

**Todd S. Johns**  
**Chapter 13 Trustee**  
**Application to Incur Debt to Purchase a Vehicle**

**I. Procedure**

- See procedure set forth in Standing Order on Applications to Borrow dated August 25, 2015.
- Application is accepted by approved forms.
- Application with supporting documentation to be submitted to Trustee by email to [keenanan@sikeschapter13.com](mailto:keenanan@sikeschapter13.com) or by uploading application to Express Docs website maintained by Trustee (login from Trustee required).
- Provide a copy of the proposed sales contract and dealer's buyer order or other loan documentation to Trustee.
- File amended Schedules I and J (reflecting the proposed car payment or loan payment) on PACER.
- Provide 60 days most recent pay advices uploaded as "pay records" to the Trustee's website.

**II. Trustee Review Criteria**

- Vehicle Interest Rate must be under 18%.
- No GAP insurance contract or charges.
- No extended service contract/extended warranty contract.
- No luxury type vehicles
- Vehicle must be reasonable and necessary.
- Vehicle payment must be less than \$500/month.
- Vehicle loan term must be 60 months or less.
- The sales price of the vehicle must be within the suggested retail value "Book Value."
- The Debtor(s) budget must remain feasible.
- The Debtor(s) plan payments must be current.
- If down payment contemplated/required, application must disclose source of down payment and amount.

- If Student Loan request, application must state the degree or certification sought, the length of time to complete the degree, and the benefit to the debtor of obtaining the degree.
- If a Home Refinance, the application must be clear on the benefit to the Debtor. If mortgage payments are reduced, plan payments will need to increase to reflect current income and expenses.

### **III. Limits to Trustee review:**

If Application includes the following relief, Trustee is unable to approve these requests and a denial of the request will be entered to allow the debtor to file a Motion to obtain the requested relief:

- Substitution of Collateral
- Surrender of Collateral
- Sale and/or Trade-in of old vehicle
- Use or authorization of insurance proceeds for purchase of vehicle.
- Ratification of sale already completed
- Loan application for new home purchase