

Albert Russo Standing Chapter 13 Trustee

	FOR THE	DISTRICT	OF	NEW	JERSEY
			- X		
In re:			:		
Adoption of Loss Mitigati	ion Program	Procedures			
			:		
			X		

GENERAL ORDER ADOPTING LOSS MITIGATION PROGRAM AND PROCEDURES PENDING ADOPTION OF LOCAL RULE

UNITED STATES BANKRUPTCY COURT

By resolution of the Board of Judges of the United States Bankruptcy Court for the District of New Jersey, it is determined that a uniform, comprehensive, court-supervised loss mitigation program will facilitate consensual resolutions for individual debtors whose residential real property is at risk of loss to foreclosure. A loss mitigation program will avoid the need for various types of bankruptcy litigation, reduce costs to debtors and secured creditors, and enable debtors to reorganize or otherwise address their most significant debts and assets under the United States Bankruptcy Code. Accordingly, after a period of public comment, the "Loss Mitigation Program and Procedures" ("LMP") annexed to this General Order are adopted, pursuant to 11 U.S.C. § 105(a).

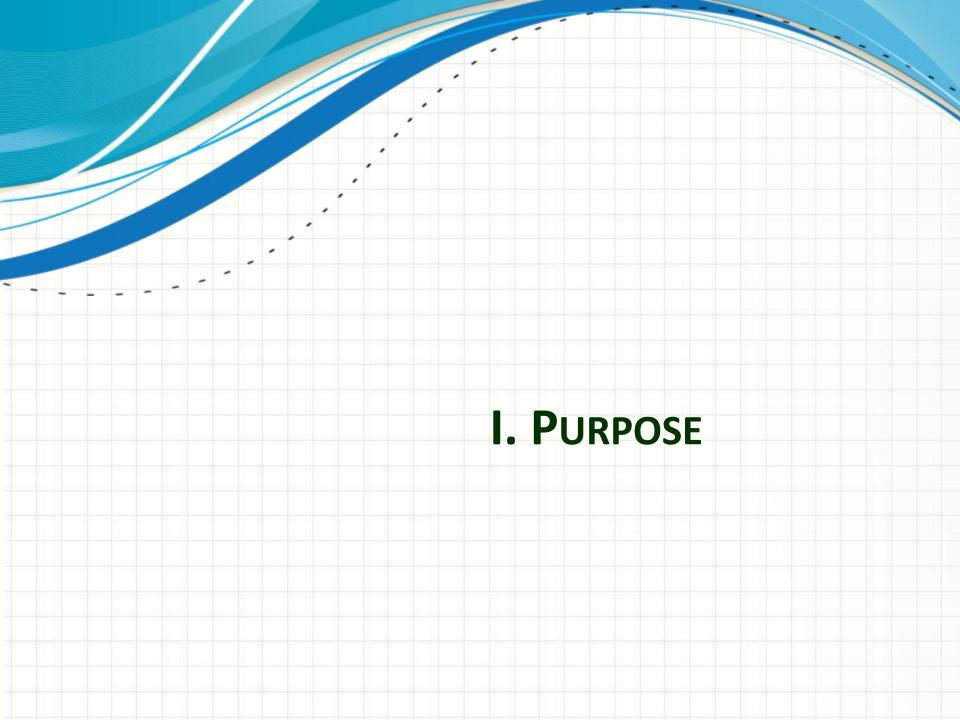
It is also decided that the Loss Mitigation Program and Procedures and related

NOW, THEREFORE, IT IS ORDERED that the Loss Mitigation Program and Procedures are adopted, effective August 1, 2011.

