LAW_M **771196**
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Collection Code: **SECLOG**

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Correspondent: **TIM SAUNDERS**

Subject/Description: **OVERSIZE ATTACHMENT # 9465 NARA # 9356 BOX1 FOLDER 18A BILL FILE RECEIVED FROM THE OFFICE OF THE EXECUTIVE CLERK - MAY 07 02 ENROLLED BILL H.R. 4167 - FAMILY FARMER BANKRUPTCY ACT EXTENSION**

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 MAY 1 PM10:04

THE DIRECTOR

May 1, 2002

THE PRESIDENT HAS SEEN
5-7-02

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

Retroactively reenacts the provisions of the Family Farmer Bankruptcy Act as of October 1, 2001, and extends the Act for eight months, until June 1, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Farm Credit Administration	No comment (Informally)

Discussion

Chapter 12 of the Federal Bankruptcy Code (11 U.S.C.) was enacted in 1986 in response to the financial problems that farmers were experiencing in the early- to mid-1980s. The primary purpose of this chapter is to give family farmers facing bankruptcy an opportunity to reorganize their financial affairs and retain ownership of their property. Chapter 12 was to sunset in 1993, but it has since been extended several times. Most recently, P.L.107-17, enacted on June 26, 2001, extended Chapter 12 until October 1, 2001. Since then, family farmers have been ineligible to receive Chapter 12 bankruptcy relief. H.R. 4167 would retroactively extend Chapter 12 for eight months, from October 1, 2001, until June 1, 2002. (The comprehensive bankruptcy bills passed by the House and Senate last year both would make Chapter 12 permanent.)

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Conclusion and Recommendations

We join the Departments of Justice and Agriculture in recommending approval of H.R. 4167, which passed the House by a vote of 407-3 and the Senate by unanimous consent.

M E Daniels J

Mitchell E. Daniels, Jr.
Director

Enclosures

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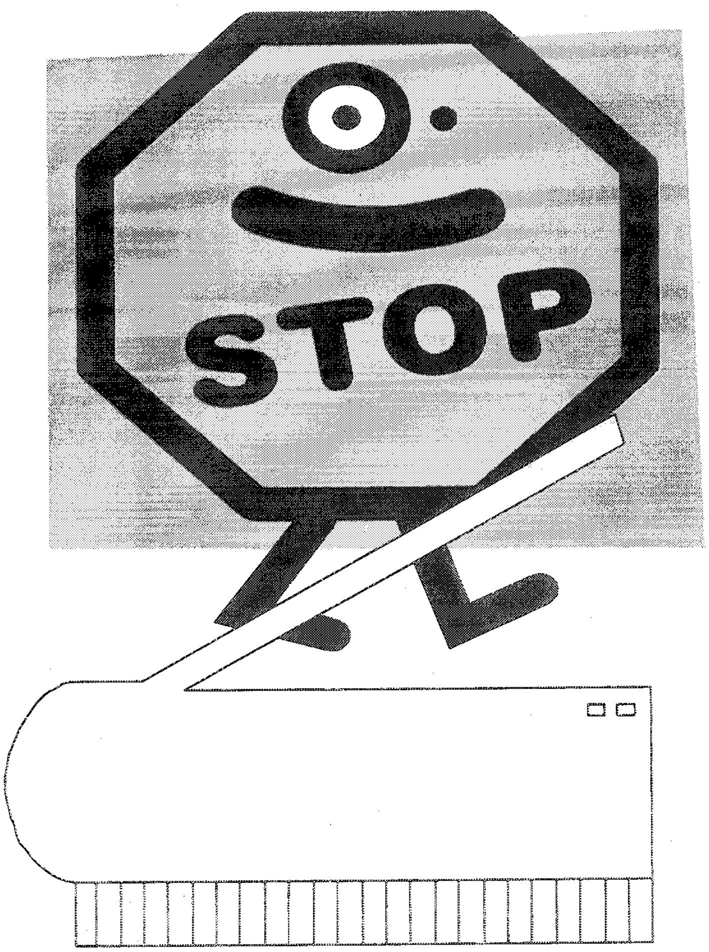

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HM — 5-1-02

You will [illegible] [illegible] want to

staff [illegible] last day

of [illegible] [illegible]

I can [illegible]

come in.

