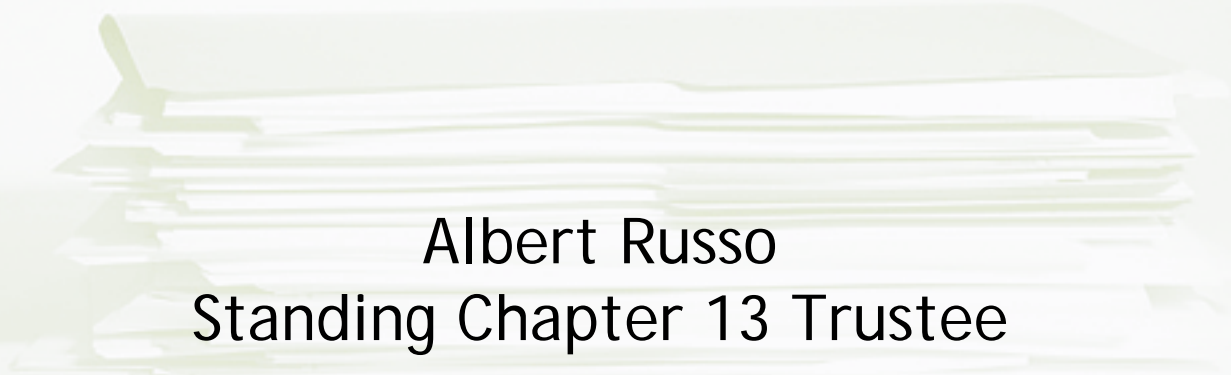


Chapter 13 Trustee • Debtor • Creditor CLEAN-UP ISSUES

Bench Bar Conference
May 9, 2014



Albert Russo
Standing Chapter 13 Trustee

A PDF copy of this presentation is available on the Trustee's website:

www.russotruster.com



POST CONFIRMATION PRE BAR DATE

In our District, Chapter 13 Plans may be confirmed before the expiration of the Bar Date, so claims and feasibility issues may arise post confirmation.



§1324 Confirmation Hearing

(b) The hearing on confirmation of the plan may be held not earlier than 20 days and not later than 45 days after the date of the meeting of creditors under section 341(a), unless the court determines that it would be in the best interests of the creditors and the estate to hold such hearing at an earlier date and there is no objection to such earlier date.

CLAIMS REVIEW

- 1) Review of claims filed post confirmation
 - a. SUBSTANTIAL DEVIATION FROM AMOUNTS 'PER PLAN'
 - b. AMENDED PROOFS OF CLAIM
 - c. TAX CLAIMS
 - i. Is there an estimated claim for any unfiled taxes (§1308)?
 - ii. Are there any tax periods under audit?
 - iii. Was debtor given credit for all pre-petition payments and post-petition set off?

CLAIMS REVIEW (continued)

d. SECURED CLAIMS

i. Is there a basis for challenging the secure status on:

- Value
- Lien
- Surrender

Example: Wells Fargo merchant account claims for jewelry or home improvements

CLAIMS REVIEW (continued)

e. ADMINISTRATIVE CLAIMS

- i. Homeowners Association
- ii. Post Petition Residential Lease Arrearages
- iii. Tax Claims

f. GENERAL UNSECURED CLAIMS

- i. Deficiency Claims
- ii. Unliquidated Claims

g. LATE FILED CLAIMS

- i. Move to Expunge or Authorize Payment

h. DUPLICATE CLAIMS

CLAIMS REVIEW (continued)

2. Trustee Post Confirmation Notice of Distribution

The above referenced debtor(s) plan has been confirmed. The Standing Trustee's office has set up the case for distributions to creditors.

Attached is the Trustee's Proposed Distribution Report for review.

ATTORNEYS AND CREDITORS: IT IS YOUR RESPONSIBILITY to review this report and ensure that you are in agreement with the information contained therein. You are strongly advised to compare this report against your filed Proof of Claim and the court's docket. If you are not in agreement with this report, you must notify the Trustee in writing, at the address listed above or via email to info@russotrustee.com, within five (5) days of the docketing of this information and/or file the appropriate motion with the court.

