

105TH CONGRESS
1ST SESSION

S. 1301

To amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 21, 1997

Mr. GRASSLEY (for himself and Mr. DURBIN) introduced the following bill;
which was read twice and referred to the Committee on the Judiciary

A BILL

To amend title 11, United States Code, to provide for consumer bankruptcy protection, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Bankruptcy
5 Reform Act of 1997”.

6 **TITLE I—NEEDS BASED**
7 **BANKRUPTCY**

8 **SEC. 101. CONVERSION.**

9 Section 706(e) of title 11, United States Code, is
10 amended by striking “13”.

1 **SEC. 102. DISMISSAL OR CONVERSION.**

2 (a) IN GENERAL.—Section 707 of title 11, United
3 States Code, is amended—

4 (1) by striking the section heading and insert-
5 ing the following:

6 **“§ 707. Dismissal of a case or conversion to a case
7 under chapter 13”;**

8 and

9 (2) in subsection (b)—

10 (A) by inserting “(1)” after “(b)”; and

11 (B) in paragraph (1), as redesignated by
12 subparagraph (A) of this paragraph—

13 (i) in the first sentence—

14 (I) by striking “, but not at the
15 request or suggestion of a party in in-
16 terest,”;

17 (II) by inserting “, or, with the
18 debtor’s consent, convert such a case
19 to a case under chapter 13 of this
20 title,” after “consumer debts”; and

21 (III) by striking “substantial
22 abuse” and inserting “abuse”; and

23 (ii) by striking the last sentence and
24 inserting the following:

1 “(2) In considering under paragraph (1) whether the
2 granting of relief would be an abuse of the provisions of
3 this chapter, the court shall consider whether—

4 “(A) under section 1325(b)(1) of this title, on
5 the basis of the current income of the debtor, the
6 debtor could pay an amount greater than or equal
7 to 20 percent of unsecured claims that are not con-
8 sidered to be priority claims (as determined under
9 subchapter I of chapter 5 of this title);

10 “(B) the debtor filed a petition for the relief in
11 bad faith; and

12 “(C)(i) the debtor made good-faith efforts, be-
13 fore the filing of the petition, to negotiate an alter-
14 native repayment schedule or to use alternative
15 methods of dispute resolution; and

16 “(ii) if the debtor made efforts described in
17 clause (i), the creditors of that debtor unreasonably
18 refused to engage in the alternative methods of dis-
19 pute resolution or to negotiate an alternative repay-
20 ment schedule.

21 “(3)(A) If a panel trustee appointed under section
22 586(a)(1) of title 28 brings a motion for dismissal or con-
23 version under this subsection and the court grants that
24 motion, the court shall order the counsel for the debtor,
25 if the debtor is represented by counsel, to reimburse the

1 trustee for all reasonable costs in prosecuting the motion,
2 including reasonable attorneys' fees.

3 “(B) If the court finds that the attorney for the debt-
4 or violated Rule 9011, at a minimum, the court shall
5 order—

6 “(i) the assessment of an appropriate civil pen-
7 alty against the counsel for the debtor; and

8 “(ii) the payment of the civil penalty to the
9 panel trustee or the United States trustee.

10 “(C) In the case of a petition referred to in subpara-
11 graph (B), the signature of an attorney shall constitute
12 a certificate that the attorney has—

13 “(i) performed a reasonable investigation into
14 the circumstances that gave rise to the petition; and

15 “(ii) determined that the petition—

16 “(I) is well grounded in fact; and

17 “(II) is warranted by existing law or a
18 good faith argument for the extension, modi-
19 fication, or reversal of existing law and does not
20 constitute an abuse under paragraph (1) of this
21 subsection.

22 “(4) The court shall award a debtor all reasonable
23 costs in contesting a motion brought by a party in interest
24 under this subsection (including reasonable attorneys' fees

1 and actual damages in an amount not less than \$5,000)
 2 if—

3 “(A) the court does not grant the motion; and

4 “(B) the court finds that—

5 “(i) the position of the party that brought
 6 the motion was not substantially justified; or

7 “(ii) the party brought the motion solely
 8 for the purpose of coercing a debtor into
 9 waiving a right guaranteed to the debtor under
 10 this title.”.

11 (b) CLERICAL AMENDMENT.—The table of sections
 12 at the beginning of chapter 7 of title 11, United States
 13 Code, is amended by striking the item relating to section
 14 707 and inserting the following:

“707. Dismissal of a case or conversion to a case under chapter 13.”.

15 **TITLE II—ENHANCED PROCE-**
 16 **DURAL PROTECTIONS FOR**
 17 **CONSUMERS**

18 **SEC. 201. ALLOWANCE OF CLAIMS OR INTERESTS.**

19 Section 502 of title 11, United States Code, is
 20 amended by adding at the end the following:

21 “(k)(1) The court shall award the debtor reasonable
 22 attorneys’ fees and costs if, after an objection is filed by
 23 a debtor, the court—

24 “(A) disallows the claim; or

1 “(B) reduces the claim by an amount greater
2 than 5 percent of the amount of the initial claim
3 filed by a party in interest.

4 “(2) If the court finds that the position of a claimant
5 under this section is not substantially justified, the court
6 shall, in addition to awarding a debtor reasonable attor-
7 neys’ fees and costs under paragraph (1), award additional
8 punitive damages in the amount of \$5,000.”.

9 **SEC. 202. EXCEPTIONS TO DISCHARGE.**

10 Section 523 of title 11, United States Code, is
11 amended to read as follows:

12 “(d)(1) If a creditor requests a determination of
13 dischargeability of a consumer debt under this section and
14 that debt is discharged, the court shall award the debtor
15 reasonable attorneys’ fees and costs.

16 “(2) In addition to making an award to a debtor
17 under paragraph (1), if the court finds that the position
18 of a creditor in a proceeding covered under this section
19 is not substantially justified, the court shall, in addition
20 to making an award of reasonable attorneys’ fees and
21 costs under paragraph (1), award an amount equal to the
22 greater of—

23 “(A)(i) the amount of actual damages; multi-
24 plied by

25 “(ii) 3; or

1 “(B) \$5,000.”.

2 **SEC. 203. EFFECT OF DISCHARGE.**

3 Section 524 of title 11, United States Code, is
4 amended by adding at the end the following:

5 “(i) The failure of a creditor to credit payments re-
6 ceived under a plan confirmed under this title (including
7 a plan of reorganization confirmed under chapter 11 of
8 this title) in the manner required by the plan (including
9 crediting the amounts required under the plan) shall con-
10 stitute a violation of an injunction under subsection (a)(2).

