

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT**

IN RE:

**RESCISSION OF INTERIM FEDERAL RULE
OF BANKRUPTCY PROCEDURE 1020**

GENERAL ORDER 2024-01

WHEREAS, on September 12, 2022, this Court issued General Order No. 2022-03¹ adopting Interim Rule 1020 which included rule amendments required by the Bankruptcy Threshold and Technical Corrections Act (the BTATC Act), Pub. L. 117-151; and

WHEREAS, on June 22, 2024, certain provisions of the BTATC Act expired when Congress did not act to extend them. As a result, on June 22, 2024, the Chapter 11, Subchapter V debt limit reverted to \$3,024,725, and the two-part Chapter 13 debt limits reverted to (1) \$465,275 for unsecured noncontingent, liquidated debt and (2) less than \$1,395,875 for secured noncontingent, liquidated debt.

ACCORDINGLY, it is hereby

ORDERED: Interim Rule 1020, adopted by General Order No. 2022-03, is rescinded.

Dated this 1st day of July, 2024, at New Haven, Connecticut.

Dated this 1st day of July, 2024, at New Haven, Connecticut.

Ann M. Nevins
Chief United States Bankruptcy Judge
District of Connecticut

¹ A copy is attached to this order as **Exhibit A**.

EXHIBIT A

Copy of General Order 2022-03

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF CONNECTICUT**

IN RE:

**ADOPTION OF INTERIM FEDERAL RULE OF
BANKRUPTCY PROCEDURE 1020 REQUIRED
BY THE BANKRUPTCY THRESHOLD AND
TECHNICAL CORRECTIONS ACT**

GENERAL ORDER 2022-03

WHEREAS, on January 28, 2020, this Court issued General Order No. 2020-1 adopting Interim Rules relating to the Small Business Reorganization Act of 2019 (SBRA), including Interim Federal Rule of Bankruptcy Procedure 1020 (“Interim Rule 1020”); and

WHEREAS, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) was signed into law, and that legislation required an amendment to Interim Rule 1020 to revise the total debt limit for determining eligibility of a debtor to proceed under subchapter V of chapter 11 to \$7,500,000; and

WHEREAS, on April 22, 2020, this Court issued General Order No. 2020-2 adopting the amendment to Interim Rule 1020 required by the CARES Act (“CARES Act Interim Rule 1020”) ¹ in its entirety without change by the judges of this Court; and

WHEREAS, the CARES Act Interim Rule 1020 revision to the debt limit for determining eligibility of a debtor to proceed under subchapter V of chapter 11 expired on March 27, 2022; and

WHEREAS, the Bankruptcy Threshold and Technical Corrections Act (the BTATC Act), Pub. L. 117-151 reinstated the total debt limit for determining eligibility of a debtor to proceed under subchapter V of chapter 11 to \$7,500,000, the amount previously in effect under the

¹ A copy is attached to this order as **Exhibit A – CARES Act Interim Rule 1020**.

INTERIM RULE 1020 RESCINDED BY GENERAL ORDER 2024-01

CARES Act; and

WHEREAS, the BTATC Act restored the \$7,500,000 limit *retroactively* for cases commenced on or after March 27, 2020 through June 21, 2024 (two years after the date of enactment of the BTATC Act).

ACCORDINGLY, pursuant to 28 U.S.C. § 2071, Rule 83 of the Federal Rules of Civil Procedure, and Rule 9029 of the Federal Rules of Bankruptcy Procedure, it is hereby:

ORDERED: General Order No. 2020-2 is superseded by this Order, and General Order No. 2020-1 is revised only as to add the amendment to Interim Rule 1020 required by the BTATC Act; and it is further

ORDERED: The amendment to Interim Rule 1020² required by the BTATC Act is adopted, and remains in effect until further order of the Court; and it is further

ORDERED: The Federal Rules of Bankruptcy Procedure and the Local Rules Bankruptcy Procedure of this Court, except to the extent inconsistent with Interim Rule 1020, continue to apply to cases and proceedings in this Court.

IT IS SO ORDERED at New Haven, Connecticut this 12th day of September 2022.

Ann M. Nevins
Chief United States Bankruptcy Judge
District of Connecticut



² A copy of the redline amendments to Interim Rule 1020 required by the BTATC Act is attached as **Exhibit B – BTATC Act Interim Rule 1020**.

