

plans, as set out in present section 77(e) [section 205(e) of former title 11]. Subsection (a) specifies the findings which the court must make before approving a plan: (1) The plan complies with the applicable provisions of the chapter; (2) the proponent of the plan complies with the applicable provisions of the chapter; (3) the plan has been proposed in good faith; (4) any payments for services or for costs or expenses in connection with the case or the plan are disclosed to the court and are reasonable, or, if to be paid later, are subject to the approval of the court as reasonable; (5) the proponent of the plan has disclosed the identity and affiliations of the individuals who will serve as directors, officers, or voting trustees, such appointments or continuations in office are consistent with the interests of creditors, equity security holders, and the proponent the public, and has disclosed the identity and compensation of any insider who will be employed or retained under the plan; (6) that rate changes proposed in the plan have been approved by the appropriate regulatory commission, or that the plan is contingent on such approval; (7) that confirmation of the plan is not likely to be followed by further reorganization or liquidation, unless it is contemplated by the plan; (8) that the plan, if there is more than one, is the one most likely to maintain adequate rail service and (9) that the plan provides the priority traditionally accorded by section 77(b) [section 205(b) of former title 11] to claims by rail creditors for necessary services rendered during the 6 months preceding the filing of the petition in bankruptcy.

Subsection (b) continues the present power of the court in section 77(e) [section 205(e) of former title 11] to confirm a plan over the objections of creditors or equity security holders who are materially and adversely affected. The subsection also confirms the authority of the court to approve a transfer of all or part of a debtor's property or its merger over the objections of equity security holders if it finds (1) that the "public interest" in continued rail transportation outweighs any adverse effect on creditors and equity security holders, and (2) that the plan is fair and equitable, affords due recognition to the rights of each class, and does not discriminate unfairly against any class.

Subsection (c) permits modification of a plan confirmed by a final order only for fraud.

HOUSE REPORT NO. 95-595

[Section 1172] This section [enacted as section 1173] requires the court to confirm a plan if the applicable requirements of section 1129 (relating to confirmation of reorganization plans generally) are met, if the best interest test is met, and if the plan is compatible with the public interest.

The test in this paragraph is similar to the test prescribed for ordinary corporate reorganizations. However, since a railroad cannot liquidate its assets and sell them for scrap to satisfy its creditors, the test focuses on the value of the railroad as a going concern. That is, the test is based on what the assets, sold as operating rail lines, would bring.

The public interest requirement, found in current law, will now be decided by the court, with the ICC representing the public interest before the court, rather than in the first instance by the ICC. Liquidation of the debtor is not, per se, contrary to the public interest.

Editorial Notes

AMENDMENTS

1984—Subsec. (a)(4). Pub. L. 98-353 substituted "consistent" for "compatible".

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by Pub. L. 98-353 effective with respect to cases filed 90 days after July 10, 1984, see section 552(a) of Pub. L. 98-353, set out as a note under section 101 of this title.

§ 1174. Liquidation

On request of a party in interest and after notice and a hearing, the court may, or, if a plan has not been confirmed under section 1173 of this title before five years after the date of the order for relief, the court shall, order the trustee to cease the debtor's operation and to collect and reduce to money all of the property of the estate in the same manner as if the case were a case under chapter 7 of this title.

(Pub. L. 95-598, Nov. 6, 1978, 92 Stat. 2644.)

HISTORICAL AND REVISION NOTES

LEGISLATIVE STATEMENTS

Section 1174 of the House amendment represents a compromise between the House bill and Senate amendment on the issue of liquidation of a railroad. The provision permits a party in interest at any time to request liquidation. In addition, if a plan has not been confirmed under section 1173 of the House amendment before 5 years after the date of order for relief, the court must order the trustee to cease the debtor's operation and to collect and reduce to money all of the property of the estate in the same manner as if the case were a case under chapter 7 of title 11. The approach differs from the conversion to chapter 7 under section 1174 of the Senate bill in order to make special provisions contained in subchapter IV of chapter 11 applicable to liquidation. However, maintaining liquidation in the context of chapter 11 is not intended to delay liquidation of the railroad to a different extent than if the case were converted to chapter 7.

