Highlights to 2026 Edition

Running covenants and equitable servitudes are property interests which arise in bankruptcy cases with some frequency. A new summary discussion is added as § 6:13.

GENIUS Act, S. 1582, P.L.119-27, 139 Stat. 419 Section 11 gives first priority to holders of stablecoins in the bankruptcy of the issuer. It also permits lift of the automatic stay when claims above the statutory reserves are insufficient to pay the holders and excludes those reserves from part of the bankruptcy estate.

The divide between the bankruptcy courts and circuit courts on the issue of corporations in Subchapter V subject to discharge exception widens. In re 2 Monkey Trading, LLC, 142 F.4th 1323 (11th Cir. 2025) is discussed § 11:21.

The Chapter 13 trustee may not take a statutory fee from the estate when the case is dismissed prior to confirmation. In re Soussis, 136 F.4th 415 (2nd Cir. 2025) is discussed at § 13:15.

Nonconsenting third parties cannot have a release imposed upon them in Chapter 11. A different rule may apply to cross-border cases in Chapter 15. In re Odebrecht Engenharia e Construcao S.A. – Em Recuperacao Jud., 669 B.R. 457 (Bankr. S.D.N.Y. 2025) and In re: Crédito Real, S.A.B. de C.V., Sofom, E.N.R., 670 B.R. 150 (Bankr. D. Del. 2025) are noted in § 16:3.