

6-29/118.00 Conversion

The trustee, United States trustee, or a party in interest may attempt to convert or dismiss a bankruptcy case when the debtor fails to comply with filing requirements or pay filing fees. The court has *sua sponte* powers to convert and may issue an order to show cause why the case should not be converted or dismissed for lack of compliance with the law. A case cannot be converted to another Chapter unless the debtor is eligible to be a debtor under that Chapter. Debtors under Chapter 7 and 13 have an absolute right to convert under certain circumstances. ([11 USC 706](#)(a), (d), [1112](#)(f), [1208](#)(a), (e), [1307](#)(a), (f)) The court should not accept a new petition under the Chapter to which conversion is sought because a petition is not required to effect a conversion.

Conversion constitutes a new order for relief under the Chapter to which the case is converted requiring the setting of a date for a new 341 meeting of creditors. ([11 USC 341](#)(a)) Conversion also creates a new period for filing a: proof of claim; complaint objecting to discharge; complaint to determine the dischargeability of a debt; and, a motion by the United States trustee for dismissal of a Chapter 7 for substantial abuse. The original filing date of the case does not change. Conversion terminates the service of any trustee or examiner. ([11 USC 348](#)(e))

Upon conversion from one bankruptcy Chapter to another, an automatic stay is not reimposed so as to make one who obtained relief apply again. (Cowans, [Bankruptcy Law and Practice](#), 11.3(f) "... an order lifting the automatic stay remains effective notwithstanding subsequent conversion of the bankruptcy case, e.g., from Chapter 13 to Chapter 7"; [In re Ramirez, 188 BR 413](#); [In re State Airlines, Inc., 873 F 2d 264](#)) Thus, manipulative debtors are prevented from filing a Notice of Conversion simply to avoid the terms of an earlier stay order. ([In re Campos, 128 BR 790](#))