Although the House amendment does not adopt provisions contained in sections 1170(1), (2), (3), or (5), of the Senate amendment such provisions are contained explicitly or implicitly in section 1123 of the House amendment.

SENATE REPORT NO. 95-989

Section 1174 permits the court to convert the case to a liquidation under chapter 7 if the court finds that the debtor cannot be reorganized, or if various time limits specified in the subchapter are not met. Section 77 [section 205 of former title 11] does not authorize a liquidation of a railroad under the Bankruptcy Act [former title 11]. If the railroad is not reorganizable, the only action open to the court is to dismiss the petition, which would in all likelihood be followed by a State court receivership, with all of its attendant disadvantages. If reorganization is impossible, the debtor should be liquidated under the Bankruptcy Act.

SUBCHAPTER V—SMALL BUSINESS DEBTOR REORGANIZATION

§ 1181. Inapplicability of other sections

(a) IN GENERAL.—Sections 105(d), 1101(1), 1104, 1105, 1106, 1107, 1108, 1115, 1116, 1121, 1123(a)(8), 1123(c), 1127, 1129(a)(15), 1129(b), 1129(c), 1129(e), and 1141(d)(5) of this title do not apply in a case under this subchapter.

(b) COURT AUTHORITY.—Unless the court for cause orders otherwise, paragraphs (1), (2), and (4) of section 1102(a) and sections 1102(b), 1103, and 1125 of this title do not apply in a case under this subchapter.

(c) SPECIAL RULE FOR DISCHARGE.—If a plan is confirmed under section 1191(b) of this title, section 1141(d) of this title shall not apply, except as provided in section 1192 of this title.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1079.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1182. Definitions

In this subchapter:

(1) DEBTOR.—The term “debtor”—

(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning single asset real estate) that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition or the date of the order for relief in an amount not more than \$7,500,000 (excluding debts owed to 1 or more affiliates or insiders) not less than 50 percent of which arose from the commercial or business activities of the debtor; and

(B) does not include—

(i) any member of a group of affiliated debtors under this title that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than \$7,500,000 (excluding debt owed to 1 or more affiliates or insiders);

(ii) any debtor that is a corporation subject to the reporting requirements under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

(iii) any debtor that is an affiliate of a corporation described in clause (ii).

(2) DEBTOR IN POSSESSION.—The term “debtor in possession” means the debtor, unless removed as debtor in possession under section 1185(a) of this title.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1079; amended Pub. L. 116-136, div. A, title I, §1113(a)(1), (5), Mar. 27, 2020, 134 Stat. 310, 311; Pub. L. 117-151, §2(d), (i)(1)(B), June 21, 2022, 136 Stat. 1298, 1300.)

AMENDMENT OF PARAGRAPH (1)

Pub. L. 117-151, §2(i)(1)(B), June 21, 2022, 136 Stat. 1300, provided that, effective 2 years after June 21, 2022, paragraph (1) of this section is amended to read as follows:

(1) Debtor.—The term “debtor” means a small business debtor.

See 2022 Amendment note below.

Editorial Notes

AMENDMENTS

2022—Par. (1). Pub. L. 117-151, §2(i)(1)(B), amended par. (1) generally. Prior to amendment, par. (1) consisted of subpars. (A) and (B) defining “debtor”.

Pub. L. 117-151, §2(d), amended par. (1) generally. Prior to amendment, text read as follows: “The term ‘debtor’ means a small business debtor.”

2020—Par. (1). Pub. L. 116-136, §1113(a)(5), amended par. (1) generally. Prior to amendment, par. (1) consisted of subpars. (A) and (B) defining “debtor”.

