

Office of the Standing Chapter 13 Trustee

125 E. John Carpenter Freeway
Suite 1100
Irving, TX 75062

Phone: (214) 855-9200
Fax: (214) 965-0754

Date December 9, 2009

Dear _____:

You have contacted our office to request the trustee's approval for you to incur additional debt after the filing of your Chapter 13 bankruptcy case.

Please read and follow the procedures outlined in the enclosed "Procedure for Credit Review." The "Loan Information" and "Current Budget" forms must be **completed** and returned to our office before we can respond.

Under § 1305 (a) (2) of the Bankruptcy Code, the Chapter 13 trustee must review and approve all post-petition consumer debts (debts incurred after your Chapter 13 was filed for the creditor to have an allowed claim). To receive our approval, any property or services acquired or refinanced with the proposed loan must be reasonable and necessary and not interfere with your ability to meet your obligation under your current Chapter 13 plan.

The trustee cannot guarantee that you will receive a loan. It is the decision of the lending institution. On any approved credit, you will need to make all payments "direct" to the lender. This "direct" payment will not be included in your trustee payment.

PROCEDURE FOR CREDIT REVIEW

Your Procedure:

Complete the following steps to obtain Chapter 13 Trustee review of your credit request:

Step	Action	☒ When Done
1	Read this entire form.	<input type="checkbox"/>
2	Understand the following conditions: <ol style="list-style-type: none"> a. no luxury cars b. if plan proposes to pay less than 75% to timely filed unsecured claims, no car loan in excess of \$18,000 and \$475 monthly. c. no home loan will be approved if monthly payment for principal, interest, taxes, and insurance exceeds 120% of payment (s) originally budgeted for housing. 	
3	Find a lender that is willing to give you a loan pending trustee review and approval.	<input type="checkbox"/>
4	Obtain the terms of the proposed loan from the credit grantor. You need to know: <ul style="list-style-type: none"> • name of the credit grantor • amount of the loan • interest rate • monthly payment amount to credit grantor • number of monthly payments required to repay the loan 	<input type="checkbox"/>
5	Fill in the Loan Information (form attached).	<input type="checkbox"/>
6	Fill in the Current Budget (form attached). Be sure to attach proof of income.	<input type="checkbox"/>
7	Send the Loan Information and the Current Budget forms to: Office of the Chapter 13 Trustee Attn: Credit Review Department 125 E. John Carpenter Freeway Suite 1100 Irving, TX 75062	<input type="checkbox"/>

Trustee's Response:

Our review process takes about five working days from the time we receive your **COMPLETED** forms. We will:

Step	Action
1	Determine if the additional debt is reasonable, necessary and will not interfere with current plan.
2	Determine that all trustee guidelines have been met.
3	Review the terms of the loan.
4	Review the Current Budget.
5	Send you a written response to your request.

(Exhibit 1)

LOAN INFORMATION

Type or Print Clearly

Case number																	
Name of debtor(s)																	
Address of debtor(s)	_____ _____ _____																
Daytime telephone (Area Code + Number)	(H) _____ (W) _____																
Name of credit grantor																	
Amount of loan																	
Interest rate (%)																	
Monthly payment amount due credit grantor																	
Number of monthly payments																	
Reason for loan	_____ _____ _____ If this request is for a car loan, provide: Make of car _____ Model of car _____ Year of car _____ Extras: _____ If this car will replace another car, provide the following information for the car being replaced: Reason: _____ _____ Make _____ Model _____ Year _____ Monthly payment _____ Through trustee _____ or Direct _____																
Prior requests	Have you made any prior requests for loan approval while in Chapter 13? If so, give the dates, amounts, tell us whether the loan requests were granted or denied and give us the status of the loan payments (i.e., paid, current, delinquent, etc.). <table border="1"><thead><tr><th>Date</th><th>Amount</th><th>Granted/Denied</th><th>Status</th></tr></thead><tbody><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td><td>_____</td><td>_____</td></tr></tbody></table>	Date	Amount	Granted/Denied	Status	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____														
_____	_____	_____	_____														
_____	_____	_____	_____														
Down payment	What is the amount of the down payment on this transaction, if there is one, and what is the source of the down payment money? Amount of down payment: _____ Source of down payment: _____ _____																
Payment source	Will the monthly payment on this new loan be made in addition to or in replacement of some payment you are already responsible for in your Chapter 13 plan or budget? Explain. (Consult with your attorney as to whether a "Request for Modification" of your plan will be necessary.) _____ _____ _____																