11 “(j)(1) Except as provided in paragraph (2), a credi-
12 tor may not charge a debtor, or the account of a debtor,
13 for attorneys’ fees or costs for work performed in connec-
14 tion with a case brought under this title.

15 “(2) Any charge made by a creditor in violation of
16 this subsection shall constitute a violation of an injunction
17 under subsection (a)(2).

18 “(k) An individual who is injured by the failure of
19 a creditor to comply with the requirements for a reaffirma-
20 tion agreement under subsections (c) and (d), or by any
21 willful violation of the injunction under subsection (a)(2),
22 shall be entitled to recover—

23 “(1) the greater of—

24 “(A)(i) the amount of actual damages;
25 multiplied by

1 “(ii) 3; or
 2 “(B) \$5,000; and
 3 “(2) costs and attorneys’ fees.”.

4 **SEC. 204. AUTOMATIC STAY.**

5 Section 362(h) of title 11, United States Code, is
 6 amended to read as follows:

7 “(h)(1) An individual who is injured by any willful
 8 violation of a stay provided in this section shall be entitled
 9 to recover—

10 “(A) the greater of—

11 “(i)(I) the amount of actual damages; mul-
 12 tplied by

13 “(II) 3; or

14 “(ii) \$5,000; and

15 “(B) costs and attorneys’ fees.

16 “(2) In addition to recovering actual damages, costs,
 17 and attorneys’ fees under paragraph (1), an individual de-
 18 scribed in paragraph (1) may recover punitive damages
 19 in appropriate circumstances.”.

20 **SEC. 205. WHO MAY BE A DEBTOR.**

21 Section 727 of title 11, United States Code, is
 22 amended by adding at the end the following:

23 “(F)(1) In any case in which a creditor files a motion
 24 to deny relief to a debtor under this section and that mo-

1 tion is denied or withdrawn, the court shall award the
2 debtor reasonable attorneys' fees and costs.

3 “(2) If the court finds that the position of a party
4 filing a motion under this section is not substantially justi-
5 fied, the court shall assess against the creditor for pay-
6 ment to the debtor a payment in an amount equal to the
7 greater of—

8 “(A)(i) the amount of actual damages; multi-
9 plied by

10 “(ii) 3; or

11 “(B) \$5,000.”.

12 **TITLE III—IMPROVED PROCES-**
13 **DURES FOR EFFICIENT AD-**
14 **MINISTRATION OF THE BANK-**
15 **RUPTCY SYSTEM**

16 **SEC. 301. NOTICE OF ALTERNATIVES.**

17 (a) IN GENERAL.—Section 342 of title 11, United
18 States Code, is amended by striking subsection (b) and
19 inserting the following:

20 “(b) Before the commencement of a case under this
21 title by an individual whose debts are primarily consumer
22 debts, that individual shall be given or obtain (as required
23 in section 521(a)(1), as part of the certification process
24 under subchapter 1 of chapter 5 of this title) a written
25 notice prescribed by the United States trustee for the dis-

1 triet in which the petition is filed pursuant to section 586
2 of title 28. The notice shall contain the following:

3 “(1) A brief description of chapters 7, 11, 12,
4 and 13 of this title and the general purpose, bene-
5 fits, and costs of proceeding under each of those
6 chapters.

7 “(2) A brief description of services that may be
8 available to that individual from an independent
9 nonprofit debt counseling service.

10 “(3)(A) The name, address, and telephone
11 number of each nonprofit debt counseling service
12 with an office located in the district in which the pe-
13 tition is filed, if any.

14 “(B) Any nonprofit debt counseling service de-
15 scribed in subparagraph (A) that has registered with
16 the clerk of the bankruptcy court on or before De-
17 cember 10 of the preceding year shall be included in
18 the list referred to in that clause, unless the chief
19 bankruptcy judge of the district involved, after giv-
20 ing notice to the debt counseling service and the
21 United States trustee and opportunity for a hearing,
22 orders, for good cause, that a particular debt coun-
23 seling service shall not be so listed.”; and

24 (b) DEBTOR’S DUTIES.—Section 521 of title 11,
25 United States Code, is amended—

1 (1) by inserting “(a)” before “The debtor
2 shall—”;

3 (2) by striking paragraph (1) and inserting the
4 following:

5 “(1) file—

6 “(A) a list of creditors; and

7 “(B) unless the court orders otherwise—

8 “(i) a schedule of assets and liabil-
9 ities;

10 “(ii) a schedule of current income and
11 current expenditures;

12 “(iii) a statement of the debtor’s fi-
13 nancial affairs and, if applicable, a certifi-
14 cate—

15 “(I) of an attorney whose name
16 is on the petition as the attorney for
17 the debtor or any bankruptcy petition
18 preparer signing the petition pursuant
19 to section 110(b)(1) of this title indi-
20 cating that such attorney or bank-
21 ruptcy petition preparer delivered to
22 the debtor any notice required by sec-
23 tion 342(b) of this title; or

24 “(II) if no attorney for the debt-
25 or is indicated and no bankruptcy pe-

1 tition preparer signed the petition, of
2 the debtor that such notice was ob-
3 tained and read by the debtor;

4 “(iv) copies of any Federal tax re-
5 turns, including any schedules or attach-
6 ments, filed by the debtor for the 3-year
7 period preceding the order for relief;

8 “(v) copies of all payment advices or
9 other evidence of payment, if any, received
10 by the debtor from any employer of the
11 debtor in the period 60 days prior to the
12 filing of the petition;

13 “(vi) a statement of the amount of
14 projected monthly net income, itemized to
15 show how calculated;

16 “(vii) if applicable, any statement
17 under paragraphs (3) and (4) of section
18 109(h); and

19 “(viii) a statement disclosing any rea-
20 sonably anticipated increase in income or
21 expenditures over the 12-month period fol-
22 lowing the date of filing;”;

23 (3) by adding at the end the following:

24 “(b)(1) At any time, a creditor, in the case of an indi-
25 vidual under chapter 7 or 13, may file with the court no-

1 tice that the creditor requests the petition, schedules, and
2 a statement of affairs filed by the debtor in the case and
3 the court shall make those documents available to the
4 creditor who requests those documents.

5 “(2) At any time, a creditor, in a case under chapter
6 13, may file with the court notice that the creditor re-
7 quests the plan filed by the debtor in the case and the
8 court shall make that plan available to the creditor who
9 requests that plan.