Pub. L. 116-136, §1113(a)(1), temporarily amended par. (1) generally. Prior to amendment, text read as follows: “The term ‘debtor’ means a small business debtor.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by section 2(d) of Pub. L. 117-151 applicable with respect to any case that is commenced under this title on or after Mar. 27, 2020, and with respect to a case that was commenced on or after Mar. 27, 2020, and before June 21, 2022, that is pending on June 21, 2022, see section 2(h)(2) of Pub. L. 117-151, set out as an Effective Date of 2022 Amendment; Retroactive Application note under section 101 of this title.

Pub. L. 117-151, §2(i)(1), June 21, 2022, 136 Stat. 1300, provided in part that the amendment made by section 2(i)(1)(B) is effective on the date that is 2 years after June 21, 2022.

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116-136, div. A, title I, §1113(a)(3), Mar. 27, 2020, 134 Stat. 311, provided that: “The amendment made by paragraph (1) [amending this section] shall apply only with respect to cases commenced under title 11, United States Code, on or after the date of enactment of this Act [Mar. 27, 2020].”

Pub. L. 116-136, div. A, title I, §1113(a)(5), Mar. 27, 2020, 134 Stat. 311, as amended by Pub. L. 117-5, §2(a)(1), Mar. 27, 2021, 135 Stat. 249, provided in part that the amendment made by section 1113(a)(5) of Pub. L. 116-136 is effective 2 years after Mar. 27, 2020.

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1183. Trustee

(a) IN GENERAL.—If the United States trustee has appointed an individual under section 586(b) of title 28 to serve as standing trustee in cases under this subchapter, and if such individual qualifies as a trustee under section 322 of this title, then that individual shall serve as trustee in any case under this subchapter. Otherwise, the United States trustee shall appoint one disinterested person to serve as trustee in the case or the United States trustee may serve as trustee in the case, as necessary.

(b) DUTIES.—The trustee shall—

(1) perform the duties specified in paragraphs (2), (5), (6), (7), and (9) of section 704(a) of this title;

(2) perform the duties specified in paragraphs (3), (4), and (7) of section 1106(a) of this title, if the court, for cause and on request of a party in interest, the trustee, or the United States trustee, so orders;

(3) appear and be heard at the status conference under section 1188 of this title and any hearing that concerns—

(A) the value of property subject to a lien;

(B) confirmation of a plan filed under this subchapter;

(C) modification of the plan after confirmation; or

(D) the sale of property of the estate;

(4) ensure that the debtor commences making timely payments required by a plan confirmed under this subchapter;

(5) if the debtor ceases to be a debtor in possession—

(A) perform the duties specified in section 704(a)(8) and paragraphs (1), (2), and (6) of section 1106(a) of this title; and

(B) be authorized to operate the business of the debtor;

(6) if there is a claim for a domestic support obligation with respect to the debtor, perform the duties specified in section 704(c) of this title; and

(7) facilitate the development of a consensual plan of reorganization.

(c) TERMINATION OF TRUSTEE SERVICE.—

(1) IN GENERAL.—If the plan of the debtor is confirmed under section 1191(a) of this title, the service of the trustee in the case shall terminate when the plan has been substantially consummated, except that the United States trustee may reappoint a trustee as needed for performance of duties under subsection (b)(3)(C) of this section and section 1185(a) of this title.

(2) SERVICE OF NOTICE OF SUBSTANTIAL CONSUMMATION.—Not later than 14 days after the plan of the debtor is substantially consummated, the debtor shall file with the court and serve on the trustee, the United States trustee, and all parties in interest notice of such substantial consummation.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1079; amended Pub. L. 117-151, §2(e), June 21, 2022, 136 Stat. 1299.)

Editorial Notes

AMENDMENTS

2022—Subsec. (b)(5). Pub. L. 117-151 substituted “possession—” for “possession,” designated remainder of existing provisions as subpar. (A), struck out “, including operating the business of the debtor” after “1106(a) of this title”, inserted “and” at end, and added subpar. (B).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117-151 applicable with respect to any case that is commenced under this title on or after Mar. 27, 2020, and with respect to a case that was commenced on or after Mar. 27, 2020, and before June 21, 2022, that is pending on June 21, 2022, see section 2(h)(2) of Pub. L. 117-151, set out as an Effective Date of 2022 Amendment; Retroactive Application note under section 101 of this title.