Debbie

Staff to small group only VP Card Hughes Bolten Rove Ari Lindsey

Document Originally Attached to Following Page

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 5-2-02 ACTION / CONCURRENCE / COMMENT DUE BY: 5-2-02 5:00 PM

Subject: ENROLLED BILL H.R. 4167 - FAMILY FARMER BANKRUPTCY ACT EXTENSION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT concurs	☑	☐	HUBBARD	☐	☐
CARD OK	☑	☐	HUGHES	☑	☐
BARTLETT	☑	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☑	☐	LINDSEY ok	☑	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☐	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☑	RIDGE	☐	☐
FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	____________	☐	☐
HAWKINS	☐	☐	____________	☐	☐

REMARKS:
PLEASE FORWARD YOUR COMMENTS TO JIM JUKES, EXTENSION 53458/FAX 56148 BY 5:00 PM TODAY AND SEND A COPY TO THE STAFF SECRETARY. THANK YOU.

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Director Daniels:

The Department of Agriculture (USDA) recommends that the President sign the enrolled bill, H.R. 4167, "To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted."

This enrolled bill would extend, retroactively, the bankruptcy protections afforded to family farmers and ranchers under chapter 12 of title 11, United States Code for an additional 8 month period. Given the emergency conditions facing many farmers and ranchers, USDA believes that the protections of chapter 12 must remain available while Congress considers a permanent extension.

Sincerely,

Ann M. Veneman
Secretary

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 30, 2002

The Honorable Mitchell Daniels, Jr.
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Daniels:

This responds to your request for the views and recommendation of the Department of Justice on enrolled bill H.R. 4167, "[t]o extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted." The Department has no objection to enactment of this enrolled bill and therefore recommends that the President approve it.

Chapter 12 of the Federal Bankruptcy Code (title 11 of the United States Code), which expired on October 1, 2001, provided a specialized form of bankruptcy relief to certain qualifying "family farmers." H.R. 4167 would reenact chapter 12 retroactively for the period October 1, 2001, through May 31, 2002.

Thank you for the opportunity to provide our views on this matter. If we may be of additional assistance, we trust that you will not hesitate to call upon us.

Sincerely,

Daniel J. Bryant
Assistant Attorney General

SS/ RM NO. ____________________

WHITE HOUSE STAFFING MEMORANDUM

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Ext. 62702

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OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 1, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

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Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Farm Credit Administration	No comment (Informally)

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Conclusion and Recommendations

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Mitchell E. Daniels, Jr.
Director

Enclosures

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Washington, D.C. 20250

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Daniel J. Bryant

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Assistant Attorney General

One Hundred Seventh Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Wednesday, the twenty-third day of January, two thousand and two

An Act

To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS.

Section 149 of title I of division C of Public Law 105–277, as amended by Public Laws 106–5, 106–70, 107–8, and 107–17, is amended—

(1) by striking "October 1, 2001" each place it appears and inserting "June 1, 2002"; and

(2) in subsection (a)—

(A) by striking "May 31, 2001" and inserting "September 30, 2001"; and

(B) by striking "June 1, 2001" and inserting "October 1, 2001".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on October 1, 2001.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

522034

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

'02 MAY 1 PM10:04

THE DIRECTOR

May 1, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

Retroactively reenacts the provisions of the Family Farmer Bankruptcy Act as of October 1, 2001, and extends the Act for eight months, until June 1, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Farm Credit Administration	No comment (Informally)

Discussion

Chapter 12 of the Federal Bankruptcy Code (11 U.S.C.) was enacted in 1986 in response to the financial problems that farmers were experiencing in the early- to mid-1980s. The primary purpose of this chapter is to give family farmers facing bankruptcy an opportunity to reorganize their financial affairs and retain ownership of their property. Chapter 12 was to sunset in 1993, but it has since been extended several times. Most recently, P.L.107-17, enacted on June 26, 2001, extended Chapter 12 until October 1, 2001. Since then, family farmers have been ineligible to receive Chapter 12 bankruptcy relief. H.R. 4167 would retroactively extend Chapter 12 for eight months, from October 1, 2001, until June 1, 2002. (The comprehensive bankruptcy bills passed by the House and Senate last year both would make Chapter 12 permanent.)

