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**THE OVERALL IMPACT OF H.R. 975 - THE BANKRUPTCY REFORM ACT -- WILL  
HURT WOMEN AND CHILDREN, ESPECIALLY THOSE DEPENDENT ON CHILD  
SUPPORT AND ALIMONY**

The American Academy of Matrimonial Lawyers was founded "To encourage the study, improve the practice, elevate the standards and advance the cause of matrimonial law, to the end that the welfare of the family and society be protected."

The Academy is composed of more than 1,500 members in 50 states. The qualifications for membership include:

Be recognized by the bench and bar in his or her jurisdiction as an expert practitioner in matrimonial law.

Admitted to bar 10 years, 75 percent specialization in matrimonial law, but subject to exception in certain geographic areas and other exceptional circumstances.

Have state family law certification if it exists. Where it doesn't exist, must have completed 15 hours of continuing legal education in each of previous five years.

Pass oral or written examination on wide-ranging issues pertaining to matrimonial and family law.

Be interviewed by a state board of examiners as well as be passed upon by other matrimonial law practitioners in the state.

Aspire to the ethical standards set forth in the "Bounds of Advocacy" as well as state bar rules of professional conduct.

Demonstrate involvement in study or improvement of matrimonial law, such as publishing articles or continuing education presentations.

The AAML through its Committee on Federalization of Family Laws and its Board of Governors has taken the position that while bankruptcy reform legislation - H.R. 975 - does have

some provisions that will benefit women and children, they are significantly outweighed by provisions that will harm them.

The livelihood of women and children should have priority over credit card companies. Under the current law they do. Under the proposed law they don't.

It has been estimated there are half-million women who are collecting support and alimony from ex-husbands who have been through bankruptcy some time in the past six years.

Specifically by making more debt, including credit card debt, non-dischargeable in bankruptcy proceedings, the bill means that women and children will collect less support payments. While the bill professes priority for such support payments, the real world effect in divorces and the courts will be less money for women and children.

There are two types of individual bankruptcy filings: Chapter 7, which liquidates most assets and discharges most debt; and Chapter 13, where the individual works out a court-approved payment plan to pay down debt.

Under current law, the Bankruptcy Code in both cases protects parents who are trying to collect alimony and child support by giving them very special status after bankruptcy. Unlike nearly all other creditors after bankruptcy, ex-spouses and their children can continue to collect obligations due them. However, under the new bill, additional debt, including credit card debt, will survive bankruptcy.

While support payments will have priority, they will be in increased competition with continuing credit card debt. This will be stiff competition indeed. Recent statistics indicate that credit card companies are more than twice as successful in collecting in full than custodial parents in their court-ordered child support payments.

In addition, greater leverage for credit card companies will have two other results generally harming women and children:

More people will be forced from Chapter 13 into Chapter 7, or liquidation, further reducing payments.

Credit card companies will be in a stronger position to force individuals to reaffirm their credit card debt post-bankruptcy as part of their payment plan.

Finally, a seemingly benign provision makes obligations owed to the state priority debts in the same way that support obligations are priority debts, creating further competition with state governments. Thus, the National Child Support Enforcement Association and the National District Attorneys Association naturally support the current bankruptcy legislation. (These groups are made up primarily of government officials who collect support debts owed to state and local welfare departments and who will be given greater power in bankruptcy cases than under current law).

Credit card debt should retain its unsecured status and not be in competition with support. Support payments should retain their priority. Women and children are more important than credit cards.