.usatoday.com

President signed bankruptcy bill April 20

The President signed the bankruptcy amendment bill yesterday, April 20, enacting the most significant change in bankruptcy law in 25 years; which will have the effect of making it much more difficult to file chapter 7 bankruptcy, and requiring more repayment plans in chapter 13. Most provisions of the bill will be effective October 17, 2005.

◆20 April 2005: www.npr.org

President to sign Bankruptcy Bill today

The President is expected to sign the new bankruptcy bill today, which bill will make it harder to file bankruptcy. While most provisions will not be effective for six months, the limit on homestead and some provisions regarding fraud are effective immediately.

◆15 April 2005: www.msnbc.msn.com

House passes bankruptcy bill, waiting President's signature

With the vote of all Republicans house members, and a number of democrats the House of Representatives passed the bankruptcy bill yesterday. Some Democratic activists vowed revenge on Democratic house members voting against the consumer constituency in favor of the bill.

◆13 April 2005: www.abiworld.org

Full house to take up bill Thursday, April 14

The House of Representatives will start debate on the new bankruptcy bill at 10:00 a.m. tomorrow, April 14. The bill is expected to pass by a wide margin and be sent to the President for signature.

◆17 March 2005: www.abiworld.org

House committee votes in favor of bankruptcy bill

The House of Representatives Judiciary Committee approved the bankruptcy bill as passed by the Senate by a vote of 22-13. The bill should be taken up by the full house after the Easter recess on April 4. While amendments may be offered to the bill at that time, it is not anticipated that any would pass.

◆9 March 2005: www.washingtonpost.com

Senate Limits debate on bill, rejects abortion Schumer bankruptcy amendment
In a series of votes making ultimate passage of the bankruptcy bill much more likely, the Senate voted to invoke cloture on the bankruptcy bill, thereby limiting the amount of debate permitted on the bill. Sen. Bill Nelson of Florida joined virtually all the republican senators in voting to limit debate. Also on Tuesday, the Senate rejected the Schumer abortion amendment, which is the amendment that held up ultimate passage of the bill last year.

While democrats expect to file for a number of other amendments, republican senators anticipate that these will be rejected and the bill passed by the Senate shortly. The House of Representatives will then hold a final vote as early as next week, or perhaps after returning from Easter break.

◆8 March 2005: www.abiworld.org

Senate Rejects Minimum Wage amendment, Schumer amendment voting today
On Monday the Senate rejected by a 46-49 vote the minimum wage amendment proposed by Sen. Edward Kennedy (D-Mass.), which would have increased the minimum wage from \$5.15 to \$7.25 over two years; as well as the alternative amendment by Senate Republican Conference Chairman Rick Santorum (R-Pa.) by at 38-61 vote. The Senate is expected to vote on the amendment by Sen. Charles Schumer (D-N.Y.) today, involving discharge of fines related to abortion protests.

◆18 February 2005: www.abiworld.org

Senate Judiciary Committee approves bankruptcy bill

On Thursday February 17 the Senate Judiciary Committee approved the bankruptcy bill with only minor amendments. The approved amendments provided that 1) any judgment, order or settlement agreement for securities fraud would be nondischargeable; 2) providing that reasonable health and disability expenses are permitted to be considered as parts of the means test in chapter 7; 3) to increase the maximum judgment amount on consumer debts for which a trustee can sue in the local district court where the bankruptcy is pending; 4) to slightly modify when a trustee can be appointed in a chapter 11 case; and 5) a provision limiting administrative expenses for key employees.

Democrats Joseph Biden of Delaware, Diane Feinstein of California, and Herb Kohl of Wisconsin voted with the Republicans in favor of the bill; with Chairman Arlen Specter (R-Pa) absent due to medical treatment. A number of the committee members signaled that they would vigorously oppose the bill. There is no time agreement to limit amendments on the Senate floor, so opponents are expected to offer a number of amendments either related to or unrelated to the bill (such as minimum wage legislation). The floor battle is expected to where the main fight will occur on the bill. Also, the Schumer abortion clinic amendment that prevented passage of the bill last year will be sought to be added to the bill during the floor process. Sen. Charles Schumer (D-NY) indicated that he will do everything he can to hold this bill up in any way until this amendment is in the bill. Sen. John Cornyn (R-Texas) indicated he will offer a bill to restrict the debtor's choice of venue (where to file the bankruptcy). Other amendments are expected regarding credit card disclosure, limits on marketing to youth, predatory lending practices, waiver of the means test paperwork for those below median income, exemption from the means test for those whose debts arise from health problems, relaxing the requirement that the consumer debtor's attorney investigate and verify the accuracy of schedules, exemption from the bills rules for active military, and limits on the ability of corporate debtors to reduce pension and health benefits while in chapter 11.

The Senate floor debate is anticipated to begin the week of February 28.

◆16 February 2005: www.abiworld.org

Senate Democrats to seek to amend bankruptcy bill

Senate Minority Whip Richard Durbin (D-Ill.) said Tuesday that the Democrats would seek to add amendments to the bankruptcy bill reducing the harsh impact on military families and families with medical debts, making it easier for them to seek relief under chapter 7. Noting the recent Harvard study finding illness caused nearly half the bankruptcies, Senator Durbin indicated that the current bill would be cruel to families forced into bankruptcy due to illness. He also indicated that they would attempt to remove the elaborate test required by the bill to determine who could file chapter 7 (the means test).

◆11 February 2005: Washington Post

Republicans rush bankruptcy bill, bill introduced in House

The new bankruptcy bill was introduced in the House of Representatives yesterday, December 10, by House Judiciary Committee Chairman F. James Sensenbrenner Jr. (R-Wis.). The decision of the Republican Leadership to introduce the bill so early in the session has credit industry officials hoping for passage within weeks. The bill is opposed by The Consumer Federation of America and substantial problems with the bill have been brought out by professionals in the field. See Bankruptcy Reform: The 21st Century's Debtors' Prison in Vol 12, No. 2 AMERICAN BANKRUPTCY INSTITUTE LAW REVIEW, an article by John E. Matejkovic (Asst. Professor of Business Law, Univ of Akron) and Keith Rucinski (Staff Counsel and Controller, Office of the Chapter 13 Trustee, Akron, OH), showing that the new bill reintroduces tried and failed approaches of the past.

◆9 February 2005: ABI Update

Hearing on new bankruptcy bill in Senate on Thursday

The Senate Judiciary Committee will hold a hearing on the new bankruptcy bill on Thursday, February 10 at 9:30 am. Professor Elizabeth Warren has been invited to testify on the bill.

Chairman Arlen Specter (R-Pa.) has announced his hope to mark up the bill on Thursday, Feb. 17, which would put the bill on a fast track to get to the Senate floor before the March 21 Easter recess.

