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119TH CONGRESS
2D SESSION

H. R. 10724

To amend title 11, United States Code, to clarify the rules for the exceptions to the discharge of the debt of an individual debtor, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 5, 2026

Mr. CORREA (for himself and Ms. LEE of Florida) introduced the following bill; which was referred to the Committee on the Judiciary

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A BILL

To amend title 11, United States Code, to clarify the rules for the exceptions to the discharge of the debt of an individual debtor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF EXCEPTION TO DISCHARGE OF INDIVIDUAL DEBTOR.

Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (2)—

(A) by amending subparagraph (A) to read as follows:

"(A) false pretenses used by the debtor, a false representation made by the debtor, or actual fraud committed by the debtor, other than a statement respecting the debtor's or an insider's financial condition;";

(B) in subparagraph (B), in the matter preceding clause (i), by inserting after "use" the following: ", by the debtor,"; and

(2) by amending paragraph (4) to read as follows:

"(4) for, when committed by the debtor—

"(A) fraud or defalcation while acting in a fiduciary capacity;

"(B) embezzlement; or

"(C) larceny;".

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