

## Bankruptcy Rule Amendments Now in Effect

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Bankruptcy professionals, be ready. There are now some major changes in the bankruptcy filing process, and noncompliance could cause you to lose in court.

Recent [amendments to the Federal Rules of Bankruptcy Procedure](#) impacting consumer cases went into effect December 1. The amendments impact items including the filing of proofs of claim by secured creditors, the form and format of Chapter 13 plans and the claims objection process.

The most significant change for secured creditors pertains to the filing of proofs of claim. Previously, there was no requirement for secured creditors to file a proof of claim in Chapter 13 cases, but one of the amendments now states the holder of a secured claim must file a proof of claim to have an allowed claim. The claims bar deadline has been shortened in Chapter 12 and 13 cases to seventy days after the petition is filed. For creditors holding claims secured by a residential mortgage, the new rule provides an additional fifty-day window to file all supplemental documents currently required by law, such as the recorded mortgage, assignments and endorsed note. While these amendments create tighter timeframes for creditors, they should also deliver quicker confirmation orders for eligible plans since claim amounts will be provided, on average, fifty days sooner than under the existing claims deadline.

The most visible change for creditors involved in Chapter 13 cases will be the new plan format. [Federal Rule of Bankruptcy Procedure 3015](#) now requires debtors to use the "Official Form for Chapter 13 Plans," unless the local district has established a local form that meets federal requirements. For creditors with substantial business in the Eastern District of Pennsylvania, this is a welcome change from the current experience, where over fifty different plan formats were known to be filed during the last five years. As for the Middle and Western districts of Pennsylvania, both have had a local plan form for a number of years and the imposed changes resulted in only modest changes to existing forms.

Creditors also should be aware of amendments to the procedures for plan objections and objections to claims. For Chapter 13 plan objections, any objection to confirmation needs to be filed and served at least seven days before the date set for the confirmation hearing. Only a court order changes that timeline. Creditors should act promptly to review filed plans with their counsel to determine if an objection is warranted. Or, they risk the possibility of a court rejecting a late-filed objection. Debtors also must serve objections to claims and their notice by first-class mail to the person designated on the creditor's proof of claim. If the claim is filed by an insured, depository institution - such as a bank or credit union - service of the objection must be made consistent with [Federal Rule of Bankruptcy Procedure 7004\(h\)](#). That requires certified mail to a designated officer. Hearings on claim objections are no longer mandatory, which means the failure of creditors to promptly respond to claims objections may result in orders limiting or disallowing their claims.

For more information on these bankruptcy rules changes, or to discuss consumer bankruptcy issues, please contact

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