10 “(c) An individual debtor in a case under chapter 7
11 or 13 shall file with the court—

12 “(1) at the time filed with the taxing authority,
13 all tax returns, including any schedules or attach-
14 ments, with respect to the period from the com-
15 mencement of the case until such time as the case
16 is closed;

17 “(2) at the time filed with the taxing authority,
18 all tax returns, including any schedules or attach-
19 ments, that were not filed with the taxing authority
20 when the schedules under subsection (a)(1) were
21 filed with respect to the period that is 3 years before
22 the order for relief;

23 “(3) any amendments to any of the tax returns,
24 including schedules or attachments, described in
25 paragraph (1) or (2); and

1 “(4) in a case under chapter 13, a statement
2 subject to the penalties of perjury by the debtor of
3 the debtor’s income and expenditures in the preced-
4 ing tax year and monthly income, that shows how
5 the amounts are calculated—

6 “(A) beginning on the date that is the
7 later of 90 days after the close of the debtor’s
8 tax year or 1 year after the order for relief, un-
9 less a plan has been confirmed; and

10 “(B) thereafter on or before the date that
11 is 45 days before each anniversary of the con-
12 firmation of the plan until the case is closed.

13 “(d)(1) A statement referred to in subsection (c)(4)
14 shall disclose—

15 “(A) the amount and sources of income of the
16 debtor;

17 “(B) the identity of any persons responsible
18 with the debtor for the support of any dependents of
19 the debtor; and

20 “(C) any persons who contributed and the
21 amount contributed to the household in which the
22 debtor resides.

23 “(2) The tax returns, amendments, and statement of
24 income and expenditures described in paragraph (1) shall
25 be available to the United States trustee, any bankruptcy

1 administrator, any trustee, and any party in interest for
2 inspection and copying.”.

3 (c) TITLE 28.—Section 586(a) of title 28, United
4 States Code, is amended—

5 (1) in paragraph (5) by striking “and” at the
6 end;

7 (2) in paragraph (6) by striking the period at
8 the end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(7) on or before January 1 of each calendar
11 year, and also not later than 30 days after any
12 change in the nonprofit debt counseling services reg-
13 istered with the bankruptcy court, prescribe and
14 make available on request the notice described in
15 section 342(b)(3) of title 11 for each district in-
16 cluded in the region.”.

17 **SEC. 302. FAIR TREATMENT OF SECURED CREDITORS**
18 **UNDER CHAPTER 13.**

19 Section 1325(a)(5)(B)(i) of title 11, United States
20 Code, is amended to read as follows:

21 “(B)(i) the plan provides that the holder of
22 such claim retain the lien securing such claim
23 until the debt that is the subject of the claim
24 is fully paid for, as provided under the plan;
25 and”.

1 **SEC. 303. DISCOURAGEMENT OF BAD FAITH REPEAT FIL-**
2 **INGS.**

3 Section 362 of title 11, United States Code, is
4 amended—

5 (1) in subsection (c)—

6 (A) by inserting “(1)” before “Except as”;

7 (B) by striking “(1) the stay” and insert-
8 ing “(A) the stay”;

9 (C) by striking “(2) the stay” and insert-
10 ing “(B) the stay”;

11 (D) by striking “(A) the time” and insert-
12 ing “(i) the time”; and

13 (E) by striking “(B) the time” and insert-
14 ing “(ii) the time”; and

15 (2) by adding at the end the following:

16 “(2) Except as provided in subsections (d) through
17 (f), the stay under subsection (a) with respect to any ac-
18 tion taken with respect to a debt or property securing such
19 debt or with respect to any lease shall terminate with re-
20 spect to the debtor on the 30th day after the filing of the
21 later case if—

22 “(A) a single or joint case is filed by or against
23 an individual debtor under chapter 7, 11, or 13; and

24 “(B) a single or joint case of that debtor (other
25 than a case refiled under a chapter other than chap-
26 ter 7 after dismissal under section 707(b) of this

1 title) was pending during the preceding year but was
2 dismissed.

3 “(3) If a party in interest so requests, the court may
4 extend the stay in a particular case with respect to 1 or
5 more creditors (subject to such conditions or limitations
6 as the court may impose) after providing notice and a
7 hearing completed before the expiration of the 30-day pe-
8 riod described in paragraph (2) only if the party in inter-
9 est demonstrates that the filing of the later case is in good
10 faith with respect to the creditors to be stayed.

11 “(4) A case shall be presumed to have not been filed
12 in good faith (except that such presumption may be rebut-
13 ted by clear and convincing evidence to the contrary)—

14 “(A) with respect to the creditors involved, if—

15 “(i) more than 1 previous case under any
16 of chapters 7, 11, or 13 of this title in which
17 the individual was a debtor was pending during
18 the 1-year period described in paragraph (1);

19 “(ii) a previous case under any of chapters
20 7, 11, or 13 of this title in which the individual
21 was a debtor was dismissed within the period
22 specified in paragraph (2) after—

23 “(I) the debtor, after having received
24 from the court a request to do so, failed to

1 file or amend the petition or other docu-
2 ments as required by this title; or

3 “(II) the debtor, without substantial
4 excuse, failed to perform the terms of a
5 plan that was confirmed by the court; or

6 “(iii)(I) during the period commencing
7 with the dismissal of the next most previous
8 case under chapter 7, 11, or 13 there has not
9 been a substantial change in the financial or
10 personal affairs of the debtor;

11 “(II) if the case is a chapter 7 case, there
12 is no other reason to conclude that the later
13 case will be concluded with a discharge; or

14 “(III) if the case is a chapter 11 or 13
15 case, there is not a confirmed plan that will be
16 fully performed; and

17 “(B) with respect to any creditor that com-
18 menced an action under subsection (d) in a previous
19 case in which the individual was a debtor, if, as of
20 the date of dismissal of that case, that action was
21 still pending or had been resolved by terminating,
22 conditioning, or limiting the stay with respect to ac-
23 tions of that creditor.

24 “(5)(A) If a request is made for relief from the stay
25 under subsection (a) with respect to real or personal prop-

erty of any kind, and the request is granted in whole or
in part, the court may, in addition to making any other
order under this subsection, order that the relief so granted shall be in rem either—

“(i) for a definite period of not less than 1
year; or

“(ii) indefinitely.

“(B)(i) After an order is issued under subparagraph
(A), the stay under subsection (a) shall not apply to any
property subject to such an in rem order in any case of
the debtor.

