

APPENDIX Q

SIGNING STATEMENT BY PRESIDENT BUSH

President Signs Bankruptcy Abuse Prevention, Consumer Protection Act

Room 350

Dwight D. Eisenhower Executive Office Building

April 20, 2005

2:42 P.M. EDT

THE PRESIDENT: 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 common-sense 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 nine 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 eight 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 protect 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. (Applause.)

(The bill is signed.)

END 2:45 P.M. EDT

<http://georgewbush-whitehouse.archives.gov/news/releases/2005/04/print/20050420-5.html#>