

# The Chapter 13 Model Plan — One Year Later

**Christopher W. Jones, Moderator**

*Acclaim Legal Services, PLLC; Southfield, Mich.*

**Jeremy Fisher**

*Second Chance Legal Services; Madison Heights, Mich.*

**Marilyn R. Somers-Kantzer**

*Office of Tammy Terry, Chapter 13 Trustee; Detroit*



AMERICAN  
BANKRUPTCY  
INSTITUTE

# DISCOVER



**search**  
search.abi.org

---

NEW Online Tool Researches ALL ABI Resources

---



***Online Research for \$275  
per Year, NOT per Minute!***

**With ABI's New Search:**



- **One search gives you access to content across ALL ABI online resources -- *Journal*, educational materials, circuit court opinions, *Law Review* and more**
- **Search more than 2 million keywords across more than 100,000 documents**
- **FREE for all ABI members**

**One Search and You're Done!**  
**search.abi.org**

\*Cost of ABI membership

---

66 Canal Center Plaza • Suite 600 • Alexandria, VA 22314-1583 • phone: 703.739.0800 • abi.org

Join our networks to expand yours:   

© 2013 American Bankruptcy Institute All Rights Reserved.

**The Chapter 13 Model Plan: One Year Later**

**Christopher W. Jones**

**Acclaim Legal Services, PLLC**

**Southfield, Michigan**

**Jeremy F. Fisher**

**Second Chance Legal Services**

**Madison Heights, Michigan**

**Marilyn R. Somers-Kantzer**

**Office of Chapter 13 Trustee – Tammy Terry**

**Detroit, Michigan**

**APPENDIX A**

**CHAPTER 13 MODEL PLAN – EASTERN DISTRICT OF MICHIGAN  
WITH INSERTED COMMENTS**

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN

IN RE:

S.S.# XXX-XX-\_\_\_\_\_  
Debtor

CASE NO.  
CHAPTER 13  
JUDGE

and

S.S.# XXX-XX-\_\_\_\_\_  
Joint-Debtor  
Debtor(s)

**PLAN SUMMARY**

*For informational purposes only.*

ACP: \_\_\_\_\_ Months  
Minimum Plan Length: \_\_\_\_\_ Months  
Plan payment: \$\_\_\_\_\_ per Month  
Minimum dividend to Class 9 Creditors \$\_\_\_\_\_  
Percentage of Tax Refunds committed \_\_\_\_\_%

**CHAPTER 13 PLAN**

Original **OR**  Pre-Confirmation Modification # \_\_\_\_\_  Post-Confirmation Modification # \_\_\_\_\_

**NOTICE TO CREDITORS:**  
**YOUR RIGHTS MAY BE AFFECTED. THIS PLAN MAY BE CONFIRMED AND BECOME BINDING WITHOUT FURTHER NOTICE OR HEARING UNLESS A TIMELY WRITTEN OBJECTION IS FILED.**  
**READ THIS DOCUMENT CAREFULLY AND SEEK THE ADVICE OF AN ATTORNEY.**

**I. STANDARD MODEL PLAN; INCORPORATION OF ADDITIONAL TERMS, CONDITIONS AND PROVISIONS; ALTERATIONS NOTED:**

A. THIS PLAN IS SUBJECT TO AND INCORPORATES BY REFERENCE THE ADDITIONAL TERMS, CONDITIONS AND PROVISIONS WHICH MAY BE FOUND AT [WWW.13EDM.COM](http://WWW.13EDM.COM) or [WWW.MIEB.USCOURTS.GOV](http://WWW.MIEB.USCOURTS.GOV).

INTERESTED PARTIES MAY ALSO OBTAIN A WRITTEN COPY OF THE ADDITIONAL TERMS, CONDITIONS AND PROVISIONS APPLICABLE TO CHAPTER 13 PLANS FROM DEBTOR'S COUNSEL UPON WRITTEN REQUEST.

B. This Plan conforms in all respects to the Standing Chapter 13 Trustees' Model Plan which is referenced in Administrative Order 12-05 issued by the U.S. Bankruptcy Court for the Eastern District of Michigan. Those sections of this Plan that vary from the Model Plan are listed in this paragraph (any alterations not stated in this section are void):

\_\_\_\_\_

\_\_\_\_\_

**II. APPLICABLE COMMITMENT PERIOD; PLAN PAYMENTS; PLAN LENGTH; EFFECTIVE DATE AND ELIGIBILITY FOR DISCHARGE:**

A.  Debtor's Current Monthly Income exceeds the applicable State median income. Debtor's Applicable Commitment Period is 60 months. Debtor's Plan Length shall be 60 months from the date of entry of the Order Confirming Plan.