◆2 February 2005: ABI World News www.abiworld.org

New bankruptcy bill introduced in Senate

On Tuesday, 1 February 2005 the "Bankruptcy Abuse Prevention and Consumer Protection Act of 2005," S. 256, was introduced in the Senate by the Chairman of the Senate Finance Committee Charles Grassley (R-Iowa). It is co-sponsored by Senate Banking Committee Chairman Richard Shelby (R-Ala.) and Sens. Orrin Hatch (R-Utah), Tom Carper (D-Del.), Ben Nelson (D-Neb.), Jeff Sessions (R-Ala.), John Thune (R-S.D.), and Mike Enzi (R-Wyo.). The bill would make it much more difficult to file chapter 7, by forcing bankruptcy courts to use criteria developed by the IRS in determining reasonable budgets of individuals making offers of compromise for less than full payment of delinquent IRS taxes. If the person filing chapter 7 has expenses exceeding these standards, the courts would be required to force them to file chapter 13. Also, in chapter 13 the relief available would be substantially reduced, for instance by preventing consumers from reducing the debt on cars or other security down to the actual value of the items.

In an unrelated matter, the New York Times published a study showing that approximately 30% of consumers filing for bankruptcy did so due to medical bills, even though they had insurance.

◆20 March 2003: ABI World News www.abiworld.org

House passes bill 315-113

In a larger margin than the bill received in 2001, the house passed the bankruptcy bill on Wednesday. The bill would require more debtors to repay debts through bankruptcy, though critics complain that it requires unrealistic payments to debtors in dire financial straits. Both sides recognized that this is just an early step in the fight over the bill.

◆19 March 2003: ABI World News www.abiworld.org

House to vote on bill today

The House Rules Committee last night passed a rule limiting general debate on the new bankruptcy bill to one hour, and allowing five amendments including an amendment which could substitute another version of the bankruptcy bill to be offered by Ranking Member John Conyers (D-Mich) for the initial version. A summary of the amendments can be found at <http://www.house.gov/rules/108rule975.htm>

◆13 March 2003: ABI World News www.abiworld.org

Bankruptcy bill clears Judiciary Committee on 18-11 vote

The House Judiciary Committee Wednesday passed through the new bankruptcy bill. Fourteen amendments were defeated on party-line votes. While Republicans believe their majority in both houses will enable passage of the bill this year, Democrats believe they can block the bill in the Senate.

◆10 March 2003: ABI World News www.abiworld.org

House Judiciary Committee to mark up bankruptcy bill Wednesday

The House Judiciary Committee announced it will do a mark up of the new bankruptcy bill on Wednesday, *CongressDaily* reported. This announcement was just three days after a contentious committee meeting on the need for the new bill. *CongressDaily* also reported on the finance industry lobbyist's view of the abortion amendment. While removal of the amendment may insure quick passage of the bill through the house, it will likely be added to the bill in the Senate, prompting a substantial debate.

◆5 March 2003: ABI World News www.abiworld.org

House to move on bankruptcy bill by April

CongressDaily reported House sources to indicate that they intend to move on the bankruptcy bill by April. Rep. Christopher Cannon (R-Utah), chairman of a House Judiciary subcommittee, said at a hearing yesterday that House Republican leaders want to move quickly to draft and vote on a new bankruptcy bill according to the Associated Press. However, some opposition to the bill as written is appearing, even in the Republican ranks. Rep. Mel Watt (D-N.C.), while indicating general support for a bankruptcy bill, indicated that the current bill would create a pauper's bankruptcy court according to the AP.

◆3 March 2003: ABI World News www.abiworld.org

Democrats object to fast-track plan for bill in Senate

Senate Judiciary Chairman Orrin Hatch's (R-Utah) indicated that he intended to take the reintroduced bankruptcy bill directly to the senate floor, bypassing committee debates. According to *CongressDaily* a number of democrats have expressed opposition to this procedure. "Following the regular committee process is the best and probably the fastest way to go forward on the bill," Senate Judiciary ranking member Patrick Leahy (D-Vt.) said. "Otherwise, the amendment process on the floor can be lengthy and unnecessarily contentious."

◆27 February 2003: ABI World News www.abiworld.org

Sensenbrenner reintroduces last year bill without abortion language

House Judiciary Chairman James Sensenbrenner (R-Wis.) indicated through a spokesman today that he would reintroduce the bankruptcy bill from last year excluding the abortion protester language (the Schumer amendment) which held up passage of the bill at the end of last year.

◆15 November 2002: ABI World News www.abiworld.org

House passes compromise after removing abortion language, killing bill

After initially appearing to kill the bankruptcy bill for this session (www.abiworld.org) The House this morning passed the compromise bankruptcy bill after removing the language making certain abortion protest related debts non-dischargeable. This effectively kills the bill for this legislative session in that the Senate will oppose passage without such provision.

Per the Associated Press, Sen. Majority (soon to be minority) leader Tom Daschle, D-SD said the only bill that had a chance of passage in the Senate was the compromise version including the antiabortion language, and that the version passed by the house had no chance of passage in the Senate.

◆13 November 2002: ABI World News www.abiworld.org

Republicans want to pass bankruptcy reform in lame duck session

Dow Jones newswire reported that Sen. Rick Santorum (R-Pa.), chair of the Republican Conference Committee, said the GOP would like to get the bankruptcy bill passed during this session, claiming that passage of the conference report would not take much time. A democratic filibuster has been threatened in the Senate, but Majority Leader Tom Daschle (D-S.D.) has pledged to bring the bill up for a vote in that chamber if the House manages to pass it. Conservative anti-abortion forces in the GOP are also lobbying against passage of the bill, but financial institutions interests are lobbying strongly in support of the bill.

◆7 November 2002: ABI World News www.abiworld.org

Lame duck Congressional session to start Tuesday

CongressDaily reported that the session may be completed by the end of next week. While the Democrats will initially be in control of the Senate, the Republicans could take over as soon as Missouri's secretary of state certifies Sen.-elect Jim Talent (R-Mo.) or if Minnesota officials decide to seat Sen.-elect Norm Coleman, a Republican, to fill the remainder of the term of the late Sen. Paul Wellstone.

There are a number of bills that could be addressed during the lame duck session, including 2003 spending bills, energy, homeland security, as well as bankruptcy reform. While Senate Minority Leader Trent Lott (R-Miss.) indicated he wants a short lame duck session, two bills that created gridlock during the main session are the bankruptcy bill and terrorism insurance legislation. If not passed during the lame duck session, these bills may be difficult to bring back during the next regular session.

◆17 October 2002: ABI World News www.abiworld.org

Senate adjourns

CongressDaily reported that after a meeting in Daschle's office, Daschle and Minority Leader Trent Lott (R-Miss.) announced that the Senate would enter a series of pro forma sessions stretching until Nov. 12, when the House returns for a lame-duck session. These pro forma session allow the Senate to convene with short notice if necessary, but no work is scheduled until November 12.

