

ADJUSTMENTS TO CERTAIN DOLLAR AMOUNTS IN THE BANKRUPTCY CODE AND OFFICIAL FORMS

On April 1, 2010, automatic adjustments to the dollar amounts stated in various provisions of the Bankruptcy Code and one provision in Title 28 of the United States Code will become effective. The amended dollar amounts will apply to cases filed on or after April 1, 2010.

The amended dollar amounts will affect, among other matters, the eligibility of a debtor to file under chapters 12 and 13 of the Bankruptcy Code, certain maximum values of property that a debtor may claim as exempt, the maximum amount of certain claims entitled to priority, the calculation of the “means test” for chapter 7 debtors, the duration of a chapter 13 plan, the definition of a small business debtor, the minimum aggregate value of claims needed to commence an involuntary bankruptcy, the value of “luxury goods and services” deemed to be nondischargeable, and where the trustee may commence certain proceedings to recover a money judgment or property. In the Bankruptcy Reform Act of 1994, as amended by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, and Pub. L. No. 110-406, (2008), Congress provided for the automatic adjustment of these dollar amounts at three-year intervals. The relevant provisions are codified in 11 U.S.C. § 104(a).

The adjustments reflect the change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor for the three-year period ending December 31, 2009, and rounded to the nearest \$25. Use of this formula to adjust specified dollar amounts in the Bankruptcy Code is prescribed by 11 U.S.C. § 104(a). On February 25, 2010, the Judicial Conference published the revised dollar amounts in volume 75, number 37, of the Federal Register, at page 8747, as required under 11 U.S.C. § 104(c). The next three-year automatic adjustments of these dollar amounts will be published before March 1, 2013, and take effect April 1, 2013. Attached is a chart showing the affected sections of the Bankruptcy Code and Title 28 and both the current and the revised dollar amounts in those sections.

Seven of the Official Bankruptcy Forms and two of the Director’s Forms contain references to several of the affected dollar amounts.

- Official Form 1, Voluntary Petition
- Official Form 6C, Schedule of Property Claimed as Exempt
- Official Form 6E, Schedule of Creditors Holding Claims Entitled to Priority
- Official Form 7, Statement of Financial Affairs
- Official Form 10, Proof of Claim
- Official Form 22A, Statement of Current Monthly Income and Means Test Calculation (Chapter 7)
- Official Form 22C, Statement of Current Monthly Income and Calculation of Commitment Period and Disposable Income (Chapter 13)
- Director’s Form 200, Required Lists, Schedules, Statements and Fees
- Director’s Form 283, Chapter 13 Debtor’s Certifications Regarding Domestic Support Obligations and Section 522(q)

These forms will be amended April 1, 2010, and will apply to cases filed on or after that date. The revised forms incorporating the changes will be posted on the bankruptcy forms pending amendment page of the Judiciary's website at <http://www.uscourts.gov/bankform/index.html>.

Affected Sections of Title 28 U.S.C. and the Bankruptcy Code	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount
28 U.S.C.		
1409(b) - a trustee may commence a proceeding arising in or related to a case to recover (1) - money judgment of or property worth less than (2) - a consumer debt less than (3) - a non consumer debt against a non insider less than	\$1,100 \$16,425 \$10,950	\$1,175 \$17,575 \$11,725
11 U.S.C.		
Section 101(3) - definition of assisted person	\$164,250	\$175,750
Section 101(18) - definition of family farmer	\$3,544,525 (each time it appears)	\$3,792,650 (each time it appears)
101(19A) - definition of family fisherman	\$1,642,500 (each time it appears)	\$1,757,475 (each time it appears)
101(51D) - definition of small business debtor	\$2,190,000 (each time it appears)	\$2,343,300 (each time it appears)
Section 109(e) - allowable debt limits for individual filing bankruptcy under chapter 13	\$336,900 (each time it appears) \$1,010,650 (each time it appears)	\$360,475 (each time it appears) \$1,081,400 (each time it appears)

Affected Sections of Title 28 U.S.C. and the Bankruptcy Code	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount
11 U.S.C. (Continued)		
Section 303(b) - minimum aggregate claims needed for the commencement of involuntary chapter 7 or chapter 11 bankruptcy (1) - in paragraph (1) (2) - in paragraph (2)	\$13,475 \$13,475	\$14,425 \$14,425
Section 507(a) - priority expenses and claims (1) - in paragraph (4) (2) - in paragraph (5) (3) - in paragraph (6) (4) - in paragraph (7)	\$10,950 \$10,950 \$5,400 \$2,425	\$11,725 \$11,725 \$5,775 \$2,600
Section 522(d) - value of property exemptions allowed to the debtor (1) - in paragraph (1) (2) - in paragraph (2) (3) - in paragraph (3) (4) - in paragraph (4) (5) - in paragraph (5) (6) - in paragraph (6) (7) - in paragraph (8) (8) - in paragraph (11)(D)	\$20,200 \$3,225 \$525 \$10,775 \$1,350 \$1,075 \$10,125 \$2,025 \$10,775 \$20,200	\$21,625 \$3,450 \$550 \$11,525 \$1,450 \$1,150 \$10,825 \$2,175 \$11,525 \$21,625

Affected Sections of Title 28 U.S.C. and the Bankruptcy Code	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount
11 U.S.C. (Continued)		
522(f)(3) - exception to lien avoidance under certain state laws	\$5,475	\$5,850
522(f)(4)- items excluded from definition of household goods for lien avoidance purposes	\$550 (each time it appears)	\$600 (each time it appears)
522(n) - maximum aggregate value of assets in individual retirement accounts exempted	\$1,095,000	\$1,171,650
522(p) - qualified homestead exemption	\$136,875	\$146,450
522(q) - state homestead exemption	\$136,875	\$146,450
523(a)(2)(C) - exceptions to discharge in subclause (i)(I) - consumer debts, incurred \leq 90 days before filing owed to a single creditor in the aggregate in subclause (i)(II) - cash advances incurred \leq 70 days before filing in the aggregate	 \$550 \$825	 \$600 \$875
541(b)- property of the estate exclusions (1) - in paragraph (5)(C) - education IRA funds in the aggregate (2) - in paragraph (6)(C) - pre-purchased tuition credits in the aggregate	 \$5,475 \$5,475	 \$5,850 \$5,850
547(c)(9) - preferences, trustee may not avoid a transfer if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of property is less than	\$5,475	\$5,850

Affected Sections of Title 28 U.S.C. and the Bankruptcy Code	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount
11 U.S.C. (Continued)		
707(b) - dismissal of a case or conversion to a case under chapter 11 or 13 (means test) <ul style="list-style-type: none"> (1) - in paragraph (2)(A)(i)(I) (2) - in paragraph (2)(A)(i)(II) (3) - in paragraph (2)(A)(ii)(IV) (4) - in paragraph (2)(B)(iv)(I) (5) - in paragraph (2)(B)(iv)(II) (6) - in paragraph (5)(B) (7) - in paragraph 6(C) (8) - in paragraph 7(A) 	<ul style="list-style-type: none"> \$6,575 \$10,950 \$1,650 \$6,575 \$10,950 \$1,100 \$575 \$575 	<ul style="list-style-type: none"> \$7,025 \$11,725 \$1,775 \$7,025 \$11,725 \$1,175 \$625 \$625
1322(d) - contents of chapter 13 plan, monthly income	\$575 (each time it appears)	\$625 (each time it appears)
1325(b) - chapter 13 confirmation of plan, disposable income	\$575 (each time it appears)	\$625 (each time it appears)
1326(b)(3) - payments to former chapter 7 trustee	\$25	\$25