

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA**

ANNOUNCEMENT

**Bankruptcy Threshold Adjustment and Technical Corrections (BTATC) Act, 2022,
Expired as to Certain Debt Thresholds after June 21, 2024**

June 24, 2024

The Bankruptcy Threshold Adjustment and Technical Corrections (BTATC) Act was enacted into law as a response to the COVID-19 pandemic. Congress has not extended the BTATC Act, which expired after June 21, 2024. This means that the current debt thresholds to qualify for Bankruptcy Code chapter 11, Subchapter V (an amount not more than \$7,500,000) and Chapter 13 (an amount less than \$2,750,000) have reverted back to the following debt limits:

(1)(a) The Subchapter V debt limit has reverted to an amount not more than \$3,024,725. Section 1182(1) of this subchapter no longer will include the \$7,500,000 aggregate debt limit in that subchapter's definition of a "debtor"; rather, it will revert and refer to the definition of a "small business debtor" as set forth in section 101(51D) of the Bankruptcy Code.

(b) The BTATC Act amended Bankruptcy Code Section 1182(1) to clarify that the exclusion in the definitions of "small business debtor" and "debtor" applied to an affiliate of a corporation subject to the reporting requirements under sections 13 or 15(d) of the Securities Exchange Act of 1934, rather than an affiliate of "an issuer." After June 21, 2024, this section's definition reverts to the definition set forth at Bankruptcy Code Section 101(51D). The term "debtor" means a "small business debtor."

(c) Standing Order 22-20, as set forth at Exhibit 12 to the Court's Local Bankruptcy Rules, retained Interim Rule 1020 "as a local rule adopted by the Court. . . . [, which would] terminate two years after the date of enactment [of the BTATC Act] unless that Act. . .[was] further extended." After June 21, 2024, Interim Rule 1020 is deemed terminated as a local rule of the Court.

(2) The Chapter 13 combined debt limit of an amount less than \$2,750,000 had eliminated the distinction between secured and unsecured debt. The BTATC Act's expiration in this regard, however, now has the effect of restoring the distinction between those two debt categories. Effective April 1, 2022, this limits eligibility to an amount less than \$465,275 for unsecured debt and an amount less than \$1,395,625 for secured debt. Subsection 2(i)(1)(A) of Pub.L. 117-151, June 21, 2022, 136 Stat. 1300 states, "subsection (e) of section 109 of title 11, United States Code is amended to read as such subsection read on the day before the date of enactment of this Act. . . ." As to Amounts, Subsection (i)(2) states: "For purposes of applying subsection (e) of section 109 of title 11, United States Code, as amended by paragraph (1)(A), the amounts specified in such subsection shall be the amounts that were in effect on the day before the date of enactment of this Act."

An Announcement to this effect has been placed on the [Court's internet website](#) under the News & Announcements header.

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