◆16 October 2002: ABI World News www.abiworld.org

GOP strategy on Bankruptcy Bill

Congress Daily reported on the republican strategy on the bankruptcy bill. The bankruptcy reform bill is currently on hold due to opposition by conservative anti-abortion republicans to a provision regarding dischargeability of debts related to abortion protests and violence. The GOP leaders decided not to force a vote on the bill prior to elections based on this opposition. Given the long term relationship between the republican party and the anti-abortion movement, the GOP leadership also wants to avoid starting off the new session with passage of a bill strongly opposed by this movement, even though they would have four years to try to rebuild such support before the next elections. One option is to rewrite the bankruptcy reform bill to remove the abortion language. Rep. Joseph Pitts (R-Pa.) plans to introduce an alternative bankruptcy bill providing this option. However, any changes to the bill may have a tough time getting

Senate approval. The other, and most likely option is to schedule a vote in the lame duck session after the November elections.

◆15 October 2002: ABI World News www.abiworld.org

Bankruptcy Bill reexamined after Election

The proposed bankruptcy reform bill should come up for a vote after November congressional elections, Senate Majority Leader Tom Daschle (D-S.D.) said on Friday, Reuters reported. Daschle told reporters that Congress is likely to resume legislative work after the election. Finishing a bankruptcy overhaul law is a likely to-do item during a late, or "lame duck," session, he said. "The bankruptcy conference report is one that is likely to be addressed in the lame duck," the South Dakota lawmaker said.

House Speaker Dennis Hastert (R-Ill.) has pledged his legislative body would address the bankruptcy bill before the end of the year, Daschle said. "I'm also confident that if they do it, we can do it as well. It will take a little time for us to do it, but I'm prepared to do it because I think that its time has come," said the South Dakota lawmaker.

According to the *Congress Daily*, the fate of bankruptcy reform legislation is highly precarious in what may be the Congress' last week before the election. House Republican leaders have signaled they will not seek to bring the conference report to the floor over the objections of anti-abortion Republicans before the elections. But whether House leaders would risk alienating anti-abortion factions even after the upcoming election is unclear. Moreover, the Senate still needs to approve the conference report - and the prospect of procedural delays during that process could be enough to take the measure off the table during a lame-duck session. Meanwhile, continued GOP control of the House would present the party with new opportunities to move bankruptcy legislation during the 108th Congress—or give the party time to mend fences with the anti-abortion factions, should they decide to press forward with a vote on the legislation.

◆13 September 2002: ABI World News www.abiworld.org, www.washingtonpost.com, A10658-2002Sep12.html

Bankruptcy bill indefinitely postponed

The compromise bill had tentatively been scheduled for a vote Thursday, but House Leaders pulled the bill rather than risking angering republican abortion opponents, who oppose language in the compromise bill that may limit dischargeability of damages related to abortion protests. House Majority Leader Richard K. Armey (R-Tex.) said yesterday the bill was "indefinitely postponed." The leaders determined not to go forward with the bill in an election season. In an interview with *The Washington Post*, House Speaker J. Dennis Hastert (R-Ill.) indicated the Republicans were not sure they could pass the compromise bill"

The bill may be brought back before the house either before the November 5 election, or if there is a lame duck session in November or December, according to the online newspaper.

◆8 Sept 2002: ABI World News www.abiworld.org.

House floor action possible late this week

Legislators and lobbyists are working on getting support for the compromise bankruptcy bill in the House, with a vote possible as early as late this week. It is not known whether supporters can get a vote to pass the rule on the bill, a first step toward passage of the bill. A group of 30 House Democrats have pledged support for the bill in an attempt to move it forward, but a number of conservative republicans will oppose passage. The republicans object to the compromise language regarding debts related to abortion protests included in the compromise bill. There is also some opposition to bringing the bill up shortly before the election given the substantial republican opposition. Bill supporters have reiterated that they will not likely attempt to bring the bill back next year if it does not pass the House this year.

Also, Thursday a group of credit unions announced opposition to the bill, despite the pro-bill lobbying by the Credit Union National Association. The opposing credit unions said they believe the pending legislation would disproportionately harm vulnerable debtors while rewarding unscrupulous credit card companies.

◆2 August 2002: ABI World News www.abiworld.org.

House coalition fights abortion compromise

Rep. Christopher Smith (R-N.J.) is leading a coalition of as many as 30 House members against the abortion provision in the compromise bill, reported *CongressDaily*. claim that the language of the agreement crafted by Schumer and Hyde would interfere with clinic protesters' constitutional rights by raising the liability of protesters who knowingly engage in certain non-violent forms of protest at clinics. In the Senate, Sen. Charles Schumer (D-N.Y) indicated that he was done with any negotiations, and that it was up to the House to get the votes to approve the bill as written.

◆31 July 2002: ABI World News www.abiworld.org, www.wsj.com.

House to take up bill in September

Claiming that the delay in House passage will not permanently obstruct passage of the bankruptcy bill, Jeff Lungren, spokesman for the House Judiciary Committee, indicated hope for passage of the bill when the House takes it up again in September.

◆29 July 2002: ABI World News www.abiworld.org.

Fast Senate action less likely

Given the failure of the House to pass the bill last week, the Senate is less likely to take quick action on the bill, according to A spokeswoman for Senate Majority Leader Thomas Daschle (D-S.D.) as reported in *CongressDaily*. It now seems doubtful that the Senate will take action on the bill prior to its recess.

◆27 July 2002: nacba update www.nacba.org

House Adjourns without passage

The House of Representatives adjourned today without passing the compromise bankruptcy bill. Anti-abortion republicans appear to have held up passage in protest of the compromise

reached on the abortion language provisions of the bill. The Senate is expected to take up the bill next week.

◆25 July 2002: ABI World News www.abiworld.org, www.npr.org.

Agreement reached regarding bankruptcy compromise

According to *CongressDaily* the House and Senate conferees reached agreement as the the compromise between the House and Senate versions of the bankruptcy reform bill. House Majority Leader Dick Armey (R-Texas) said the bankruptcy legislation is likely to be voted on today. Senate sources said that the vote there will not likely take place before next week.

◆24 July 2002: ABI World News www.abiworld.org, [letter](#), [response](#)

Letter expresses disappointment with negotiations over bill

A letter sent to Sen. Judiciary Chairman Patrick Leahy, Sen. Joseph Biden, and Sen. Charles Schumer expressing disappointment in the most recent settlement offers was sent today to House Judiciary Chairman James Sensenbrenner, Jr. and Rep. Henry Hyde. The letter appears to reflect a current stalemate in negotiations, and alleges a hardening in position by the Senate from earlier oral negotiations. The Senate response to the letter continues to insist on broader language on dischargeability of conduct obstructing access to abortion clinics.