Dated: July 29, 2011

/s/ Hon. Judith H. Wizmur
Chief Judge
United States Bankruptcy Court
District of New Jersey



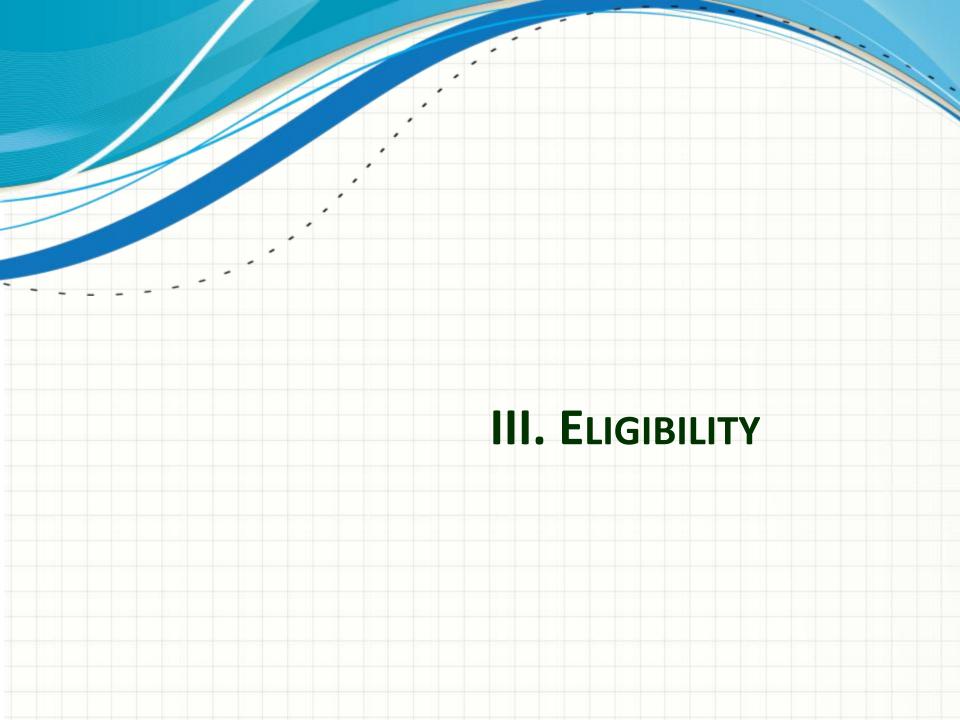


- A forum for debtors and lenders to reach a consensual resolution
- Opening and maintaining the lines of communication
- Encourages the parties to finalize a feasible and beneficial agreement
- Assistance and supervision of the Bankruptcy Court

DEFINITIONS AND PROCEDURES

II. LOSS MITIGATION

Loss mitigation includes loan modification, loan refinance, forbearance, short sale, or surrender of the property in full satisfaction.



- A. Debtor ... individual debtor in Chapter 7, 11, 12, or13
- B. Property ... any real property used as a principal residence in which an eligible debtor holds an interest
- **C.** Loan ... any mortgage, lien, or extension of money regardless of whether:
 - "subprime" or "non-traditional"
 - was in foreclosure prior to the bankruptcy
 - the first or junior mortgage
 - has been "pooled", "securitized", or assigned
- **D. Creditor** ... any mortgage holder, assignee, servicer or trustee of an eligible loan



- A. Other Creditors ... The bankruptcy court may direct that multiple creditors participate in loss mitigation
- B. Co-Debtors and Third Parties ... Where the participation of a co-debtor or other third party may be necessary or desirable, any party may request, or the bankruptcy court may direct, that such party participate in loss mitigation, to the extend that the bankruptcy court has jurisdiction over the party.
- C. Chapter 13 Trustee ... the Chapter 13 Trustee may participate in loss mitigation to the extent that such participation would be consistent with the Chapter 13 Trustee's duties under the bankruptcy code.



A. Debtor ... file and serve on the creditor and its counsel, if known, Notice of Request for Loss Mitigation and Loss Mitigation Order three (3) days before the first date schedule for the First Meeting of Creditors

...a debtor whose bankruptcy case is pending as of August 1, 2011, may file a Notice of Request for Loss Mitigation.