EXHIBIT A - CARES Act Interim Rule 1020 (expired on March 27, 2022)

1 Rule 1020. Chapter 11 Reorganization Case for Small

2 Business Debtors or Debtors Under Subchapter V

3 (a) ~~SMALL BUSINESS DEBTOR~~

4 DESIGNATION. In a voluntary chapter 11 case, the debtor

5 shall state in the petition whether the debtor is a small

6 business debtor or a debtor as defined in § 1182(1) of the

7 Code and, if the latter so, whether the debtor elects to have

8 subchapter V of chapter 11 apply. In an involuntary chapter

9 11 case, the debtor shall file within 14 days after entry of the

10 order for relief a statement as to whether the debtor is a small

11 business debtor or a debtor as defined in § 1182(1) of the

12 Code and, if the latter so, whether the debtor elects to have

13 subchapter V of chapter 11 apply. The status of the case as

14 a small business case or a case under subchapter V of chapter

15 11 shall be in accordance with the debtor's statement under

16 this subdivision, unless and until the court enters an order

17 finding that the debtor's statement is incorrect.

18 (b) OBJECTING TO DESIGNATION. The United

19 States trustee or a party in interest may file an objection to

20 the debtor's statement under subdivision (a) no later than 30

21 days after the conclusion of the meeting of creditors held

INTERIM RULE 1020 RESCINDED BY GENERAL ORDER 2024-01
EXHIBIT A - CARES Act Interim Rule 1020 (expired on March 27, 2022)

22 under § 341(a) of the Code, or within 30 days after any
23 amendment to the statement, whichever is later.

24 (c) PROCEDURE FOR OBJECTION OR
25 DETERMINATION. Any objection or request for a
26 determination under this rule shall be governed by Rule 9014
27 and served on: the debtor; the debtor's attorney; the United
28 States trustee; the trustee; the creditors included on the list
29 filed under Rule 1007(d) or, if a committee has been
30 appointed under § 1102(a)(3), the committee or its
31 authorized agent; and any other entity as the court directs.

Committee Note

The interim rule is amended in response to the enactment of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), Pub. L. No. 116-136, 134 Stat. 281. That law provides a new definition of "debtor" for determining eligibility to proceed under subchapter V of chapter 11. Subdivision (a) of the rule is amended to reflect that change. This amendment to the Code will terminate one year after the date of enactment of the CARES Act.

1 **Interim Rule 1020. Chapter 11 Reorganization Case for**
2 **Small Business Debtors or Debtors Under Subchapter V**

3 (a) SMALL—BUSINESS—DEBTOR
4 DESIGNATION. In a voluntary chapter 11 case, the debtor
5 shall state in the petition whether the debtor is a small
6 business debtor or a debtor as defined in § 1182(1) of the
7 Code and, if the latter so, whether the debtor elects to have
8 subchapter V of chapter 11 apply. In an involuntary chapter
9 11 case, the debtor shall file within 14 days after entry of the
10 order for relief a statement as to whether the debtor is a small
11 business debtor or a debtor as defined in § 1182(1) of the
12 Code and, if the latter so, whether the debtor elects to have
13 subchapter V of chapter 11 apply. The status of the case as
14 a small business case or a case under subchapter V of chapter
15 11 shall be in accordance with the debtor's statement under
16 this subdivision, unless and until the court enters an order
17 finding that the debtor's statement is incorrect.

18 (b) OBJECTING TO DESIGNATION. The United
19 States trustee or a party in interest may file an objection to
20 the debtor's statement under subdivision (a) no later than 30
21 days after the conclusion of the meeting of creditors held
22 under § 341(a) of the Code, or within 30 days after any
23 amendment to the statement, whichever is later.

EXHIBIT B - BTATC Act Interim Rule 1020

24 (c) PROCEDURE FOR OBJECTION OR
25 DETERMINATION. Any objection or request for a
26 determination under this rule shall be governed by Rule 9014
27 and served on: the debtor; the debtor’s attorney; the United
28 States trustee; the trustee; the creditors included on the list
29 filed under Rule 1007(d) or, if a committee has been
30 appointed under § 1102(a)(3), the committee or its
31 authorized agent; and any other entity as the court directs.

Committee Note

The Interim Rule is amended in response to the enactment of the Bankruptcy Threshold Adjustment and Technical Correction Act (the “BTATC Act”), Pub. L. No. 117-151, ___ Stat. _____. The BTATC reinstates the definition of “debtor” for determining eligibility to proceed under subchapter V of chapter 11 that was in effect from March 27, 2020 through March 27, 2022, under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281, as amended. Subdivision (a) of the rule is amended to reflect that change. This Interim Rule will terminate two years after the date of enactment of the BTATC, unless the Act is extended.