

Exhibit 3

HOW THE CONSUMER PROVISIONS OF H.R. 833 WILL INCREASE THE BANKRUPTCY COURTS' WORKLOAD: A LIST OF MAJOR NEW LITIGATION POINTS

(Issues in bold print are expected to recur)

Section 102--Dismissal or Conversion

1. If a joint petition is filed by the debtor and his spouse, but the debtor and his spouse are separated and are maintaining two separate households, are they entitled to twice the amount of the IRS guidelines, or are they limited to the amount they would receive if they were not separated?
- 2. Since utilities are lumped together with housing expense in the IRS standards, how should this standard be applied?**
- 3. Do the debtor's expenses fall within the category of "Other Necessary Expenses?"**
4. Is the "Other Necessary Expenses" standard one that has actually been "issued by the IRS" as prescribed by the statute, or is it a non-issued, internal agency standard?
5. In determining "Other Necessary Expenses," must the court follow Chapter 3 of IRS Handbook 105.1, which describes how this standard is to be applied? If so, is the court governed by the entire handbook, or only portions thereof?
6. Does a plain reading of the statute entitle the debtor to deduct both his actual mortgage payment as well as the IRS Housing and Utility Standard amount?
7. Does a plain reading of the statute entitle the debtor to deduct mortgage payments for nonresidential real estate, such as rental units and vacation homes?
8. Does a plain reading of the statute entitle the debtor to deduct secured payments for all motor vehicles, including jet skis, motor boats, RVs, motorcycles, etc.?
- 9. Assuming a presumption of abuse exists, has the debtor rebutted the presumption by establishing extraordinary circumstances?**
10. Does the definition of "current monthly income" mean that a married debtor whose spouse does not file with him need not include the spouse's income for purposes of the means test calculation?

11. Does the definition of "current monthly income" mean that a married debtor who is separated from his spouse but who files a joint petition under chapter 7 with his spouse must include the spouse's income for purposes of the means test calculation, even if the spouse is maintaining a separate household?

12. Even if the presumption of abuse does not apply or has been rebutted, should the debtor's case be dismissed or converted because it was filed in bad faith or is otherwise abusive?

13. If the panel trustee prevails on a § 707(b) motion and the court finds that the chapter 7 filing was not substantially justified, what amount of fees should the debtor's attorney be required to pay?

14. If the court finds that the debtor's attorney violated Rule 9011 in filing the case under chapter 7, what civil penalty should the court impose?

15. If the court denies the § 707(b) motion, should the creditor be required to pay the debtor's attorneys' fees because:

a. the motion was not substantially justified; or

b. the motion was brought solely to coerce the debtor?

16. By referring to "national median household monthly income" as a limitation for § 707(b) motions being brought by creditors, is the statute referring to the category of U.S. Census Bureau numbers for households based upon the size of the household, the number of earners in the household, some combination of the two, or neither of the two?

Section 108--Enforcement

1. Has a debt relief agency failed to comply with new sections 526 and 527, or negligently failed to file bankruptcy papers resulting in dismissal of the bankruptcy, or disregarded the applicable law?

2. Should a debt relief agency be enjoined for failing to comply with sections 526 and 527?

a. If the suit against the debt relief agency is successful, what fees should be awarded to the successful party?

b. If the debt relief agency intentionally violated sections 526 and 527, what civil penalty, if any, should be imposed?

Section 111--Promotion of Alternative Dispute Resolution

- 1. Has the debtor proved by clear and convincing evidence that a creditor unreasonably refused to negotiate a reasonable alternative repayment schedule or refused to consider the debtor's proposal?**
- 2. Was the offer made by an "approved" credit counseling agency?**
- 3. Must the offer be in writing?**
- 4. Was the offer made at least 60 days prior to filing a bankruptcy petition?**

Section 115--Protection of Savings Earmarked for the Postsecondary Education of Children

Does paragraph (5)(B) of this statute mean that a debtor with less than \$50,000 in accounts for each child is not entitled to the exemption?