Caption in Compliance with D.N.J.	. LBR 9004-2(c)	
n Re:	Case No.:	
	Chapter:	
	Judge:	
NOTICE	OF REQUEST FOR LOSS MITIGATION – BY THE DEBTOR	
HOTICE	OF ALLYCLES I ON DOSS MITIGITION BY THE DEDION	
Lam/ We are the debtor(s) in this	case and hereby request loss mitigation with respect to:	
Property address:		
Creditor is the holder of: first:	mortgage or \square second mortgage.	
I/We will make adequate protectic	on payments to the above creditor each month in the following amount during the loss mitigation	
period: See Loss Mitigation Progra	ram and Procedures, Section V.A.1. and VII.B.	
period: See Loss Mitigation Progra		
period: See Loss Mitigation Progra	ram and Procedures, Section V.A.1. and VII.B. Amount: \$ Due date:	
period: See Loss Mitigation Progra Creditor I understand that if the court order	ram and Procedures, Section V.A.1. and VII.B. Amount: \$ Due date: ors loss mitigation in this case I am required to comply with the Loss Mitigation Program and	
period: See Loss Mitigation Progra Creditor I understand that if the court order Procedures and will participate in	ram and Procedures, Section V.A.1. and VII.B. Amount: \$ Due date: rs loss mitigation in this case I am required to comply with the Loss Mitigation Program and good faith. I understand that Loss Mitigation is voluntary, and that I am not required to enter into	
Procedures and will participate in any agreement or settlement with a	ram and Procedures, Section V.A.1. and VII.B. Amount: \$	
Procedures and will participate in any agreement or settlement with a enter into any agreement or settlement or settlement or settlement.	ram and Procedures, Section V.A.1. and VII.B. Amount: \$ Due date: It is loss mitigation in this case I am required to comply with the Loss Mitigation Program and a good faith. I understand that Loss Mitigation is voluntary, and that I am not required to enter into any other party as part of this Loss Mitigation, and understand that no other party is required to ment with me. I also understand that I am not required to request dismissal of this case as part	
Procedures and will participate in any agreement or settlement with a enter into any agreement or settlement that	ram and Procedures, Section V.A.1. and VII.B. Amount: \$	
Procedures and will participate in any agreement or settlement with a enter into any agreement or settlement that	ram and Procedures, Section V.A.1. and VII.B. Amount: \$ Due date: It is loss mitigation in this case I am required to comply with the Loss Mitigation Program and a good faith. I understand that Loss Mitigation is voluntary, and that I am not required to enter into any other party as part of this Loss Mitigation, and understand that no other party is required to ment with me. I also understand that I am not required to request dismissal of this case as part	
Procedures and will participate in any agreement or settlement with a enter into any agreement or settlement that	ram and Procedures, Section V.A.1. and VII.B. Amount: \$	
Creditor I understand that if the court order Procedures and will participate in any agreement or settlement with a enter into any agreement or settlem of any resolution or settlement tha question consists only of real pro	ram and Procedures, Section V.A.1. and VII.B. Amount: \$	
Creditor I understand that if the court order Procedures and will participate in any agreement or settlement with a enter into any agreement or settlement of any resolution or settlement that question consists only of real process.	ram and Procedures, Section V.A.1. and VII.B. Amount: \$	

<u>Debtor Information:</u>	
Print full name:	
Mailing address:	
Telephone number:	
Email address (if any):	
Debtor's Attorney Information:	
Name:	
Address:	
Telephone number:	Fax number:
Creditor Information: (if known)	
Name:	
Address:	
Telephone number:	Fax number:
Email address (if any):	
Creditor's Attorney Information: (if known)	
Name:	
Address:	
Telephone number:	Fax number:
Email address (if any):	
Pursuant to Section V. A. of the Loss Mitigation	on Program and Procedures, the above named creditor
has 14 days to file with the court, and serve on	the debtor, debtor's attorney and trustee, an objection
to this Request.	

...debtor must make adequate protection payments to the creditor in an amount that is at least 60% of the monthly principal and interest payment that is contractually due, plus 100% of any required monthly escrow payment. If the creditor object, ...the court shall hold a hearing.

