

S 4991

Consumer Bankruptcy Reform Act of 2020

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Dec 9, 2020

Current Status: Read twice and referred to the Committee on the Judiciary.

Latest Action: Read twice and referred to the Committee on the Judiciary. (Dec 9, 2020)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/4991>

Sponsor

Name: Sen. Warren, Elizabeth [D-MA]

Party: Democratic • **State:** MA • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Dec 9, 2020
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Dec 9, 2020

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Referred To	Dec 9, 2020

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
116 HR 8902	Related bill	Dec 8, 2020: Referred to the Committee on the Judiciary, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Consumer Bankruptcy Reform Act of 2020

This bill generally revises consumer bankruptcy law by establishing a new Chapter 10 for individual debtors with not more than \$7.5 million in debt. The bill eliminates the ability of individual debtors to file for bankruptcy under Chapter 7 liquidation bankruptcy and repeals Chapter 13, which requires individual debtors to comply with a repayment plan to receive a discharge of debt.

Under Chapter 10, debtors may receive a discharge of debt through making minimum payment obligations based on the debtor's assets and income which may result in immediate discharge for individuals with no minimum payment obligation. The bill also provides for residential protections for debtors and revises what type of debt is dischargeable in bankruptcy. An individual may obtain a discharge under Chapter 10 once every six years.

Individuals may seek limited bankruptcy proceedings on certain debts, such as a home mortgage.

The bill also establishes consumer bankruptcy protections, including by creating a Consumer Bankruptcy Ombuds at the Consumer Financial Protection Bureau.

Actions Timeline

- **Dec 9, 2020:** Introduced in Senate
- **Dec 9, 2020:** Read twice and referred to the Committee on the Judiciary.