“(ii) If an in rem order issued under subparagraph
(A) so provides, the stay shall, in addition to being inap-
plicable to the debtor involved, not apply with respect to
an entity under this title if—

“(I) the entity had reason to know of the
order at the time that the entity obtained an in-
terest in the property affected; or

“(II) the entity was notified of the com-
mencement of the proceeding for relief from the
stay, and at the time of the notification, no case
in which the entity was a debtor was pending.

“(6) For purposes of this section, a case is pending
during the period beginning with the issuance of the order

1 for relief and ending at such time as the case involved
2 is closed.”.

3 **SEC. 304. TIMELY FILING AND CONFIRMATION OF PLANS**
4 **UNDER CHAPTER 13.**

5 (a) FILING OF PLAN.—Section 1321 of title 11, Unit-
6 ed States Code, is amended to read as follows:

7 **“§ 1321. Filing of plan**

8 “The debtor shall file a plan not later than 90 days
9 after the order for relief under this chapter, except that
10 the court may extend such period if the need for an exten-
11 sion is attributable to circumstances for which the debtor
12 should not justly be held accountable.”.

13 (b) CONFIRMATION OF HEARING.—Section 1324 of
14 title 11, United States Code, is amended by adding at the
15 end the following: “That hearing shall be held not later
16 than 45 days after the filing of the plan, unless the court,
17 after providing notice and a hearing, orders otherwise.”.

18 **SEC. 305. APPLICATION OF THE CODEBTOR STAY ONLY**
19 **WHEN THE STAY PROTECTS THE DEBTOR.**

20 Section 1301(b) of title 11, United States Code, is
21 amended—

22 (1) by inserting “(1)” after “(b)”; and

23 (2) by adding at the end the following:

24 “(2)(A) Notwithstanding subsection (c) and except as
25 provided in subparagraph (B), in any case in which the

1 debtor did not receive the consideration for the claim held
2 by a creditor, the stay provided by subsection (a) shall
3 apply to that creditor for a period not to exceed 30 days
4 beginning on the date of the order for relief, to the extent
5 the creditor proceeds against—

6 “(i) the individual that received that consider-
7 ation; or

8 “(ii) property not in the possession of the debt-
9 or that secures that claim.

10 “(B) In any case described in subparagraph (A), a
11 creditor may not proceed against an individual described
12 in subparagraph (A)(i) or property described in subpara-
13 graph (A)(ii), if the debtor who did not receive consider-
14 ation for the property that is the subject of the claim is
15 able to demonstrate that the receipt of the property was
16 not part of a scheme to defraud or hinder any creditor.

17 “(3) Notwithstanding subsection (c), the stay pro-
18 vided by subsection (a) shall terminate as of the date of
19 confirmation of the plan, in any case in which the plan
20 of the debtor provides that the debtor’s interest in per-
21 sonal property subject to a lease with respect to which the
22 debtor is the lessee will be surrendered or abandoned or
23 no payments will be made under the plan on account of
24 the debtor’s obligations under the lease.”.

1 **SEC. 306. IMPROVED BANKRUPTCY STATISTICS.**

2 (a) AMENDMENT.—Chapter 6 of part I of title 28,
3 United States Code, is amended by adding at the end the
4 following:

5 **“§ 159. Bankruptcy statistics**

6 “(a) The clerk of each district shall compile statistics
7 regarding individual debtors with primarily consumer
8 debts seeking relief under chapters 7, 11, and 13 of title
9 11. Those statistics shall be in a form prescribed by the
10 Director of the Administrative Office of the United States
11 Courts (referred to in this section as the ‘Office’).

12 “(b) The Director shall—

13 “(1) compile the statistics referred to in sub-
14 section (a);

15 “(2) make the statistics available to the public;
16 and

17 “(3) not later than October 31, 1998, and an-
18 nually thereafter, prepare, and submit to Congress a
19 report concerning the information collected under
20 subsection (a) that contains an analysis of the infor-
21 mation.

22 “(c) The compilation required under subsection (b)
23 shall—

24 “(1) be itemized, by chapter, with respect to
25 title 11;

1 “(2) be presented in the aggregate and for each
2 district; and

3 “(3) include information concerning—

4 “(A) the total assets and total liabilities of
5 the debtors described in subsection (a), and in
6 each category of assets and liabilities, as re-
7 ported in the schedules prescribed pursuant to
8 section 2075 of this title and filed by those
9 debtors;

10 “(B) the current total monthly income,
11 projected monthly net income, and average in-
12 come and average expenses of those debtors as
13 reported on the schedules and statements that
14 each such debtor files under sections 111, 521,
15 and 1322 of title 11;

16 “(C) the aggregate amount of debt dis-
17 charged in the reporting period, determined as
18 the difference between the total amount of debt
19 and obligations of a debtor reported on the
20 schedules and the amount of such debt reported
21 in categories which are predominantly non-
22 dischargeable;

23 “(D) the average period of time between
24 the filing of the petition and the closing of the
25 case;

1 “(E) for the reporting period—

2 “(i) the number of cases in which a
3 reaffirmation was filed; and

4 “(ii)(I) the total number of reaffirma-
5 tions filed;

6 “(II) of those cases in which a reaffir-
7 mation was filed, the number in which the
8 debtor was not represented by an attorney;
9 and

10 “(III) of those cases, the number of
11 cases in which the reaffirmation was ap-
12 proved by the court;

13 “(F) with respect to cases filed under
14 chapter 13 of title 11, for the reporting pe-
15 riod—

16 “(i)(I) the number of cases in which a
17 final order was entered determining the
18 value of property securing a claim in an
19 amount less than the amount of the claim;
20 and

21 “(II) the number of final orders deter-
22 mining the value of property securing a
23 claim issued;

1 “(ii) the number of cases dismissed
2 for failure to make payments under the
3 plan; and

4 “(iii) the number of cases in which
5 the debtor filed another case within the 6
6 years previous to the filing; and

7 “(G) the extent of creditor misconduct and
8 any amount of punitive damages awarded by
9 the court for creditor misconduct.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 at the beginning of chapter 6 of title 28, United States
12 Code, is amended by adding at the end the following:

“159. Bankruptcy statistics.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall take effect 18 months after the date of
15 enactment of this Act.

16 **SEC. 307. AUDIT PROCEDURES.**

17 (a) AMENDMENT.—Section 586 of title 28, United
18 States Code, is amended—

19 (1) in subsection (a), as amended by section
20 301 of this Act, by striking paragraph (6) and in-
21 serting the following:

22 “(6) make such reports as the Attorney General
23 directs, including the results of audits performed
24 under subsection (f); and”;

25 (2) by adding at the end the following:

1 “(f)(1)(A) The Attorney General shall establish pro-
2 cedures for the auditing of the accuracy and completeness
3 of petitions, schedules, and other information which the
4 debtor is required to provide under sections 521 and 1322
5 of title 11, and, if applicable, section 111 of title 11, in
6 individual cases filed under chapter 7 or 13 of such title.

