



Jeanne A. Naughton
Clerk of Court

NOTICE TO THE BAR AND PUBLIC
U.S. BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY

BANKRUPTCY THRESHOLD ADJUSTMENT AND
TECHNICAL CORRECTIONS ACT

On June 21, 2022, President Biden signed into law the Bankruptcy Threshold Adjustment and Technical Corrections Act (BTATC Act). Pertinent provisions of the BTATC Act include the following:¹

- Amends Section 1182(1) of the Bankruptcy Code to include the increased aggregate debt limit of \$7.5 million in Subchapter V's definition of a "debtor" and, upon sunset in two years from enactment, will revert and refer to the definition of a "small business debtor" in Section 101(51D) of the Bankruptcy Code. The BTATC Act also provided that the debt limit under 1182(1) is subject to inflation.
- Applies retroactively to all cases commenced under Chapter 11 on or after March 27, 2020, that remain pending as of the date of enactment. Debtors who did not originally file under Chapter 11 Subchapter V are permitted to retroactively seek relief under Subchapter V.
- 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 CARES Act, as amended. As a result, line 13 of [Official Form 101](#) – Voluntary Petition for Individuals Filing for Bankruptcy and line 8 of [Official Form 201](#) – Voluntary Petition for Non-Individuals Filing for Bankruptcy are amended to reflect this change.
- Increases the debt limit for individuals filing for bankruptcy under Chapter 13 to \$2.75 million and allows both secured and unsecured debt to count towards this single limit.

Dated: June 23, 2022

Jeanne A. Naughton, Clerk

¹ The above is not an exhaustive list of the provisions set forth in the BTATC Act. Click [here](#) for the full text of the BTATC Act.