

**Statement of the Honorable Jerrold Nadler, Chair, for the Markup of H.R. 2938, the “Honoring American Veterans in Extreme Need Act of 2019” or the “HAVEN Act,” by the Committee on the Judiciary**

**Thursday, July 11, 2019, at 10:00 a.m.  
2141 Rayburn House Office Building**

H.R. 2938, the “Honoring American Veterans in Extreme Need Act of 2019” or the “HAVEN Act,” addresses a fundamental unfairness in current bankruptcy law that affects veterans receiving disability benefits.

Although Social Security benefits are not treated as income for purposes of the Bankruptcy Code’s means test, veterans’ disability benefits do constitute income under this test, even though—much like Social Security—these benefits are a lifeline to many of its recipients, and are otherwise protected from seizure by creditors.

By counting such benefits as income, many veterans become ineligible for the more immediate discharge available under chapter 7 and, instead, they are steered into chapter 13, which requires a debtor to make payments to creditors pursuant to a 3 or 5 year plan before he or she can receive a discharge.

H.R. 2938 corrects this obvious inequity. It would treat certain veterans' disability benefits paid by the Department of Veterans Affairs and the Department of Defense the same as Social Security payments under the Bankruptcy Code's means test.

This legislation is supported by the National Conference of Bankruptcy Judges, the American Bankruptcy Institute, the National Association of Consumer Bankruptcy Attorneys, and the National Consumer Law Center. This bipartisan measure is also supported by the Veterans of Foreign Affairs, the American Legion, and the Disabled American Veterans, among others

I commend the bill's sponsor, the Gentlelady from Georgia, Ms. McBath, and her cosponsor, the Gentleman from Florida, Mr. Steube, for their leadership on this important legislation.

I support H.R. 2938 and I yield back the balance of my time.