

Repeal, Reenactment, and Termination of Chapter note under section 1201 of this title. For effective dates of section and amendments extending periods for which section was reenacted prior to permanent reenactment, see Effective Date and Effective Date of 1999, 2001, 2002, 2003, and 2004 Amendment notes set out under section 1201 of this title.

§ 1223. Modification of plan before confirmation

(a) The debtor may modify the plan at any time before confirmation, but may not modify the plan so that the plan as modified fails to meet the requirements of section 1222 of this title.

(b) After the debtor files a modification under this section, the plan as modified becomes the plan.

(c) Any holder of a secured claim that has accepted or rejected the plan is deemed to have accepted or rejected, as the case may be, the plan as modified, unless the modification provides for a change in the rights of such holder from what such rights were under the plan before modification, and such holder changes such holder's previous acceptance or rejection.

(Added and amended Pub. L. 99-554, title II, §255, title III, §302(f), Oct. 27, 1986, 100 Stat. 3110, 3124; Pub. L. 103-65, §1, Aug. 6, 1993, 107 Stat. 311; Pub. L. 105-277, div. C, title I, §149(a), Oct. 21, 1998, 112 Stat. 2681-610; Pub. L. 106-5, §1(1), (2), Mar. 30, 1999, 113 Stat. 9; Pub. L. 106-70, §1, Oct. 9, 1999, 113 Stat. 1031; Pub. L. 107-8, §1, May 11, 2001, 115 Stat. 10; Pub. L. 107-17, §1, June 26, 2001, 115 Stat. 151; Pub. L. 107-170, §1, May 7, 2002, 116 Stat. 133; Pub. L. 107-171, title X, §10814(a), May 13, 2002, 116 Stat. 532; Pub. L. 107-377, §2(a), Dec. 19, 2002, 116 Stat. 3115; Pub. L. 108-73, §2(a), Aug. 15, 2003, 117 Stat. 891; Pub. L. 108-369, §2(a), Oct. 25, 2004, 118 Stat. 1749; Pub. L. 109-8, title X, §1001(a)(1), (c), Apr. 20, 2005, 119 Stat. 185, 186.)

Editorial Notes

CODIFICATION

For repeal of section effective Oct. 1, 1998, and subsequent reenactment of section, see note set out preceding section 1201 of this title.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATES

Permanent reenactment of section effective July 1, 2005, see section 1001(a)(2) of Pub. L. 109-8, set out as a Repeal, Reenactment, and Termination of Chapter note under section 1201 of this title. For effective dates of section and amendments extending periods for which section was reenacted prior to permanent reenactment, see Effective Date and Effective Date of 1999, 2001, 2002, 2003, and 2004 Amendment notes set out under section 1201 of this title.

§ 1224. Confirmation hearing

After expedited notice, the court shall hold a hearing on confirmation of the plan. A party in interest, the trustee, or the United States trustee may object to the confirmation of the plan. Except for cause, the hearing shall be concluded not later than 45 days after the filing of the plan.

(Added and amended Pub. L. 99-554, title II, §255, title III, §302(f), Oct. 27, 1986, 100 Stat. 3110, 3124; Pub. L. 103-65, §1, Aug. 6, 1993, 107 Stat. 311; Pub.

L. 105-277, div. C, title I, §149(a), Oct. 21, 1998, 112 Stat. 2681-610; Pub. L. 106-5, §1(1), (2), Mar. 30, 1999, 113 Stat. 9; Pub. L. 106-70, §1, Oct. 9, 1999, 113 Stat. 1031; Pub. L. 107-8, §1, May 11, 2001, 115 Stat. 10; Pub. L. 107-17, §1, June 26, 2001, 115 Stat. 151; Pub. L. 107-170, §1, May 7, 2002, 116 Stat. 133; Pub. L. 107-171, title X, §10814(a), May 13, 2002, 116 Stat. 532; Pub. L. 107-377, §2(a), Dec. 19, 2002, 116 Stat. 3115; Pub. L. 108-73, §2(a), Aug. 15, 2003, 117 Stat. 891; Pub. L. 108-369, §2(a), Oct. 25, 2004, 118 Stat. 1749; Pub. L. 109-8, title X, §1001(a)(1), (c), Apr. 20, 2005, 119 Stat. 185, 186.)

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§ 1225. Confirmation of plan

(a) Except as provided in subsection (b), the court shall confirm a plan if—

(1) the plan complies with the provisions of this chapter and with the other applicable provisions of this title;

(2) any fee, charge, or amount required under chapter 123 of title 28, or by the plan, to be paid before confirmation, has been paid;

(3) the plan has been proposed in good faith and not by any means forbidden by law;

(4) the value, as of the effective date of the plan, of property to be distributed under the plan on account of each allowed unsecured claim is not less than the amount that would be paid on such claim if the estate of the debtor were liquidated under chapter 7 of this title on such date;

(5) with respect to each allowed secured claim provided for by the plan—

(A) the holder of such claim has accepted the plan;

(B)(i) the plan provides that the holder of such claim retain the lien securing such claim; and

(ii) the value, as of the effective date of the plan, of property to be distributed by the trustee or the debtor under the plan on account of such claim is not less than the allowed amount of such claim; or

(C) the debtor surrenders the property securing such claim to such holder;

(6) the debtor will be able to make all payments under the plan and to comply with the plan; and

(7) the debtor has paid all amounts that are required to be paid under a domestic support obligation and that first become payable after the date of the filing of the petition if the

debtor is required by a judicial or administrative order, or by statute, to pay such domestic support obligation.

