

# NATIONAL BANKRUPTCY CONFERENCE

*(a voluntary organization composed of persons interested in the improvement of the Bankruptcy Code and its administration)*

May 21, 2002

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Hon. James Sensenbrenner  
Chairman  
House Judiciary Committee  
2332 Rayburn House Office Building  
Washington, D.C. 20515

Hon. Patrick Leahy  
Chairman  
Senate Judiciary Committee  
433 Russell Senate Office Building  
Washington, D.C. 20510

Dear Chairman Leahy and Chairman Sensenbrenner:

On behalf of the National Bankruptcy Conference, we write concerning the April 23, 2002 tentative compromise on the treatment of the unlimited homestead exemption.

The NBC has consistently supported imposition of a "hard cap" on the homestead exemption, such as that imposed by the Senate version of the pending bankruptcy legislation in section 308. We believe that such a cap is the best way to protect the integrity of the national bankruptcy system in the face of unlimited homestead exemptions in six states.

We have reviewed the recent letter to you from 66 law professors, and agree that the tentative compromise does not solve the unlimited homestead problem. If there is to be new bankruptcy legislation, we continue to urge the Conference Committee to close the homestead loophole with a simple, straightforward cap.

Sincerely,

J. Ronald Trost, Chair  
National Bankruptcy Conference

Hon. James Sensenbrenner  
Hon. Patrick Leahy  
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cc: Hon. Rob Barr  
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Hon. Steve Chabot  
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cc: National Bankruptcy Conference