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1184. Rights and powers of a debtor in possession

Subject to such limitations or conditions as the court may prescribe, a debtor in possession shall have all the rights, other than the right to compensation under section 330 of this title, and powers, and shall perform all functions and duties, except the duties specified in paragraphs (2), (3), and (4) of section 1106(a) of this title, of a trustee serving in a case under this chapter, including operating the business of the debtor.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1080.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1185. Removal of debtor in possession

(a) IN GENERAL.—On request of a party in interest, and after notice and a hearing, the court shall order that the debtor shall not be a debtor in possession for cause, including fraud, dishonesty, incompetence, or gross mismanagement of the affairs of the debtor, either before or after the date of commencement of the case, or for failure to perform the obligations of the debtor under a plan confirmed under this subchapter.

(b) REINSTATEMENT.—On request of a party in interest, and after notice and a hearing, the court may reinstate the debtor in possession.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1080.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1186. Property of the estate

(a) INCLUSIONS.—If a plan is confirmed under section 1191(b) of this title, property of the estate includes, in addition to the property specified in section 541 of this title—

(1) all property of the kind specified in that section that the debtor acquires after the date of commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13 of this title, whichever occurs first; and

(2) earnings from services performed by the debtor after the date of commencement of the case but before the case is closed, dismissed, or converted to a case under chapter 7, 12, or 13 of this title, whichever occurs first.

(b) DEBTOR REMAINING IN POSSESSION.—Except as provided in section 1185 of this title, a plan confirmed under this subchapter, or an order confirming a plan under this subchapter, the debtor shall remain in possession of all property of the estate.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1081.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1187. Duties and reporting requirements of debtors

(a) FILING REQUIREMENTS.—Upon electing to be a debtor under this subchapter, the debtor shall file the documents required by subparagraphs (A) and (B) of section 1116(1) of this title.

(b) OTHER APPLICABLE PROVISIONS.—A debtor, in addition to the duties provided in this title and as otherwise required by law, shall comply with the requirements of section 308 and paragraphs (2), (3), (4), (5), (6), and (7) of section 1116 of this title.

(c) SEPARATE DISCLOSURE STATEMENT EXEMPTION.—If the court orders under section 1181(b) of

this title that section 1125 of this title applies, section 1125(f) of this title shall apply.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1081.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1188. Status conference

(a) IN GENERAL.—Except as provided in subsection (b), not later than 60 days after the entry of the order for relief under this chapter, the court shall hold a status conference to further the expeditious and economical resolution of a case under this subchapter.

(b) EXCEPTION.—The court may extend the period of time for holding a status conference under subsection (a) if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.

(c) REPORT.—Not later than 14 days before the date of the status conference under subsection (a), the debtor shall file with the court and serve on the trustee and all parties in interest a report that details the efforts the debtor has undertaken and will undertake to attain a consensual plan of reorganization.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1081.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1189. Filing of the plan

(a) WHO MAY FILE A PLAN.—Only the debtor may file a plan under this subchapter.

(b) DEADLINE.—The debtor shall file a plan not later than 90 days after the order for relief under this chapter, except that the court may extend the period if the need for the extension is attributable to circumstances for which the debtor should not justly be held accountable.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1081.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1190. Contents of plan

A plan filed under this subchapter—

(1) shall include—

(A) a brief history of the business operations of the debtor;

(B) a liquidation analysis; and

(C) projections with respect to the ability of the debtor to make payments under the proposed plan of reorganization;

(2) shall provide for the submission of all or such portion of the future earnings or other

future income of the debtor to the supervision and control of the trustee as is necessary for the execution of the plan; and

(3) notwithstanding section 1123(b)(5) of this title, may modify the rights of the holder of a claim secured only by a security interest in real property that is the principal residence of the debtor if the new value received in connection with the granting of the security interest was—

(A) not used primarily to acquire the real property; and

(B) used primarily in connection with the small business of the debtor.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1082.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1191. Confirmation of plan

(a) TERMS.—The court shall confirm a plan under this subchapter only if all of the requirements of section 1129(a), other than paragraph (15) of that section, of this title¹ are met.

