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SCHAKOWSKY WARNS CONSUMERS ABOUT INDUSTRY-DRAFTED BANKRUPTCY BILL

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today warned consumers about the bankruptcy reform legislation passed by the House of Representatives. The Bankruptcy Abuse Prevention and Consumer Protection Act of 2001, HR 333, is opposed by major consumer organizations, bankruptcy experts, women's groups, unions and other national groups.

"This bankruptcy reform bill is as fair to hard working families as President Bush's tax cut - only the rich and powerful reap the benefits. The credit card industry lobbyists wrote this bill with one thing in mind -- their bottom line," Schakowsky said.

She added that the legislation will have adverse impact on Americans who use the safety net of bankruptcy as a last resort and a step toward financial renewal. Furthermore, Schakowsky stated that women and children owed support by bankrupt fathers must compete with credit card companies in collecting their share under this bill.

Special interests have loaded the legislation with provisions harmful to average Americans, as well as many financially distressed small businesses. For example, one provision would lead to large job losses by placing obstacles in the way of businesses attempting to reorganize through Chapter 11 bankruptcy. Another provision would make most household items subject to liens, meaning that they could be seized by the IRS or a business.

In addition, H.R. 333 fails to hold creditors responsible for their reckless and, sometimes, unscrupulous practices. The bill does not contain strong provisions to require credit card companies to give consumers the information they need to know how deep in debt they are or require those companies to disclose accurate credit repayment terms.