

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

**ADOPTION OF RICHMOND DIVISION GENERAL ORDER NO. 12-1, EFFECTIVE
NOVEMBER 14, 2012, REGARDING PROCEDURE FOR COURT APPROVAL OF
LOAN MODIFICATION AGREEMENTS IN CHAPTER 13 CASES**

PUBLIC NOTICE

For the reasons set forth in Richmond Division General Order No. 12-1, effective November 14, 2012, all loan modification agreements in Chapter 13 cases filed in the Richmond Division must follow the procedure set forth in this general order.

Additional information is set forth in the general order and in Form A. A PDF-fillable version of Form A, applicable only to Chapter 13 cases filed in the Richmond Division, is located at the Court's Internet Bankruptcy Forms web page, at <http://www.vaeb.uscourts.gov/scripts/formsqry.exe>.

William C. Redden
Clerk of Court

Date: November 1, 2012

Attachment

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

In re:

Loan Modification Agreements

Richmond General Order No. 12-1

Loan Modification Agreements in Chapter 13

The Court has determined that adoption of the procedures and guidelines specified in this general order will facilitate the approval process for loan modification agreements in Chapter 13 cases, while protecting the interests of creditors and debtors. It is, therefore

ORDERED:

1. The Motion to Approve Loan Modification (the “Motion”) shall give a 21-day notice period for any objections to be filed, with notice being served on the Chapter 13 trustee, all parties having a lien against the property, and any creditor who has requested to receive all notices in the case.
2. The Motion shall be calendared for a preliminary hearing on a Chapter 13 hearing date.
3. The Motion shall clearly indicate all information relevant to the current loan and the proposed loan modification, in accordance with Local Bankruptcy Rule 6004-4, including:
 - A. The principal amount of the loan before modification; and
 - B. The principal amount of the loan immediately after modification; and
 - C. The interest rate applicable to the loan before modification; and
 - D. The interest rate applicable to the loan immediately after modification; and
 - E. The term or maturity date of the loan before modification; and
 - F. The term or maturity date of the loan immediately after modification; and
 - G. The monthly payment on the loan before modification, indicating whether that amount includes payments for any items other than principal and interest; and

- H. The monthly payment on the loan immediately after modification, indicating whether that amount includes payments for any items other than principal and interest; and
 - I. Whether the modified loan includes any future payment changes or balloon payments and, if so, the terms of such future payment changes or balloon payments; and
 - J. If the modification results in a higher monthly payment, the source of the funds to be used to make that payment; and
 - K. If the modification results in a lower monthly payment, whether the debtor intends to increase the amount of his/her plan payment.
4. The Motion shall also include as attachments:
- A. A signed or unsigned copy of the proposed loan modification; and
 - B. A completed Form A, summarizing the information set forth in paragraph 3 above.

Such attachments shall be redacted in accordance with Federal Rule of Bankruptcy Procedure 9037(a).

5. At the preliminary hearing on the Motion, the Court may:
- A. Grant the Motion; or
 - B. Deny the Motion; or
 - C. Enter an order conditionally approving the Motion.
6. If the Court conditionally approves the Motion, the Court will then schedule a final hearing on the matter to be held sixty (60) days thereafter.
7. The final hearing will not be necessary if, prior to such final hearing, the moving party submits to the Court:
- A. A fully executed copy of the loan modification agreement; and
 - B. A proposed Final Order on the Motion with endorsements by the debtor or debtor's counsel if the debtor has been represented by counsel during the motion proceedings, the Chapter 13 trustee, and the creditor or creditor's counsel if the creditor has been represented by counsel during the motion proceedings.

Dated: October 31, 2012

/s/ Douglas O. Tice Jr.
DOUGLAS O. TICE JR.
Chief United States Bankruptcy Judge

/s/ Kevin R. Huennekens
KEVIN R. HUENNEKENS
United States Bankruptcy Judge

FORM A

SUMMARY OF PROPOSED LOAN MODIFICATION

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:

Debtor(s)

Case No. _____
Chapter 13

Summary of the Proposed Loan Modification

| | <u>Original Loan</u> | <u>Modified Loan</u> |
|-----------------------|----------------------|----------------------|
| Principal Amount | | |
| Interest Rate | | |
| Term or Maturity Date | | |
| Monthly Payment | | |

2. The modified loan includes future payment changes or balloon payments. The terms of any such future payment changes or balloon payments are:

3. The modification results in a higher monthly payment. The source(s) of the funds used to make that payment is/are:

4. The modification results in a lower monthly payment. Choose one of the following:
- a. The amount of future plan payments will be increased.
 - b. The amount of future plan payments will not be increased.