(b) EXCEPTION.—Notwithstanding section 510(a) of this title, if all of the applicable requirements of section 1129(a) of this title, other than paragraphs (8), (10), and (15) of that section, are met with respect to a plan, the court, on request of the debtor, shall confirm the plan notwithstanding the requirements of such paragraphs if the plan does not discriminate unfairly, and is fair and equitable, with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

(c) RULE OF CONSTRUCTION.—For purposes of this section, the condition that a plan be fair and equitable with respect to each class of claims or interests includes the following requirements:

(1) With respect to a class of secured claims, the plan meets the requirements of section 1129(b)(2)(A) of this title.

(2) As of the effective date of the plan—

(A) the plan provides that all of the projected disposable income of the debtor to be received in the 3-year period, or such longer period not to exceed 5 years as the court may fix, beginning on the date that the first payment is due under the plan will be applied to make payments under the plan; or

(B) the value of the property to be distributed under the plan in the 3-year period, or such longer period not to exceed 5 years as the court may fix, beginning on the date on which the first distribution is due under the plan is not less than the projected disposable income of the debtor.

(3)(A) The debtor will be able to make all payments under the plan; or

(B)(i) there is a reasonable likelihood that the debtor will be able to make all payments under the plan; and

¹ So in original. The words “of this title” probably should follow “1129(a)”.

(ii) the plan provides appropriate remedies, which may include the liquidation of non-exempt assets, to protect the holders of claims or interests in the event that the payments are not made.

(d) **DISPOSABLE INCOME.**—For purposes of this section, the term “disposable income” means the income that is received by the debtor and that is not reasonably necessary to be expended—

(1) for—

(A) the maintenance or support of the debtor or a dependent of the debtor; or

(B) a domestic support obligation that first becomes payable after the date of the filing of the petition; or

(2) for the payment of expenditures necessary for the continuation, preservation, or operation of the business of the debtor.

(e) **SPECIAL RULE.**—Notwithstanding section 1129(a)(9)(A) of this title, a plan that provides for the payment through the plan of a claim of a kind specified in paragraph (2) or (3) of section 507(a) of this title may be confirmed under subsection (b) of this section.

(Added Pub. L. 116–54, §2(a), Aug. 23, 2019, 133 Stat. 1082; amended Pub. L. 116–260, div. N, title III, §320(c), (f)(2)(A)(iii), Dec. 27, 2020, 134 Stat. 2016, 2017; Pub. L. 117–151, §2(f), June 21, 2022, 136 Stat. 1299.)

Editorial Notes

AMENDMENTS

2022—Subsec. (c)(3). Pub. L. 117–151 added par. (3) and struck out former par. (3) which read as follows:

“(3)(A)(i) The debtor will be able to make all payments under the plan; or

“(ii) there is a reasonable likelihood that the debtor will be able to make all payments under the plan; and

“(B) the plan provides appropriate remedies, which may include the liquidation of nonexempt assets, to protect the holders of claims or interests in the event that the payments are not made.”

2020—Subsec. (f). Pub. L. 116–260, §320(f)(2)(A)(iii), contingent on its addition by Pub. L. 116–260, §320(c), struck out subsec. (f). Text read as follows: “Notwithstanding section 1129(a)(9)(A) of this title and subsection (e) of this section, a plan that provides for payment of a claim of a kind specified in section 503(b)(10) of this title may be confirmed under subsection (b) of this section if the plan proposes to make payments on account of such claim when due under the terms of the loan giving rise to such claim.”

Pub. L. 116–260, §320(c), added subsec. (f).

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2022 AMENDMENT

Amendment by Pub. L. 117–151 applicable with respect to any case that is commenced under this title on or after Mar. 27, 2020, and with respect to a case that was commenced on or after Mar. 27, 2020, and before June 21, 2022, that is pending on June 21, 2022, see section 2(h)(2) of Pub. L. 117–151, set out as an Effective Date of 2022 Amendment; Retroactive Application note under section 101 of this title.