7 “(B) The audits described in subparagraph (A) shall
8 be made in accordance with generally accepted auditing
9 standards and performed by independent certified public
10 accountants or independent licensed public accountants.
11 Those procedures shall—

12 “(i) establish a method of selecting appropriate
13 qualified persons to contract with the United States
14 trustee to perform those audits;

15 “(ii) establish a method of randomly selecting
16 cases to be audited according to generally accepted
17 auditing standards, except that not less than 1 out
18 of every 50 cases in each Federal judicial district
19 shall be selected for audit;

20 “(iii) require audits for schedules of income and
21 expenses which reflect greater than average
22 variances from the statistical norm of the district in
23 which the schedules were filed; and

24 “(iv) establish procedures for—

1 “(I) reporting the results of those audits
2 and any material misstatement of income, ex-
3 penditures, or assets of a debtor to the Attor-
4 ney General, the United States Attorney and
5 the court, as appropriate;

6 “(II) providing, not less frequently than
7 annually, public information concerning the ag-
8 gregate results of such audits including the per-
9 centage of cases, by district, in which a mate-
10 rial misstatement of income or expenditures is
11 reported; and

12 “(III) fully funding those audits, including
13 procedures requiring each debtor with sufficient
14 available income or assets to contribute to the
15 payment for those audits, as an administrative
16 expense or otherwise.

17 “(2) The United States trustee for each district is
18 authorized to contract with auditors to perform audits in
19 cases designated by the United States trustee according
20 to the procedures established under paragraph (1) of this
21 subsection.

22 “(3) According to procedures established under para-
23 graph (1), upon request of a duly appointed auditor, the
24 debtor shall cause the accounts, papers, documents, finan-
25 cial records, files and all other papers, things, or property

1 belonging to the debtor as the auditor requests and that
2 are reasonably necessary to facilitate the audit to be made
3 available for inspection and copying.

4 “(4)(A) The report of each audit conducted under
5 this subsection shall be filed with the court, the Attorney
6 General, and the United States Attorney, as required
7 under procedures established by the Attorney General
8 under paragraph (1).

9 “(B) If a material misstatement of income or expend-
10 itures or of assets is reported under subparagraph (A),
11 a statement specifying that misstatement shall be filed
12 with the court and the United States trustee shall—

13 “(i) give notice thereof to the creditors in the
14 case; and

15 “(ii) in an appropriate case, in the opinion of
16 the United States trustee, that requires investigation
17 with respect to possible criminal violations, the Unit-
18 ed States Attorney for the district.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect 18 months after the date of
21 enactment of this Act.

22 **SEC. 308. CREDITOR REPRESENTATION AT FIRST MEETING**
23 **OF CREDITORS.**

24 Section 341(c) of title 11, United States Code, is
25 amended by inserting after the first sentence the follow-

1 ing: “Notwithstanding any local court rule, provision of
 2 a State constitution, any other Federal or State law that
 3 is not a bankruptcy law, or other requirement that rep-
 4 resentation at the meeting of creditors under subsection
 5 (a) be by an attorney, a creditor holding a consumer debt
 6 or any representative of the creditor (which may include
 7 an entity or an employee of an entity and may be a rep-
 8 resentative for more than one creditor) shall be permitted
 9 to appear at and participate in the meeting of creditors
 10 in a case under chapter 7 or 13, either alone or in conjunc-
 11 tion with an attorney for the creditor. Nothing in this sub-
 12 section shall be construed to require any creditor to be
 13 represented by an attorney at any meeting of creditors.”.

14 **SEC. 309. FAIR NOTICE FOR CREDITORS IN CHAPTER 7 AND**
 15 **13 CASES.**

16 Section 342 of title 11, United States Code, is
 17 amended—

18 (1) in subsection (c)—

19 (A) by striking “, but the failure of such
 20 notice to contain such information shall not in-
 21 validate the legal effect of such notice”; and

22 (B) by adding at the end the following:

23 “(d)(1) If the credit agreement between the debtor
 24 and the creditor or the last communication before the fil-
 25 ing of the petition in a voluntary case from the creditor

1 to a debtor who is an individual states an account number
2 of the debtor that is the current account number of the
3 debtor with respect to any debt held by the creditor
4 against the debtor, the debtor shall include that account
5 number in any notice to the creditor required to be given
6 under this title.

7 “(2) If the creditor has specified to the debtor, in
8 the last communication before the filing of the petition,
9 an address at which the creditor wishes to receive cor-
10 respondence regarding the debtor’s account, any notice to
11 the creditor required to be given by the debtor under this
12 title shall be given at such address.

13 “(3) For purposes of this section, the term ‘notice’
14 shall include—

15 “(A) any correspondence from the debtor to the
16 creditor after the commencement of the case;

17 “(B) any statement of the debtor’s intention
18 under section 521(a)(2) of this title;

19 “(C) notice of the commencement of any pro-
20 ceeding in the case to which the creditor is a party;
21 and

22 “(D) any notice of a hearing under section
23 1324 of this title.

24 “(e)(1) At any time, a creditor, in a case of an indi-
25 vidual under chapter 7 or 13, may file with the court and

1 serve on the debtor a notice of the address to be used to
2 notify the creditor in that case.

3 “(2) If the court or the debtor is required to give
4 the creditor notice, 5 days after receipt of the notice under
5 paragraph (1), that notice shall be given at that address.

6 “(f) An entity may file with the court a notice stating
7 its address for notice in cases under chapter 7 or 13. After
8 the date that is 30 days following the filing of that notice,
9 any notice in any case filed under chapter 7 or 13 given
10 by the court shall be to that address unless specific notice
11 is given under subsection (e) with respect to a particular
12 case.

13 “(g)(1) Notice given to a creditor other than as pro-
14 vided in this section shall not be effective notice until that
15 notice has been brought to the attention of the creditor.

16 “(2) If the creditor has designated a person or de-
17 partment to be responsible for receiving notices concerning
18 bankruptcy cases and has established reasonable proce-
19 dures so that bankruptcy notices received by the creditor
20 will be delivered to that department or person, notice shall
21 not be brought to the attention of the creditor until that
22 notice is received by that person or department.”.

