

Durbin, Graham Applaud Passage Of National Guard And Reservists Debt Relief Extension Act

December 15 2023 9:21 AM



WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL), Chair of the Senate Judiciary Committee, and U.S. Senator Lindsey Graham (R-SC), Ranking Member of the Senate Judiciary Committee, today applauded the passage of their bipartisan *National Guard and Reservists Debt Relief Extension Act*, which reauthorizes relief for an additional four years for qualifying members of the National Guard and Reserves

experiencing financial hardship. The legislation will protect a long-standing bipartisan carveout from means-testing restrictions in Chapter 7 bankruptcy cases.

The legislation passed the House of Representatives earlier this week, and today, the legislation was passed in the Senate. The bill will now head to the President's desk for his signature.

“Declaring bankruptcy is a difficult choice for any American, and that option should be assessed using an accurate depiction of a person's income and financial standing. Our National Guard members and reservists must not be penalized for any active duty pay should financial calamity force them to file for Chapter 7 bankruptcy,” said Durbin.

“With the *National Guard and Reservists Debt Relief Extension Act* having received the stamp of approval from both the House and the Senate, I urge President Biden to swiftly sign the bill into law.”

“I'm proud this measure supporting members of the National Guard and Reserves passed the U.S. Senate,” said Graham. “Providing relief for these service members who served their country while on active duty is an issue both sides can embrace.”

The *National Guard and Reservists Debt Relief Extension Act of 2023* will reauthorize the *National Guard and Reservists Debt Relief Act of 2008*, which included a clause exempting qualifying members of reserve components of the Armed Forces and the National Guard from provisions in the Bankruptcy Code, which limit access to Chapter 7 bankruptcy based on recent income. Because National Guard members and reservists often receive higher pay while on active duty than at their civilian jobs, these limits could otherwise prevent them from receiving financial relief in bankruptcy. The *National Guard and Reservist Debt Relief Extension Act* ensures that they are not penalized for their service.