◆10 July 2002: ABI World News www.abiworld.org

Bankruptcy one of three possible bills to be taken up later this week

House Majority Leader Dick Armey (R-Texas) was reported to be optimistic that the House would by the end of the week take up the bankruptcy conference bill, the fiscal year supplemental spending bill, and/or the port security and terrorism risk insurance legislation. The House is currently considering legislation regarding the arming of airline pilots and the Enterprise Integration Act.

◆24 June 2002: ABI World News www.abiworld.org

Negotiations continue

Congress Daily reported that the House and Senate conferees continue to discuss language regarding the dischargeability of debts related to impeding access to abortion clinics when the actions do not arise to violence. In an interview with *CongressDaily*, Schumer expressed confidence that the meeting would prove to be a turning point, and the bankruptcy legislation would soon be a "done deal" and hoped for a compromise before the July 4 recess. However, even if a conference report was issued by July 4, it seems unlikely that the House and Senate could vote on the bill by the July 4 recess.

◆19 June 2002: ABI World News www.abiworld.org Washington Post www.washingtonpost.com (article)

Possible compromise closer

The Washington Post reported this morning that Sen. Charles E. Schumer (D-N.Y.) and Rep. Henry J. Hyde (R-Ill.) tentatively reached agreement on the abortion protestor language, which was the last issue holding up passage of legislation to overhaul bankruptcy laws. Sources

claimed the lawmakers agreed in principle on the wording of amendment preventing antiabortion demonstrators from filing for bankruptcy protection to eliminate court-ordered fines imposed on them for illegally blocking access to abortion clinics. However the ABI World reported that in a call regarding the possible agreement, spokesperson from the House Judiciary Committee said that while an agreement was close, until language was actually finalized, it was too soon to report any compromise agreement.

◆17 June 2002: ABI World News www.abiworld.org

Staff discussions nearly over, No committee member meeting

While indicating that the staff meetings held last week have essentially done all they can, no meeting is scheduled this week for the conference committee members. Sen. Charles Schumer (D-N.Y.) last week said he intended to meet privately this week with Rep. Henry Hyde (R-Ill.) to see if they can reach a compromise on the abortion language of the bankruptcy bill.

◆10 June 2002: ABI World News www.abiworld.org

No meeting this week

The bankruptcy conference committee will not meet this week on the compromise bill. While staffers are continuing to meet, no substantial progress has been made.

◆23 May 2002: ABI World News www.abiworld.org; NACBA

Impasse continues

The bankruptcy conference committee met again, but did not reach any compromise on the abortion language of the bankruptcy bill. While House Judiciary Committee and Conference Committee Chairman James Sensenbrenner (R-Wis.) said he believed negotiators have made progress on the final sticking points, and that Sen. Charles Schumer (D-N.Y.) and Rep. Henry Hyde (R-Ill.) are closer to resolving their dispute, the Senate representative appear to disagree that they are any closer to final resolution. Rep. Jerrold Nadler (D-N.Y.) indicated that he was more convinced that the bill was dead after the committee meeting. Rep. Hyde and Sen. Schumer were directed to get together over the next two weeks and work out the language differences for a possible rescheduled committee meeting during the week of June 10.

◆16 May 2002: ABI World News www.abiworld.org; [NY Times](#).

Memorial day deadline urged, disputed

While Sen. Charles Schummer (D.-N.Y.) was reported as saying that if a compromise was not reached by Memorial Day, no bill would be passed; Senate Judiciary Chairman Patrick Leahy (D-Vt.) disagreed, indicating that there is no fixed dealine for the compromise. Sen. Leahy did indicate that he would not go through the process again next year if a bill is not passed this year.

The next meeting for the bankruptcy conferees is next Wednesday.

◆10 May 2002: ABI World News www.abiworld.org; [NY Times](#).

Bankruptcy bill negotiations collapse?

On Friday, the New York Times reported that negotiations had broken off between Sen. Charles Schumer (D.-N.Y.) and his House Counterpart Rep. Henry Hyde (R.-Ill.) on the abortion provisions of the new bankruptcy bill, which is the only thing holding up the new bill. The

article indicated that the two leaders held out little hope that they could resolve their differences, even though that could mean the death of the entire bill which seeks substantial changes in the current bankruptcy laws.

◆ 9 May 2002: ABI World News www.abiworld.org; Thomas.

Farm bankruptcy bill reenacted

On Tuesday, President Bush signed H.R. 4167, which reinstates chapter 12 farm bankruptcies. This act reinstates chapter 12 to 1 October 2001, and through 31 May 2002.

◆ 8 May 2002: ABI World News www.abiworld.org.

Schumer says Hyde's position too extreme for deal

Congress Daily reported that Sen. Charles Schumer (D-NY) indicated yesterday that the abortion language position of his House counterpart, Rep. Henry Hyde (R.-Ill) was too extreme to allow for a compromise deal to be worked out. Schumer voiced his belief that the recent proposals from Hyde were not real compromises, coming no more than ten percent toward the Senate's position.

◆ 6 May 2002: ABI World News www.abiworld.org.

Senate compromise being considered

Congress Daily reported that a spokesman for House Judiciary Committee Republicans indicated that they are considering a counter offer made by Sen. Charles Schumer (D. N.Y.) related to the abortion language in the bankruptcy bill. While Senate Democrats initially indicated that the Republicans had rejected the compromise, the House Republicans indicate that the offer is still being considered, and that the proposal would be submitted to key House negotiators early this week.

In the meantime, 43 women House members signed a letter to Sen. Schumer supporting his position on the abortion language. [W]e stand by you in your continued fight to preserve the Senate-passed language," they wrote.

◆ 1 May 2002: ABI World News www.abiworld.org.

House compromise offer rejected

Congress Daily reported that Sen. Charles Schumer (D.-N.Y.) rejected a compromise proposal offered by Rep. Henry Hyde (R.-Ill) that would have dropped the willful and malicious standard for barring debts related to blocking access to abortion clinics. The compromise would have prevented discharge of debts where "the debtor was found to have intentionally caused or threatened to cause bodily injury or cause substantial damage to property... even where there was no criminal conviction." Sen. Schumer made no counter-offer on the compromise.

◆ 29 April 2002: ABI World News www.abiworld.org.

Negotiations to continue this week on abortion language

Negotiations between Sen. Charles Schumer (D-NY) and Rep. Henry Hyde (R-Ill.) continue this week on Sen. Schumer's abortion amendment according to aids for the congressmen, as reported in *Congress Daily*. Also, the conferees themselves will meet both formally and informally on attempting to reach a compromise bill.