Chapter 12 provides special bankruptcy relief to certain family farmers. Under Chapter 12, eligible family farmers are permitted to reorganize their debts pursuant to a repayment plan under the supervision of a bankruptcy trustee. According to a 1997 report by the National Bankruptcy Review Commission, "the special attributes of Chapter 12 make it better suited to meet the particularized needs of family farmers in financial distress than other forms of bankruptcy relief, such as Chapter 11 and Chapter 13." The report describes Chapter 12 as typically less complex and expensive than Chapter 11 (a form of bankruptcy generally used to reorganize debts of large corporations) and more flexible than Chapter 13 (bankruptcy relief for individuals seeking to reorganize their debts). Chapter 13 is limited to debtors with less debt than permitted under Chapter 12.

Eligible debtors. Eligibility for Chapter 12 relief is available to individuals or married couples who meet four requirements: (1) their aggregate debt cannot exceed $1,500,000; (2) not less than 80 percent of their aggregate non-contingent, liquidated debt (excluding a debt for their principal residence) can be attributable to the farming operation; (3) more than 50 percent of their gross income for the taxable year in which they file for bankruptcy must come from the farming operation; and (4) their annual income must be sufficiently stable and regular to enable them to make payments under a Chapter 12 repayment plan. A corporation or partnership is also eligible for Chapter 12 relief if it meets aggregate debt restrictions that are essentially the same as those imposed on individuals and married couples and: (1) more than 50 percent of the outstanding stock or equity is held by one family; (2) more than 80 percent of the value of its assets are related to the farming operation; and (3) any stock that is issued is not traded publicly.

Conclusion and Recommendations

We join the Departments of Justice and Agriculture in recommending approval of H.R. 4167, which passed the House by a vote of 407-3 and the Senate by unanimous consent.

M E Daniels Jr

Mitchell E. Daniels, Jr.
Director

Enclosures

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Director Daniels:

The Department of Agriculture (USDA) recommends that the President sign the enrolled bill, H.R. 4167, "To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted."

This enrolled bill would extend, retroactively, the bankruptcy protections afforded to family farmers and ranchers under chapter 12 of title 11, United States Code for an additional 8 month period. Given the emergency conditions facing many farmers and ranchers, USDA believes that the protections of chapter 12 must remain available while Congress considers a permanent extension.

Sincerely,

Ann M. Veneman
Secretary

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General Washington, D.C. 2053C

April 30, 2002

The Honorable Mitchell Daniels, Jr.
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Daniels:

This responds to your request for the views and recommendation of the Department of Justice on enrolled bill H.R. 4167, "[t]o extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted." The Department has no objection to enactment of this enrolled bill and therefore recommends that the President approve it.

Chapter 12 of the Federal Bankruptcy Code (title 11 of the United States Code), which expired on October 1, 2001, provided a specialized form of bankruptcy relief to certain qualifying "family farmers." H.R. 4167 would reenact chapter 12 retroactively for the period October 1, 2001, through May 31, 2002.

Thank you for the opportunity to provide our views on this matter. If we may be of additional assistance, we trust that you will not hesitate to call upon us.

