

September 7 2005 - Rep. Slaughter Files Financial Safeguards for Hurricane Survivors Act

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Legislation Implements Two-Year Delay of Bankruptcy Law in Wake of Hurricane Katrina in order to Protect Those Recently Devastated and Aid Economic Recovery

Washington, DC - Rep. Louise M. Slaughter (D-NY), Ranking Member of the House Rules Committee, last night introduced H.R. 3662, the Financial Safeguards for Hurricane Survivors Act.

The new legislation calls for a two-year delay in the implementation of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, passed earlier this year.

"Hurricane Katrina has devastated the lives of thousands of Americans living in the Gulf Coast region, and its effects will be felt throughout our entire national economy," Rep. Slaughter said. "Hundreds of thousands of working families will be spending the coming months trying to find ways to again put food on their tables and make ends meet, and the economies of our Southern states will be struggling to rebuild," she added.

"In the wake of what has happened, now is not the time to implement a bankruptcy overhaul that was so controversial that it could not pass Congress for seven years," Rep. Slaughter said. "Now is not the time to make those whose lives have been turned inside-out worry about their legal ability to declare bankruptcy," she added.

"The bankruptcy bill passed by Congress didn't even include adequate protections for those who have had their possessions destroyed and their livelihoods cut by a natural disaster, a point my colleagues on the Democratic side tried to address before it was passed," Rep. Slaughter said.

"We owe it to the people of New Orleans and throughout the affected region to allow them to put their lives back together before we make them worry about new bankruptcy laws," she said. "They have enough to worry about already."

The Bankruptcy Reform Bill (S. 256) was passed by the House on April 14, 2005 and was signed into law on April 20, 2005.

CNN reported yesterday that 89% of viewers supported exempting victims of the Hurricane from the implementation of the bankruptcy bill, according to a non-scientific "QuickVote" poll conducted by the network.

For a full electronic copy of H.R. 3662, the Financial Safeguards for Hurricane Survivors Act, please contact Eric Burns at eric.burns@mail.house.gov or (202)225-8415.