

Alerts

1 Changes to Bankruptcy Law Affect Farmers and Small Businesses

The Family Farmer Relief Act of 2019 revises the definition of “family farmer” to include farmers whose aggregate debts do not exceed \$10,000,000 — double the previous debt limit.

The Small Business Reorganization Act of 2019 (“SBRA”), effective February 19, 2020, simplifies the reorganization process for certain small businesses. Procedures and fees required in Chapter 11 bankruptcies, including the appointment of committees of unsecured creditors, the filing of a disclosure statement in connection with a debtor’s proposal of a plan of reorganization, and the payment of U.S. Trustee quarterly fees, are eliminated under the newly created subchapter of Chapter 11 of the Bankruptcy Code. The objective of these changes is to lower the costs of bankruptcy for small businesses and increase the efficiency of the bankruptcy process.

Under the SBRA, a small business debtor is required to file its plan of reorganization within 90 days of the date it files its bankruptcy petition. The new law also changes the substantive requirements of a plan with respect to treatment of secured creditors and all classes of creditors’ roles in supporting a plan of reorganization.

Notably, the SBRA also raises the bar for Chapter 11 trustees seeking to bring preference-payment recovery actions against creditors. Specifically, the SBRA requires claims of less than \$25,000 to be filed in the district where the defendant resides and requires the trustee to conduct due diligence into a would-be defendant’s likely affirmative defenses to a preference claim.

2 Moss & Barnett's COVID-19 Resource Page

The COVID-19 virus is having significant and rapidly changing legal implications for both businesses and individuals. Moss & Barnett has created a resource page to provide information that may be helpful in your decision-making. Visit [LawMoss.com/news-moss-and-barnett-covid-19-resource-page](https://www.lawmoss.com/news-moss-and-barnett-covid-19-resource-page) to learn more. We know that this is a difficult and stressful time for everyone, and new challenges will emerge as this situation continues to evolve. Together, we are well-equipped to navigate these challenges and overcome these trying times.

3 The Setting Every Community Up for Retirement Enhancement (SECURE) Act

On December 20, 2019, The Setting Every Community Up for Retirement Enhancement (SECURE) Act was enacted into law. The SECURE Act changed several retirement provisions, most notably:

- For an IRA owner, the new required minimum distribution age is 72 (under prior law, it was age 70 ½).
- Funds held in an IRA must now be distributed to a designated beneficiary within 10 years after the IRA owner’s death. Exceptions apply if the beneficiary is a surviving spouse, a minor child, or a disabled or chronically ill beneficiary. The new law limits the use of so-called “stretch IRAs” — a financial strategy that allowed the designated beneficiary to receive IRA distributions over his/her lifetime.
- Individuals may now contribute to an IRA after age 70 ½.

If you would like assistance assuring best practices in these areas, please contact your attorney at Moss & Barnett.