Sincerely,

Daniel J. Bryant
Assistant Attorney General

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*** TX REPORT ***

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TRANSMISSION OK

TX/RX NO	3596
CONNECTION TEL	66212
CONNECTION ID	
ST. TIME	05/02 09:13
USAGE T	01'29
PGS. SENT	5
RESULT	OK

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 5-2-02 **ACTION / CONCURRENCE / COMMENT DUE BY:** 5-2-02 5:00 PM

Subject: ENROLLED BILL H.R. 4167 - FAMILY FARMER BANKRUPTCY ACT EXTENSION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☐	☐
CARD	☑	☐	HUGHES	☑	☐
BARTLETT	☑	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☑	☐	LINDSEY	☑	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☐	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☑	RIDGE	☐	☐
FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	____________	☐	☐
HAWKINS	☐	☐	____________	☐	☐

REMARKS:

PLEASE FORWARD YOUR COMMENTS TO JIM JUKES, EXTENSION 53458/FAX 56148 BY [illegible] AND SEND A COPY TO THE STAFF SECRETARY. THANK YOU.

SS/ RM NO. ______________

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FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	______	☐	☐
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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

05/02/02 THU 09:17 FAX 001

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*** TX REPORT ***
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TRANSMISSION OK

TX/RX NO	3597
CONNECTION TEL	51005
CONNECTION ID	
ST. TIME	05/02 09:15
USAGE T	01'27
PGS. SENT	5
RESULT	OK

SS/ RM NO. ________

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DANIELS	☐	☑	RIDGE	☐	☐
FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	________	☐	☐
HAWKINS	☐	☐	________	☐	☐

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GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	____________	☐	☐
HAWKINS	☐	☐	____________	☐	☐

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 1, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

Retroactively reenacts the provisions of the Family Farmer Bankruptcy Act as of October 1, 2001, and extends the Act for eight months, until June 1, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Farm Credit Administration	No comment (Informally)

Discussion

Chapter 12 of the Federal Bankruptcy Code (11 U.S.C.) was enacted in 1986 in response to the financial problems that farmers were experiencing in the early- to mid-1980s. The primary purpose of this chapter is to give family farmers facing bankruptcy an opportunity to reorganize their financial affairs and retain ownership of their property. Chapter 12 was to sunset in 1993, but it has since been extended several times. Most recently, P.L.107-17, enacted on June 26, 2001, extended Chapter 12 until October 1, 2001. Since then, family farmers have been ineligible to receive Chapter 12 bankruptcy relief. H.R. 4167 would retroactively extend Chapter 12 for eight months, from October 1, 2001, until June 1, 2002. (The comprehensive bankruptcy bills passed by the House and Senate last year both would make Chapter 12 permanent.)

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Conclusion and Recommendations

We join the Departments of Justice and Agriculture in recommending approval of H.R. 4167, which passed the House by a vote of 407-3 and the Senate by unanimous consent.

M E Daniels J

Mitchell E. Daniels, Jr.
Director

Enclosures

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Director Daniels:

The Department of Agriculture (USDA) recommends that the President sign the enrolled bill, H.R. 4167, "To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted."

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Sincerely,

Ann M. Veneman
Secretary

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 30, 2002

The Honorable Mitchell Daniels, Jr.
Director
Office of Management and Budget
Washington, DC 20503

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Sincerely,

Daniel J. Bryant
Assistant Attorney General

OFFICE OF THE VICE PRESIDENT
WASHINGTON

'02 MAY 2 PM5:07

May 2, 2002

MEMORANDUM FOR JAMES JUKES
ASSISTANT DIRECTOR, OMB

FROM: **JONATHAN BURKS**
DEPUTY STAFF SECRETARY TO THE VICE PRESIDENT

SUBJECT: **Enrolled Bill H.R. 4167 – Family Farmer Bankruptcy Act Extension**

The Office of the Vice President has reviewed the above-referenced draft and concurs in the recommendation to sign the enrolled bill.

cc: **Harriet Miers**
Staff Secretary

SS/ RM NO. ______________

WHITE HOUSE STAFFING MEMORANDUM

Date: 5-2-02 ACTION / CONCURRENCE / COMMENT DUE BY: 5-2-02 5:00 PM

cc: JK

Subject: ENROLLED BILL H.R. 4167 - FAMILY FARMER BANKRUPTCY ACT EXTENSION

'02 MAY 2 PM 3:35

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☐	☐
CARD	☑	☐	HUGHES	☑	☐
BARTLETT	☑	☐	IRASTORZA	☐	☐
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CALIO	☐	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☑	RIDGE	☐	☐
FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	______________	☐	☐
HAWKINS	☐	☐	______________	☐	☐