(Exhibit 2)

CURRENT BUDGET dated _____

MONTHLY TAKE HOME.....(HUSBAND).....(Attach pay stub for one month)*	\$ _____
MONTHLY TAKE HOME.....(WIFE).....(Attach recent pay stub)	\$ _____
MONTHLY TAKE HOME.....(OTHER).....(Attach written documentation).....	\$ _____
TOTAL TAKE HOME INCOME	\$ _____
Rent or home mortgage payment (include lot rent for mobile home)	\$ _____ /MO
Are real estate taxes included? Yes () No () (If not, give amount)	\$ _____ /MO
Is property insurance included? Yes () No () (If not, give amount).....	\$ _____ /MO
Utilities:	
Electricity and heating fuel	\$ _____ /MO
Water and sewer	\$ _____ /MO
Telephone.....	\$ _____ /MO
Other ()	\$ _____ /MO
Home maintenance (repairs and upkeep).....	\$ _____ /MO
Food.....Groceries \$ _____ Meals out & school lunches \$ _____	\$ _____ /MO
Clothing	\$ _____ /MO
Laundry and dry cleaning	\$ _____ /MO
Medical and dental expenses (not covered by insurance)	\$ _____ /MO
Transportation (not including car payments) Gasoline & Auto Maintenance.....	\$ _____ /MO
Recreation, clubs and entertainment, newspapers, magazines, etc	\$ _____ /MO
Charitable contributions	\$ _____ /MO
Insurance (not deducted from wages or included in home mortgage payment)	
Homeowner's or renter's	\$ _____ /MO
Life.....	\$ _____ /MO
Health	\$ _____ /MO
Auto	\$ _____ /MO
Other ()	\$ _____ /MO
Taxes (not deducted from wages or included in home mortgage payments)	
()	\$ _____ /MO
Installment payments:	
Auto	\$ _____ /MO
Other ()	\$ _____ /MO
()	\$ _____ /MO
()	\$ _____ /MO
Alimony, maintenance, and support paid to others.....	\$ _____ /MO
Payments for support of additional dependents not living at home	\$ _____ /MO
Regular expenses from operation of business, profession, or farm	\$ _____ /MO
(Attach detailed statement)	
Other expenses: (must include any direct payments under plan)	
()	\$ _____ /MO
()	\$ _____ /MO
()	\$ _____ /MO
TOTAL MONTHLY EXPENSES	\$ _____ /MO

<u>SUMMARY</u>	
A. Total monthly income: (H) \$ _____ (W) \$ _____ (O) \$ _____	\$ _____ /MO
B. Total monthly expenses:.....	\$ _____ /MO
C. Chapter 13 Plan Payment.....	\$ _____ /MO
D. Excess income (A minus B minus C)	\$ _____ /MO

DECLARATION

I, _____ (please print), Debtor/Attorney, declare under penalty of perjury that the information contained in the above current budget is true and correct to the best of my knowledge, information, and belief.

Debtor or Attorney Signature _____ Case Number _____

*If self-employed, attach bank statements for three months or a copy of your income tax return.

Approval or Denial of Request

Cases filed in the Northern District with Tom Powers as your Trustee will generally be able to incur debt with Trustee permission.

The Trustee may not approve your request. If so, you will be notified in writing of the reason why your request was denied. If denied and you wish to pursue the purchase, contact your attorney for possible filing of a formal Motion to Incur Debt with the court.

If the Trustee approves your request, you will receive a letter with the details of the approval based on the information provided in this package.

Responses are usually provided within one week of receipt.

Remember, the forms must be filed out completely.