1 **SEC. 310. STOPPING ABUSIVE CONVERSIONS FROM CHAP-**
2 **TER 13.**

3 Section 348(f)(1) of title 11, United States Code, is
4 amended—

5 (1) in subparagraph (A), by striking “and” at
6 the end;

7 (2) in subparagraph (B)—

8 (A) by striking “in the converted case,
9 with allowed secured claims” and inserting
10 “only in a case converted to chapter 11 or 12
11 but not in a case converted to chapter 7, with
12 allowed secured claims in cases under chapters
13 11 and 12”; and

14 (B) by striking the period and inserting “;
15 and”; and

16 (3) by adding at the end the following:

17 “(C) with respect to cases converted from chap-
18 ter 13, the claim of any creditor holding security as
19 of the date of the petition shall continue to be se-
20 cured by that security unless the full amount of that
21 claim determined under applicable nonbankruptcy
22 law has been paid in full as of the date of conver-
23 sion, notwithstanding any valuation or determination
24 of the amount of an allowed secured claim made for
25 the purposes of the chapter 13 proceeding.”.

1 **SEC. 311. PROMPT RELIEF FROM STAY IN INDIVIDUAL**
2 **CASES.**

3 Section 362(e) of title 11, United States Code, is
4 amended—

5 (1) by inserting “(1)” after “(e); and

6 (2) by adding at the end the following:

7 “(2) Notwithstanding paragraph (1), in the case of
8 an individual filing under chapter 7, 11, or 13, the stay
9 under subsection (a) shall terminate on the date that is
10 60 days after a request is made by a party in interest
11 under subsection (d), unless—

12 “(A) a final decision is rendered by the court
13 during the 60-day period beginning on the date of
14 the request; or

15 “(B) that 60-day period is extended—

16 “(i) by agreement of all parties in interest;

17 or

18 “(ii) by the court for such specific period
19 of time as the court finds is required for good
20 cause.”.

21 **SEC. 312. DISMISSAL FOR FAILURE TO FILE SCHEDULES**
22 **TIMELY OR PROVIDE REQUIRED INFORMA-**
23 **TION.**

24 Section 707 of title 11, United States Code, as
25 amended by section 102 of this Act, is further amended
26 by adding at the end the following:

1 “(c)(1) Notwithstanding subsection (a), and subject
 2 to paragraph (2), if an individual debtor in a voluntary
 3 case under chapter 7 or 13 fails to file all of the informa-
 4 tion required under section 521(a)(1) of this title within
 5 45 days after the filing of the petition commencing the
 6 case, the case shall be automatically dismissed effective
 7 on the 46th day after the filing of the petition.

8 “(2) With respect to a case described in paragraph
 9 (1), any party in interest may request the court to enter
 10 an order dismissing the case. The court shall, if so re-
 11 quested, enter an order of dismissal not later than 5 days
 12 after that request.

13 “(3) Upon request of the debtor made within 45 days
 14 after the filing of the petition commencing a case de-
 15 scribed in paragraph (1), the court may allow the debtor
 16 an additional period of not to exceed 20 days to file the
 17 information required under section 521(a)(1) of this title
 18 if the court finds justification for extending the period for
 19 the filing.”.

20 **SEC. 313. ADEQUATE TIME FOR PREPARATION FOR A HEAR-**
 21 **ING ON CONFIRMATION OF THE PLAN.**

22 Section 1324 of title 11, United States Code, is
 23 amended—

24 (1) by striking “After” and inserting the follow-
 25 ing:

1 “(a) Except as provided in subsection (b) and after”;

2 and

3 (2) by adding at the end the following:

4 “(b) If not later than 5 days after receiving notice
5 of a hearing on confirmation of the plan, a creditor objects
6 to the confirmation of the plan, the hearing on confirma-
7 tion of the plan may be held no earlier than 20 days after
8 the first meeting of creditors under section 341(a) of this
9 title.”.

10 **TITLE IV—TECHNICAL**
11 **CORRECTIONS**

12 **SEC. 401. DEFINITIONS.**

13 Section 101 of title 11, United States Code, is
14 amended—

15 (1) by striking “In this title—” and inserting
16 “In this title:”;

17 (2) in each paragraph, by inserting “The term”
18 after the paragraph designation;

19 (3) in paragraph (35)(B), by striking “para-
20 graphs (21B) and (33)(A)” and inserting “para-
21 graphs (23) and (35)”;

22 (4) in each of paragraphs (35A) and (38), by
23 striking “; and” at the end and inserting a period;

24 (5) in paragraph (51B)—

1 (A) by inserting “who is not a family farm-
2 er” after “debtor” the first place it appears;
3 and

4 (B) by striking “thereto having aggregate”
5 and all that follows through the end of the
6 paragraph;

7 (6) by amending paragraph (54) to read as fol-
8 lows:

9 “(54) The term ‘transfer’ means—

10 “(A) the creation of a lien;

11 “(B) the retention of title as a security in-
12 terest;

13 “(C) the foreclosure of a debtor’s equity of
14 redemption; or

15 “(D) each mode, direct or indirect absolute
16 or conditional, voluntary or involuntary, of dis-
17 posing of or parting with property or with an
18 interest in property;”;

19 (7) in each of paragraphs (1) through (35), in
20 each of paragraphs (36) and (37), and in each of
21 paragraphs (40) through (55) (including paragraph
22 (54), as added by paragraph (6) of this section), by
23 striking the semicolon at the end and inserting a pe-
24 riod; and

1 (8) by redesignating paragraphs (4) through
2 (55) in entirely numerical sequence, so as to result
3 in numerical paragraph designations of (4) through
4 (68).

5 **SEC. 402. ADJUSTMENT OF DOLLAR AMOUNTS.**

6 Section 104 of title 11, United States Code, is
7 amended by inserting “522(f)(3),” after “522(d),” each
8 place it appears.

9 **SEC. 403. EXTENSION OF TIME.**

10 Section 108(c)(2) of title 11, United States Code, is
11 amended by striking “922” and all that follows through
12 “or”, and inserting “922, 1201, or”.

13 **SEC. 404. WHO MAY BE A DEBTOR.**

14 Section 109(b)(2) of title 11, United States Code, is
15 amended by striking “subsection (c) or (d) of”.

16 **SEC. 405. PENALTY FOR PERSONS WHO NEGLIGENTLY OR**
17 **FRAUDULENTLY PREPARE BANKRUPTCY PE-**
18 **TITIONS.**

19 Section 110(j)(3) of title 11, United States Code, is
20 amended by striking “attorney’s” and inserting
21 “attorneys’ ”.