REMARKS:

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 1, 2002

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Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

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Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
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Farm Credit Administration	No comment (Informally)

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M C Daniels J

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Enclosures

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United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

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Sincerely,

Ann M. Veneman
Secretary

MAY.01.2002 15:19 202 690 3673 OBPA/LRAS #5097 P.002/002

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 30, 2002

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Daniel J. Bryant

Daniel J. Bryant
Assistant Attorney General

SS/ RM NO. ____________

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Washington, DC 20503

Dear Mr. Daniels:

This responds to your request for the views and recommendation of the Department of Justice on enrolled bill H.R. 4167, "[t]o extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted." The Department has no objection to enactment of this enrolled bill and therefore recommends that the President approve it.

Chapter 12 of the Federal Bankruptcy Code (title 11 of the United States Code), which expired on October 1, 2001, provided a specialized form of bankruptcy relief to certain qualifying "family farmers." H.R. 4167 would reenact chapter 12 retroactively for the period October 1, 2001, through May 31, 2002.

Thank you for the opportunity to provide our views on this matter. If we may be of additional assistance, we trust that you will not hesitate to call upon us.

Sincerely,

Daniel J. Bryant

Daniel J. Bryant
Assistant Attorney General

SS/ RM NO. ______

WHITE HOUSE STAFFING MEMORANDUM

'02 MAY 3

Date: 5-2-02 **ACTION / CONCURRENCE / COMMENT DUE BY:** 5-2-02 5:00 PM

Subject: ENROLLED BILL H.R. 4167 - FAMILY FARMER BANKRUPTCY ACT EXTENSION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	HUBBARD	☐	☐
CARD	☑	☐	HUGHES	☑	☐
BARTLETT	☑	☐	IRASTORZA	☐	☐
BLAKEMAN	☐	☐	JOHNSON	☐	☐
BOLTEN	☑	☐	LINDSEY	☑	☐
BRIDGELAND	☐	☐	MARBURGER	☐	☐
CALIO	☐	☐	MIERS	☐	☐
CONNAUGHTON	☐	☐	RICE	☐	☐
DANIELS	☐	☑	RIDGE	☐	☐
FLEISCHER	☑	☐	ROVE	☑	☐
GERSON	☐	☐	SPELLINGS	☐	☐
GONZALES	☐	☐	CLERK	☐	☑
HAGIN	☐	☐	______	☐	☐
HAWKINS	☐	☐	______	☐	☐

REMARKS:

PLEASE FORWARD YOUR COMMENTS TO JIM JUKES, EXTENSION 53458/FAX 56148 BY 5:00 PM TODAY AND SEND A COPY TO THE STAFF SECRETARY. THANK YOU.

OK - NEC

RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

H. R. 4167

One Hundred Seventh Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Wednesday, the twenty-third day of January, two thousand and two

An Act

To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENTS.

Section 149 of title I of division C of Public Law 105–277, as amended by Public Laws 106–5, 106–70, 107–8, and 107–17, is amended—

(1) by striking "October 1, 2001" each place it appears and inserting "June 1, 2002"; and

(2) in subsection (a)—

(A) by striking "May 31, 2001" and inserting "September 30, 2001"; and

(B) by striking "June 1, 2001" and inserting "October 1, 2001".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 shall take effect on October 1, 2001.

Speaker of the House of Representatives.

~~*Vice President of the United States and*~~
President of the Senate pro Tempore.

APPROVED
MAY 7 2002

SS/ RM NO. ____________

WHITE HOUSE STAFFING MEMORANDUM

Date: 5-2-02 ACTION / CONCURRENCE / COMMENT DUE BY: 5-2-02 5:00 PM

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HAWKINS	☐	☐	____________	☐	☐

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RESPONSE:

Harriet E. Miers
Assistant to the President
and Staff Secretary
Ext. 62702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

May 1, 2002

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Enrolled Bill H.R. 4167 - Family Farmer Bankruptcy Act Extension
Sponsor - Rep. Sensenbrenner (R) Wisconsin

Last Day for Action

May 8, 2002 - Wednesday

Purpose

Retroactively reenacts the provisions of the Family Farmer Bankruptcy Act as of October 1, 2001, and extends the Act for eight months, until June 1, 2002.