UNSECURED CREDITORS: If your claim does not appear on this report, please check the court's claims register to be sure it is properly filed. If it has been properly filed and it is to be paid through the confirmed plan, it will appear on the Trustee's Proposed Distribution Report that is filed after the bar review.

CLAIMS REVIEW (continued)

CLAIMS AND DISTRIBUTIONS						
Claim ID	Claimant Name	Dist. Priority	Class	Claim Amount	Amount Paid	Balance Due
		5	Debtor Refund	\$0.00	\$0.00	\$0.00
		13	Attorney Fees	\$2,000.00	\$821.27	\$1,178.73
4	ALTAIR OH XIII, LLC	33	Unsecured Creditors	\$717.42	\$0.00	\$717.42
1	CHESTERFIELD TWP MUN COURT	33	Unsecured Creditors	\$228.00	\$0.00	\$228.00
5	HAMILTON TOWNSHIP MUNICIPAL COURT	33	Unsecured Creditors	\$0.00	\$0.00	\$0.00
2	SPRINT NEXTEL - DISTRIBUTIONS	33	Unsecured Creditors	\$501.30	\$0.00	\$501.30
3	STATE OF NEW JERSEY	33	Unsecured Creditors	\$6,886.65	\$0.00	\$6,886.65

CASE SUMMARY

Summary of all receipts and disbursements from date filed through May 06, 2014.

Total Receipts:	\$1,122.00	Current Monthly Payment:	\$126.00
Paid to Claims:	\$821.27	Arrearages:	\$6.00
Paid to Trustee:	\$48.73		
Funds on Hand:	\$252.00	Total Plan Base:	\$4,656.00

CONFIRMATION ORDER CONDITIONS & CONTINGENCIES

CONFIRMATION ORDER

1) Calendar follow-up on confirmation order provisions and contingencies

- ✓ Sale ...
- ✓ Refinance ...
- ✓ Loan Modification ...

...all by Specific Date

2) Required orders clarifying or resolving confirmation objections or post confirmation requirements

- ✓ Submission of Amended Budgets by Specific Date
- ✓ Submit Requested Post Petition Proof of Income and Reports in Business Cases by Specific Date(s)

COMMUNICATION FROM TRUSTEE AFTER CONFIRMATION

TRUSTEE COMMUNICATION

1) STAY VACATED CLAIMS

*Plan provided for treatment of creditor's claim ...
creditor subsequently received stay relief*

2) NOT IN PLAN CLAIMS

*Proofs of claim filed without treatment in plan (other
than unsecured claims)*

3) PER PLAN CLAIMS (POST BAR DATE)

*Treatment of claim per plan with no Proof of Claim
filed*

TRUSTEE COMMUNICATION

4) SURRENDER COLLATERAL (CREDITOR ISSUE)

Plan surrenders collateral and creditor files a Proof of Claim - Notice that claim will not be paid

5) ESTIMATED TAX CLAIMS

Requires resolution

6) DEFICIENCY CLAIMS (CREDITOR ISSUE)

Notice that claim will not be paid unless a deficiency balance is clearly supported

TRUSTEE COMMUNICATION

7) POST PETITION CLAIMS NOT ALLOWED PER PLAN (CREDITOR ISSUE)

Notice to parties that post petition claims will not be paid without plan provision allowing payment of post petition claim





POST PETITION PLAN PAYMENTS

May 9, 2014

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Standing Chapter 13 Trustee

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PLAN PAYMENTS

1) ENCOURAGE ePAY For Debtor Plan Payments

www.russotruster.com/epay
(*Trenton Cases*)

www.standingtrustee.com/epay
(*Camden Cases*)



PLAN PAYMENTS (continued)

2) REGISTER with the National Data Center

www.ndc.org

- ✓ Registration is FREE for Debtor and Debtor's Attorney
- ✓ Monitor Case Activity (debtor payments and Trustee disbursements)

PLAN PAYMENTS (continued)

- 3) If the debtor falls behind with Trustee payments
 - a) Request a RECAP
 - b) PROMPTLY respond to Trustee's Pay-Up Letter, Certification of Default and/or Motion to Dismiss



