

National Creditor Registration Service

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Practice Area: Restructuring and Insolvency

Businesses find it incredibly frustrating when a customer files for bankruptcy protection and, instead of listing the business' principal mailing address, lists a lock box, payment processing center or other alternate address which prevents these important notices from reaching the appropriate personnel for required action. A creditor's failure to receive proper notice of a bankruptcy case because the notification was mailed to the wrong address can present negative consequences for businesses. For example, if attempts to collect the debt continue because the notice of bankruptcy filing was not received, the creditor may be liable for money damages based upon a violation of the automatic stay. Fortunately, the United States Bankruptcy Courts have introduced a free service permitting businesses to specify a U.S. mail address, electronic mail address, or fax number to which bankruptcy notices should be sent.

The National Creditor Registration Service ("NCRS") has been established to allow creditors to specify where bankruptcy notices should be sent. If businesses prefer to receive bankruptcy notifications by U.S. mail, the NCRS offers either a form agreement or a step-by-step questionnaire that will automatically complete the agreement after the requested information is completed. In either case, the agreement must be mailed to the NCRS for processing.

If businesses prefer to receive bankruptcy notices by e-mail or fax as well as mail, or would like to eliminate mail notices entirely, enlist with the Electronic Bankruptcy Noticing ("EBN"). Registration can be completed by printing, completing and mailing the registration forms.

When completing the Noticing Agreement to receive electronic notices, businesses must identify the name(s) and address(es) and name synonyms (spelling variations, including common misspellings) to which electronic notices should be sent. The Bankruptcy Noticing Center ("BNC") will determine whether a notice should be sent electronically by comparing the name synonyms and addresses listed on the Noticing Agreement with the names and addresses that the debtor lists on his or her bankruptcy petition. The BNC software will attempt to match the name (without punctuation) and address and send the notice electronically. Understanding the matching process and providing numerous name variations and related names is critical for those who wish to maximize the benefits of EBN.

Registration materials submitted to the NCRS and/or EBN will become effective within 30 days and bankruptcy notices from all specified bankruptcy courts or individual courts will be mailed to the address provided. This provides the best opportunity for bankruptcy notices to be properly received and processed by businesses.

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