EFFECTIVE AND TERMINATION DATES OF 2020 AMENDMENT

Amendment by section 320(c) of div. N of Pub. L. 116–260 effective on the date on which the Administrator of the Small Business Administration submits to

the Director of the Executive Office for United States Trustees a written determination relating to loan eligibility under pars. (36) and (37) of section 636(a) of Title 15, Commerce and Trade, and applicable to any case pending on or commenced on or after such date, and amendment by section 320(f)(2)(A)(iii) of div. N of Pub. L. 116–260, relating to repeal of such amendment if it became effective, effective two years after Dec. 27, 2020, see section 320(f) of Pub. L. 116–260, set out as a note under section 364 of this title.

[Pursuant to 15 U.S.C. 636(a)(36)(A)(iii), the “covered period” for loans under the Paycheck Protection Program ended on June 30, 2021.]

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116–54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1192. Discharge

If the plan of the debtor is confirmed under section 1191(b) of this title, as soon as practicable after completion by the debtor of all payments due within the first 3 years of the plan, or such longer period not to exceed 5 years as the court may fix, unless the court approves a written waiver of discharge executed by the debtor after the order for relief under this chapter, the court shall grant the debtor a discharge of all debts provided in section 1141(d)(1)(A) of this title, and all other debts allowed under section 503 of this title and provided for in the plan, except any debt—

(1) on which the last payment is due after the first 3 years of the plan, or such other time not to exceed 5 years fixed by the court; or

(2) of the kind specified in section 523(a) of this title.

(Added Pub. L. 116–54, §2(a), Aug. 23, 2019, 133 Stat. 1083.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116–54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1193. Modification of plan

(a) **MODIFICATION BEFORE CONFIRMATION.**—The debtor may modify a plan at any time before confirmation, but may not modify the plan so that the plan as modified fails to meet the requirements of sections 1122 and 1123 of this title, with the exception of subsection (a)(8) of such section 1123. After the modification is filed with the court, the plan as modified becomes the plan.

(b) **MODIFICATION AFTER CONFIRMATION.**—If a plan has been confirmed under section 1191(a) of this title, the debtor may modify the plan at any time after confirmation of the plan and before substantial consummation of the plan, but may not modify the plan so that the plan as modified fails to meet the requirements of sections 1122 and 1123 of this title, with the exception of subsection (a)(8) of such section 1123. The plan, as modified under this subsection, becomes the plan only if circumstances warrant the modification and the court, after notice and a hearing, confirms the plan as modified under section 1191(a) of this title.

(c) **CERTAIN OTHER MODIFICATIONS.**—If a plan has been confirmed under section 1191(b) of this title, the debtor may modify the plan at any time within 3 years, or such longer time not to exceed 5 years, as fixed by the court, but may not modify the plan so that the plan as modified fails to meet the requirements of section 1191(b) of this title. The plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such plan, as modified, under section 1191(b) of this title.

(d) **HOLDERS OF A CLAIM OR INTEREST.**—If a plan has been confirmed under section 1191(a) of this title, any holder of a claim or interest that has accepted or rejected the plan is deemed to have accepted or rejected, as the case may be, the plan as modified, unless, within the time fixed by the court, such holder changes the previous acceptance or rejection of the holder.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1083.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1194. Payments

(a) **RETENTION AND DISTRIBUTION BY TRUSTEE.**—Payments and funds received by the trustee shall be retained by the trustee until confirmation or denial of confirmation of a plan. If a plan is confirmed, the trustee shall distribute any such payment in accordance with the plan. If a plan is not confirmed, the trustee shall return any such payments to the debtor after deducting—

(1) any unpaid claim allowed under section 503(b) of this title;

(2) any payment made for the purpose of providing adequate protection of an interest in property due to the holder of a secured claim; and

(3) any fee owing to the trustee.

(b) **OTHER PLANS.**—If a plan is confirmed under section 1191(b) of this title, except as otherwise provided in the plan or in the order confirming the plan, the trustee shall make payments to creditors under the plan.

