

## ***MEDIA COMMENTATORS ACROSS THE COUNTRY REJECT HARSH AND ONE-SIDED BANKRUPTCY LEGISLATION (S. 420, H.R. 333)***

### **National**

***Los Angeles Times:*** Credit card companies could hardly ask for a better law. They would have to take no responsibility for ever-more-aggressive lending, even to those with poor credit records. (March 2, 2001)

***New York Times:*** The legislation will weaken an important protection available to people who fall on hard times as the economy slows. Its timing is as poor as are its merits. (March 16, 2001)

***Washington Post:*** The challenge for reformers is to limit irresponsible abuse of bankruptcy without being too harsh toward those who deserve second chances. The bill Congress produced last year fell short in several important ways. (Feb. 19, 2001)

***David S. Broder:*** Banks and credit card companies have been pressing for the bankruptcy law changes for five years, eager to stem their losses from people who accept the “easy credit” these same companies market with three billion solicitations a year, and then get in over their heads. (March 14, 2001)

***Arianna Huffington:*** When poorly managed utility companies or savings and loans find themselves drowning in red ink, time and again our government rides to the rescue. But when small-time debtors get in over their heads, it’s sink or swim. In Washington, personal responsibility clearly does not apply to companies that may not be able to balance their books but know how to open their checkbooks. (March 6, 2001)

***Robert J. Samuelson:*** The bankruptcy bill about to pass Congress arrives at an awkward moment: the tail end of a prolonged boom in consumer borrowing. (March 14, 2001)

***Allen Sloan, Nightly Business Report:*** Pushing credit cards on people who shouldn’t borrow then complaining about too many bankruptcies is the height of hypocrisy. It’s like peddling booze to alcoholics and complaining about the increase in public drunkenness. (March 1, 2001)

***David Wessel, Wall Street Journal:*** America isn’t a nation of deadbeats. By one estimate, at least 15 percent of families could benefit financially by filing for bankruptcy. Many more could do so with a little strategic planning beforehand. Yet fewer than 2 percent do. (February 22, 2000)

***Walter Shapiro, USA Today:*** By increasing the complexity of bankruptcy filings and forcing more debtors into draconian repayment plans, the bankruptcy bill will make it much harder for those burdened by a long-term medical crisis or job loss to make a fresh start. (March 6, 2001)

### **Northeast**

***Albany Times Union:*** Bankruptcy protection hardly seems to be a scheme for [typical debtors] to get rich or preserve wealth. More likely, it’s a good-faith effort to gain a fresh start as dependable and credit-worthy consumers. (March 1, 2001)

***Allentown Morning Call:*** ...Some sanity should be restored to legislation that, while it will make Americans more personally responsible for their debt, will in another way allow the credit mongers to continue perpetuating the problem. (March 19, 2001)

***Buffalo News:*** But in going after the small number of irresponsible spenders and outright cheats, this bill threatens to afflict those who simply have suffered hard luck in the form of job loss, illness or divorce ... (March 3, 2001)

**Pittsburgh Post-Gazette:** The bankruptcy “reform” bills that flew through the House and the Senate would be bad law in the best of times, but they are particularly worrisome in these dicey economic times. (March 17, 2001)

**Providence Journal:** Even if it were a good time to fix the system, the bankruptcy bill that passed the House and probably will make it through the Senate is distasteful. It goes after low- and middle-class people drowning in debt while protecting a variety of superwealthy deadbeats. (March 17, 2001)

**Worcester Telegram and Gazette:** All laws should be evaluated from time to time. That’s just good government. Laws should not, however, be adjusted to suit the needs of an industry at the expense of the public at-large. And that’s what has happened here. (March 29, 2001)

### Southeast

**Atlanta Journal and Constitution:** [The bill] makes it much more difficult for many of us who are middle class by the skin of our teeth to get a fresh start after an unexpected setback, such as a layoff, medical problem or divorce. (Mar. 16, 2001)

**Charleston [West Virginia] Gazette:** Both houses of Congress have passed a bankruptcy “reform” that will benefit the banks by forcing credit card holders to repay more of their debts, regardless of how desperate they are. (March 24, 2001)