...The creditor shall have fourteen (14) days to object. If no objection, the bankruptcy court may enter a Local Form, Loss Mitigation Order

...After the time prescribed above, the debtor must file a motion, on notice to the creditor and the Chapter 13 Trustee, establishing good cause for the failure to have filed the Notice of Request for Loss Mitigation. The motion must specify the amount of adequate protection payments.

Creditor ... a creditor seeking to B. commence the LMP must file and serve on the debtor and debtor's counsel, the Notice of Request for Loss Mitigation and Loss Mitigation Order. The debtor shall have fourteen (14) days to object.

Caption in Compliance with D.N.J. LBR 9004-2(c)	
n Re:	Case No.:
ii NC.	Chapter:
	Judge:
NOTICE OF REQUEST FOR I	LOSS MITIGATION – BY A CREDITOR
	cer or trustee of a mortgage or lien secured by property used by the
debtor as a principal residence) of the debtor. I her	
Property address:	
Creditor is the holder of a: first mortgage or	second mortgage.
I have reviewed the Loss Mitigation Program and	Procedures and understand that if the court orders loss mitigation
	Procedures and will participate in good faith. I will not require
the debtor to request or cause dismissal of this c	case as part of any resolution or settlement that is offered or agreed
to during the Loss Mitigation Period.	
Date:	
Date.	Signature
Cualitan Information	
Creditor Information:	
Name:	
Title:	
Firm or Company:	
	Fax number:
Telephone number: Email address (if any):	

C. By the Bankruptcy Court ... the bankruptcy court may enter a Local Form, Loss Mitigation Order provided the parties had notice and opportunity to object and to be heard.

VI. OBJECTIONS

...include specific grounds why loss mitigation would not be successful ... may include bad faith, assertion that loss mitigation has been previously requested by the debtor and has been denied.



UNITED STATES BANKRUPTCY	Y COURT	
DISTRICT OF NEW JERSEY	1 1 PD 0004 2 ()	
Caption in Compliance with D.N.	J. LBR 9004-2(c)	
In Re:	Case No.:	
III Ke.		
	Chapter:	
	Judge:	
	LOSS MITIGATION ORDER	
The relief set forth on the fol	llowing page is hereby ORDERED.	

	A Notice of Request For Loss Mitigation was filed by the debtor on
	A Notice of Request For Loss Mitigation was filed by the creditor, on
	The court raised the issue of Loss Mitigation, and the parties having had notice and an opportunity to
obje	ect, and the Court having reviewed any objections thereto, it is hereby
	ORDERED that the parties listed below are directed to participate in Loss Mitigation and are bound by
the	court's Loss Mitigation Program and Procedures (LMP), and it is further
OR	DERED that:
	• Contact persons must be designated by all parties within 14 days from the entry of this order.
	• Requests for information, if any, must be submitted to the opposing party, and counsel, within 14
	days from the entry of this order.
	• Responses to requests for information must be provided to the party and counsel making the request, within 21 days from receipt of the request.
	• Within 60 days from the entry of this order, the debtor must file with the court and serve upon all
	interested parties the Local Form, Loss Mitigation Status Report.
	• The Loss Mitigation process shall terminate on (90 days from the date of the entry of this order), unless extended as set forth in Section IX.B. of the Loss Mitigation Program
	and Procedures.
	• The debtor must make adequate protection payments to the creditor during the Loss Mitigation
	Period in the amount set forth in the Notice and Request For Loss Mitigation. See Sections V.A.1 and VII.B. of the LMP.
	• If a relief from stay motion pursuant to section 362(d) is pending upon entry of this Order or if
	such a motion is filed during the loss mitigation period, the court may condition the stay upon
	compliance by the debtor with the fulfillment of the debtor's obligations under the Loss Mitigation Order. If the debtor fails to comply with the loss mitigation process and this Order, the
	creditor may apply to terminate the Order as specified in Section IX.C of the LMP and to obtain
	relief from the stay.
	Debtor:
	Creditor:
	Creditor:
	OPDEDED that the Description I are Mississis filled as
	ORDERED that the Request for Loss Mitigation filed on is denied.