1 **SEC. 406. LIMITATION ON COMPENSATION OF PROFES-**
2 **SIONAL PERSONS.**

3 Section 328(a) of title 11, United States Code, is
4 amended by inserting “on a fixed or percentage fee basis,”
5 after “hourly basis,”.

6 **SEC. 407. SPECIAL TAX PROVISIONS.**

7 Section 346(g)(1)(C) of title 11, United States Code,
8 is amended by striking “, except” and all that follows
9 through “1986”.

10 **SEC. 408. EFFECT OF CONVERSION.**

11 Section 348(f)(2) of title 11, United States Code, is
12 amended by inserting “of the estate” after “property” the
13 first place it appears.

14 **SEC. 409. AUTOMATIC STAY.**

15 Section 362(b) of title 11, United States Code, is
16 amended—

17 (1) in paragraph (17), by striking “or” at the
18 end;

19 (2) in paragraph (18), by striking the period at
20 the end and inserting “; or”; and

21 (3) by adding at the end the following:

22 “(19) under subsection (a) of this section of
23 any transfer that is not avoidable under section 544
24 and that is not avoidable under section 549.”.

1 **SEC. 410. EXECUTORY CONTRACTS AND UNEXPIRED**
2 **LEASES.**

3 Section 365 of title 11, United States Code, is
4 amended—

5 (1) in subsection (b)(2)—

6 (A) in subparagraph (C), by striking “or”
7 at the end; and

8 (B) by striking subparagraph (D) and in-
9 serting the following:

10 “(D) the satisfaction of any penalty rate or
11 penalty provision relating to a default arising
12 from a failure to perform nonmonetary obliga-
13 tions under an executory contract or under an
14 unexpired lease of real or personal property;

15 “(E) the satisfaction of any provision
16 (other than a penalty rate or penalty provision)
17 relating to a default arising from any failure to
18 perform nonmonetary obligations under an
19 unexpired lease of real property, if it is impos-
20 sible for the trustee to cure such default by per-
21 forming nonmonetary acts at and after the time
22 of assumption; or

23 “(F) the satisfaction of any provision
24 (other than a penalty rate or penalty provision)
25 relating to a default arising from any failure to
26 perform nonmonetary obligations under an ex-

1 ecutory contract, if it is impossible for the
 2 trustee to cure such default by performing non-
 3 monetary acts at and after the time of assump-
 4 tion and if the court determines, based on the
 5 equities of the case, that paragraph (1) should
 6 not apply with respect to such default.”;

7 (2) in subsection (c)—

8 (A) in paragraph (2), by adding “or” at
 9 the end;

10 (B) in paragraph (3), by striking “or” at
 11 the end and inserting a period; and

12 (C) by striking paragraph (4);

13 (3) in subsection (d)—

14 (A) by striking paragraphs (5) through
 15 (9); and

16 (B) by redesignating paragraph (10) as
 17 paragraph (5); and

18 (4) in subsection (f)(1), by striking “; except
 19 that” and all that follows through the end of the
 20 paragraph and inserting a period.

21 **SEC. 411. AMENDMENT TO TABLE OF SECTIONS.**

22 The table of sections for chapter 5 of title 11, United
 23 States Code, is amended by striking the item relating to
 24 section 556 and inserting the following:

“556. Contractual right to liquidate a commodities contract or forward con-
 tract.”.

1 **SEC. 412. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

2 Section 503(b)(4) of title 11, United States Code, is
3 amended by inserting “subparagraph (A), (B), (C), (D),
4 or (E) of” before “paragraph (3)”.

5 **SEC. 413. PRIORITIES.**

6 Section 507(a) of title 11, United States Code, is
7 amended—

8 (1) in paragraph (3)(B), by striking the semi-
9 colon at the end and inserting a period; and

10 (2) in paragraph (7), by inserting “unsecured”
11 after “allowed”.

12 **SEC. 414. EXEMPTIONS.**

13 Section 522 of title 11, United States Code, is
14 amended—

15 (1) in subsection (f)(1)(A)(ii)(II)—

16 (A) by striking “includes a liability des-
17 igned as” and inserting “is for a liability that
18 is designated as, and is actually in the nature
19 of,”; and

20 (B) by striking “, unless” and all that fol-
21 lows through “support,”; and

22 (2) in subsection (g)(2), by striking “subsection
23 (f)(2)” and inserting “subsection (f)(1)(B)”.

24 **SEC. 415. EXCEPTIONS TO DISCHARGE.**

25 Section 523 of title 11, United States Code, is
26 amended—

1 (1) in subsection (a)(3), by striking “or (6)”
2 each place it appears and inserting “(6), or (15)”;

3 (2) as amended by section 304(e) of Public Law
4 103–394 (108 Stat. 4133), in paragraph (15)—

5 (A) by inserting “or” after the semicolon
6 at the end; and

7 (B) by transferring such paragraph so as
8 to insert it after paragraph (14) of subsection
9 (a);

10 (3) in paragraph (9), by inserting
11 “, watercraft, or aircraft” after “motor vehicle”;

12 (4) in subsection (a)(15), as so redesignated by
13 paragraph (2) of this subsection, by inserting “to a
14 spouse, former spouse, or child of the debtor and”
15 after “(15)”;

16 (5) in subsection (a)(17)—

17 (A) by striking “by a court” and inserting
18 “on a prisoner by any court”;

19 (B) by striking “section 1915 (b) or (f)”
20 and inserting “subsection (b) or (f)(2) of sec-
21 tion 1915”; and

22 (C) by inserting “(or a similar non-Federal
23 law)” after “title 28” each place it appears; and

24 (6) in subsection (e), by striking “a insured”
25 and inserting “an insured”.

1 **SEC. 416. EFFECT OF DISCHARGE.**

2 Section 524(a)(3) of title 11, United States Code, is
3 amended by striking “section 523” and all that follows
4 through “or that” and inserting “section 523, 1228(a)(1),
5 or 1328(a)(1) of this title, or that”.

6 **SEC. 417. PROTECTION AGAINST DISCRIMINATORY TREAT-**
7 **MENT.**

8 Section 525(c) of title 11, United States Code, is
9 amended—

10 (1) in paragraph (1), by inserting “student” be-
11 fore “grant” the second place it appears; and

12 (2) in paragraph (2), by striking “the program
13 operated under part B, D, or E of” and inserting
14 “any program operated under”.

15 **SEC. 418. PROPERTY OF THE ESTATE.**

16 Section 541(b) of title 11, United States Code, is
17 amended—

18 (1) in paragraph (4)—

19 (A) in subparagraph (B)(ii), by inserting
20 “365 or” before “542”; and

21 (B) by adding “or” at the end.

