



PRESS RELEASE

For Immediate Release

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The Commercial Law League of America Fully Endorses Making Subchapter V Permanent and Increasing the Debt Limits of Chapter 13 Cases

Rolling Meadows, IL, March 21, 2022 – On March 14, 2022, Sen. Charles Grassley (R-IA) introduced bipartisan legislation, which would make permanent the \$7.5 million debt limit for the Small Business Reorganization Act, raise the debt limit for Chapter 13 bankruptcy eligibility to \$2.75 million, and remove the distinction between secured and unsecured debt for that calculation. The legislation, which is co-sponsored by Senate Judiciary Chair Richard Durbin (D-IL) and Sens. Sheldon Whitehouse (D-RI) and John Cornyn (R-TX), is the “Bankruptcy Threshold Adjustment and Technical Corrections Act” (S. 3823). The Commercial Law League of America wholeheartedly supports this proposed legislation.

The proposed legislation would continue to allow greater access to the Small Business Debtor Reorganization provisions of the Bankruptcy Code, known as Subchapter V, allowing small businesses and individuals engaged in business a greater opportunity to successfully reorganize, pay creditors' claims and save jobs. Additionally, by increasing the debt limit for Chapter 13 bankruptcy eligibility, S. 3823 would expand the options available to individuals who wish to more quickly reorganize their debts without the need of filing a more complicated individual Chapter 11 case. Together, these amendments to the Bankruptcy Code will help promote small businesses to get back on track to build, innovate and grow the economy.

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About the CLLA

Since 1895, the not-for-profit Commercial Law League of America has connected experienced attorneys with credit grantors, lending institutions and other commercial credit, bankruptcy and general finance industry members through networking, education, legislative advocacy and specialized legal services. The association's members include attorneys, collection agencies, judges, accountants, trustees, turnaround managers and other credit and finance experts. For more information on the CLLA, please visit www.CLLA.org.

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