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Eyal Berger Tells *Bloomberg* Business Owners Are Taking Risks To Meet Subchapter V Debt Limits

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Small businesses are adjusting their strategies to meet the renewed \$3 million bankruptcy filing limit after the previous \$7.5 million threshold expired in June 2024. This change has reduced the number of businesses eligible for Subchapter V bankruptcy, which offers a quicker reorganization process.

Bankruptcy and Reorganization Partner Eyal Berger tells *Bloomberg Law* that many business owners are creatively reducing their debts counted toward the bankruptcy filing limits through negotiations with lenders or converting debts into contingent obligations, including taking out personal loans.

“That’s one tactic some small businesses have undertaken to qualify, but it’s not without risk,” Berger tells the publication. “It’s complicated, and sometimes it might take too long for the owner principal to get that loan.”

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