

NOTE: The President spoke at 1:11 p.m. at the Ronald Reagan Building and International Trade Center. The Office of the

Press Secretary also released a Spanish language transcript of these remarks.

Remarks on Signing the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005

April 20, 2005

Thank you all. Please be seated. Welcome. Thank you very much for coming today. Today we take an important action to strengthen—to continue strengthening our Nation’s economy. The bipartisan bill I’m about to sign makes commonsense reforms to our bankruptcy laws. By restoring integrity to the bankruptcy process, this law will make our financial system stronger and better. By making the system fairer for creditors and debtors, we will ensure that more Americans can get access to affordable credit.

I’m pleased to be joined today by the Attorney General Al Gonzales. I want to thank the bill sponsors in the House and the Senate. Senator Chuck Grassley of the Senate—I think you told me you’d been working on this bill for 9 years. That’s a long time. *[Laughter]* I appreciate Congressman Jim Sensenbrenner from the House for being the sponsor in the House. Thank you.

I want to thank the Speaker. Yesterday, the Speaker and I, by the way, had the honor of opening the Lincoln Library in Springfield, Illinois. I know he’d be pleased to hear me say, “If you’re looking for something to do this summer”—*[laughter]*.

I thank Senator Mitch McConnell, Senator Orrin Hatch, Senator Jeff Sessions, and Senator Tom Carper. I appreciate the Members of the House who are here, Mike Oxley, Rick Boucher, Bob Goodlatte, Steve Chabot. Thank you all for coming, and thanks for working on this piece of legislation.

Our bankruptcy laws are an important part of the safety net of America. They give those who cannot pay their debts a fresh start. Yet bankruptcy should always be a last resort in our legal system. If someone does not pay his or her debts, the rest of society ends up paying them. In recent years, too many people have abused the bankruptcy laws. They’ve walked away from debts even when they had the ability to repay them. This has made credit less affordable and less accessible, especially for low-income workers who already face financial obstacles.

The bill I sign today helps address this problem. Under the new law, Americans who have the ability to pay will be required to pay back at least a portion of their debts. Those who fall behind their State’s median income will not be required to pay back their debts. This practical reform will help ensure that debtors make a good-faith effort to repay as much as they can afford. This new law will help make credit more affordable, because when bankruptcy is less common, credit can be extended to more people at better rates.

The new law will also require credit card companies to let card holders know up front what they are expected to pay and what the penalties they will face if they are late on a payment. When people get a credit card, they should not be trapped by a provision in the fine print.

To make the system more fair, the new law will also make it more difficult for serial filers to abuse the most generous bankruptcy protections. Debtors seeking to

erase all debts will now have to wait 8 years from their last bankruptcy before they can file again. The law will also allow us to clamp down on bankruptcy mills that make their money by advising abusers on how to game the system.

America is a nation of personal responsibility, where people are expected to meet their obligations. We're also a nation of fairness and compassion where those who need it most are afforded a fresh start. The act of Congress I sign today will pro-

tect those who legitimately need help, stop those who try to commit fraud, and bring greater stability and fairness to our financial system. I'm honored to join the Members of Congress to sign the Bankruptcy Abuse Prevention and Consumer Protection Act.

NOTE: The President spoke at 2:42 p.m. in Room 350 of the Dwight D. Eisenhower Executive Office Building, S. 256, approved April 20, was assigned Public Law No. 109-8.

Remarks on Presenting the Commander in Chief's Trophy to the United States Naval Academy Midshipmen April 20, 2005

Thank you. Please be seated. Welcome to the Rose Garden. It is my honor to welcome the Midshipmen of the United States Naval Academy back here again. Coach Johnson told me last year—he said, “Don't worry about it, Mr. President, we'll be back.” [*Laughter*] I like a man who keeps his word. [*Laughter*]

The football rivalry of our military academies is one of the great American sports traditions. Once again, the Midshipmen set a standard of excellence on the field. This team is tough; it is talented; and you knew how to win. You whipped the Air Force Academy in the field goal in the last minute. I was there when you beat Army. [*Laughter*] And you won the Commander in Chief Trophy again.

I want to thank our guests who are here. A Member of the United States Senate is on his way who is a huge Naval Academy supporter, and that would be Senator John McCain. He will be here soon. I appreciate Mike McIntyre from North Carolina joining us. Congressman, thank you for being here. I appreciate Michael Steele, the Lieutenant Governor from Maryland. I appreciate Gordon England, who's the Secretary of the Navy, soon to be, upon Senate confirma-

tion, the Deputy Secretary of Defense. We're glad you're here, sir. And I appreciate Vice Admiral Rod Rempt for your hospitality at the games.

Coach Johnson, welcome back. Congratulations on the award you have won. There's nothing like a good team to make you look good. [*Laughter*]

This team will be well-represented in the Navy record books. You won more games than any Navy team in 99 years. That's a long time. [*Laughter*] The last time a team of Midshipmen won 10 games, the Commander in Chief was Theodore Roosevelt, who, by the way, built the West Wing. You finished the season ranked number 24 in the polls. The last time that happened, that you were in the top 25, was 1979. None of the players on this team had been born then. You earned a trip to the Emerald Bowl in San Francisco, and you beat New Mexico for your first bowl victory in 9 years.

You also set—Senator John McCain. Thank you, sir. Thanks for coming. The thing McCain loved about the Naval Academy was, he got to study all the time. [*Laughter*] He and I have both showed that