

119TH CONGRESS  
2D SESSION

# H. R. 7730

To amend title 11, United States Code, to modify certain bankruptcy eligibility requirements, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

Mr. CLINE (for himself, Mr. CORREA, Ms. LEE of Florida, and Mr. NEGUSE) introduced the following bill; which was referred to the Committee on the Judiciary

---

## A BILL

To amend title 11, United States Code, to modify certain bankruptcy eligibility requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bankruptcy Threshold  
5 Adjustment Act of 2026”.

6 **SEC. 2. DEBT LIMIT MODIFICATIONS.**

7 (a) MODIFICATION TO THE SMALL BUSINESS BANK-  
8 RUPTCY DEBT LIMIT.—Section 1182(1) of title 11,  
9 United States Code, is amended to read as follows:

10 “(1) DEBTOR.—The term ‘debtor’—

1 “(A) subject to subparagraph (B), means a  
2 person engaged in commercial or business ac-  
3 tivities (including any affiliate of such person  
4 that is also a debtor under this title and exclud-  
5 ing a person whose primary activity is the busi-  
6 ness of owning single asset real estate) that has  
7 aggregate noncontingent liquidated secured and  
8 unsecured debts as of the date of the filing of  
9 the petition or the date of the order for relief  
10 in an amount not more than \$7,500,000 (ex-  
11 cluding debts owed to 1 or more affiliates or in-  
12 siders) not less than 50 percent of which arose  
13 from the commercial or business activities of  
14 the debtor; and

15 “(B) does not include—

16 “(i) any member of a group of affili-  
17 ated debtors under this title that has ag-  
18 gregate noncontingent liquidated secured  
19 and unsecured debts in an amount greater  
20 than \$7,500,000 (excluding debt owed to 1  
21 or more affiliates or insiders);

22 “(ii) any debtor that is a corporation  
23 subject to the reporting requirements  
24 under section 13 or 15(d) of the Securities

1 Exchange Act of 1934 (15 U.S.C. 78m,  
2 78o(d)); or

3 “(iii) any debtor that is an affiliate of  
4 a corporation described in clause (ii).”.

5 (b) MODIFICATION TO THE CONSUMER BANKRUPTCY  
6 DEBT LIMIT.—Section 109 of title 11, United States  
7 Code, is amended by striking subsection (e) and inserting  
8 the following:

9 “(e) Only an individual with regular income that  
10 owes, on the date of the filing of the petition, noncontin-  
11 gent, liquidated debts that aggregate less than \$2,750,000  
12 or an individual with regular income and such individual’s  
13 spouse, except a stockbroker or a commodity broker, that  
14 owe, on the date of the filing of the petition, noncontin-  
15 gent, liquidated debts that aggregate less than \$2,750,000  
16 may be a debtor under chapter 13 of this title.”.

17 **SEC. 3. EFFECTIVE DATE.**

18 The amendments made by this Act shall apply to any  
19 case that is commenced under title 11, United States  
20 Code, on or after the date of enactment of this Act.

○