

McGuireWoods, McGuireWoods Consulting Drive Bill to Protect Veterans in Bankruptcies

HAVEN ACT WILL SHIELD VETS' DISABILITY BENEFITS IN BANKRUPTCY ACTIONS

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McGuireWoods and its public affairs arm, McGuireWoods Consulting, are working pro bono to shape legislation that would help American military veterans shield disability and other Veterans Administration benefits during bankruptcy proceedings. The Honoring American Veterans in Extreme Need (HAVEN) Act, introduced in the U.S. Senate March 6, would reverse an inequity in the law that harms service members facing financial distress.

McGuireWoods' [John Thompson](#) played a key role in raising awareness of the need for the legislation and worked with the law firm's [Veteran Lawyers Network](#) and the American Bankruptcy Institute's Task Force on Veterans and Servicemembers Affairs to help craft, advocate for, and collect co-sponsors in support of the HAVEN Act. The bipartisan measure was proposed by lead co-sponsors U.S. Sens. Tammy Baldwin, D-Wis., and John Cornyn, R-Texas, and it already enjoys the support 18 additional co-sponsors – nine Republicans and nine Democrats.

The HAVEN Act would exclude VA benefits from being counted as disposable income when determining eligibility for Chapter 7 bankruptcy, treating them the same as Social Security benefits. Because existing law counts VA benefits as "current monthly income," many financially distressed veterans are pushed into the more lengthy Chapter 13 bankruptcy process and must commit their benefits toward repaying creditors.

"Though it is surely unintentional, the law currently discriminates against those who've served their country in the military and become disabled as a consequence of that service. Consider that a person disabled in a car wreck can protect Social Security disability benefits in bankruptcy proceedings, but a combat veteran disabled by an improvised explosive device in Iraq can't," said Thompson, a Washington, D.C., partner and chair of the firm's Veteran Lawyers Network.

Thompson, an Army veteran, also co-chairs the legislative subcommittee of the ABI Veterans Task Force.

"The ABI Veterans Task Force, McGuireWoods' Veteran Lawyers Network and McGuireWoods Consulting's federal government relations team are doing tremendous work to advance this proposal," Thompson said. "We are grateful to Sens. Baldwin and Cornyn for their leadership on this issue of enormous importance to our veterans."

In addition to Thompson, the McGuireWoods team includes associate [Rebecca Gantt](#), a U.S. Navy veteran who has assisted service members through the American Bar Association's Military Bono Project. [Mona Mohib](#), [Ryan Bernstein](#), [Frank Donatelli](#) and former U.S. Rep. [L.F. Payne](#) from McGuireWoods Consulting's federal government relations team also played vital roles in developing the proposal.

"McGuireWoods is honored to support this important effort to give military veterans greater ability to support themselves and their families when they encounter hard times," said McGuireWoods chairman [Jonathan Harmon](#), a West Point graduate and Army combat veteran who served in Operation Desert Storm. "We are proud of what our lawyers do through our Veteran Lawyers Network to help those who have served and sacrificed for our country."