◆25 April 2002: ABI World News www.abiworld.org.

Bill stalled on abortion language

Negotiators yesterday could reach no compromise or agreement on the language of the Senate version of the bill that would make fines charged for blocking access to abortion clinics a debt that could not be discharged in bankruptcy. As reported by The Wall Street Journal Sen. Charles Schumer (D-N.Y.) claimed to have had a broad consensus to stop individuals that use violence to shut down abortion clinics; and allowing these people to hide behind the cloak of bankruptcy would undo that consensus.

◆24 April 2002: NPR Morning Edition News www.npr.org; Washington Post www.washingtonpost.com. see [article](#); www.nytimes.com; see [article](#); www.abiworld.org.

Agreement reached on homestead exemption, abortion provision holds up final agreement

At the meeting of the members of the bankruptcy reform conference committee, the committee agreed to a limitation on homestead exemption, which is currently unlimited as to value in Florida, as well as Texas, Kansas, South Dakota, and Iowa. Under the agreement, homestead exemptions in these states would be limited to \$125,000 if the debtor was resident of the state for less than 40 months, or if the debtor committed securities or financial fraud within 10 years related to the bankruptcy, or had within five years recklessly caused the death or serious injury of another.

The major remaining issue is a provision that would prevent discharge of court fines charged to someone for blocking access to an abortion clinic. Members may meet as early as today to attempt a compromise on this issue. However, according to NPR, the abortion issue is more sensitive, and less likely to settle than any other bankruptcy issue.

If agreement is made, the compromise bill would be sent back to the House and Senate for final vote, and then to the President for his signature.

◆22 April 2002: ABI World News www.abiworld.org

First formal bankruptcy reform committee meeting tomorrow

The actual committee members will meet for the first time in formal conference Tuesday to start working out unresolved differences in the House and Senate versions of the bankruptcy reform legislation. While the committee staffers had met before, substantial differences remain to be worked out by the members themselves. The meeting is expected to continue beyond Tuesday.

◆17 April 2002: ABI Network Update www.abiworld.org

House votes to reinact chapter 12

On Tuesday night the House voted 407-3 to temporarily reinact and extend chapter 12 farm bankruptcy laws. The reinactment would be retroactive to 1 October 2001 and would expire 1 June 2002. The legislation is may be completed by the Memorial Day Recess.

House and Senate bankruptcy reform committee meets

Congress Daily reported that the House and Senate committee members will formally meet on Tuesday. Sen. Joseph Biden (D-Del.) said he would support the Senate Democratic position on the clinic access issues (making debts for interference with access nondischargeable in

bankruptcy). No formal agreement has been reached on either the homestead or clinic access issues.

◆12 April 2002: ABI World News www.abiworld.org

House Committee Chairman urges delay in Farm bankruptcy

House Judiciary Committee Chairman James Sensenbrenner (R-Wis.) urged members of the House-Senate conference committee on the Farm Bill not to include the Senate language permanently extending chapter 12 farm bankruptcies, and to allow the general bankruptcy reform legislation to handle the issue. He claimed that agreement on the general bankruptcy reform bill was close and hoped that final action would be taken by the Memorial Day recess. He also indicated that he would introduce a three month extension of the farm bankruptcy law for passage next Tuesday. Chapter 12 expired on October 1, 2001.

His Senate counterpart, however, Sen. Patrick Leahy (D-Vt.), urged the conferees to proceed with the straight permanent extension of chapter 12, indicating his belief that the remaining differences on the bankruptcy bill were "serious" and would not be quickly resolved. Since the Senate controls the pace of the conference, his view seems more likely to be accurate regarding the speed of passage of the compromise on the general bill.

◆9 April 2002: ABI World News www.abiworld.org

Farm bill status could be decided today

Congress Daily reported that House and Senate Conferees on the farm bill are scheduled to meet today, and the outcome will likely decide whether the new farm bill is passed quickly or delayed. But aids to both the House Agriculture Committee Chairman Larry Combest and the Senate Agriculture Committee Chairman Tom Harkin favor finishing the bill quickly in time for it to apply to the 2002 crop year. The Senate version of the bill would reinstate chapter 12 permanently.

◆5 April 2002: ABI World News www.abiworld.org

Conferree aids continue meeting on new bankruptcy bill

Congress Daily reported that aids to House and Senate Conferees on the new bankruptcy bill continued informal negotiations Wednesday, but no time has been set for legislators to meet to work out differences between the House and Senate bills. Instead, it appears emphasis is being placed on a bill to reform the Immigration and Naturalization Service. *Congress Daily* reported that more than a dozen issues remain between the two versions of the bankruptcy bill, of which about half will be 'serious member issues' according to a Democratic staffer.

◆21 March 2002: ABI Network Update www.abiworld.org

Chapter 12 (Farm bankruptcy) Reinactment

Conferees on the farm bill announced Tuesday that they had reached agreement for funding the farm bill, H.R. 2646, the Agriculture, Conservation, and Rural Enhancement Act of 2002. The Senate provision includes a bill reenacting and making permanent the chapter 12 farm bankruptcy provisions, and making reenactment retroactive to 1 October 2001.

Further negotiations should start April 9, and Agriculture Secretary Ann Veneman issued a statement that the Bush Administration hopes for passage of the bill in early April.

◆14 March 2002: ABI news www.abiworld.org

Senate Conferees Prepare Counteroffer On Bankruptcy Reform

Senate conferees were poised yesterday to offer a comprehensive legislative counteroffer on bankruptcy reform to the House, as aides worked to reach consensus on the lesser issues before the principals seek resolution on the remaining “member-level” matters, *CongressDaily* reported. A spokesman for Senate Judiciary Committee Chairman Patrick Leahy (D-Vt.) declined to discuss the contents of the Senate offer, but said Leahy has been working closely with Senate Democratic and Republican conferees on the latest proposal. In some respects, the offer represents the unanimous position of Senate conferees of both parties, and in other instances it expresses the views of “a majority” of the conferees, the spokesman said, reported *CongressDaily*.

On another bankruptcy reform front, House Financial Services Committee Chairman Michael Oxley (R-Ohio) said Wednesday he would be “absolutely” willing to press for the stand-alone passage of a so-called netting bill, if prospects for the underlying bankruptcy bill look poor at the end of the session. The netting language is one of the few consensus items included in comprehensive bankruptcy reform legislation.

Oxley, House Financial Services Committee ranking member John LaFalce (D-N.Y.) and a number of federal regulators have agreed that Enron’s collapse underscores the urgent need for passage of provisions to strengthen and update current statutory protections for netting financial market contracts if a party defaults. Sensenbrenner, however, has expressed a desire to keep the comprehensive bill intact. Another consensus item of the larger bankruptcy bill—extending chapter 12 bankruptcy protections for farmers—is the subject of debate before the ongoing House-Senate conference on agriculture legislation, reported *CongressDaily*. The Senate bill seeks to reenact the lapsed provision of the law.

