



H.R. 7730 - Bankruptcy Threshold Adjustment Act

The Bankruptcy Threshold Adjustment Act (H.R. 7730), which restores changes that expired in 2024 applicable to debt limits for Subchapter V (small business reorganization) and Chapter 13 (the wage earner's plan) bankruptcies was passed by the House on September 16, 2026, and passed the Senate without amendment by Unanimous Consent on September 28, 2026.

Specifically, the Bill permanently increases the debt limit for small business debtors under Subchapter V of the Bankruptcy Code from approximately \$3.4 million to \$7.5 million and increases the debt limit under Chapter 13 from approximately \$2.1 million of bifurcated secured and unsecured debt to an aggregate of \$2.75 million of combined secured and unsecured debt.

The Bill will now proceed to the White House to be signed by the President.

The Commercial Law League of America has actively lobbied Congress for reinstatement of the increased Subchapter V and Chapter 13 debt limits on a permanent basis.

Bankruptcy Judge Catherine Peek McEwen, a member of the Executive Council for the Bankruptcy Section of the CLLA commented that: "As a judge in the Middle District of Florida, which leads the country in Subchapter V filings, my colleagues and I are happy to see that Congress has approved the much needed debt limit increases on a permanent basis."

Here is a link to the text of the Bill <https://www.congress.gov/bill/119th-congress/house-bill/7730/text>

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.