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WASHINGTON, D.C. 20544

July 1, 2003

MEMORANDUM TO: JUDGES, UNITED STATES BANKRUPTCY COURTS
CLERKS, UNITED STATES BANKRUPTCY COURTS
BANKRUPTCY ADMINISTRATORS

SUBJECT: Expiration of Chapter 12 of the Bankruptcy Code
(**IMPORTANT INFORMATION**)

Chapter 12 of the Bankruptcy Code expires today, July 1, 2003.¹ This event does not affect pending chapter 12 cases. Those cases, as well as all matters or proceedings related to those cases, should be conducted as if chapter 12 did not expire.

On June 23, 2003, the House of Representatives passed the Family Farmer Bankruptcy Relief Act of 2003 (H.R. 2465), a bill to temporarily extend chapter 12 from July 1, 2003, for six months. To date, the Senate has not acted on this bill.

Bankruptcy clerks should take action to inform the public that chapter 12 expired. The Bankruptcy Code requires, prior to commencement of a case under title 11, that the clerk give written notice to any debtor with primarily consumer debts that "indicates each chapter of this title under which such individual may proceed." 11 U.S.C. § 342(b). In light of the sunset of chapter 12, this required notice should be amended. If a chapter 12 bankruptcy petition is received by the clerk's office following the sunset date, clerks may consider following the same procedures as provided by local practice when a deficient petition is filed. Alternatively, the debtor could be notified that chapter 12 is no longer an option, and could be permitted to amend his petition within a set period of time to correct the filing.

¹ In January 2003, the President signed legislation extending chapter 12 for a six month period, ending July 1, 2003. Section 149(a) of division C, Pub. L. No. 105-277, 112 Stat. 2681-611 (1998) as amended by Pub. L. No. 107-377, 116 Stat. 3115 (2003).

Should you have any questions about these developments, please contact the Bankruptcy Judges Division at (202) 502-1900 or the Bankruptcy Court Administration Division at (202) 502-1540.

A handwritten signature in black ink, reading "Leonidas Ralph Meham". The signature is written in a cursive, flowing style with a long horizontal tail on the final letter.

Leonidas Ralph Meham