22 **SEC. 419. LIMITATIONS ON AVOIDING POWERS.**

23 Section 546 of title 11, United States Code, is
24 amended by redesignating the second subsection (g) (as
25 added by section 222(a) of the Bankruptcy Reform Act
26 of 1994; 108 Stat. 4129) as subsection (h).

1 **SEC. 420. PREFERENCES.**

2 Section 547 of title 11, United States Code, is
3 amended—

4 (1) in subsection (b), by striking “subsection
5 (c)” and inserting “subsections (c) and (i)”; and

6 (2) by adding at the end the following:

7 “(i) If the trustee avoids under subsection (b) a secu-
8 rity interest given between 90 days and 1 year before the
9 date of the filing of the petition, by the debtor to an entity
10 that is not an insider for the benefit of a creditor that
11 is an insider, such security interest shall be considered to
12 be avoided under this section only with respect to the cred-
13 itor that is an insider.”.

14 **SEC. 421. POSTPETITION TRANSACTIONS.**

15 Section 549(e) of title 11, United States Code, is
16 amended—

17 (1) by inserting “an interest in” after “transfer
18 of”;

19 (2) by striking “such property” and inserting
20 “such real property”; and

21 (3) by striking “the interest” and inserting
22 “such interest”.

23 **SEC. 422. TECHNICAL AMENDMENT.**

24 Section 552(b)(1) of title 11, United States Code, is
25 amended by striking “product” each place it appears and
26 inserting “products”.

1 **SEC. 423. SETOFF.**

2 Section 553(b)(1) of title 11, United States Code, is
3 amended by striking “362(b)(14)” and inserting
4 “362(b)(17)”.

5 **SEC. 424. DISPOSITION OF PROPERTY OF THE ESTATE.**

6 Section 726(b) of title 11, United States Code, is
7 amended by striking “1009,”.

8 **SEC. 425. GENERAL PROVISIONS.**

9 Section 901(a) of title 11, United States Code, is
10 amended by inserting “1123(d),” after “1123(b),”.

11 **SEC. 426. APPOINTMENT OF ELECTED TRUSTEE.**

12 Section 1104(b) of title 11, United States Code, is
13 amended—

14 (1) by inserting “(1)” after “(b)”; and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2)(A) If an eligible, disinterested trustee is elected
18 at a meeting of creditors under paragraph (1), the United
19 States trustee shall file a report certifying that election.
20 Upon the filing of a report under the preceding sentence—

21 “(i) the trustee elected under paragraph (1)
22 shall be considered to have been selected and ap-
23 pointed for purposes of this section; and

24 “(ii) the service of any trustee appointed under
25 subsection (d) shall terminate.

1 “(B) In the case of any dispute arising out of an elec-
2 tion under subparagraph (A), the court shall resolve the
3 dispute.”.

4 **SEC. 427. ABANDONMENT OF RAILROAD LINE.**

5 Section 1170(e)(1) of title 11, United States Code,
6 is amended by striking “section 11347” and inserting
7 “section 11326(a)”.

8 **SEC. 428. CONTENTS OF PLAN.**

9 Section 1172(c)(1) of title 11, United States Code,
10 is amended by striking “section 11347” and inserting
11 “section 11326(a)”.

12 **SEC. 429. DISCHARGE UNDER CHAPTER 12.**

13 Subsections (a) and (c) of section 1228 of title 11,
14 United States Code, are amended by striking
15 “1222(b)(10)” each place it appears and inserting
16 “1222(b)(9)”.

17 **SEC. 430. CONTENTS OF PLAN.**

18 Section 1322 of title 11, United States Code, is
19 amended—

20 (1) in subsection (b), by striking “(c)” and in-
21 serting “(d)”; and

22 (2) in subsection (e), by striking “default,
23 shall” and inserting “default shall”.

1 **SEC. 431. DISCHARGE UNDER CHAPTER 13.**

2 Paragraphs (1) through (3) of section 1328(a) of title
3 11, United States Code, are amended to read as follows:

4 “(1) provided for under section 1322(b)(5) of
5 this title;

6 “(2) of the kind specified in paragraph (5), (8),
7 or (9) of section 523(a) of this title; or

8 “(3) for restitution, or a criminal fine, included
9 in a sentence on the debtor’s conviction of a crime.”.

10 **SEC. 432. EXTENSIONS.**

11 Section 302(d)(3) of the Bankruptcy, Judges, United
12 States Trustees, and Family Farmer Bankruptcy Act of
13 1986 (28 U.S.C. 581 note) is amended—

14 (1) in subparagraph (A), in the matter follow-
15 ing clause (ii), by striking “October 1, 2002” and
16 inserting “October 1, 2012”; and

17 (2) in subparagraph (F)—

18 (A) in clause (i)—

19 (i) in subclause (II), by striking “Oc-
20 tober 1, 2002” and inserting “October 1,
21 2012”; and

22 (ii) in the matter following subclause
23 (II), by striking “October 1, 2003” and in-
24 serting “October 1, 2013”; and

1 (B) in clause (ii), in the matter following
2 subclause (II), by striking “October 1, 2003”
3 and inserting “October 1, 2013”.

4 **SEC. 433. BANKRUPTCY CASES AND PROCEEDINGS.**

5 Section 1334(d) of title 28, United States Code, is
6 amended—

7 (1) by striking “made under this subsection”
8 and inserting “made under subsection (c)”; and

9 (2) by striking “This subsection” and inserting
10 “Subsection (c) and this subsection”.

11 **SEC. 434. KNOWING DISREGARD OF BANKRUPTCY LAW OR**
12 **RULE.**

13 Section 156(a) of title 18, United States Code, is
14 amended—

15 (1) in the first undesignated paragraph—

16 (A) by inserting “(1) the term” before
17 “bankruptcy”; and

18 (B) by striking the period at the end and
19 inserting “; and”; and

20 (2) in the second undesignated paragraph—

21 (A) by inserting “(2) the term” before
22 “document”; and

23 (B) by striking “this title” and inserting
24 “title 11”.

1 **SEC. 435. EFFECTIVE DATE; APPLICATION OF AMEND-**
2 **MENTS.**

3 (a) **EFFECTIVE DATE.**—Except as provided in sub-
4 section (b), this title and the amendments made by this
5 title shall take effect on the date of enactment of this Act.

6 (b) **APPLICATION OF AMENDMENTS.**—The amend-
7 ments made by this title shall apply only with respect to
8 cases commenced under title 11, United States Code, on
9 or after the date of enactment of this Act.

○