Agency Recommendations

Office of Management and Budget	Approval
Department of Agriculture	Approval
Department of Justice	Approval
Department of the Treasury	No objection (Informally)
Farm Credit Administration	No comment (Informally)

Discussion

Chapter 12 of the Federal Bankruptcy Code (11 U.S.C.) was enacted in 1986 in response to the financial problems that farmers were experiencing in the early- to mid-1980s. The primary purpose of this chapter is to give family farmers facing bankruptcy an opportunity to reorganize their financial affairs and retain ownership of their property. Chapter 12 was to sunset in 1993, but it has since been extended several times. Most recently, P.L.107-17, enacted on June 26, 2001, extended Chapter 12 until October 1, 2001. Since then, family farmers have been ineligible to receive Chapter 12 bankruptcy relief. H.R. 4167 would retroactively extend Chapter 12 for eight months, from October 1, 2001, until June 1, 2002. (The comprehensive bankruptcy bills passed by the House and Senate last year both would make Chapter 12 permanent.)

Chapter 12 provides special bankruptcy relief to certain family farmers. Under Chapter 12, eligible family farmers are permitted to reorganize their debts pursuant to a repayment plan under the supervision of a bankruptcy trustee. According to a 1997 report by the National Bankruptcy Review Commission, "the special attributes of Chapter 12 make it better suited to meet the particularized needs of family farmers in financial distress than other forms of bankruptcy relief, such as Chapter 11 and Chapter 13." The report describes Chapter 12 as typically less complex and expensive than Chapter 11 (a form of bankruptcy generally used to reorganize debts of large corporations) and more flexible than Chapter 13 (bankruptcy relief for individuals seeking to reorganize their debts). Chapter 13 is limited to debtors with less debt than permitted under Chapter 12.

Eligible debtors. Eligibility for Chapter 12 relief is available to individuals or married couples who meet four requirements: (1) their aggregate debt cannot exceed $1,500,000; (2) not less than 80 percent of their aggregate non-contingent, liquidated debt (excluding a debt for their principal residence) can be attributable to the farming operation; (3) more than 50 percent of their gross income for the taxable year in which they file for bankruptcy must come from the farming operation; and (4) their annual income must be sufficiently stable and regular to enable them to make payments under a Chapter 12 repayment plan. A corporation or partnership is also eligible for Chapter 12 relief if it meets aggregate debt restrictions that are essentially the same as those imposed on individuals and married couples and: (1) more than 50 percent of the outstanding stock or equity is held by one family; (2) more than 80 percent of the value of its assets are related to the farming operation; and (3) any stock that is issued is not traded publicly.

Conclusion and Recommendations

We join the Departments of Justice and Agriculture in recommending approval of H.R. 4167, which passed the House by a vote of 407-3 and the Senate by unanimous consent.

MC Daniels J

Mitchell E. Daniels, Jr.
Director

Enclosures

USDA

United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

The Honorable Mitchell E. Daniels, Jr.
Director
Office of Management and Budget
Washington, D.C. 20503

Dear Director Daniels:

The Department of Agriculture (USDA) recommends that the President sign the enrolled bill, H.R. 4167, "To extend for 8 additional months the period for which chapter 12 of title 11 of the United States Code is reenacted."

This enrolled bill would extend, retroactively, the bankruptcy protections afforded to family farmers and ranchers under chapter 12 of title 11, United States Code for an additional 8 month period. Given the emergency conditions facing many farmers and ranchers, USDA believes that the protections of chapter 12 must remain available while Congress considers a permanent extension.

Sincerely,

Ann M. Veneman
Secretary

U.S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

April 30, 2002

The Honorable Mitchell Daniels, Jr.
Director
Office of Management and Budget
Washington, DC 20503

Dear Mr. Daniels:

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