In 1986, Congress again made substantial changes in the Bankruptcy Code, passing the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986. Besides adding a substantial number of new bankruptcy judgeships in many judicial districts, the 1986 Act made the many changes necessary to institute a phased-in United States trustee system to handle many administrative functions formerly handled by the court. It also created a new chapter 12 of the Bankruptcy Code especially tailored to meet the needs of family farmers in financial distress in ways that neither chapter 11 nor chapter 13 could offer. Chapter 12 is discussed at length in Chapter 17, infra. The 1986 amendments also made a number of other changes, mostly minor, affecting consumer bankruptcies. The most significant of these changes was the elimination of a mandatory discharge hearing in most cases.

Footnotes


10 {10} At this point, the United States trustee system is operational in all judicial districts except those in Alabama and North Carolina. See § 2.7 [2], infra.

11 {11} Chapter 12 of the Bankruptcy Code was originally a temporary measure, which expired and was renewed numerous times. It was made permanent, and amended to include family fishermen, by the 2005 amendments. See § 17.1.1.1 [3], infra.

12 {12} 11 U.S.C. § 524, as amended in 1986, made the discharge hearing discretionary with the court unless the debtor intends to reaffirm a debt. See § 8.8 [4], infra.

Source: National Consumer Law Center, Consumer Bankruptcy Law and Practice [12th ed.], updated at www.nclc.org/library
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[3] https://library.nclc.org/nclc/link/Bankr.17.01.01.01
[4] https://library.nclc.org/nclc/link/Bankr.08.08