



PRESS RELEASE

**For Immediate Release**

Associate Director  
(312) 240-1400; [dawn.federico@ccla.org](mailto:dawn.federico@ccla.org)

### **Small Business Reorganization Act of 2019 Signed Into Law**

Rolling Meadows, IL, August 29, 2019 – The Commercial Law League of America (“CLLA”) is pleased to announce that on August 23, 2019, President Donald J. Trump signed into law the Small Business Reorganization Act of 2019 (“SBRA”) (H.R. 3311), HAVEN Act (H.R. 2938), The National Guard and Reservists Debt Relief Extension Act of 2019 (H.R. 3304), and the Family Farmer Relief Act of 2019 (H.R. 2336). The CLLA is active in bankruptcy reform efforts and recently lobbied the Senate in support of the SBRA. The CLLA believes that the SBRA will enable small businesses, defined as having a total of noncontingent liquidated secured and unsecured debt of less than \$2,725,625, to obtain Chapter 11 bankruptcy relief more quickly and cheaply. Among the features of the SBRA are (1) an automatically appointed, standing trustee whose authority and duties are similar to those of a standing Chapter 13 trustee; (2) creditors’ committees will not be appointed absent a showing of cause; (3) no disclosure statement will be required; (4) only the debtor may file a plan; and, perhaps most importantly, (5) provided the debtor contributes all of its disposal income over a three to five year period, and its proposed plan is “fair and equitable” and feasible, the bankruptcy court may confirm a Chapter 11 plan under the SBRA even without an assenting class of creditors, and even without paying unsecured claims in full. The statute will take effect on February 1, 2020 and will provide a significant opportunity for more small businesses to reorganize through Chapter 11.

The HAVEN Act excludes from calculation of the means test certain benefits paid to veterans so they may more easily qualify for a Chapter 7 rather than a Chapter 13 bankruptcy. The National Guard and Reservists Debt Relief Extension Act, extends for four years the exemption of qualifying National Guards and armed forces reservists called to active duty from the presumption under the means test. The Family Farmer Relief Act increases the debt limits for qualifying as a family farmer from \$3,792,650 to \$10,000,000.

The Bankruptcy Section of the CLLA spearheaded the lobbying effort with assistance from co-legislative chairs Deborah Rubin, from the firm of Jaffe Raitt Heuer & Weiss, P.C., based in Southfield, Michigan, and Reuel Ash, a partner in the law firm of Ulmer & Berne LLP, a full-service law firm with offices in Cleveland, Columbus, and Cincinnati, Ohio, Chicago, and Boca Raton.

#### **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](http://www.CLLA.org).

###

For additional information about the Commercial Law League of America, please contact Dawn Federico, Associate Director. Dawn Federico can be reached at (312) 240-1400 or [dawn.federico@clla.org](mailto:dawn.federico@clla.org).