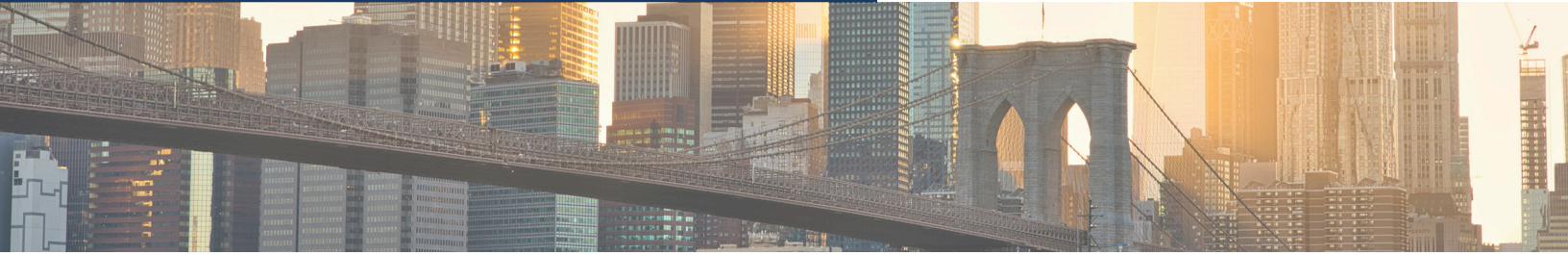


BANKRUPTCY LAW ALERT

September 30, 2026

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RMF
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Smart Counsel. Straight Talk.



More Debtors, More Options: Congress Expands Access to Bankruptcy Relief

H.R. 7730 substantially expands Subchapter V eligibility by raising the aggregate debt limit for qualifying businesses from \$3.424 million to \$7.5 million. Passed by the House of Representatives on September 16, 2026, and the Senate on September 28, 2026, the bill would significantly broaden access to bankruptcy relief for both businesses and individuals. It is currently awaiting Presidential approval.

The increase marks a major expansion of Subchapter V. By more than doubling the current debt limit, H.R. 7730 would allow many businesses that currently exceed the \$3.424 million eligibility threshold to enjoy a faster, less expensive bankruptcy process. For struggling businesses, the amendment could prove a major boon, opening the door to reorganization without the many costs and procedural burdens associated with a traditional Chapter 11 case.

H.R. 7730 does not stop with business bankruptcies. In fact, the bill also broadens Chapter 13 eligibility for individual debtors, replacing the secured- and unsecured-debt limits of \$750,000 and \$250,000, respectively, with a single aggregate limit of \$2.75 million. The change simplifies the eligibility analysis while paving the way for more individuals to seek Chapter 13 relief.

If enacted, H.R. 7730 would represent one of the most significant recent expansions in bankruptcy eligibility. The legislation would allow more businesses to take advantage of Subchapter V while making Chapter 13 available to a larger pool of individual debtors. Together, these reforms would provide debtors with additional options and a more efficient path as they navigate the bankruptcy process.

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