

Union Calendar No. 684

119TH CONGRESS
2^D SESSION

H. R. 7730

[Report No. 119-783]

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

AUGUST 27, 2026

Additional sponsors: Mr. GOODEN, Ms. LOFGREN, and Mr. TAYLOR

AUGUST 27, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 26, 2026]

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”.*

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

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

10 “(1) *DEBTOR.*—*The term ‘debtor’—*

11 “(A) *subject to subparagraph (B), means a*
 12 *person engaged in commercial or business activi-*
 13 *ties (including any affiliate of such person that*
 14 *is also a debtor under this title and excluding a*
 15 *person whose primary activity is the business of*
 16 *owning single asset real estate) that has aggre-*
 17 *gate noncontingent liquidated secured and unse-*
 18 *cured debts as of the date of the filing of the peti-*
 19 *tion or the date of the order for relief in an*
 20 *amount not more than \$7,500,000 (excluding*
 21 *debts owed to 1 or more affiliates or insiders) not*
 22 *less than 50 percent of which arose from the com-*
 23 *mercial or business activities of the debtor; and*

24 “(B) *does not include—*

1 “(i) any member of a group of affili-
 2 ated debtors under this title that has aggre-
 3 gate noncontingent liquidated secured and
 4 unsecured debts in an amount greater than
 5 \$7,500,000 (excluding debt owed to 1 or
 6 more affiliates or insiders);

7 “(ii) any debtor that is a corporation
 8 subject to the reporting requirements under
 9 section 13 or 15(d) of the Securities Ex-
 10 change Act of 1934 (15 U.S.C. 78m,
 11 78o(d)); or

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

14 (b) *MODIFICATION TO THE CONSUMER BANKRUPTCY*
 15 *DEBT LIMIT.*—Section 109 of title 11, United States Code,
 16 is amended by striking subsection (e) and inserting the fol-
 17 lowing:

18 “(e) Only an individual with regular income that
 19 owes, on the date of the filing of the petition, noncontingent,
 20 liquidated debts that aggregate less than \$2,750,000 or an
 21 individual with regular income and such individual’s
 22 spouse, except a stockbroker or a commodity broker, that
 23 owe, on the date of the filing of the petition, noncontingent,
 24 liquidated debts that aggregate less than \$2,750,000 may
 25 be a debtor under chapter 13 of this title.”.

1 **SEC. 3. EFFECTIVE DATE.**

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

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