

**VBA BANKRUPTCY LAW SECTION**  
**BENCH-BAR BROWN BAG LUNCH MEETING**  
*with Hon. Colleen A. Brown, U.S. Bankruptcy Judge*

**United States Bankruptcy Court, Rutland**  
**Friday, April 5, 2019 ~ 12:00 - 1:00 PM**  
*Dial-in number: (888) 398-2342. Access code: 846 68 72#*  
*If you dial into the meeting, please use your “mute” function, unless speaking.*

**AGENDA**

1. OPERATING ORDERS IN CH 11, 12 AND 13 CASES JUDGE BROWN & JAN SENSENICH
  - Important to have an order entered *within 30 days of filing* for each ch 11 & 12 case, and each business ch 13 case, specifying form and frequency of req'd operating reports
  - T to file p/o in ch 12 & 13 cases; D & IRS input important
  - Court will enter order in ch 11 cases (*new op order to be addressed at next BB*)
  
2. INCREASE IN DEBT LIMITS, ETC. IN THE BANKRUPTCY CODE JUDGE BROWN
  - Changes effective 4/1/19
  - *See attachment* from AO w/updated figures
  
3. TASK FORCE REPORT TASK FORCE
  - Possible new procedure & forms for extending the stay under 362(c)
  - Possible new procedure for dealing w/ stmts for HELOC mtges
  - Possible revision to LRs re Pro Se use of ECF per new Fed Bk'cy Rules eff 12/1/18
  - Possible new procedure for T in CMP cases when D objects to Mtge Pmt Chg Notc
  - *See attachment with Task Force membership and charge*
  
5. A 5-MINUTE TAX TIP FROM THE U.S. ATTORNEY'S OFFICE MELISSA RANALDO
  - Notice to, and service on, the IRS; Tax refunds
  
4. PRACTICE POINTER RE AMENDED DOCUMENTS THERESA DAVIDSON
  - Important to file red-line version of *any* amended docs
  
5. CLERK'S OFFICE UPDATE JEFF EATON
  
6. ANY OTHER TOPIC OF INTEREST TO THE GROUP

**Attachments:** AO Memo re increase in monetary amounts in Bankruptcy Code  
VTB Ad Hoc 2019 Task Force charge: with listing of members and topics to address

These Bench-Bar lunch meetings are coordinated by the Bankruptcy Court. 1 CLE credit provided per meeting.  
Contact Maria Dionne @ 802-657-6432 or [maria\\_dionne@vtb.uscourts.gov](mailto:maria_dionne@vtb.uscourts.gov) with any questions.

**VTB Ad Hoc 2019 Task Force**  
**Created on 2/19/19 at Bench Bar Meeting**

Members: Jeff Hardiman, Tavian Mayer, Rebecca Rice, Jan Sensenich, Susan Steckel, Todd Taylor  
Ex Officio Members: Don Hayes or Nancy Geise (*in capacity as VBA Bk'cy Section co-chairs*)  
Theresa Davidson (*on behalf of VTB Clerk's Office*)

Purpose: This TF was created to consider, and then make proposals as to, the following issues:

1. Whether VT LBRs should be revised to specify whether / when HELOC mortgage creditors must file monthly statements.
  - Need to focus on both the cost /burden on HELOC creditors of issuing statements for each change due solely to the number of days in a month AND the risk to debtors if statements are not sent and the debtor then falls into arrears
  - Pillow case offers one option
  - Another option: have debtor & HELOC creditor agree on a monthly payment for a period of time, notwithstanding number of days in the covered months, with an accounting (due to number of days in each of those months) to occur at the end of the period, such that HELOC creditor would only then be required to issue notice of payment change if interest rate or escrow demand changed
2. How much the chapter 13 trustee should pay to the mortgage creditor in a CMP case when the mortgage creditor files a notice of payment change and the D filed an objection to that notice.
  - Should Trustee pay the amount he was previously paying, or the amount in the notice?
  - And, if the Trustee is making payments based upon a TPP agreement, does the Trustee keep making that payment or make the payment in the notice of payment change?
  - In either event, how do the parties or Trustee get a prompt hearing on the issue of how much the Trustee should pay, in order to avoid having the debtor fall into default?
    - Is there something the attorney for the mortgage creditor can do to help resolve this?
    - What happens when no attorney has yet filed a notice of appearance for mortgage creditor?
  - Is a VT LBR revision needed to set forth a procedure for this?
3. Should this District adopt Local Rules and/or Local Forms for use when a Debtor needs to file a motion to extend or impose the automatic stay under § 362(c)?
  - If so, are any of the Rules or Forms other Districts have adopted good options for use in Vt?
    - Alaska, W.D. Mo, and M.D. Md. have all adopted local rules to address 362(c) motions
    - CD Cal, SD Miss, SD Ind, D. Or (& other Bk'cy Cts) have local forms for those motions
4. Should the Local Rules be revised to address right of Pro Se parties to file documents electronically?
  - Currently pro se parties can file documents “electronically” via e-mail but not through CM/ECF
  - If a pro se party seeks permission to file using CM/ECF they need to get training & software
    - This has happened in the past but only when pro se party was an attorney / sophisticated party
  - Current system seems to be working well
  - **Need to include Theresa Davidson in discussion of this topic**

