

U.S. Sen. Baldwin: Bipartisan legislation to support Veterans experiencing bankruptcy heads to President's desk, with Sen. John Cornyn

Posted on Thursday, Aug 1, 2019

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WASHINGTON, D.C. – U.S. Senator Tammy Baldwin (D-WI) released the following statement after her *Honoring American Veterans in Extreme Need (HAVEN) Act* passed the Senate today by unanimous consent and now heads to the President's desk for his signature.

The bipartisan reform, which Baldwin introduced with Senator John Cornyn (R-TX), will protect the economic security and well-being of veterans and their families who rely on disability benefits and may be experiencing financial hardship.

“Forcing our veterans and their families to dip into their disability-related benefits to pay off bankruptcy creditors dishonors their service and sacrifice. I’m glad to see this important bipartisan legislation pass the full Senate today,” **said Senator Baldwin**. “These benefits are earned, and we must do right by our veterans and safeguard the disability benefits our veterans and their families depend on and provide the financial security they deserve.”

Under current bankruptcy law, disability benefits paid by the Department of Veterans Affairs (VA) and Department of Defense (DoD) are included in the calculation of a debtor's disposable income, increasing the portion of the debtor's

income that is subject to the reach of creditors. By contrast, bankruptcy law explicitly exempts Social Security disability benefits from this calculation. To remove this unequal treatment among various disability benefits, the *HAVEN Act* would exclude VA and DoD disability payments made to veterans or their dependent survivors from the monthly income calculation used for bankruptcy means tests.

This legislation is supported by the American Bankruptcy Institute, American College of Bankruptcy, The American Legion, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, Iraq and Afghanistan Veterans of America, Wounded Warrior Project, Association of the United States Army, Association of the United States Navy, Retired Enlisted Association, Society of Military Widows, Veterans for Common Sense and the U.S Army Warrant Officers Association.

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