1. Contact persons must be designated by all parties within 14 days from the entry of this order

...Within seven (7) days after the designation of contact persons...,the creditor shall contact the debtor's attorney, or the debtor, if specifically authorized...to create a framework for the discussion at the loss mitigation session and to ensure that each of the Loss Mitigation Parties will be prepared to participate meaningfully in the loss mitigation session.

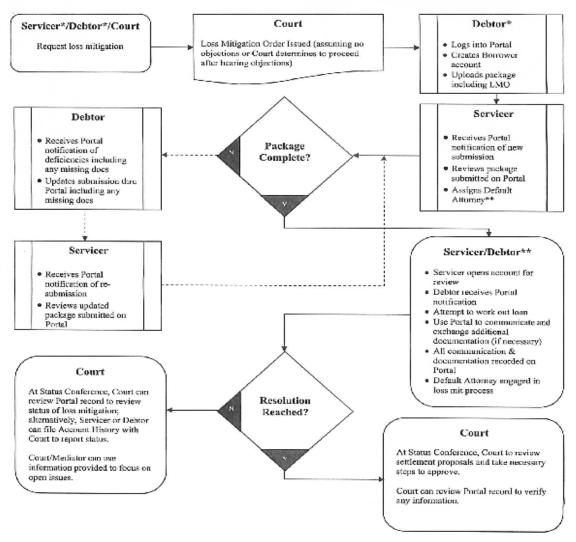
...During the initial contact phase, the parties should agree upon:

- (a) Time, place, and method for conducting the loss mitigation sessions
- (b) Types of loss mitigation solutions under consideration by each party

...The parties shall also confirm the dates included in the Loss Mitigation Order for the exchange of requested information prior to the loss mitigation session including the due date for the debtor to complete and return any information request or other loss mitigation paperwork that each creditor may require.

- 2. Requests for information, if any, must be submitted to the opposing party, and counsel, within 14 days from the entry of this order.
- 3. Responses to request for information must be provided to the party and counsel making the request within 21 days from the receipt of the request.

BK COURT LOSS MITIGATION PROGRAM - DMM PORTAL



Submit. Track. Resolve.

* Servicer/Borrower can act directly or through counsel.

** Default Attorney receives email notification of assignment and has access to entire Portal record. Default Attorney copied on all future email notifications sent between Servicer and Borrower.

LOSS MITIGATION PROGRAM PORTAL ADVANTAGES

LMP Objective	Without Portal	With Portal
"The Loss Mitigation Program aims to facilitate such resolution by opening lines of communication between the debtors' and landers' decision-makers."	Loss Mitigation Program (LMP) provides procedural burdles to ensure parties eventually communicate with one another but traditional methods of contact – phones, faxes, and mail – have and continue to be only marginally effective in bringing about	Communications take place over a secure electronic platform that directly connects the debtors' and lenders' decision-makers. Documents and communications can readily be exchanged so parties can focus on resolutions. No lost faxes or messages. All communications are 100% transparent.
	meaningful communications.	The second secon
Loss Mitigation Order establishes deadlines by which both parties must complete certain tasks.	Difficult and time consuming to verify compliance.	All activity is time/date stamped so independent verification is quick and easy.
The Loss Mitigation Program requires documents to be exchanged.	Traditional methods for delivering documents – faxes, cmail and mail – do not work. Communications are not coordinated which lead to lost documents, miscommunications and delays.	Servicers automatically deliver required information requests. All communications are consolidated in one place so parties know exactly what to submit and where to submit it. All parties can independently verify document delivery/receipt.
"Loss Mitigation Parties shall negotiate in good faith"	Very difficult to verify.	Court has access to all communications which are time/date stamped and logged in the history of each account. This transparency creates greater incentive to meet this standard.
Parties must provide the Court with a Status Report	Parties must provide written or verbal report to Court. Subject to "interpretation".	Court can easily review an account to independently verify and determine objective status of review. Alternatively, debtor or creditor can simply print out history log of account.

