

*Consolidated Appropriations Act, 2021, 2020 Enacted H.R. 133, 116 Enacted H.R. 133,
Part 3 of 6*

Enacted, December 27, 2020

Reporter

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USCS ADVANCE LEGISLATIVE SERVICE > UNITED STATES CONGRESS 2ND SESSION OF THE 116TH
CONGRESS > *Public Law 116-260* > [H.R. 133]

Text

SEC. 320. BANKRUPTCY PROVISIONS.

(a) In General.— Section 364 of title 11, United States Code, is amended by adding at the end the following:

“(g)

(1) The court, after notice and a hearing, may authorize a debtor in possession or a trustee that is authorized to operate the business of the debtor under section 1183, 1184, 1203, 1204, or 1304 of this title to obtain a loan under paragraph (36) or (37) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)), and such loan shall be treated as a debt to the extent the loan is not forgiven in accordance with section 7A of the Small Business Act or subparagraph (J) of such paragraph (37), as applicable, with priority equal to a claim of the kind specified in subsection (c)(1) of this section.

(2) The trustee may incur debt described in paragraph (1) notwithstanding any provision in a contract, prior order authorizing the trustee to incur debt under this section, prior order authorizing the trustee to use cash collateral under section 363, or applicable law that prohibits the debtor from incurring additional debt.

(3) The court shall hold a hearing within 7 days after the filing and service of the motion to obtain a loan described in paragraph (1). Notwithstanding the Federal Rules of Bankruptcy Procedure, at such hearing, the court may grant relief on a final basis.”.

(b) Allowance of Administrative Expenses.—Section 503(b) of title 11, United States Code, is amended—

(1) in paragraph (8)(B), by striking “and” at the end;

(2) in paragraph (9), by striking the period at the end and inserting “; and”; and

(3) by adding at the end the following:

“(10) any debt incurred under section 364(g)(1) of this title.”.

(c) Confirmation of Plan for Reorganization.—Section [1191](#) of title 11, United States Code, is amended by adding at the end the following:

“(f) **Special provision related to covid-19 pandemic.**—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.”.

(d) Confirmation of Plan for Family Farmers and Fishermen.—Section 1225 of title 11, United States Code, is amended by adding at the end the following:

“(d) Notwithstanding 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.”.

(e) Confirmation of Plan for Individuals.—Section [1325](#) of title 11, United States Code, is amended by adding at the end the following:

“(d) Notwithstanding section 1322(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.”.

(f) Effective Date; Sunset.—

(1) Effective date.— The amendments made by subsections (a) through (e) shall—

(A) take effect on the date on which the Administrator submits to the Director of the Executive Office for United States Trustees a written determination that, subject to satisfying any other eligibility requirements, any debtor in possession or trustee that is authorized to operate the business of the debtor under section 1183, 1184, 1203, 1204, or 1304 of title 11, United States Code, would be eligible for a loan under paragraphs (36) and (37) of section 7(a) of the Small Business Act (15 U.S.C. 636(a)); and

(B) apply to any case pending on or commenced on or after the date described in subparagraph (A).

(2) Sunset.—

(A) In general.— If the amendments made by subsections (a) through (e) take effect under paragraph (1), effective on the date that is 2 years after the date of enactment of this Act—

(i) section 364 of title 11, United States Code, is amended by striking subsection (g);

(ii) section 503(b) of title 11, United States Code, is amended—

(I) in paragraph (8)(B), by adding “and” at the end;

(II) in paragraph (9), by striking “; and” at the end and inserting a period; and

(III) by striking paragraph (10);

(iii) section [1191](#) of title 11, United States Code, is amended by striking subsection (f);

(iv) section 1225 of title 11, United States Code, is amended by striking subsection (d); and

(v) section [1325](#) of title 11, United States Code, is amended by striking subsection (d).

(B) Applicability.— Notwithstanding the amendments made by subparagraph (A) of this paragraph, if the amendments made by subsections (a) through (e) take effect under paragraph (1) of this subsection, such amendments shall apply to any case under title 11, United States Code, commenced before the date that is 2 years after the date of enactment of this Act.