

CLLA'S 128th NATIONAL CONVENTION

LEGISLATIVE UPDATES

Thursday
May 19, 2022
8:30 AM – 9:30 AM (CT)

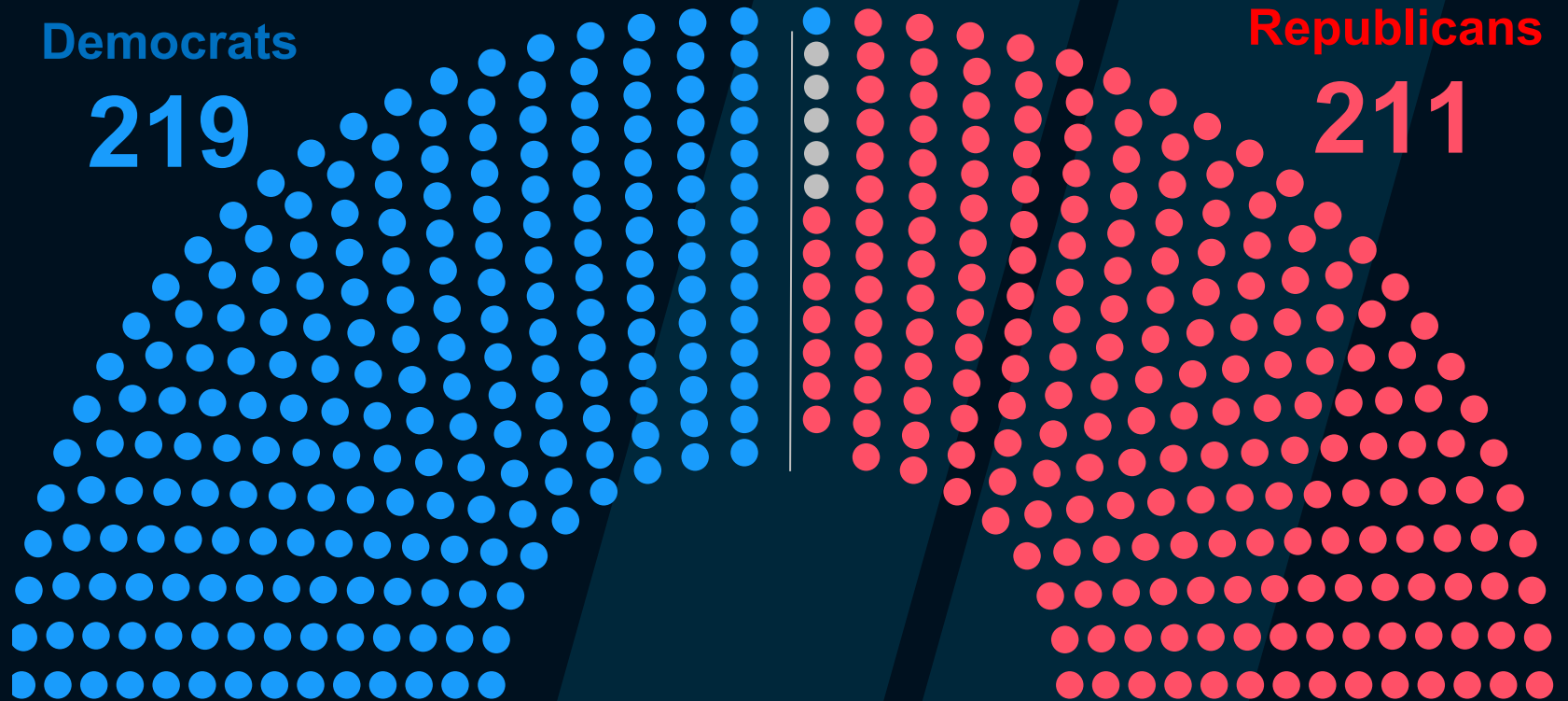


COMMERCIAL LAW LEAGUE OF AMERICA
EXPERTISE • INSIGHT • RESULTS

2022 Midterms Outlook

- House Democrats maintain a thin majority, having lost 14 seats in 2020. RCP's Generic Congressional ballot has Republicans holding a 3.5-point edge in polling, suggesting control of the Chamber will flip.
- 34 Senate seats will be contested this fall, including 14 Democrats and 20 Republicans. Five Republicans have announced they will not seek reelection, along with one Democrat.
- Control of the Senate will likely be decided by the outcomes in PA, GA, AZ, and NV. While it's still more than a year out, all four of these races have been rated "tossups."

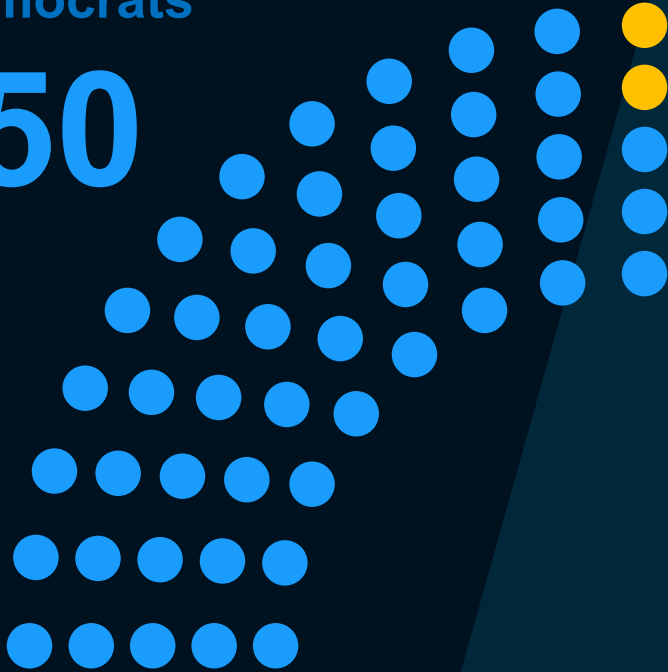
House of Representatives in 117th Congress