◆7 March 2002: ABI update www.abiworld.org

The panel working on bankruptcy legislation will complete its work by the spring recess, which begins at the end of March, according to House Judiciary Committee Chairman James Sensenbrenner (R-Wis). Speaking at a conference hosted by the Credit Union National Association, he asserted that a 'global compromise package' resolving all of the remaining issues would be offered from the House to Senate. At the same meeting, the Senate Majority Leader Tom Daschle (D-SD) said he hopes to see the bankruptcy bill out of conference committee and on the President's desk by the Easter recess.

A spokesman for Senate Judicial Chairman Patrick Leahy (D-Vt.) indicated that a review of the compromise offer sent by the House showed that the offer made only cosmetic changes on key issues such as homestead and abortion language. The compromise offer itself apparently will not be made public.

◆25 February 2002: ABI www.abiworld.org ; Washington Post www.washingtonpost.com.

Both chambers of Congress have passed the bankruptcy reform legislation numerous times since its saga began in 1997. In December 2000, it made it all the way to the White House. But there it

died by virtue of President Bill Clinton's pocket veto. For a while, it seemed 2001 would be its year. But it is never that simple with bankruptcy. Just last week, with Congress away, negotiations between House and Senate staffers ground on behind closed doors, and lobbyists got in their two bits. Recently, it has been the American Bar Association, which is concerned about provisions that could result in fines or loss of fees for bankruptcy attorneys who fail to disclose all of a client's assets. There are substantive reasons why bankruptcy reform has bogged down, officials say. "The longer it's out there, the more people are reading it," said a Democratic critic. "That isn't good for the bill." To continue reading, point your browser to <http://www.washingtonpost.com/wp-dyn/articles/A62105-2002Feb24.html>.

◆31 January 2002: NACBA update; www.nacba.org

Congress has convened for the second session of the 107th Congress and the bankruptcy bill remains "live" in a House-Senate conference committee. The Enron scandal has derailed any immediate meetings between the two sides on the pending legislation, as lawmakers and staff contemplate the largest bankruptcy in U.S. history. A number of issues in the bankruptcy bill have been discussed in this context, including the Texas homestead exemption, Section 912 of the business bankruptcy provisions, the treatment of pension plans and retirement funds in a bankrupt company, and so on. In just the month of February there are more than 13 subcommittee and full committee hearings in the House and Senate scheduled on the Enron debacle.

Despite the Enron case, we know that key supporters of the bankruptcy bill continue to push to wrap up negotiations so that a bill may be presented to the President for his signature. NACBA and the multitude of allies it has in the fight against unfair and unbalanced bankruptcy reform will continue to make the case about how it is that the bill will devastate some of the most economically vulnerable people in America at a time of great economic uncertainty.

◆17 October 2001: ABI Journal October 2001; www.abiworld.org

The first formal meeting of the House and Senate conferees to the Bankruptcy Conference Committee had been scheduled for 12 September, but the chair of the conference, House Judiciary Chairman James Sensenbrenner (R-Wis.) postponed action indefinitely following the terrorist attacks. A number of other committee members, including Senate Judiciary Committee Chairman Patrick Leahy (D-Vt.), Senate Foreign Relations Committee Chairman Joseph Biden (D-Del.), and House Financial Services Committee Chairman Michael Oxley (R-Ohio) will be involved in other legislation relating to the attacks for some time.

◆31 August 2001: ABI update; www.abiworld.org

Congress will return to Washington next week after the August recess. The House/Senate bankruptcy conference committee is expected to meet in mid-September to resolve the differences in the bankruptcy bills. Aids to the conferees met August 10 to start working on the differences in the bills.

◆9 August 2001: ABI update; www.abiworld.org

House and Senate conferee aids will meet on 10 August to start work on general housekeeping matters and to begin preparing for the bankruptcy reform conference. The conferees themselves are expected to meet the first or second week after congress returns from the summer recess in September. House Judiciary Chairman James Sensenbrenner (R-Wis.) will chair the conference.

In the meantime the White House has sent a letter to the conferees indicating that the Bush administration strongly opposes the Senate language placing a \$125,000 cap on home equity for the homestead exemption. The house bill places no limit on homestead exemptions except for providing a two year residency requirement for full utilization of the exemption. The administration also opposes a special interest section of the House bill that protects a small number of U.S. underwriters of Lloyd's of London who had defaulted on their obligations to Lloyds. The Senate bill contains no provisions regarding these underwriters.

◆1 August 2001: ABI update; www.abiworld.org

The House has now appointed members for the conference committee. The members appointed were Judiciary Committee Chairman James Sensenbrenner (R-Wis.), ranking member John Conyers (D-Mich.), Judiciary Commercial and Administrative Law Subcommittee Chairman Bob Barr (R-Ga.), subcommittee ranking member Melvin Watt (D-N.C.), and Reps. Henry Hyde (R-Ill.), George Gekas (R-Pa.), Lamar Smith (R-Texas), Steve Chabot (R-Ohio), Rick Boucher (D-Va.) and Jerrold Nadler (D-N.Y.). Staff members can now meet to work on technical issues and begin to lay the groundwork for members' return in September from their summer recess.

The House also adopted by voice vote a motion to instruct conferees to favor Senate language enhancing chapter 12 family-farmer bankruptcy protections and extending those protections to commercial fishermen.

◆18 July 2001: NACBA update; www.nacba.org; ABI Network update; www.abiworld.org

The Senate has again passed its version of the bankruptcy legislation, clearing the way for the House-Senate conference committee. The members of this committee also were appointed: Judiciary Chairman Patrick Leahy (D-Vt.), ranking member Orrin Hatch (R-Utah), Sens. Joseph Biden (D-Del.), Edward Kennedy (D-Mass.), Herb. Kohl (D-Wis.), Russell Feingold (D-Wis.), Charles Schumer, (D-N.Y.), Richard Durbin (D-Ill.), Charles Grassley (R-Iowa), Jon Kyl (R-Ariz.), Mide DeWine (R-Ohio), Jeff Sessions (R-Ala.), and Mitch McConnell (R-Ky.). The House has not yet appointed conferees.

An amendment by Sen. Paul Wellstone (D.Minn.) was passed requiring the General Accounting Office to track and report on the effect of the new law two years after its enactment.

A Washington Post editorial on Monday reported that the likelihood of getting a fair and balanced bill was reduced by the appointment of Sen. Joe Biden (D-Del.) as one of his parties representatives to the conference committee. Delaware is the credit capital of the country, and Sen. Biden's prior votes indicate his leanings in favor of the credit industry on this bill.

