

Congress of the United States

Washington, DC 20515

March 17, 2005

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
H-232 Capitol
Washington, DC 20515

Dear Mr. Speaker,

As members of the Republican Study Committee, we hope that you will expedite House action on HR 685/S256, the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005. Both chambers of Congress have passed bankruptcy reform legislation in the 105th, 106th, and 107th Congresses only to see our efforts defeated by pocket veto (2000) or unconstitutional amendment (the poison pill Schumer Amendment in 2002). Reform is long overdue and with a clean bill we can now move quickly to bring relief to our economy.

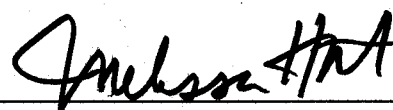
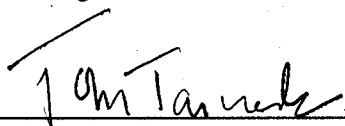
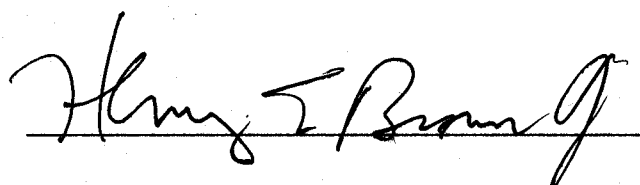
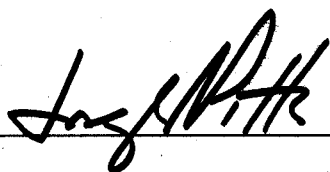
Although this legislation addresses consumer and business bankruptcy, its primary purpose is the elimination of abuses in the current system, which have inflicted severe losses on our economy. The two primary goals of this bill are (1) to restore the fundamental concept of personal responsibility in the bankruptcy system by requiring those who have the ability to repay, to do so, and (2) to ensure that only those debtors who have the ability to repay are targeted, while those who lack this ability will receive a "fresh start" and not be affected by these reforms.

The bill sets guidelines for a needs-based bankruptcy system that precludes individuals from filing for complete relief in bankruptcy if certain current monthly income is available to pay creditors. It will also modify the bankruptcy courts to mandate the compilation of bankruptcy statistics for individual debtors with primarily consumer debts seeking relief under Chapters 7, 11 and 13.

A fresh start in bankruptcy, assured by giving a debtor guaranteed access to the bankruptcy system, no matter what the individual's income level, is the foundation of this legislation. It does not exclude anyone from filing for bankruptcy. Instead, it implements a simple means test, which shields debtors who make below the median income, to determine if a high-income debtor has the ability to repay creditors. If an individual does have the ability to repay, then a complete payment plan must be finished before the debt is discharged.

We appreciate your attention to this matter and look forward to working with you to ensure prompt passage of this legislation.

Sincerely,



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Dave Welch

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Jim Ryan

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Ronny Neumann

Paul Ryan

Jeff Miller

Virgil Gropf

Pete Sessions

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Jim King

Steve King

Sam Cole

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Frank O. Lucas

Angie ...

Robert B. ...

Paul P. ...

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Wally Heger

Bob Goodlatts

Jim Gutknecht

John Hill

Signatures

1. Joe Pitts
2. Henry Brown
3. Tom Tancredo
4. Melissa Hart
5. Mike Pence
6. John Shadegg
7. Dave Weldon
8. Joe Wilson
9. Jim Ryun
10. George Radanovich
11. Todd Akin
12. Randy Neugebauer
13. Paul Ryan
14. Jeff Miller
15. Virgil Goode
16. Pete Sessions
17. Lynn Westmoreland
18. Gresham Barrett
19. Jeff Flake
20. Steve King
21. Tom Cole
22. Ernest Istook
23. Frank Lucas
24. Charlie Norwood
25. Robert Aderholt
26. Don Manzullo
27. Roscoe Bartlett
28. Wally Herger
29. Bob Goodlatte
30. Gil Guknecht
31. John Sullivan