

**ADMINISTRATIVE OFFICE OF THE U. S. COURTS
WASHINGTON, DC**

**MEMORANDUM TO: CHIEF JUDGES, UNITED STATES COURTS OF APPEALS
CHIEF JUDGES, UNITED STATES DISTRICT COURTS
JUDGES, UNITED STATES BANKRUPTCY COURTS
CLERKS, UNITED STATES BANKRUPTCY COURTS
BANKRUPTCY ADMINISTRATORS**

**SUBJECT: Automatic Adjustment of Certain Dollar Amounts in the Bankruptcy Code and
Official Bankruptcy Forms (INFORMATION)**

On April 1, 1998, automatic adjustments to the dollar amounts stated in various provisions of the Bankruptcy Code, title 11, U.S.C., will become effective. These amended dollar amounts will apply to cases filed on or after April 1, 1998.

These amended dollar amounts will affect the eligibility of a debtor to file under chapter 13 of the Bankruptcy Code, certain maximum values of property that a debtor may claim as exempt, the maximum amount of certain claims entitled to priority, the minimum aggregate value of claims needed to commence an involuntary bankruptcy, and the value of "luxury goods and services" deemed to be nondischargeable. In the Bankruptcy Reform Act of 1994,

Congress provided for the automatic adjustment of these dollar amounts at three-year intervals commencing April 1, 1998. The relevant provisions are codified in § 104(b) of the Bankruptcy Code, 11 U.S.C. § 104(b).

The adjustments reflect the change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor for the three-year period ending December 31, 1997, and rounded to the nearest \$25. Use of this formula to adjust specified dollar amounts in the Bankruptcy Code was prescribed by Congress in the Bankruptcy Reform Act of 1994. 11 U.S.C. § 104(b)(1). The Judicial Conference on February 12, 1998, published the revised dollar amounts in volume 63, number 29, of the Federal Register, at pages 7179-80, **Automatic Adjustment of Certain Dollar Amounts** as required under 11 U.S.C. § 104(b)(2). The next three-year automatic adjustments of these dollar amounts will be published prior to March 1, 2001, and take effect April 1, 2001. Attached is a [chart](#) showing the affected sections of the Bankruptcy Code and both the current and the revised dollar amounts in those sections.

Two of the Official Bankruptcy Forms contain references to several of the affected dollar amounts. Accordingly, Official Form 6E, Schedule of Creditors Holding Claims Entitled to Priority, and Official Form 10, Proof of Claim, also will be amended April 1, 1998, and will apply to cases filed on or after that date.

Questions concerning the revised dollar amounts in the Bankruptcy Code and Official Bankruptcy

Forms may be directed to Francis F. Szczebak, Chief, Bankruptcy Judges Division, at (202) 273-1900.

Leonidas Ralph Mecham

11 U.S.C.	Dollar Amount to be Adjusted	New (Adjusted) Dollar Amount
Section 109(e) - allowable debt limits for filing bankruptcy under Chapter 13	\$250,000 (each time it appears) \$750,000 (each time it appears)	\$269,250 (each time it appears) \$807,750 (each time it appears)
Section 303(b) - minimum aggregate claims needed for the commencement of an involuntary bankruptcy (1) - in paragraph (1) (2) - in paragraph (2)	\$10,000 \$10,000	\$10,775 \$10,775
Section 507(a) - priority claims (1) - in paragraph (3) (2) - in paragraph (4)(B)(i) (3) - in paragraph (5) (4) - in paragraph (6)	\$ 4,000 \$ 4,000 \$ 4,000 \$ 1,800	\$ 4,300 \$ 4,300 \$ 4,300 \$ 1,950
Section 522(d) - value of property exemptions allowed to the debtor (1) - in paragraph (1) (2) - in paragraph (2) (3) - in paragraph (3) (4) - in paragraph (4) (5) - in paragraph (5) (6) - in paragraph (6) (7) - in paragraph (8) (8) - in paragraph (11)(D)	\$ 15,000 \$ 2,400 \$ 400 \$ 8,000 \$1,000 \$ 800 \$ 7,500 \$ 1,500 \$ 8,000 \$15,000	\$16,150 \$ 2,575 \$ 425 \$ 8,625 \$ 1,075 \$ 850 \$ 8,075 \$ 1,625 \$ 8,625 \$16,510
Section 523(a)(2)(C) - "luxury goods and services" or cash advances obtained by the consumer debtor within 60 days before the filing of a bankruptcy petition, which are considered nondischargeable	\$1,000 (each time it appears)	\$1,075 (each time it appears)