- Because all information is captured and processed electronically, the Portal can report on key program indicators such as:
 Time to complete intake
 Time to decision

 - Time to close
 - Percentage of files rejected

 - Reasons for file rejections
 Percentage of files approved

4. Within 60 days from the entry of this order, the debtor must file with the court and serve upon all interested parties the Local Form, Loss Mitigation Status Report.

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-	
especial companies and detailed	
In Re:	Case No.:
	Judge:
	Chapter:
Loss	MITIGATION STATUS REPORT
This Loss Mitigation Status Report is submitted Procedures.	d as required in Section VII.C. of the court's Loss Mitigation Program and
PART I GENERAL INFORMATION	
a. Full description of property:	
b. Name and address of creditor:	Name and address of creditor's attorney:
c. Name and address of additional creditor:	Name and address of additional creditor's attorney:
d. Name and contact information for person wit	th settlement authority for creditor:
e. Name and contact information for person with settlem	ent authority for additional creditor:
PART II NOTICE OF REQUEST FOR LOSS	SMITIGATION

	a. On a Notice of Request For Loss Mitigation was filed by the :	
	□ Debtor(s)	
	□ Creditor	
	□ Court	
	□ Other party:	
	b. The status of the Notice of Request For Loss Mitigation is:	
	Order entered on	
	Prior Status Report submitted on	
	Status of Loss Mitigation:	
	If a request for termination of the Loss Mitigation Process is pending, give status:	
	If a request for an extension of the Loss Mitigation Period has been filed, give status:	
	a a request for all office of the 2000 milligation of the 2000 miles, give states.	
	c. At this time I am making adequate protection payments as required by Section V.A.1 of the Loss Mitigation Program and Procedures in the	
_	amount of \$	
	PART III NOTICE OF REQUEST FOR EXTENSION OR EARLY TERMINATION OF	
	LOSS MITIGATION PERIOD	
	a. Upon request of, a Loss Mitigation Order was entered on	
	b. Pursuant to Section VI.A.5. of the Loss Mitigation Program and Procedures, the Loss Mitigation Period will expire on	
	c. For the reason(s) set forth below, I request 🚨 an extension of the loss mitigation period, or 🚨 early termination of the Loss Mitigation	
	Period.	
	d. Set forth the reason(s) for your request:	
	PART IV OTHER INFORMATION	
	☐ I have applied for a loan modification with this lender outside of the court's Loss Mitigation Program and Procedures.	
	The application is/was:	

The application is/was:	
☐ Pending	
☐ Granted on	
☐ Denied on	
I have applied for the State of New Jerse	y Foreclosure Mediation Program. The status of same is:
Other liens against this property include:	
art V SIGNATURES	
ate:	Debtor
	Deptoi
late:	Joint Debtor
ate:	Attempts for Debter(e)
	Attorney for Debtor(s)

5. The Loss Mitigation process shall terminate on _____ (90 days from the date of the entry of this order), unless extended as set forth in Section IX.B. of the Loss Mitigation Program and Procedures.

... The Loss Mitigation parties may consent to an extension of the loss mitigation period. A party may file a request for extension in writing or in the Status Report...and must be supported by a factual statement in support of the extension. Any objection shall be filed within three (3) business days of the request.

6. The debtor must make adequate protection payments to the creditor during the Loss Mitigation Period in the amount set forth in the Notice and Request for Loss Mitigation

...adequate protection payments to the creditor in an amount that is at least 60% of the monthly principal and interest payment that is contractually due, plus 100% of any required monthly escrow payment

7. If a relief from stay motion pursuant to section 362(d) is pending upon entry of this Order or if such a motion is filed during the loss mitigation period, the court may condition the stay upon compliance by the debtor with the fulfillment of the debtor's obligations under the Loss Mitigation Order. If the debtor fails to comply with the loss mitigation process and this Order, the creditor may apply to terminate the Order as specified in Section IX.C of the LPM...

...request that the loss mitigation period be terminated for cause, and shall state the reason(s) for the request. Except where early termination is necessary to prevent irreparable injury, loss or damage, the request shall be made on notice to all other Loss Mitigation Parties, and if necessary, the bankruptcy court may schedule a hearing to consider the request.

