

**Statement of the Honorable Jerrold Nadler, Chair, for the Markup of H.R. 3304, the “National Guard and Reservists Debt Relief Extension Act of 2019,”
by the Committee on the Judiciary**

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

According to a 2018 lifestyle survey of servicemembers and veterans, financial issues were the top lifestyle stressor and, unfortunately, bankruptcy is sometimes the best answer for those in financial distress.

Under current law, National Guard members and reservists who serve on active duty are, like other active servicemembers, exempt from the Bankruptcy Code’s means test, which determines whether a debtor’s income is too high to have all of his or her debts erased in bankruptcy. But this critical protection for National Guard members and reservists must be extended before it expires at the end of the year.

Unless otherwise exempted, servicemembers and veterans must complete the required forms and submit the specified paperwork to satisfy the Bankruptcy Code's means test.

This requirement applies even with respect to servicemembers who have returned to the United States from active service and thus no longer receive combat pay. Under the means test, such servicemember must calculate his or her income based on the average monthly income that he or she received during the six-month period preceding the filing date of the bankruptcy case, rather than the debtor's actual income, which may be much less because of the debtor's non-combat status.

H.R. 3304, the "National Guard and Reservists Debt Relief Extension Act of 2019," responds to this immediate concern. The bill would extend for 4 years the temporary authorization exempting certain qualifying reserve component members of the Armed Services and National Guard members from the Bankruptcy Code's means test.

Without question, this commonsense measure warrants our support and its prompt consideration by the full House given the impending December 19, 2019 expiration date of the means test exemption for servicemembers and veterans.

I commend the bill's sponsor, Constitution, Civil Rights, and Civil Liberties Subcommittee Chair, the Gentleman from Tennessee, Mr. Cohen, as well as his cosponsors, the Gentlewoman from Pennsylvania, Ms. Dean, and the Gentleman from Virginia, Mr. Cline, for their deep commitment to supporting our Nation's heroes.

Accordingly, I encourage my colleagues on both sides of the aisle to pass H.R. 3304 and I yield back the balance of my time.