

## CHAPTER 13 TRUSTEE'S MORTGAGE PAYMENT POLICY

1. Appendix G Section 1.(b)(1) made applicable by Local Bankruptcy Rule 3015-2 which becomes effective April 1, 2020, provides as follows: The plan must provide for the payment through the Chapter 13 Trustee of Mortgage Payments if the Ongoing Mortgage is in default on (i) the petition date, (ii) the date of plan confirmation, or (iii) the date of the filing of a plan modification pursuant to the terms of 11 U.S.C. 1322(b)(5); provided, however, this paragraph does not preclude the use of direct Ongoing Mortgage Payments if a default on said payment has been cured by a consensual loan modification. In addition the Chapter 13 Trustee shall have the discretion to allow Ongoing Mortgage Payments to be made directly by debtor(s) when the default, excluding any projected escrow shortage, is less than \$500.00 due to escrow shortages, late charges or a payment shortfall of less than one (1) month. The trustee must make Ongoing Mortgage Payments pursuant to written procedures prepared by the trustee and posted on the trustee's website."
2. In compliance with this Proposed Rule, and with the above Local Bankruptcy Rules and other provisions of the Local Bankruptcy Rules, the Trustee has developed the following Mortgage procedure for disbursing Ongoing Mortgage Payments and handling post-filing changes to the Mortgage for all cases filed on or after April 1, 2020.
3. If the plan provides in Section 3.1 for Trustee disbursement of a conduit mortgage, the Trustee will disburse the mortgage payment in accordance with a timely filed Notice of Mortgage Payment Change to which no party in interest has filed a motion pursuant to Rule 3002.1(2), if the plan contains the following provision in Plan Section 9:

"Regarding the mortgage included in Plan Section 3.1, in the event a timely filed Notice of Mortgage Payment Change has been filed to which no party in interest has filed a motion pursuant to Rule 3002.1(2), the Trustee is authorized to disburse the mortgage payment in accordance with the Notice of Mortgage Payment Change. If the Notice of Mortgage Payment Change represents more than a \$3.00 change from the amount of the mortgage payment determined under the provisions of Section 3.1 of the plan, the chapter 13 plan payment is automatically increased or decreased by the amount of the increase or decrease required by the Notice of Mortgage Payment Change and applicable Trustee fee. The Chapter 13 Trustee is authorized to submit an amended wage order as may be required."
4. If the plan contains the provision referenced in paragraph 3 above and the Notice of Mortgage Payment change represents more than a \$3.00 change from the amount of the mortgage payment determined under the provisions of Section 3.1 of the plan, the Trustee will calculate the amount of the new plan payment as a dollar per dollar increase or decrease in the amount of the mortgage payment determined under the provisions of Section 3.1 of the plan, plus any adjustment required for the applicable Trustee fee. The Trustee will file a Notice of Plan Payment Change and serve the Notice of Plan Payment Change on the Debtor(s) and Debtor(s)' counsel. The Trustee will file an amended wage order.
5. If a plan providing in Section 3.1 for Trustee disbursement of a conduit mortgage does not contain the provision referenced in paragraph 1 above, the Trustee will not disburse the mortgage payment amount set forth in the filed Notice of Mortgage Payment Change. The Trustee will continue to disburse the mortgage payment in the amount required under the confirmed plan until the Court approves a modification of the plan filed by Debtor which provides for a change in the mortgage payment.

6. The Chapter 13 Trustee will disburse fees, expenses, or charges sought in a Notice filed pursuant to Federal Bankruptcy Rule 3002.1(c) pursuant to a confirmed plan which provides for disbursement of the fees, expenses, or charges by the Trustee.
7. These procedures may be amended by the Office of the Chapter 13 Trustee. Amendments to the procedure will be posted on the Trustee's website.