

A major change in a Bankruptcy Rule became effective on December 1, 2017. It has had a significant impact on creditors.

From 1978 to 2017 the deadline (bar date) to file a proof of claim in a Chapter 13 case had been 90 days after the creditors meeting. The creditors meeting date varies by Court and is usually 35-50 days after the case is filed, so the claim filing deadline had been about 125-140 days after the filing date. Beginning with cases filed on December 1, 2017 the deadline became 70 days after the filing date, effectively cutting in half the time to file a proof of claim. The claim deadline (bar date) for Chapter 7 cases with assets also changed but the impact is less for Chapter 7. When a "Notice of Assets" or "Notice to File Claim" is issued in a Chapter 7 case, the deadline is now 70 days from the notice date rather than 90 days as in the past.

This 70 day deadline is the result of a change to a Bankruptcy Rule. Changes to federal Court rules go through a prescribed process. A Rules Committee submits proposed changes, publicizes them to the industry, and holds public hearings. After the Committee completes its work, the Rules are submitted to the Supreme Court for approval. In this situation the Supreme Court approved several rules changes in April 2017 for December 1 implementation. Bankruptcy Rule 3002(c), which governs the deadline for filing a proof of claim, is among the rules that were changed.

CBS notified our clients of this change several months in advance. Creditors must now pay more urgent attention to bankruptcy notices and react more quickly. Creditors can decrease the time from receipt of notice to the deadline date by receiving notices electronically, a service provided by the Bankruptcy Noticing Center (BNC). CBS provides electronic noticing through the BNC for our clients who desire to package it with our core bankruptcy recovery services.