**Task Force to study these issues and then share their recommendations - either for discussion or submission – at the next BB meeting, i.e., on April 5, 2019 in Rutland.**



ADMINISTRATIVE OFFICE OF THE  
UNITED STATES COURTS

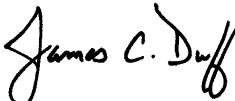
JAMES C. DUFF  
Director

WASHINGTON, D.C. 20544

March 8, 2019

MEMORANDUM

To: Judges, United States Bankruptcy Courts  
Clerks, United States Bankruptcy Courts  
Bankruptcy Administrators

From: James C. Duff 

RE: AUTOMATIC ADJUSTMENT OF CERTAIN DOLLAR AMOUNTS IN THE  
BANKRUPTCY CODE, TITLE 28, AND OFFICIAL AND DIRECTOR'S  
BANKRUPTCY FORMS (**INFORMATION**)

On April 1, 2019, 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 go into effect. The adjusted dollar amounts will apply to cases filed on or after April 1, 2019. The relevant provisions governing the timing and calculation of the dollar amount adjustments are codified in 11 U.S.C. § 104(a). The adjusted dollar amounts will affect, among other matters:

- the eligibility of a debtor to file under chapters 12 and 13 of the Bankruptcy Code;
- the definition of a small business debtor;
- 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 minimum aggregate value of claims needed to commence an involuntary bankruptcy case;
- the minimum value for trustee avoidance actions; and
- the value of “luxury goods and services” deemed to be nondischargeable where the trustee may commence certain proceedings to recover a money judgment or property.

A chart showing the affected sections of the Bankruptcy Code and Title 28, with the current and adjusted dollar amount in those sections, is attached. On February 12, 2019, the adjusted dollar amounts were published in volume 84, number 29, of the *Federal Register*, at pages 3,488-89. The adjustments reflect the change in the *Consumer Price Index for All Urban Consumers* published by the U.S. Department of Labor for the three-year period ending December 31, 2018, and are rounded to the nearest \$25.

Seven Official Forms and two Director's Forms contain references to several of the affected dollar amounts:

- Official Form 106C, Schedule C: The Property You Claim as Exempt;
- Official Form 107, Statement of Financial Affairs for Individuals Filing for Bankruptcy;
- Official Form 122A-2, Chapter 7 Means Test Calculation;
- Official Form 122C-2, Chapter 13 Calculation of Your Disposable Income;
- Official Form 201, Voluntary Petition for Non-Individuals Filing for Bankruptcy;
- Official Form 207, Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy;
- Official Form 410, Proof of Claim;
- Director's Form 2000, Required Lists, Schedules, Statements, and Fees; and
- Director's Form 2830, Chapter 13 Debtor's Certification Regarding Domestic Support Obligations and Section 522(q).

The revised forms will be effective on April 1, 2019, and will apply to cases filed on or after that date. The revised forms incorporating the dollar amount changes have been posted to [Pending Changes in the Bankruptcy Forms](#) page. Once effective, the revised forms will be available on the [Bankruptcy Forms](#) page.

For questions concerning the adjusted dollar amounts in the Bankruptcy Code and Title 28, please contact Daniel Isaacs-Smith at (202) 502-3129 or via email at [Daniel\\_Isaacs-Smith@ao.uscourts.gov](mailto:Daniel_Isaacs-Smith@ao.uscourts.gov). For questions about the Official and Director's Bankruptcy Forms, please contact Rules Committee Staff at (202) 502-1820 or via email at [RulesCommittee\\_Secretary@ao.uscourts.gov](mailto:RulesCommittee_Secretary@ao.uscourts.gov).

