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NACBA Reaffirms Support for Michigan Bankruptcy Exemption Reform

HB 6229 and SB 1138 revive reforms vetoed in July; Senate passage moves the legislation one step closer to enactment

LANSING, MI — The National Association of Consumer Bankruptcy Attorneys (NACBA) today announced its full support for Michigan House Bill 6229 and Senate Bill 1138, legislation that would modernize the state's bankruptcy property exemptions for the first time in more than two decades. The Senate passed SB 1138 on September 10, 2026. HB 6229 remains before the House.

These bills are not new proposals. They are the direct successors to Senate Bill 409 and House Bills 4901, with HB 4901 passing both chambers of the Legislature at the end of the 2023–2024 session. HB 4901 then spent nearly two years in litigation over whether the Republican controlled House was constitutionally required to present that bill and eight others to the Governor. On July 10, 2026, the same day the Michigan Supreme Court declined to disturb the Court of Appeals ruling compelling presentment, Governor Gretchen Whitmer vetoed HB 4901 as well as the eight other bills. Sponsors reintroduced the bankruptcy exemption package as HB 6229 and SB 1138 on July 29, 2026.

In her veto letter, the Governor stated that she stands ready to work with the Legislature on new versions of the bills. NACBA takes that commitment seriously and is asking the House and the Governor's office to act on the bankruptcy exemptions this session.

"NACBA has fought for these reforms since 2023, and a veto did not change a single fact on the ground," said Ike Shulman, NACBA Legislative Co-chair. "Michigan's exemptions remain among the weakest in the country, and every month they stay that way, families lose homes, vehicles, and the tools they need to keep working. HB 6229 and SB 1138 put those protections back on the table. We support them without reservation, and we will work with anyone in Lansing who wants to see them signed into law."

HB 6229 and SB 1138 would raise the exemptions that determine what property a family can keep when they file for bankruptcy, including protections for a primary residence, a motor vehicle, household goods, and the tools people use to earn a living. Michigan's current exemption levels have not kept pace with the cost of housing or transportation, leaving households that fall behind on debt exposed to the loss of the basic assets that make recovery possible.

NACBA has been a leading advocate for this reform at every stage, having worked alongside Michigan advocates, lawmakers, and consumer protection partners to build the coalition behind the original bills, supported them through House and Senate passage, and joined the National Consumer Bankruptcy Rights Center in filing an amicus brief in the Michigan Supreme Court urging the Court to let the presentment ruling stand.

"The legislative path here has been long and unusual, but the underlying need has never been in question," said Matthew Mason, NACBA Lead Michigan Legislative Committee Member. "These exemptions decide whether a family emerging from financial crisis still has a home to live in and a car to get to work. Reintroduction gives the Legislature a clean opportunity to finish what it started, and NACBA is fully behind these bills."

NACBA thanks Representative Brenda Carter, sponsor of HB 6229; Representative Denise Mentzer, co-sponsor; and Senator Mary Cavanagh, sponsor of SB 1138, for returning this legislation to the Legislature's agenda. NACBA also supports SB 1137, the companion garnishment and judgment-collection measure sponsored by Senator Jeff Irwin, which passed the Senate the same day and its House equivalent, HB 6230 sponsored by Representative Kara Hope.

NACBA urges the House to take up HB 6229 without delay and will continue working with Michigan lawmakers, coalition partners, and the Governor's office until these protections are law.

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About NACBA

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