

## Important Amendments to Federal and Local Bankruptcy Procedure Rules

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### PRACTICE AREAS

- Bankruptcy & Debt Restructuring
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### An McV Consumer Bankruptcy Alert

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Various amendments to the Federal Rules of Bankruptcy Procedure and the Local Rules of the United States Bankruptcy Court for the District of Puerto Rico become effective on December 1, 2017. These amendments represent the most significant changes in the Consumer Bankruptcy Practice since the enactment of the Bankruptcy Abuse Prevention and Consumer Protection Act (“BAPCPA”) of 2005. The most important is the establishment of a deadline for *secured* creditors to file their proof of claims.

For all cases filed after December 1, 2017, all unsecured and *secured* creditors must file a proof of claim within **seventy (70) days** from the date of the filing of the bankruptcy petition in order to participate in the distribution of funds. This deadline applies to petitions filed under chapter 7, chapter 12 and chapter 13 of the Bankruptcy Code. Creditors’ interests can be seriously affected if a proof of claim is not timely filed.

As part of McConnell Valdés' commitment to be at the forefront of current changes and challenges, we have created a Consumer Bankruptcy Practice Team. The Team is geared to protecting the interests of secured and unsecured creditors particularly in chapter 7 and chapter 13 cases filed by individuals in Puerto Rico. The Team has represented consumer creditors in the auto and retail industries, banks, credit unions, trade creditors, and other lending institutions in collections from debtors in bankruptcy. We are committed to maximizing recoveries for clients. Recognizing the complexities involved, our Consumer Bankruptcy Practice Team has a particular service structure which allows for volume-based efficiencies and tailored-made services.

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