Attachment

cc: Chief Judges, United States Courts of Appeals  
Chief Judges, United States District Courts

**ATTACHMENT**  
Effective April 1, 2019

<b>Affected Sections of Title 28 U.S.C. and the Bankruptcy Code</b>	<b>Dollar Amount to be Adjusted</b>	<b>New (Adjusted) Dollar Amount<sup>1</sup></b>
<b>28 U.S.C.</b>		
Section 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	\$1,300	\$1,375
(2) - a consumer debt less than	\$19,250	\$20,450
(3) - a non consumer debt against a non insider less than	\$12,850	\$13,650
<b>11 U.S.C.</b>		
Section 101(3) - definition of assisted person	\$192,450	\$204,425
Section 101(18) - definition of family farmer	\$4,153,150 (each time it appears)	\$4,411,400 (each time it appears)
Section 101(19A) - definition of family fisherman	\$1,924,550 (each time it appears)	\$2,044,225 (each time it appears)
Section 101(51D) - definition of small business debtor	\$2,566,050 (each time it appears)	\$2,725,625 (each time it appears)
Section 109(e) - debt limits for individual filing bankruptcy under chapter 13	\$394,725 (each time it appears)	\$419,275 (each time it appears)
	\$1,184,200 (each time it appears)	\$1,257,850 (each time it appears)
Section 303(b) - minimum aggregate claims needed for the commencement of an involuntary chapter 7 or 11 petition		
(1) - in paragraph (1)	\$15,775	\$16,750
(2) - in paragraph (2)	\$15,775	\$16,750
Section 507(a) - priority expenses and claims		
(1) - in paragraph (4)	\$12,850	\$13,650
(2) - in paragraph (5)(B)(i)	\$12,850	\$13,650
(3) - in paragraph (6)(B)	\$6,325	\$6,725
(4) - in paragraph (7)	\$2,850	\$3,025

<sup>1</sup> The New (Adjusted) Dollar Amounts reflect a 6.218 percent increase, rounded to the nearest \$25.

Section 522(d) - value of property exemptions allowed to the debtor		
(1) - in paragraph (1)	\$23,675	\$25,150
(2) - in paragraph (2)	\$3,775	\$4,000
(3) - in paragraph (3)	\$600	\$625
	\$12,625	\$13,400
(4) - in paragraph (4)	\$1,600	\$1,700
(5) - in paragraph (5)	\$1,250	\$1,325
	\$11,850	\$12,575
(6) - in paragraph (6)	\$2,375	\$2,525
(7) - in paragraph (8)	\$12,625	\$13,400
(8) - in paragraph (11)(D)	\$23,675	\$25,150
Section 522(f)(3) - exception to lien avoidance under certain state laws	\$6,425	\$6,825
Section 522(f)(4) - items excluded from definition of household goods for lien avoidance purposes	\$675 (each time it appears)	\$725 (each time it appears)
Section 522(n) - maximum aggregate value of assets in individual retirement accounts exempted	\$1,283,025	\$1,362,800
Section 522(p) - qualified homestead exemption	\$160,375	\$170,350
Section 522(q) - state homestead exemption	\$160,375	\$170,350
Section 523(a)(2)(C) - exceptions to discharge		
(1) - in paragraph (i)(I) - consumer debts for luxury goods or services incurred < 90 days before filing owed to a single creditor in the aggregate	\$675	\$725
(2) - in paragraph (i)(II) - cash advances incurred < 70 days before filing in the aggregate	\$950	\$1,000

Section 541(b)- property of the estate exclusions		
(1) - in paragraph (5)(C) - education IRA funds in the aggregate	\$6,425	\$6,825
(2) - in paragraph (6)(C) - pre-purchased tuition credits in the aggregate	\$6,425	\$6,825
(3) - in paragraph (10)(C) – qualified ABLE program funds in the aggregate	\$6,425	\$6,825
Section 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	\$6,425	\$6,825
Section 707(b) - dismissal of a chapter 7 case or conversion to chapter 11 or 13 (means test)		
(1) - in paragraph (2)(A)(i)(I)	\$7,700	\$8,175
(2) - in paragraph (2)(A)(i)(II)	\$12,850	\$13,650
(3) - in paragraph (2)(A)(ii)(IV)	\$1,925	\$2,050
(4) - in paragraph (2)(B)(iv)(I)	\$7,700	\$8,175
(5) - in paragraph (2)(B)(iv)(II)	\$12,850	\$13,650
(6) - in paragraph (5)(B)	\$1,300	\$1,375
(7) - in paragraph (6)(C)	\$700	\$750
(8) - in paragraph (7)(A)(iii)	\$700	\$750
Section 1322(d) - contents of chapter 13 plan, monthly income	\$700 (each time it appears)	\$750 (each time it appears)
Section 1325(b) - chapter 13 confirmation of plan, disposable income	\$700 (each time it appears)	\$750 (each time it appears)
Section 1326(b)(3) - payments to former chapter 7 trustee	\$25	\$25