Senate in 117th Congress

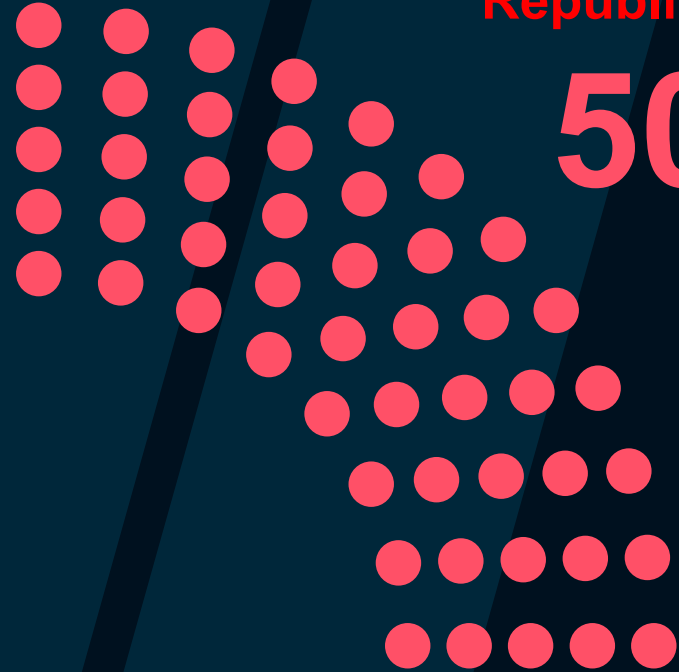
Democrats

50



Republicans

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Our Work in the 117th Congress

- CLLA and WCB continue to work on two primary issues affecting our industry.
- The first issue is bankruptcy venue reform. Sens. Cornyn and Warren, and Rep. Lofgren have introduced the Bankruptcy Venue Reform Act in the 117th Congress.
- The House bill has 7 cosponsors, including Rep. Buck (R-CO) as the lead Republican cosponsor. Reps. Perlmutter [D-CO-7], Neguse [D-CO-2], Cooper [D-TN-5], Thompson [D-CA-5], Burgess [R-TX-26] and Bishop [R-NC-9] have also joined.

Our Work in the 117th Congress

- The second issue is the blanket prohibition on the suspension of debt collection.
 - We were successful in lobbying Congress so that no language was included in the stimulus bill that passed in 2021. We have also been successful this year in pushing back against suspension language.
 - We quickly responded with a statement to a bill from Rep. Lawson [R-FL] that sought to apply the FDCPA to small businesses. Thanks in part to our efforts, the bill's chances of passing are slim.
 - We are working on making sure that suspension language is not included in any future Covid supplemental bill.
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Bankruptcy Venue Reform

- On February 8 of this year, the Senate Judiciary Subcommittee on Federal Courts held a hearing on Corporate Abuse of Chapter 11
 - CLLA and WCB were able to secure inclusion of venue reform materials in the hearing record.
 - CLLA and WCB lobbied several senators on the subcommittee to ask questions about venue reform at the hearing, and both Senators Durbin and Blumenthal raised the issue during their lines of questioning.
 - Several witnesses offered statements supportive of venue reform and recognizing the inadequacy of the current system.

CLLA Creditors' Rights Critical Issues List

1. Continue to become pro-active rather than reactive. We need YOUR help! (Ideas and volunteers)
2. UCC Article 2 changes to protect business transactions are protected from consumer protection laws.
3. Foreign country transactions:
 - a. Update the Uniform Foreign Country Money Judgments Act;
 - b. The Judgment Conventions to make it easier to recognize and enforce foreign civil judgments; and
 - c. Hague Choice of Court Agreements Convention for forum selection clauses to be an alternative to the international arbitration mandates in commercial transactions.
4. Working with the Bankruptcy Section to:
 - a. Continue the push to define the term hardship under 11 USC 523(a)(8) (educational loans);
 - b. Develop a white paper to limit the effect of third-party releases in bankruptcy court.

CLLA Bankruptcy Section

Critical Issues List

- 1. Subchapter V Chapter 11 Modifications**
- 2. Student Loan Crisis**
- 3. Increase Chapter 13 Eligibility Limits**
- 4. Preference Reform**
- 5. Bankruptcy Venue Reform**

BANKRUPTCY REFORM ACT OF 2021

- **HR 4193 (Lofgren and Buck) June 28, 2021**
S 2827 (Warren and Cornyn) September 23, 2021
- **CASE FOR REFORM**
 - **Limits Forum Shopping**
 - **Empowers smaller trade creditors, landlords and employees**
 - **Local interests and control**
- **Bankruptcy Filings Expected to Increase.**
- **CLLA, Venue Group, AGs, Bankruptcy Judges, Law Professors and others continue to grow and build a national network of support.**

“X-Factor” For Reform (117th Congress)

- **HIGH PROFILE BANKRUPTCY CASES**
 - **Purdue Pharma**
 - **Johnson & Johnson**
 - **Third-Party Nonconsensual Releases**
 - **Divisive Mergers**
 - **Manipulation of Forum and Judges!**
 - **Judge Rhodes’ warning**

CLLA PAC

**“In order to have friends,
you need to be friendly.”**

-George Webster



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