(b)(1) If the trustee or the holder of an allowed unsecured claim objects to the confirmation of the plan, then the court may not approve the plan unless, as of the effective date of the plan—

(A) the value of the property to be distributed under the plan on account of such claim is not less than the amount of such claim;

(B) the plan provides that all of the debtor's projected disposable income to be received in the three-year period, or such longer period as the court may approve under section 1222(c), beginning on the date that the first payment is due under the plan will be applied to make payments under the plan; or

(C) the value of the property to be distributed under the plan in the 3-year period, or such longer period as the court may approve under section 1222(c), beginning on the date that the first distribution is due under the plan is not less than the debtor's projected disposable income for such period.

(2) For purposes of this subsection, "disposable income" means income which is received by the debtor and which is not reasonably necessary to be expended—

(A) for the maintenance or support of the debtor or a dependent of the debtor or for a domestic support obligation that first becomes payable after the date of the filing of the petition; or

(B) for the payment of expenditures necessary for the continuation, preservation, and operation of the debtor's business.

(c) After confirmation of a plan, the court may order any entity from whom the debtor receives income to pay all or any part of such income to the trustee.

(Added and amended Pub. L. 99-554, title II, § 255, title III, § 302(f), Oct. 27, 1986, 100 Stat. 3110, 3124; Pub. L. 103-65, § 1, Aug. 6, 1993, 107 Stat. 311; Pub. L. 105-277, div. C, title I, § 149(a), Oct. 21, 1998, 112 Stat. 2681-610; Pub. L. 106-5, § 1(1), (2), Mar. 30, 1999, 113 Stat. 9; Pub. L. 106-70, § 1, Oct. 9, 1999, 113 Stat. 1031; Pub. L. 107-8, § 1, May 11, 2001, 115 Stat. 10; Pub. L. 107-17, § 1, June 26, 2001, 115 Stat. 151; Pub. L. 107-170, § 1, May 7, 2002, 116 Stat. 133; Pub. L. 107-171, title X, § 10814(a), May 13, 2002, 116 Stat. 532; Pub. L. 107-377, § 2(a), Dec. 19, 2002, 116 Stat. 3115; Pub. L. 108-73, § 2(a), Aug. 15, 2003, 117 Stat. 891; Pub. L. 108-369, § 2(a), Oct. 25, 2004, 118 Stat. 1749; Pub. L. 109-8, title II, §§ 213(5), 218, title X, §§ 1001(a)(1), (c), 1006(a), Apr. 20, 2005, 119 Stat. 52, 55, 185-187; Pub. L. 116-260, div. N, title III, § 320(d), (f)(2)(A)(iv), Dec. 27, 2020, 134 Stat. 2016, 2017.)

Editorial Notes

CODIFICATION

For repeal of section effective Oct. 1, 1998, and subsequent reenactment of section, see note set out preceding section 1201 of this title.

AMENDMENTS

2020—Subsec. (d). Pub. L. 116-260, § 320(f)(2)(A)(iv), contingent on its addition by Pub. L. 116-260, § 320(d), struck out subsec. (d) which read as follows: "Notwith-

standing section 1222(a)(2) of this title and subsection (b)(1) 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 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(d), added subsec. (d).
2005—Subsec. (a)(7). Pub. L. 109-8, § 213(5), added par. (7).

Subsec. (b)(1)(C). Pub. L. 109-8, § 1006(a), added subpar. (C).

Subsec. (b)(2)(A). Pub. L. 109-8, § 218, inserted "or for a domestic support obligation that first becomes payable after the date of the filing of the petition" after "dependent of the debtor".

Statutory Notes and Related Subsidiaries

EFFECTIVE AND TERMINATION DATES OF 2020 AMENDMENT

Amendment by section 320(d) 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)(iv) 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 OF 2005 AMENDMENT

Amendment by sections 213(5), 218, and 1006(a) of Pub. L. 109-8 effective 180 days after Apr. 20, 2005, and not applicable with respect to cases commenced under this title before such effective date, except as otherwise provided, see section 1501 of Pub. L. 109-8, set out as a note under section 101 of this title.

EFFECTIVE DATES

Permanent reenactment of section effective July 1, 2005, see section 1001(a)(2) of Pub. L. 109-8, set out as a Repeal, Reenactment, and Termination of Chapter note under section 1201 of this title. For effective dates of section and amendments extending periods for which section was reenacted prior to permanent reenactment, see Effective Date and Effective Date of 1999, 2001, 2002, 2003, and 2004 Amendment notes set out under section 1201 of this title.

§ 1226. Payments

(a) 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; and

(2) if a standing trustee is serving in the case, the percentage fee fixed for such standing trustee.

(b) Before or at the time of each payment to creditors under the plan, there shall be paid—

(1) any unpaid claim of the kind specified in section 507(a)(2) of this title; and

(2) if a standing trustee is appointed under section 1202(c)¹ of this title is serving in the case,

¹ See References in Text note below.