Sen. Leahy (D-Vt.) will likely be the senior Senate conferee, and will push to pass the Senate's limitations on the value of allowed homestead exemptions and to require additional disclosures from the credit card industry. Both the House Republicans and the White House are strongly

opposed to the homestead limitation, and it is possible that the White House could veto any bill with this included.

It is unclear whether the committee will be able to reach any agreement before the August break. Congress will be in recess for that entire month.

◆10 July 2001: NACBA update; www.nacba.org

Last night a consent request was made in the Senate to proceed to the House Bankruptcy bill, H.R. 333. Sen. Wellstone objected to proceeding to the bill. A motion to invoke cloture (to cut off debate) was made. On Thursday at 9:00 am there will be three hours of debate prior to the cloture vote. Sen. Wellstone will control two of those hours, and Sen. Leahy and Hatch will have a total of one hour for debate. If cloture is invoked as anticipated, the Senate will proceed to the bill by consent. Sen Leahy, or his designee, will then be recongnized to offer the Senate version of the bill, S. 420, and cloture will be filed on the substitute amendment. The bill will then be laid aside until July 17, at which time a cloture motion on the substitute amendment will be voted on after debate.

◆5 July 2001: ABI Network update; www.abiworld.org

The Senate has reached agreement on the organization resolution, and Senate Majority Leader Tom Daschle (D-S.D.) plans to offer a motion early next week to name Senate conferees for the conference committee to resolve differences between the House and Senate versions of the bankruptcy bill. The motion will likely be filed on 9 July.

It is not yet known whether Sen. Joseph Biden (D-Del.) will be on the committee. He is known as a strong supporter of the bill, having been accused by critics of looking out for MBNA Corp, the world's largest independent credit card issuer which is headquartered in Delaware. Sources have indicated that Senate Judiciary Chairman Patrick Leahy (D-Vt.) has proposed sending only members of the Administrative Oversight and the Courts subcommittees to the conference, neither of which include Sen. Biden.

Sen. Leahy has indicated that he will fight attempts by the House to strip off the language in the Senate bill that puts a \$250,000 cap on homestead exemptions, and that singles out claims against abortion clinic protestors for special treatment, both of which are opposed by the House and the Bush Administration.

How quickly the conference commences depends in part on how vigorous a fight Sen. Paul Wellston (D-Minn.) plans on waging against the bill. Sen. Wellstone strongly opposes the bill, and has indicated that he would take at least one of the up to six filibuster opportunities to delay or block appointment of conferees.

◆21 June 2001: ABI Network update; www.abiworld.org

No new action on the bankruptcy bill. Republicans and Democrats are continuing to negotiate on the setup of the new Senate regarding committee ratios and judicial nominees. It appears that the Senate floor will only consider the managed care bill before the July 4 recess (set for July 30 - July 8), and annual spending bills will likely be the subject of consideration after.

◆24 May 2001: ABI Network update; www.abiworld.org

While there is still no action on the conference committee, the presumed loss of Republican Control over the Senate may have at least three possible results:

1) Part of the current delay in picking conference committee members is caused by the 50-50 split in the Senate. If the Democrats obtain a clear majority, it would actually be easier to pick the conference committee members, which could cause the bill to move quicker. Sen. Joseph Biden, a likely additional vote on the committee, strongly supports the bill, and this would strengthen his hand in insisting on the Senate version of the bill, including clinic violence language, a cap on the homestead exemption, additional lender disclosure language, and automobile strip down rules.

2) However, the new Senate Majority Leader Tom Daschle (D-S.D.) is lukewarm in his support for the bill. If he follows advise from the bill's opponents, he could ask the new Judicial Committee Chairman, Patrick Leahy (D-Vt) to start the process over again on a new bill. This would be warranted not only because of the change of control of the Senate, but also because the slowing economy makes it a bad time for a new bankruptcy bill with harsh provisions on debtors. The new process could result in a bill concentrating on lender practices rather than changing debtor provisions in bankruptcy.

3) The third scenario would be that the house simply passes the Senate's version of the bill. This could be a likely result from proponents of the bill deciding that they are unlikely to get any better treatment in conference, especially after loss of Republican control over the Senate. Passing the Senate version, with it's homestead cap, which would reverse Texas as well as Florida law, could have the ironic result of President Bush threatening a veto just as President Clinton threatened a veto of last year's bill.

◆26 April 2001: ABI Network update; www.abiworld.org

Senate Majority Leader Trent Lott (R-Miss.) and Senate Minority Leader Tom Daschle (S-S.D.) announced that they were close to an agreement for setting up the conference committees on the bankruptcy reform legislation. The proposal calls for an equal number of Democratic and Republican senators, but also includes a mechanism to get the bill out of conference if a deadlock occurs. Democrats are wary of the plan, fearing that the Republicans will refuse to compromise in the committee, allowing Lott to force the Republican version on the Senate.

◆12 April 2001: ABI Network update; www.abiworld.org

According to CongressDaily this year's bill is mirroring last year's effort at this stage in the process. Last year the bill was put on hold during Congress' spring break due to Democratic objections to the formal conference committee. When the Senate leaders moved at the last minute to convene a 'shadow conference' the effort ultimately failed.

This year Republican leaders expected to have the House and Senate bills into conference by Easter, but failed due to Democratic objections to the members of the conference committee. Congress is now back, but still hasn't resolved the objections to who would sit on the committee. Democrats are holding out due to the ill health of Sen. Strom Thurmond (R-S.C.), whose replacement could give them a one-seat majority in the Senate. While the House could pass the bill as modified by the Senate, this is considered unlikely due to changes that House Republican leaders oppose, including the limit on the homestead exemption. The

banking/creditor industry however, is encouraging the House to do this so as to move the bill through.

◆14 March 2001: ABI Network update; www.abiworld.org

The Senate vote on cloture passed by 80-19, thus ending debate on the bill. Final passage could be held as early as Thursday. It would then likely require a conference with the House unless the House agreed to adopt the Senate bill as passed. If the House did agree to this, the bill could be sent to the President as early as next week.

Also on Wednesday the Senate defeated a substitute consumer bankruptcy proposal by Sen. Richard Durban (D-Ill.) which contained the language of a bill passed three years ago more favorable to consumers. It also defeated an amendment by Sen. Paul Wellstone (D-Minn.) which would prevent allowance of claims by 'pay day' lenders which charge over 100% APR.

Thursday the Senate will consider a few additional amendments as well as a 'manager's amendment' containing changes to the bill which have been approved by both Democrats and Republicans.

◆13 March 2001: ABI Bankruptcy Headlines; www.abiworld.org

Senate Majority leader Trent Lott (R-Miss.), joined by Senate Minority Leader Tom Daschle (D-SD) moved to file a cloture motion to end debate on the bankruptcy bill. A vote on cloture is scheduled for Wednesday afternoon. Sixty votes in favor of cloture would force a vote on the bill. Sen. Paul Wellstone (D.Minn) argued that bill debate was being cut unreasonably short. Lott and Daschle are determining how many amendments will be considered before the final vote on the bill occurs.

