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# US Supreme Court Allows Repossessing Secured Lender To Hold Collateral Pending Bankruptcy Stay

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A secured lender’s “mere retention of property [after a pre-bankruptcy–repossession] does not violate” the automatic stay provision [§362(a) (3)] of the Bankruptcy Code, held a unanimous U.S. Supreme Court on Jan. 14, 2021. *City of Chicago v. Fulton*, 2021 WL 125106, 4 ( Jan. 14, 2021). Reversing the Seventh Circuit’s affirmance of a bankruptcy court judgment holding a secured lender in contempt for violating the automatic stay, the Court resolved “a split” in the Circuits. *Id.* at 2. The Second, Eighth and Ninth Circuits had agreed with the Seventh Circuit. In this article, of counsel Michael Cook discusses the Court’s decision in *Fulton* and its analysis of §362(a)(3) of the Code.

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