

H.R. 3315, National Guard and Reservists Debt Relief Extension Act of 2023

As ordered reported by the House Committee on the Judiciary on November 2, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	*	*	*
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	*	Statutory pay-as-you-go procedures apply? Yes	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Mandate Effects	
		Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between -\$500,000 and \$500,000.			

H.R. 3315 would exempt, through the middle of December 2027, National Guard members and reservists who are serving on active duty (or whose service has ended within 540 days) from meeting the income requirements necessary to qualify for Chapter 7 bankruptcy protection. Under current law, that exemption will expire in December 2023.

CBO expects that enacting the bill would result in some people filing under Chapter 7 who otherwise will either file under Chapter 13 or will not file at all. Filing under Chapter 7 is generally more attractive because there are no limits on the amount of debt that the filer can have, and filers are not required to enter a repayment plan as they are under Chapter 13. However, borrowers applying under Chapter 7 have to meet income requirements that limit who can apply under that chapter; Chapter 13 does not have any income requirements.

Using information from the Government Accountability Office and the Administrative Office of the U.S. Courts, CBO estimates that 0.5 percent of all bankruptcy filers are National Guard members and reservists. Under the bill, CBO estimates that each year about 100 people who otherwise would file for bankruptcy under Chapter 13 would instead file under Chapter 7. CBO also expects that a smaller number would file under Chapter 7 who would not otherwise file for bankruptcy.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



People who file for bankruptcy protection pay fees to the federal judiciary. The Chapter 7 fees are slightly higher than those for Chapter 13. Filing fees are classified in the budget as a combination of revenues and as collections that offset appropriations for the U.S. Trustee System, which oversees bankruptcy filings. The judiciary can spend any revenues credited to them without further appropriation to cover its administrative costs. The trustee system is permitted to spend the offsetting collections to cover its costs to the extent that authority is provided in an appropriations act.

Because the expected number of affected filers would be small, CBO estimates that, on net, the budgetary effects would not be significant.

The CBO staff contact for this estimate is Jon Sperl. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

A handwritten signature in black ink, appearing to read 'Phillip L. Swagel'.

Phillip L. Swagel
Director, Congressional Budget Office