(c) **PAYMENTS PRIOR TO CONFIRMATION.**—Prior to confirmation of a plan, the court, after notice and a hearing, may authorize the trustee to make payments to the holder of a secured claim for the purpose of providing adequate protection of an interest in property.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1084.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

§ 1195. Transactions with professionals

Notwithstanding section 327(a) of this title, a person is not disqualified for employment under

section 327 of this title, by a debtor solely because that person holds a claim of less than \$10,000 that arose prior to commencement of the case.

(Added Pub. L. 116-54, §2(a), Aug. 23, 2019, 133 Stat. 1084.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Section effective 180 days after Aug. 23, 2019, see section 5 of Pub. L. 116-54, set out as an Effective Date of 2019 Amendment note under section 101 of this title.

CHAPTER 12—ADJUSTMENT OF DEBTS OF A FAMILY FARMER OR FISHERMAN WITH REGULAR ANNUAL INCOME

SUBCHAPTER I—OFFICERS, ADMINISTRATION, AND THE ESTATE

Sec. 1201.	Stay of action against codebtor.
1202.	Trustee.
1203.	Rights and powers of debtor.
1204.	Removal of debtor as debtor in possession.
1205.	Adequate protection.
1206.	Sales free of interests.
1207.	Property of the estate.
1208.	Conversion or dismissal.

SUBCHAPTER II—THE PLAN

1221.	Filing of plan.
1222.	Contents of plan.
1223.	Modification of plan before confirmation.
1224.	Confirmation hearing.
1225.	Confirmation of plan.
1226.	Payments.
1227.	Effect of confirmation.
1228.	Discharge.
1229.	Modification of plan after confirmation.
1230.	Revocation of an order of confirmation.
1231.	Special tax provisions.
1232.	Claim by a governmental unit based on the disposition of property used in a farming operation.

Editorial Notes

CODIFICATION

Chapter repealed effective Oct. 1, 1998, by Pub. L. 99-554, title III, §302(f), Oct. 27, 1986, 100 Stat. 3124, as amended by Pub. L. 103-65, §1, Aug. 6, 1993, 107 Stat. 311. Chapter, as in effect on Sept. 30, 1998, reenacted for the period beginning on Oct. 1, 1998, and ending on Apr. 1, 1999, by Pub. L. 105-277, div. C, title I, §149(a), Oct. 21, 1998, 112 Stat. 2681-610. Chapter reenacted for successive periods running from Mar. 31, 1999, to July 1, 2005, by Pub. L. 105-277, div. C, title I, §149(a), Oct. 21, 1998, 112 Stat. 2681-610, as successively amended by Pub. L. 106-5, Mar. 30, 1999, 113 Stat. 9; Pub. L. 106-70, Oct. 9, 1999, 113 Stat. 1031; Pub. L. 107-8, May 11, 2001, 115 Stat. 10; Pub. L. 107-17, June 26, 2001, 115 Stat. 151; Pub. L. 107-170, May 7, 2002, 116 Stat. 133; Pub. L. 107-171, title X, §10814, May 13, 2002, 116 Stat. 532; Pub. L. 107-377, §2, Dec. 19, 2002, 116 Stat. 3115; Pub. L. 108-73, §2, Aug. 15, 2003, 117 Stat. 891; Pub. L. 108-369, §2, Oct. 25, 2004, 118 Stat. 1749. Chapter, as in effect on June 30, 2005, permanently reenacted effective July 1, 2005, by Pub. L. 109-8, title X, §1001(a), Apr. 20, 2005, 119 Stat. 185. See Repeal, Reenactment, and Termination of Chapter and Effective Date notes set out under section 1201 of this title.

AMENDMENTS

2017—Pub. L. 115-72, div. B, §1005(b)(2), Oct. 26, 2017, 131 Stat. 1234, added item 1232. Item was added to analysis for this chapter to reflect the probable intent of Congress, notwithstanding directory language adding item to analysis for subchapter II of this chapter.