VIII. EFFECT

1. If a relief from stay motion pursuant to section 362(d) is pending when a Loss Mitigation Order is entered or if such a motion I filed during the loss mitigation period, the court may condition the stay upon compliance by the debtor with the fulfillment of the debtor's obligations under the Loss Mitigation Order. If the debtor fails to comply with the loss mitigation process and Loss Mitigation order, the creditor may apply to terminate the Loss Mitigation Order as specified in Section IX.C.

VIII. EFFECT (CONTINUED)

2. In a Chapter 13 case, the Standing Trustee may recommend entry of an Interim Confirmation Order pending the resolution of the loss mitigation process. Under the terms of the Interim Confirmation Order, distribution to administrative, priority, and secured creditors, including the payment of arrearages, if any, and adequate protection, may be set forth and a date for a Confirmation Hearing, consistent wit the terms of the Loss Mitigation Order, will be fixed.

UNITED STATES BANKRUPTCY COUR DISTRICT OF NEW JERSEY Caption in Compliance with D.N.J. LBR 9004-2(c)	
In Re:	Case No.:
Debtor	Judge:

The relief set forth on the following pages, numbered two (2) through two (2) is hereby ORDERED

Case Name: Case No.:
INTERIM CONFIRMATION ORDER
1. The Chapter 13 Plan dated is approved on an interim basis only. The plan is subject to final confirmation and further order of the Court. All of the rights of all parties are reserved until the final confirmation hearing.
 2. The Standing Chapter 13 Trustee is authorized to make distribution, with a percentage fee, on account of the following claims: a) allowed attorneys' fees; b) secured creditors; c) priority creditors, and d) adequate protection payments provided for in the debtor's Chapter 13 plan.
3. The arrearage claim of the creditor shall be paid by the Standing Chapter 13 Trustee, as provided in the plan or as designated in the proof of claim, pending the termination of the Loss Mitigation Period.

4.	The debtor(s) shall make period payments until further order Court as follows: \$ per month, beginning	
5.	A hearing on final confirmation is scheduled for a.m./p.m., at the United States Bankruptcy Court,	_ at

IX. Loss Mitigation Sessions

...may be conducted in person, telephonically, or by video conference.

X. BANKRUPTCY COURT ASSISTANCE

...parties may request a settlement conference or status conference with the bankruptcy court.

XI. SETTLEMENT AUTHORITY

...each loss mitigation party must have a person with full settlement authority



- ...a resolution may be noticed implemented...including a stipulation, sale, plan of reorganization, or a motion to approve a loan modification.
- 2. In a Chapter 13 case in which a loan modification has been agreed upon, the debtor shall file a motion to approve the loan modification, on fourteen (14) days notice to the Standing Trustee...

- (a)...a modified plan must be filed within ten (10) days of the entry of the order approving the loan modification.
- (b)...if the loan modification...results in a material change...,the debtor shall file an amendment to the impacted schedules reflecting income and expenses (Schedules I & J) within ten (10) days of the entry of the order approving the loan modification

... Hearing: where a debtor is not represented by counsel, a resolution shall not be approved until after the bankruptcy court has conducted a hearing at which the debtor shall personally appear.

Trustee's recommendation regarding the Order Approving Loan Modification

Order Approving Loan Modification should include language addressing the arrearage claim:

- Within thirty (30) days of entry of the loan modification order, mortgagee (name) shall amend its Proof of Claim designated on the Court Claims Register as Claim #____, to reflect the terms of the mortgage loan as modified.
- The Chapter 13 Trustee is authorized to reserve the payment of the arrearage claim of (lender) in the amount of \$______, as set forth in Claim #___ on the Court Claims Register, pending the filing of an amended Proof of Claim.

Trustee's recommendation regarding the Order Approving Loan Modification (continued)

3. Within thirty (30) days of entry of the loan modification order, mortgagee(name) shall advise the Trustee in writing whether any fee Order for Lender's counsel which remains unpaid by the Trustee is to be withdrawn, or to be paid, to reflect the terms of the mortgage loan as modified.