PLAN PAYMENTS (continued)

- c) If a hearing is scheduled, review the Trustee's Calendar Disposition List to ascertain the Trustee's position on the matter

www.russotruster.com/cdl
(*Trenton Cases*)

www.standingtrustee.com/tdl
(*Camden Cases*)



LIEN RELATED ISSUES

May 9, 2014

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Standing Chapter 13 Trustee

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LIENS

1. Judgment Liens

- ✓ Removal of lien of record for second mortgage strip off

2. Application to Cancel and Discharge Lien of Record

COURT'S NOTICE TO THE BAR

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

IMPORTANT NOTICE TO THE BAR AND PUBLIC
CONCERNING NEW CHAPTER 13 LOCAL FORMS:
APPLICATION TO CANCEL OR DISCHARGE MORTGAGE/LIEN
and
CHAPTER 13 ORDER AUTHORIZING CANCELLATION, VOIDING
AND/OR DISCHARGE OF RECORD OF MORTGAGE/LIEN

COURT'S NOTICE TO THE BAR

Please be advised that effective immediately, the Board of Judges for the Bankruptcy Court for the District of New Jersey has approved two new recommended local forms for use by Chapter 13 debtors:

- ✓ Application to Cancel or Discharge Mortgage/Lien
- ✓ Chapter 13 Order Authorizing Cancellation, Voiding and/or Discharge of Record of Mortgage/Lien

The forms are posted on the Court's web site: www.njb.uscourts.gov.

Dated: May 2, 2014

James J. Waldron, Clerk

Application to Cancel and Discharge

APPLICATION TO CANCEL AND DISCHARGE:

MORTGAGE LIEN OTHER (SPECIFY) _____

Recommended Local Form: Followed Modified

If any party in interest has an objection to the cancellation and discharge of the Mortgage/Lien described herein, the objection and request for a hearing on such objection shall be in writing, filed with the Clerk of the United States Bankruptcy Court and served upon the parties in interest no later than 14 days from the filed date of Application.

In the event an objection is timely filed, a hearing thereon will be held before the Honorable _____ on _____ at _____ a.m., at the United States Bankruptcy Court in _____, Courtroom No: _____.

If no objection is timely filed, the proposed form of Order submitted herewith may be entered by the Court.

Application to Cancel and Discharge

1. I am, _____, counsel for the debtor(s).
 I am, _____, the debtor(s).
2. The debtor(s) Chapter 13 plan contained a motion to:
 Avoid lien under 11 U.S.C. §522(f).
 Avoid lien and reclassify claim from secured to completely unsecured.
3. Proof of Service of the Plan and the Chapter 13 Plan Transmittal Letter was filed with the Court at the time the Plan was filed.
4. Description of Real Property:
Location (Street Address) _____

5. Description of Mortgage/Judgment Lien:
 - a. Original Mortgagee/Lienholder: _____
 - b. Current Assignee: _____
 - c. Current Servicer: _____
 - d. Date of Mortgage/Lien: _____
 - e. Date of Recordation: _____
 - f. Place of Recordation: _____
 - i. Mortgage Book: _____
 - ii. Page: _____
 - g. Original Principal Balance of Mortgage/Lien: \$ _____
6. The debtor(s) has successfully completed a Chapter 13 Plan, which provides for the discharge and cancellation of record of the Mortgage/Lien referenced above. The debtor(s) has also filed with the Court a Certification in Support of Discharge and the Chapter 13 Trustee has issued a Plan Complete Letter.
7. The debtor(s) is entitled to have the Mortgage/Lien referenced above discharged and cancelled of record.

Application to Cancel and Discharge

8. The debtor(s) requests that a copy of the court direct that a certified or exemplified copy of the Order to Cancel and Discharge the Mortgage/Lien shall be recorded by the Clerk or Register of Deeds with whom the original mortgage or lien was recorded.

Wherefore, the debtor(s) requests that that the Court enter an Order providing for the discharge and cancellation of the Mortgage or Lien described above.

DATED: _____

CERTIFICATION IN SUPPORT OF DISCHARGE

CERTIFICATION OF COMPLETION OF FINANCIAL MANAGEMENT COURSE