National Association of Consumer Bankruptcy Attorneys

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NACBA Reaffirms Commitment to Michigan Families Following Veto of Critical Consumer Protection Legislation

After years of advocacy for HB 4900 and HB 4901, NACBA stands ready to support immediate reintroduction of updated legislation

LANSING, MI — The National Association of Consumer Bankruptcy Attorneys (NACBA) expressed deep disappointment following Governor Gretchen Whitmer's veto of House Bills 4900 and 4901, long-sought legislation that would have modernized Michigan's outdated bankruptcy exemption and consumer protection laws.

For more than two years, NACBA has worked alongside Michigan advocates, lawmakers, and consumer protection partners to advance these reforms. HB 4900 and HB 4901 represented a meaningful step toward ensuring that Michigan families facing financial hardship could retain the basic resources they need to remain housed, keep reliable transportation, support their families, and pursue a fresh start.

"These bills reflected the core purpose of consumer protection and bankruptcy law: allowing families in financial distress to retain essential property while they work toward financial recovery. They were about making sure families in crisis are not stripped of the basic tools they need to survive and recover," said Matthew Mason, NACBA Lead Michigan Legislative Committee Member. "NACBA has fought for these reforms since 2023 because Michigan's current laws are outdated and because the consequences fall hardest on working families, low-income households, seniors, veterans, and communities already facing economic instability."

HB 4900 and HB 4901 passed the Michigan Legislature at the end of the 2023-2024 legislative session after extensive advocacy and coalition support. NACBA was a major sponsor of the legislation and continued to support the bills through every stage of the process, including the subsequent litigation over whether the bills should be presented to the Governor.

NACBA and the National Consumer Bankruptcy Rights Center (NCBRC) also filed an amicus brief in the Michigan Supreme Court urging the Court to deny the appellants' request to hear their appeal, reinforcing the importance of allowing the legislative process to move forward.

The Governor's veto letter stated that she "stand[s] ready to work with the Legislature to consider new versions." NACBA welcomes that statement and stands ready to support the immediate introduction of a new version of this legislation for consideration.

"Michigan families cannot afford to wait another decade for basic protections that reflect the realities of today's economy," said Richard Nemeth, NACBA President. "The path this legislation took was long and difficult, but the need for reform has not changed. NACBA will not back down.

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We are ready to work with legislators, advocates, and the Governor's office to reintroduce these protections and get them across the finish line."

Michigan's exemption laws have lagged behind the real cost of housing, transportation, and daily necessities. Without meaningful updates, families who fall behind on debt can face wage garnishment, seizure of bank account funds, and loss of essential property needed to maintain stability and employment.

NACBA remains committed to ensuring that Michigan's consumer protection and bankruptcy exemption laws reflect the purpose of the bankruptcy system: to provide honest debtors with a meaningful fresh start.

"This fight is not over," said Ike Shulman, NACBA Legislative Committee Co-chair. "The veto may have stopped these bills from becoming law this session, but it did not end the movement behind them. NACBA is ready to help bring this legislation back, strengthen it where needed, and continue advocating until Michigan families have the protections they deserve."

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About NACBA

The National Association of Consumer Bankruptcy Attorneys is the only national organization dedicated to serving the needs of consumer bankruptcy attorneys and protecting the rights of consumer debtors in bankruptcy. NACBA advocates for fair and effective bankruptcy laws that give individuals and families a meaningful opportunity for financial recovery.