Section 116--Effect of Discharge

- 1. Has the creditor engaged in a willful failure to credit payments received under a chapter 11 or 13 plan?**
- 2. What sorts of injuries arising out of a failure of the creditor to follow reaffirmation requirements does the statute contemplate?**

Section 119--Discouraging Bad Faith Repeat Filings

- 1. If a motion to extend the 30-day period under new section 362(c)(3) and (4) is filed near the 30th day, does the court have the authority to extend or impose the stay beyond the 30-day period to allow the creditor to be given adequate notice of the hearing?**
- 2. Should the court extend the 30-day stay on an interim basis under new section 362(c)(3) for as long as is required to give the creditor adequate notice of the debtor's motion?**
- 3. Should the court impose a stay on an interim basis under new section 362(c)(4) for as long as is required to give the creditor adequate notice of the debtor's motion?**
- 4. Has the debtor met his burden of proving that the second filing within one year was filed in good faith under section 362(c)(3), and if so, how long should the stay be extended?**

5. If the case was presumptively filed in bad faith under section 362(c)(3), has the debtor established clear and convincing evidence to rebut the presumption, and if so, how long should the stay be extended?

6. Given that section 362(c)(4) applies where there have been 2 or more previous filings, when would the presumption ever arise under §362(c)(3)(A)(i), since it refers to "more than one previous case...pending within such 1-year period"?

7. Has the debtor met his burden of proving under section 362(c)(4) that his third or more filing within one year was filed in good faith, thus justifying the imposition of a stay?

Section 121 and 122

1. Should the court, pursuant to the filing of an adversary proceeding under section 105, grant an injunction preventing the creditor from taking possession of the debtor's personal property, where the debtor has failed to redeem it, enter into a reaffirmation agreement with the creditor, or assume the lease within the requisite 45-day period?

2. Should the court grant the trustee's motion to prevent the creditor from taking possession of the property?

3. Did the stay not lift under new section 362(h) because the creditor refused "to reaffirm on the original contract terms?"

Section 124--Restraining Abusive Purchases on Secured Credit

If a chapter 13 case is filed in the fifth year after personal property subject to a purchase money security interest is acquired, and the case is dismissed the year after, would the debtor be bound to the same contract terms under new section 506(e)(2) if he filed a second chapter 13 within the 2-year period of new section 506(e)(4)?

Section 129--Discharge under Chapter 13

1. Has the creditor proven by a preponderance of the evidence in its chapter 13 adversary proceeding that its debt is nondischargeable under section 523(a)(2)?

2. Has the creditor proven by a preponderance of the evidence in its chapter 13 adversary proceeding that its debt is nondischargeable under section 523(a)(4)?

3. Has the creditor proven by a preponderance of the evidence in its chapter 13 adversary proceeding that its debt is nondischargeable as a result of willful and

malicious injury by the debtor that caused personal injury or death to an individual under section 523(a)(6) and new section 1328(a)(4)?

Section 137

- 1. Should the court reduce the amount of payments called for under this section to an amount less than the contract amount?**
- 2. Should the court dismiss the debtor's chapter 13 case for failure to make the payments called for under this section?**
- 3. If the case is dismissed for failure to make the payments called for in this section, should that dismissal be set aside?**
- 4. Should the court lift the automatic stay for failure to make the payments called for under this section?**

Section 148--Definition of Household Goods and Antiques

- 1. Given its substantial overlap with other provisions in what is now §522(f)(1)(B)(i), is section 148's definition of household goods intended to supplant §522(f)(1)(B)(i)?**
- 2. Does "kitchenware" include silverware?**
- 3. What constitutes a work of art?**
- 4. What constitutes an antique for purposes of this section?**
- 5. If the item was acquired with the understanding that it is an antique, but in fact it is not, does it nonetheless fit within this exclusion?**
- 6. Does the phrase "acquired as antiques" cover items that were received through inheritance?**
- 7. Even though jewelry is excluded as a household good, is a lien on jewelry nonetheless avoidable to the extent it impairs any exemption as to jewelry?**

Section 149--Nondischargeable Debts

Did the debtor incur a debt to pay a nondischargeable debt with the intent of discharging the new debt in bankruptcy ?

Section 302--Miscellaneous Improvements

New 109(h)

- 1. Does the debtor's certificate seeking a waiver of the credit counseling eligibility requirement contain sufficient exigent circumstances?**
- 2. Was the debtor actually unable to obtain credit counseling within five days of requesting it?**
- 3. Is the certificate satisfactory to the court?**
- 4. Notwithstanding the requirement that the debtor obtain credit counseling within 30 days after the petition is filed, does the court have the power to waive the requirement or extend the 30-day period if the debtor is physically or mentally disabled or under other extraordinary circumstances?**

New 727(a)(11)

Did the debtor fail to complete an instructional course in personal financial management?

New 1328(f)

Did the debtor complete an instructional course in personal financial management?

Section 604

Should the court grant the debtor's motion to set aside the automatic dismissal of his case for failure to file all documents required by §521?