

U.S. Sen. Baldwin: Joins Sen. John Cornyn to introduce bipartisan legislation to protect veterans' economic security

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Bipartisan reform amends current bankruptcy law to better support veterans and their families experiencing financial hardship

WASHINGTON, D.C. – U.S. Senators Tammy Baldwin (D-WI) and John Cornyn (R-TX) today introduced the bipartisan *Honoring American Veterans in Extreme Need (HAVEN) Act* (S. 679) to protect the economic security and well-being of veterans and their families who rely on disability benefits and may be experiencing financial hardship.

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.

“Forcing our veterans and their families to dip into their disability-related benefits to pay off bankruptcy creditors dishonors their service and sacrifice. These benefits are earned, and we must do right by our veterans and protect their economic security, especially during challenging times,” **said Senator Baldwin.** “My bipartisan legislation with Senator Cornyn will safeguard the disability benefits our veterans and their families depend on and provide the financial security that those who have served our nation deserve.”

“Disabled veterans fought for their country at great cost, and they shouldn’t need to fight to protect their disability benefits from creditors during bankruptcy,” **said Senator Cornyn.** “By providing parity between disability compensation and Social Security for those who have fallen on hard times, this legislation ensures we will continue to honor our veterans and their families.”

“As a longtime advocate for the financial well-being of military families, I was surprised and dismayed to learn that a flaw in the bankruptcy code was denying disabled veterans the protections that it offered to all other Americans receiving disability income. The *HAVEN Act* fixes that flaw, and I’m happy to join its many bipartisan co-sponsors as an individual sponsor of the bill,” **said Holly Petraeus, former Assistant Director of the Consumer Financial Protection Bureau, Office of Servicemember Affairs.** “As someone who has spent her life in the military community, I know that many veterans have paid for their dedicated service with lifelong disabilities. And it should be a priority for all of us to see that they are treated fairly under the law.”

“Paralyzed Veterans of America commends Senators Baldwin and Cornyn for introducing the *Honoring Veterans in Extreme Need (HAVEN) Act*,” **said Susan Prokop, National Advocacy Director for the Paralyzed Veterans of America.** “This legislation corrects a glaring inequity in the treatment of disability benefits under bankruptcy laws and will protect the economic security of countless vulnerable veterans with disabilities.”

“DAV is proud to support the bipartisan *HAVEN Act* in order to protect disability compensation during bankruptcy proceedings,” **said Joy Ilem, DAV National Legislative Director.** “The *HAVEN Act* would exclude disability compensation when bankruptcy courts determine how much a veteran must pay to creditors, in the same way that Social Security disability payments are already excluded. We commend Senators Baldwin and Cornyn for introducing this legislation to protect some of our most vulnerable disabled veterans who have already given so much in defense of our nation.”

The *HAVEN Act* complements recent congressional efforts to combat servicemember and veteran mental health issues, addiction, suicide, poverty and homelessness – all of which are exacerbated by financial hardship. It 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.

The legislation has broad bipartisan support in the Senate including Senators Jon Tester (D-MT), Johnny Isakson (R-GA), Doug Jones (D-AL), Thom Tillis (R-NC), Dianne Feinstein (D-CA), Joni Ernst (R-IA), Patrick Leahy (D-VT), Chuck Grassley (R-IA), Tina Smith (D-MN), Kevin Cramer (R-ND), Dick Durbin (D-IL), Jerry Moran (R-KS), Amy Klobuchar (D-MN), Tom Cotton (R-AR), Tammy Duckworth (D-IL), Marco Rubio (R-FL), Jeanne Shaheen (D-NH) and Mike Rounds (R-SD).

More information about the *HAVEN Act* is available [here](#). Full text of the legislation is available [here](#).

An online version of this release is available [here](#).