

rized retrospective impairment of contractual obligations,⁵⁶⁴ but the Due Process Clause (by itself or infused with takings principles) constitutes a limitation upon Congress's power to deprive persons of more secure forms of property, such as the rights secured creditors have to obtain repayment of a debt. The Court had long followed a rule of construction favoring prospective-only application of bankruptcy laws, absent a clear showing of congressional intent,⁵⁶⁵ but it was not until 1935 that the Court actually held unconstitutional a retrospective law. Struck down by the Court was the Frazier-Lemke Act, which by its terms applied only retrospectively, and which authorized a court to stay proceedings for the foreclosure of a mortgage for five years, the debtor to remain in possession at a reasonable rental, with the option of purchasing the property at its appraised value at the end of the stay. The Act offended the Fifth Amendment, the Court held, because it deprived the creditor of substantial property rights acquired prior to the passage of the act.⁵⁶⁶ However, a modified law, under which the stay was subject to termination by the court and which continued the right of the creditor to have the property sold to pay the debt, was sustained.⁵⁶⁷

The sale of collateral under the terms of a contract may be enjoined without violating the Due Process Clause, if such sale would hinder the preparation or consummation of a proposed railroad reorganization, provided the injunction does no more than delay the enforcement of the contract.⁵⁶⁸ A provision that claims resulting from rejection of an unexpired lease should be treated as on a parity with provable debts, but limited to an amount equal to three years rent, was held not to amount to a taking of property without due process of law, since it provided a new and more certain remedy for a limited amount, in lieu of an existing remedy inefficient and uncertain in result.⁵⁶⁹ A right of redemption allowed by state law upon

⁵⁶⁴ *E.g.*, *Hanover National Bank v. Moyses*, 186 U.S. 181, 188 (1902); *Continental Illinois Nat'l Bank & Trust Co. v. Chicago, R.I. & P. Ry.*, 294 U.S. 648, 673–75 (1935).

⁵⁶⁵ *Holt v. Henley*, 232 U.S. 637, 639–40 (1914). *See also* *Auffm'ordt v. Rasin*, 102 U.S. 620, 622 (1881).

⁵⁶⁶ *Louisville Joint Stock Land Bank v. Radford*, 295 U.S. 555 (1935).

⁵⁶⁷ *Wright v. Vinton Branch*, 300 U.S. 440 (1937). The relatively small modifications that the Court accepted as making the difference in validity, and the fact that subsequently the Court interpreted the statute so as to make smaller the modifications, *John Hancock Mut. Life Ins. Co. v. Bartels*, 308 U.S. 180, 184 & n.3 (1939); *Wright v. Union Central Ins. Co.*, 311 U.S. 273, 278–79 (1940), has created differences of opinion with respect to whether *Radford* remains sound law. *Cf. Helvering v. Griffiths*, 318 U.S. 371, 400–01 & n.52 (1943) (suggesting *Radford* might not have survived *Vinton Branch*).

⁵⁶⁸ *Continental Illinois Nat'l Bank & Trust Co. v. Chicago, R.I. & P. Ry.*, 294 U.S. 648 (1935).

⁵⁶⁹ *Kuchner v. Irving Trust Co.*, 299 U.S. 445 (1937).