

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA

In re

GENERAL ORDER 07-03

GENERAL ORDER REGARDING PROCEDURES FOR PAYMENT
OF SECURED DEBT IN CHAPTER 13 PLANS

The Court having determined that the following procedures are needed to reduce the litigation and administrative costs of Chapter 13 plans in this district, it is **GENERALLY ORDERED** that the following will apply to all Chapter 13 plans filed after the date of the entry of this Order.

- (A) If a debtor files a Chapter 13 petition and seeks to cure an arrearage on a secured debt, including long term secured debt, payments on the arrearage and payments on the secured debt shall be made by the Chapter 13 Trustee unless the debtor files a motion with the Court that establishes good cause as to why the Chapter 13 Trustee should not be the disbursing agent.
- (B) If a debtor files a Chapter 13 petition and is not in arrears on a secured debt payment, then the debtor may, in the debtor's discretion, continue to act as the disbursing agent on the claim and pay the secured creditor directly.
- (C) In the event a debtor files a Chapter 13 petition and is not in arrears on a secured debt payment at the time of filing, but later falls behind on the secured debt payment, if the creditor files a motion to lift the automatic stay to repossess or foreclose on the secured collateral, and if the debtor proposes to cure the default on the secured debt, the debtor shall lose the right to be the disbursing agent on the secured debt. Without the need to modify the terms of the confirmed Chapter 13 plan pursuant to 11 U.S.C. § 1329, both the post-petition cure and the ongoing secured debt payments shall be made by the Chapter 13 Trustee. The debtor may file a motion with the Court to establish good cause as to why the debtor should continue to be the disbursing agent on the claim in lieu of the Chapter 13 Trustee.

- (D) The Chapter 13 Trustee shall receive from the plan payments such expenses and compensation as provided by the Executive Office of the U. S. Trustee. Additional administrative compensation, pursuant to 11 U.S.C. § 503, may be ordered by the Court upon appropriate application as a result of extraordinary circumstances on a case by case basis.

ENTERED:

MAY 18 2007



RONALD G. PEARSON, JUDGE