

Reduced Debt Limits for Cases Filed Under Subchapter V of Chapter 11 and Chapter 13, Effective June 22, 2024

The Bankruptcy Threshold Adjustment and Technical Corrections Act (BTATC Act) temporarily increased the debt limits to qualify as a debtor under subchapter V of chapter 11 and chapter 13. The increased debt limit provisions expired at midnight on June 21, 2024.

Effective for cases filed on or after June 22, 2024:

- The **Subchapter V** debt limit is reduced from \$7.5 million to \$3,024,725. In addition, the definition of a debtor under 11 U.S.C. §1182(1) will mean “a small business debtor.”
- The **Chapter 13** eligibility threshold of \$2,750,000 for both secured and unsecured debt will again be divided into separate limitations for unsecured and secured debts. Eligibility will be limited to a maximum unsecured debt of \$465,275 and a maximum secured debt of \$1,395,875.

Additional information and related changes to national bankruptcy forms will be available on uscourts.gov in the coming week.