

Q&A: BANKRUPTCY

My small business is in financial trouble and I'm considering filing for bankruptcy – how does this bill help?

This bill allows more small businesses to reorganize under Chapter 11 using procedures that are less expensive and that allow small business owners to retain control of their operations through the bankruptcy reorganization process. Under this bill, small businesses with up to \$7.5 million in debt can take advantage of these streamlined Chapter 11 procedures. This new relief will be available for one-year.

I have been in Chapter 13 bankruptcy for 3 years. I recently lost my job and I can't afford my plan payments right now. I'm worried that I won't be able to complete the Chapter 13 process – does this bill help me?

Yes. This bill allows individuals and families currently in Chapter 13 who are experiencing financial hardship due to the COVID-19 pandemic to request a modification of their Chapter 13 plans, including by extending their payments for up to 7 years. This new relief will be available for one-year.

If I receive a stimulus check from the federal government, will it impact my ability to file for bankruptcy?

No. Under this bill, stimulus checks from the federal government cannot be used to determine whether you are eligible for filing bankruptcy. And, if you file for Chapter 13 bankruptcy, you will not have to turn your stimulus check over to your creditors. This new relief will be available for one-year.