

TO: New England Agents  
FROM: Underwriting Department.  
DATE: December 11, 2009  
SUBJECT: Federal Bankruptcy Rules – Timeline Changes

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Earlier this year, the U.S. Congress passed an act amending the Federal Rules of Bankruptcy Procedure (FRBP). Effective December 1, 2009, the time deadlines in the FRBP affecting certain transactions following a notice or court order have undergone significant modifications. In most cases, the new deadlines are a multiple of 7 days, where previously they were a multiple of 10 days. These timelines have a significant effect on underwriting and settlements, so be sure to familiarize yourself with the following guidelines.

Rule 6004(h) has been amended to increase the length of time of the stay following the entry of an order authorizing the use, sale or lease of property from ten (10) to fourteen (14) days. Furthermore, pursuant to Rules 6004(a) and 2002(a), notice of intent to sell must be mailed to interested parties twenty-one (21) days in advance.

Rule 8002 has been amended to increase the length of time available to file a notice of appeal from an order from ten (10) to fourteen (14) days following the entry on the docket of the judgment, order or decree of the Bankruptcy Court that is appealed from. Further, any other party may then file its own notice of appeal fourteen (14) days from the date of the first timely filed appeal. **In no case may any appeal period be lifted, avoided or shortened (see Rule 8019).** An additional twenty-one (21) day extension of time for filing a notice of appeal may be granted by the court, but only upon a showing of excusable neglect.

Rule 8017 has been amended to increase the length of time that any order, decree or judgment of the bankruptcy court is automatically stayed, following entry on the court docket, from ten (10) to fourteen (14) days. This applies to *any* order, decree or judgment entered on the court's docket. While the court may lift the Rule 8017 automatic stay, **it may not lift or suspend any corresponding appeal period.**

For the purpose of computing time, the time periods under the FRBP begin to run the day after the order is entered, and if the final day falls on a Saturday, Sunday or holiday, the final day of the time period rolls over to the next day the court is open (see Rule 9006).

The most significant impact of the foregoing on the Company's underwriting requirements is that parties must now wait 14 days, instead of 10 days, before they can proceed with the transfer of an interest in property affected by an appealable order, decree or judgment. **We cannot insure the transaction until the relevant appeal period has expired.**

Thank you for your attention to this Bulletin. And, as always, should you have any questions or concerns, please contact your local Underwriting Department:

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