

United States Bankruptcy Court Southern District of Georgia Office of the Clerk

Memorandum

To: Bankruptcy Practitioners in the Southern District of Georgia

From: Lucinda Rauback, Clerk

Date: 11/5/2019

Subject: Summary of December 1, 2019 Rule Changes and Other Information

The purpose of this memorandum is to notify you of upcoming changes to the Federal Code, Bankruptcy Rules, and related procedural changes in court operations.

1. Federal Code Changes:

- a. **Small Business Reorganization Act of 2019.** The President signed into law the Small Business Reorganization Act of 2019, which will go into effect on February 19, 2020. Because of the compacted implementation schedule, the Federal Bankruptcy Rules Committee has issued for public comment various changes to the Federal Rules of Bankruptcy Procedure that have not followed the normal three-year rule-making process. As stated in a message released October 16, 2019, the Interim Bankruptcy Rules are available for public comment on the Administrative Office of the US Courts web site at https://www.uscourts.gov/rules-policies/proposed-amendments-published-public-comment. The public comment period runs from October 16, 2019 to November 13, 2019. The web page also includes instructions on how to submit and review comments about the Interim Rules.
- b. Honoring American Veterans in Extreme Need (HAVEN) Act of 2019. The HAVEN Act amended 11 U.S.C. § 101 (10A) to place military disability benefits in the same protected category as Social Security disability benefits, in connection with the calculation of current monthly income under the Bankruptcy Code.
- c. **Family Farmer Relief Act of 2019**. This act raises the debt limit for Chapter 12 eligibility to \$10,000,000.
- d. **National Guard and Reservists Debt Relief Extension Act.** This act creates an exception to the Chapter 7 means test presumption of abuse for members of the National Guard and Reserve who, after September 11, 2001, served on active duty or in a homeland defense activity for at least 90 days.

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- 2. Amendments to the Federal Rules of Bankruptcy Procedure (effective December 1, 2019):
- a. **FRBP 4001(c) Obtaining Credit.** Rule 4001(c) sets forth the requirements for obtaining post-petition credit. This section will be amended so that it no longer applies to Chapter 13 cases.
- b. **FRBP 6007(b) Abandonment or Disposition of Property.** This rule is being amended to designate the parties to be served with a *Motion to Compel the Trustee to Abandon Property* under 11 U.S.C. § 554(b). Changes also make the rule consistent with Rule 6007(a) (dealing with abandonment by the trustee or debtor in possession).
- c. **FRBP 9036 Notice by Electronic Transmission.** This rule is being amended to allow clerks and parties to provide notices or to serve documents (other than those in Rule 7004) through the Court's electronic filing system on registered users of that system. The amendments would also allow service or noticing on any person by any electronic means so long as the person consented in writing to receive notices or service electronically. The service or notice would be complete upon filing or sending, but it would not be effective if either the filer or the sender learns it was not received.
- d. FRBP 9037 Privacy Protection for Filings Made with the Court. The rule adds a new subdivision (h) to address procedures (filing motion to redact, attaching proposed redacted document, including docket or proof of claim number, and serve motion and attachment on debtor, debtor's attorney, trustee, U.S. Trustee, filer, and any individual whose personal identifier is being redacted) for redacting personal identifiers in previously filed documents not in compliance with Rule 9037(a). This change to Rule 9037 also requires that public access to the motion to redact and the unredacted document be restricted. If the motion to redact is granted, the redacted document must be docketed.

You can review all the Federal Rule changes at the Administrative Office of the United States' website at https://www.uscourts.gov/rules-policies/pending-rules-and-forms-amendments.

3. Form and Event Changes (effective December 1, 2019):

- a. **Application for Unclaimed Funds.** New forms have been introduced to standardize the process for claimants to seek withdrawal of unclaimed funds, and for bankruptcy courts to process and approve such applications. The Court will require use of the new **Director's Form 1340** for all applications for unclaimed funds. The Unclaimed Funds Information page on the Court's internet site will be updated in the coming weeks with new and revised forms, as well as requirements and instructions for filing.
- b. **Motions to Redact.** Pursuant to Rule 9037, the proposed redacted document should be filed as an attachment to the Motion to Redact. The docket event will ask you to certify that the redacted document is an exact copy of the original with only the personal identifiers redacted. On the docket, both the motion and redacted document will be restricted from public view. Upon

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filing of the motion, the Court will immediately restrict access to the original unredacted document. At such time the motion is granted, the Court will docket the redacted pleading as an amendment to the original unredacted document. If the order denies redaction, the restriction to both the motion and the original unredacted document will be removed.

c. Official Form 122A-1 (Chapter 7 Statement of Your Current Monthly Income). The change to Official Form 122A-1 adds an instruction to line 14a to remind a debtor that if there is no presumption of abuse, that Official Form 122A-2 should not be filled out or filed.

Please contact the Clerk's Office for additional information or assistance.