Given the number of amendments passed so far, if and when the bill is approved by the Senate, it will still need to be reconciled with the House version. Amendments scheduled for vote today include Sen. Dianne Feinstein's (D-Calif.) limiting the credit that companies can extend to customers under age 21 without parental consent; and Sen. Ted Kennedy's (D-Mass) that would eliminate the bill's \$1 million cap on the amount of IRA retirement money that would be protected from creditors in bankruptcy court.

◆8 March 2001: ABI Network update; www.abiworld.org

Only two of the 100 amendments were considered today, defeating Democratic sponsored amendments to disallow claims of creditors who violated the Truth in Lending Act and strike the small business section of the bill in favor of a study to determine the causes of small business bankruptcies. The Senate is anticipated to continue debate Friday and Monday without roll call votes. Amendments requiring votes should be set for Tuesday's session. The leadership is attempting to complete action next week since debate of campaign finance reform is set to start on 19 March.

◆5 March 2001: ABI Network update; www.abiworld.org

The Senate began debate on the Bankruptcy bill today. Voting on amendments should begin tomorrow. Senate Judiciary Chairman Orrin Hatch (R-Utah) indicated he hopes to complete action this week. Opponents plan to force votes on 10-15 substantive amendments including

the means test, homestead exemption, credit card disclosures, and dischargeability of business debts.

Senator Edward Kennedy (D-Mass.) attacked the bill as a 'windfall' for two of the most profitable industries in America: banking and credit card issuers. He called the bill 'harsh and punitive' in its approach to individuals forced to file bankruptcy.

◆2 March 2001: ABI headlines; www.abiworld.org

The House passed the bankruptcy bill on Thursday. Just before the final vote, the house defeated an amendment by Rep. John Conyers (D-Mich.) to recommit the bill to committee with an amendment restricting the marketing of credit cards to individuals under age 21. The House also defeated an alternative Democratic bill.

The Bush Administration issued its first definitive statement of support for the pending legislation.

The Senate will begin debate on Monday. Sen. Paul Wellstone (D-Minn.) indicated he plans to introduce as many as ten amendments, which could delay the final vote for two weeks. He also threatened to filibuster any conference report on the bill that does not include his amendments. Sen. Wellstone expressed particular disappointment at a provision in the bill that would allow disgruntled US investors in Lloyd's of London to ignore court rulings requiring them to make good on losses related to asbestos and pollution cases, as well as earthquakes and hurricanes. He complained that this was just one more example of how some in Congress are pushing special favors for the well-connected at the expense of working families, seniors, and children without clout.

◆28 February 2001: ABI Network update; www.abiworld.org

On Tuesday, the Senate Judiciary Committee began mark up of the bankruptcy bill, and defeated amendments proposed by Sen. Diane Feinstein (D-Calif). The rejected amendments would have exempted debtors from the harshest provisions of the bill if the debtors suffered extraordinary hardships, would have put a \$1,500 cap on credit cards issued to individuals under the age of 21, and would have protected consumers from interest charges on on-time credit card payments.

◆16 February 2001: NACBA weekly report #2; www.nacba.org

On Wednesday, the House Judiciary Committee marked up H.R. 333 in a partisan session. Along almost party-line votes, the Committee rejected all amendments offered by the Democrats, including technical amendments correcting drafting problems in the bill. At the end of the day, the Committee Chairman declared that the mark up was over, and called for a vote on the bill, outraging Democrats who had been led to believe that the mark up would take place over two days. The bill was approved and is scheduled to be considered on the House floor the week of February 26.

The Senate Judiciary Committee began consideration of the bill on 15 February, but held over the bulk of the work until Tuesday, February 27. It is anticipated that a number of Democrats will offer amendments at that time.

◆15 February 2001: ABI Network Update; www.abiworld.org

The Senate Judiciary Committee agreed to hold the bill over until February 27 for markup, based on complaints by Democrats that they had not received a copy of the bill and had not had an opportunity to create amendments. Sen. Diane Feinstein (D-Calif.) indicated she would like to amend the means test (requiring individuals making a certain amount of income to file chapter 13), credit card statements disclosures, landlord/tenant evictions and homestead exemptions. All amendments are due in writing by February 21.

◆12 February 2001: www.abiworld.org

The House Financial Services Chairman, Michael Oxley (R-Ohio) has decided not to mark up the bankruptcy reform legislation. The House Judiciary Committee has scheduled time on Wednesday and Thursday to mark up both that legislation and legislation extending the farm bankruptcy laws. The Senate Judiciary Committee is expected to markup bankruptcy legislation on Thursday.

Democrats opposing the legislation have acknowledged that with a Republican president, the legislation will likely become law; and are concentrating their efforts to attempt to amend the law more favorably to consumers. Democrats are looking to add protections for small businesses which would be hurt by the bills tighter deadlines for filing bankruptcy. However, democrats are also seeking to broaden the limits on homestead exemptions. Under current Florida law, there is no value limit on the exemption allowing individuals to keep their home when they file bankruptcy. The bill provides a limit of \$100,000 in equity in a home, and if the home is worth more then the court may be able to take and sell it. However, the current bill only applies the \$100,000 limit to homes purchased within two years of the filing of the bankruptcy. The democrats are attempting to extend that to any home, whenever purchased.

◆9 February 2001: www.abiworld.org

The House and Senate have scheduled the new bankruptcy bills for markup in committee for next week. The Senate dropped its plans to send the bill directly to the Senate floor bypassing the committee process. A number of Democrats are opposing the bill based on its unfairness in favoring creditors. However, Senate Minority Whip Harry Reid (D-Nev.) said the bill's supporters probably have enough votes to overcome a possible filibuster and pass the bill.

It is anticipated that the Senate bill will reach not reach the floor of the senate until the week of February 26. The *Lancaster New Era* reported that Rep. George Gekas (R-Penn.) considered reintroducing the bankruptcy legislation to his top priority in the new Congressional session.

◆2 February 2001: www.nacba.org

Bankruptcy reform bills were introduced in both the house and the senate this week. H.R. 333 and S. 220 respectively. To view this legislation, go to <http://thomas.loc.gov>. Go to 107th Congress, and enter the bill number (H.R. 330 or S. 220). This will show must up to date status as well as a text of the legislation. Generally, the legislation makes it much more difficult for most consumers to obtain effective relief under the Bankruptcy Code. The bill in the Senate was introduced under a special rule bypassing the usual Committee referral/consideration.

The house judiciary committee has scheduled a hearing on the bill for February 7 or 8th.