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ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS

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WASHINGTON, D.C. 20544

December 23, 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 will expire January 1, 2004.¹ New chapter 12 filings should not be accepted following the sunset date. However, any chapter 12 cases filed before January 1, 2004, and all matters or proceedings related to those cases should be conducted as if chapter 12 did not expire.

Several bills that would affect the status of chapter 12 are pending in Congress. On November 25, 2003, the Senate passed S. 1920, which would extend chapter 12 until July 1, 2004. The House of Representatives has not voted on bills that would provide a similar extension (H.R. 3540 and H.R. 3542). Additionally, on December 9, 2003, Senator Grassley (R-IA) introduced S. 2004, which would make chapter 12 a permanent feature of the Bankruptcy Code, increase the debt limits for chapter 12 filings, and add family fishermen to those eligible to file for such relief. The provisions of this Senate bill mirror § 1001 of the pending bankruptcy reform legislation (H.R. 975).

It is recommended that clerks immediately post a notice informing the public that chapter 12 is due to expire on January 1, 2004. Further, the notice required by 11 U.S.C. § 342(b) should be amended to reflect the expiration of chapter 12 and to notify debtors of other chapters of the Bankruptcy Code which are available.

¹

Section 149(a) of division C, Pub. L. No. 105-277, 112 Stat. 2681-611 (1998) as amended by Pub. L. No. 108-73, 117 Stat. 891 (2003).

I will inform you of any further developments regarding chapter 12 of the Bankruptcy Code. Should you have any questions, 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, appearing to read "Leonidas Mecham". The signature is written in a cursive, flowing style with a long horizontal tail stroke.

Leonidas Ralph Mecham