**Chattanooga Times:** The bankruptcy law revision passed on Thursday by the Senate should not be labeled a “reform.” That cover is employed mainly to obscure the punitive nature of the legislation. Like the version adopted by the House, it is largely the result of a long lobbying effort by the banking and credit card industry to limit the fallout of the legislation. (March 17, 2001)

**Greensboro News and Record:** President Bush says he will sign the bill. He should think again. This is unsound legislation. It is the wrong way to attach the problem of excessive and unstable consumer debt. (March 5, 2001)

**Miami Herald:** ...The law slays the dragon of abuse with an unguided missile. It hurts the needy to get at the greedy. (March 19, 2001)

**Palm Beach Post:** As timing would have it, recent events—culminating in the bankruptcy bill—provide overwhelming evidence of the need for campaign reform. (March 20, 2001)

### Midwest

**Crains’s Detroit Business:** The Michigan delegation should heed the implications for this state as the economy slows. The new law promises to make a bad situation—the Chapter 11 filing of a small business—much worse. And it does little to curb the tidal wave of credit card applications targeted at people with a high risk of going broke. (March 19, 2001)

**Dayton Daily News:** Lenders, not consumers, are the beneficiaries [of the bill]...Congress currently contemplates doing nothing to crack down on credit card companies that each year send millions of solicitations to vulnerable, often desperate consumers, then issue them high-interest, high-fee credit cards. (March 18, 2001)

**South Bend Tribune:** The last chance to improve [the bill] is in the hands of the conference committee. If it closes the house-exemption loophole, shields true victims of hard times and imposes a reasonable standard on credit grantors, the resulting bill will deserve to become law. (March 21, 2001)

**Topeka Capital-Journal:** There needs to be some compassion in this conservative reform bill, Mr. President. (March 28, 2001)

**Wisconsin State Journal:** On the whole, the bankruptcy bill is unbalanced. It tilts toward helping the credit card industry collect debts so that it can escape its responsibility to investigate the creditworthiness of its customers. (March 20, 2001)

**Michelle Stevens, Chicago Tribune:** Thanks to Congress' overhaul of the bankruptcy law, these lenders now will feel free to keep extending credit to people who may or may not be financially able to pay their debts. Moreover, they can continue to extract high interest from them on those credit cards. Congress calls it bankruptcy reform, but in many ways, it's not fair. (March 25, 2001)

**James Sollisch, Chicago Tribune:** We've spent the past eight years making the tobacco companies take responsibility for their misleading practices. Why are we so eager to give credit card companies a free ride? (March 20, 2001)

**Paul Wenske, Kansas City Star:** Unnecessary bankruptcies exact a \$400 tax from every solid citizen? Completely bogus. That's an ancient industry figure pulled from the ether. It is derived from adding up all the debts in every personal bankruptcy. The truth is, when people are broke, they can't pay their debts whether in or out of bankruptcy. Turn this around. Ask Congress if it will give you a \$400 tax credit if the bill passes. (March 11, 2001)

### West

**Arizona Daily Star:** The finance industry in last year's election ponied up the quid—contributing millions to candidates. It now has its hand out for the quo, which has taken the form of the Bankruptcy Reform Act of 2001. (March 3, 2001)

**San Antonio Express-News:** ...While people must be held responsible for their debts, creditors should also face regulation. As with all things, some balance is in order.

**Sacramento Bee:** If there were a real problem here, the market could and would correct it. But what's really happening is that, under the cover of moralistic posturing, creditor interests have convinced Congress to make incautious lending even more profitable. (March 16, 2001)

**Seattle Post Intelligencer:** Claims of a bankruptcy crisis are over-blown. In fact, the national bankruptcy rate dropped by about 9 percent last year. And records show that more than 95 percent of those who file for bankruptcy protection are simply not financially able to repay any part of their discharged debts. (January 2, 2001)

**Robert Scheer, San Francisco Chronicle:** [The bill] places this unsecured debtor on the same level as all other claims requiring payment, such as child support and alimony, leaving divorced spouses and their children competing with banks for a claimant's paycheck. (March 22, 2001)