

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TENNESSEE**

**In re:**

**ADOPTION OF INTERIM  
BANKRUPTCY RULE 1020**

**No. 2022-02**

**GENERAL ORDER**

The Bankruptcy Threshold Adjustment and Technical Corrections Act (the “Act”), Pub. L. No. 117-151, enacted on June 21, 2022, temporarily increases the debt threshold in Subchapter V of Chapter 11 and in Chapter 13 of Title 11 of the United States Code. The Act also makes technical corrections to the Bankruptcy Administration Improvement Act of 2020 (“BAIA”).

The Act will require amendments to the Federal Rules of Bankruptcy Procedure, but the amendment process will take time. For now, the Advisory Committee on Bankruptcy Rules has drafted, published for comment, and subsequently approved Interim Bankruptcy Rule 1020. Interim Rule 1020 was revised to implement the CARES Act debt limit from March 27, 2020 to March 27, 2022, when the relevant CARES Act provisions expired. The Act restores the \$7,500,000 limit retroactively for cases commenced on or after March 27, 2020, which sunsets two years after the date of enactment of the Act, and Interim Rule 1020 is amended accordingly. The Advisory Committee on Bankruptcy Rules recommends that courts adopt Interim Rule 1020 as a local rule while the Act’s Subchapter V limit is in effect.

The Court has previously adopted interim rules to implement changes required by the Small Business Reorganization Act of 2019. *See* General Order 2020-01, entered January 23, 2020. On April 23, 2020, the Court adopted an amendment to Interim Rule 1020. (General

Order 2020-08.) The Court later extended adoption of the interim rule retroactively, by general order entered May 4, 2021. (General Order 2021-02.)

As a result of the retroactive restoration of the debt limit and the need to extend the Court's adoption of the interim rule, the Court agrees with the Advisory Committee's recommendation and hereby adopts the attached Interim Rule 1020 to be effective retroactive to March 27, 2022. The interim rule will remain in effect until either the expiration of the Act's Subchapter V limit of \$7,500,000; or the adoption of a final version of Federal Rule of Bankruptcy Procedure 1020, whichever comes first.

ENTERED: October 18, 2022

/s/ Shelley D. Rucker  
SHELLEY D. RUCKER  
Chief United States Bankruptcy Judge

/s/ Suzanne H. Bauknight  
SUZANNE H. BAUKNIGHT  
United States Bankruptcy Judge

/s/ Nicholas W. Whittenburg  
NICHOLAS W. WHITTENBURG  
United States Bankruptcy Judge

/s/ Rachel Ralston Mancl  
RACHEL RALSTON MANCL  
United States Bankruptcy Judge  
# # #

1 **Interim Rule 1020. Chapter 11 Reorganization Case for**  
2 **Small Business Debtors or Debtors Under Subchapter V**

3 (a) ~~SMALL—BUSINESS—DEBTOR~~  
4 DESIGNATION. In a voluntary chapter 11 case, the debtor  
5 shall state in the petition whether the debtor is a small  
6 business debtor or a debtor as defined in § 1182(1) of the  
7 Code and, if the latter ~~so~~, whether the debtor elects to have  
8 subchapter V of chapter 11 apply. In an involuntary chapter  
9 11 case, the debtor shall file within 14 days after entry of the  
10 order for relief a statement as to whether the debtor is a small  
11 business debtor or a debtor as defined in § 1182(1) of the  
12 Code and, if the latter ~~so~~, whether the debtor elects to have  
13 subchapter V of chapter 11 apply. The status of the case as  
14 a small business case or a case under subchapter V of chapter  
15 11 shall be in accordance with the debtor's statement under  
16 this subdivision, unless and until the court enters an order  
17 finding that the debtor's statement is incorrect.

18 (b) OBJECTING TO DESIGNATION. The United  
19 States trustee or a party in interest may file an objection to  
20 the debtor's statement under subdivision (a) no later than 30  
21 days after the conclusion of the meeting of creditors held  
22 under § 341(a) of the Code, or within 30 days after any  
23 amendment to the statement, whichever is later.

24           (c)     PROCEDURE FOR OBJECTION OR  
25 DETERMINATION. Any objection or request for a  
26 determination under this rule shall be governed by Rule 9014  
27 and served on: the debtor; the debtor’s attorney; the United  
28 States trustee; the trustee; the creditors included on the list  
29 filed under Rule 1007(d) or, if a committee has been  
30 appointed under § 1102(a)(3), the committee or its  
31 authorized agent; and any other entity as the court directs.

#### **Committee Note**

The Interim Rule is amended in response to the enactment of the Bankruptcy Threshold Adjustment and Technical Correction Act (the “BTATC Act”), Pub. L. No. 117-151, \_\_\_ Stat. \_\_\_\_\_. The BTATC 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 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, 134 Stat. 281, as amended. Subdivision (a) of the rule is amended to reflect that change. This Interim Rule will terminate two years after the date of enactment of the BTATC, unless the Act is extended.