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## Judiciary Committee Passes Bankruptcy Bill

Posted on December 12, 2007 by [Kevin Chern Esq.](#)

Many commentators have suggested that President Bush's mortgage plan was intended to sandbag the effort to make home mortgages subject to modification in bankruptcy. Naturally, mortgage lenders and investors would much prefer a plan that left the decisions in their hands to one that would allow bankruptcy judges to make the final call on new terms.

If that was the intention, it's not working--or at least not yet. The effort took a giant step forward today when the House Judiciary Committee passed a compromise bill which is expected to reach the house floor early in the new year.

The bill would allow courts in Chapter 13 bankruptcy cases to modify the terms of subprime and non-traditional home mortgage loans originated between January 1, 2000 and the enactment date of the statute.

The battle is far from over, though: the bill passed out of committee by a narrow margin (17-15), and there's surely more opposition ahead.

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