Debtor's Current Monthly Income is less than or equal to the applicable State median income. Debtor's Applicable Commitment Period is 36 months. Debtor's Plan Length shall be \_\_\_\_\_ months from the date of entry of the Order Confirming Plan. **This is a minimum Plan length.** If the Plan has not been completed in the minimum Plan length, the Plan length shall be extended as necessary for completion of the requirements of the Plan; provided that in no event will the Plan term continue beyond 60 months from the date of entry of the Order Confirming Plan. See Paragraph J of the Additional Terms, Conditions and Provisions for additional information regarding Completion of Plan.

If neither or both of the above boxes is checked, then the Applicable Commitment Period and the Plan Length shall be 60 months from the date of entry of the Order Confirming Plan.

**Comment [CJ1]:** Identify any section that your Plan alters from the Model Plan. The substance of the change should not be listed here. Instead, identify the provision altered here and put the substance of the change in paragraph I.V.B.

B. Debtor's plan payment amount is \$ \_\_\_\_\_ per month.

C. **Future Tax Refunds.** See Paragraph A of the Additional Terms, Conditions and Provisions for additional information regarding Tax Refunds and Tax Returns.

**FOR CASES ASSIGNED TO BAY CITY DIVISION:** Check only one box. If none are checked or more than one box is checked, paragraph 2 shall apply:

- Debtor's Plan proposes a 100% dividend to unsecured creditors. Therefore, Debtor is not required to remit any future tax refunds.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *does not* include a pro-ration for anticipated tax refunds. Debtor will remit 50% of all Federal and State Tax Refunds that Debtor receives or is entitled to receive after commencement of the case.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *includes* a pro-ration for anticipated Federal Tax Refunds. Debtor will remit 100% of all Federal and State Tax Refunds that Debtor receives or is entitled to receive after commencement of the case to the extent the refund exceeds the sum of twelve times the amount of the Federal and State Tax Refund pro-ration shown in Schedule I.

**FOR CASES ASSIGNED TO DETROIT DIVISION:** Check only one box. If none are checked or more than one box is checked, paragraph 2 shall apply:

- Debtor's Plan proposes a 100% dividend to unsecured creditors. Therefore, Debtor is not required to remit any future tax refunds.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *does not* include a pro-ration for anticipated tax refunds. Debtor will remit 100% of all Federal Tax Refunds that Debtor receives or is entitled to receive after commencement of the case.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *includes* a pro-ration for anticipated Federal Tax Refunds. Debtor will remit 100% of all Federal Tax Refunds that Debtor receives or is entitled to receive after commencement of the case to the extent the refund exceeds the sum of twelve times the amount of the Federal Tax Refund pro-ration shown in Schedule I.

**FOR CASES ASSIGNED TO FLINT DIVISION:** Check only one box. If none are checked or more than one box is checked, paragraph 2 shall apply:

- Debtor's Plan proposes a 100% dividend to unsecured creditors. Therefore, Debtor is not required to remit any future tax refunds.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *does not* include a pro-ration for anticipated tax refunds. Debtor will remit 100% of all Federal Tax Refunds that Debtor receives or is entitled to receive after commencement of the case.
- Debtor's Plan proposes less than a 100% dividend to unsecured creditors and Debtor's Schedule I *includes* a pro-ration for anticipated Federal Tax Refunds. Debtor is not required to remit Federal Tax Refunds in excess of the amount of the pro-ration shown on Schedule I.

D.  if the box to the immediate left is "checked", the debtor acknowledges that debtor is **not** eligible for a discharge pursuant to 11 USC §1328.

if the box to the immediate left is "checked", the joint debtor acknowledges that joint debtor is **not** eligible for a discharge pursuant to 11 USC §1328.

E.  if the box to the immediate left is "checked", the debtor or joint debtor is self-employed **AND** incurs trade credit in the production

**Comment [CJ2]:** The decision to seek excusal of tax refunds should be made on a case-by-case basis and excusal should be sought only when appropriate. If a plan seeks excusal/pro-ration of tax refunds, the plan will likely be objected to on the grounds that the pro-ration of tax refunds presents a feasibility issue (i.e., refund amount too speculative and/or the refund won't be available on a monthly basis as reflected in the schedule I). Be prepared to meet the Debtor's burden of proof with respect to the amount of the expected refund and how the refund will be used. Factors to consider when deciding whether to seek excusal:

1. Amount/consistency of prior years' tax refunds; 2. Are there variables that are likely to change, thus affecting the future refunds?; 3. What are prior years' refunds attributable to (e.g., "overwithholding," credits, etc)? If prior years' refunds are largely over-withheld taxes, the better course of action is to have the debtor adjust tax withholdings to minimize the refund; 4. Given the unlikelihood of the Debtor being able to keep the refund accessible for the entire year without using, are there certain expenses in schedule J that lend themselves to annual payments (such as property taxes, insurance, clothing, etc.)? This undercuts the argument that the refund won't be available every month through year.

Objections and Court rulings are varied. However, each case is an issue of fact. The Court must consider the facts of a given case (likely resulting in an evidentiary hearing) to make a determination on the feasibility of the Plan. Understand it is the Debtor's burden to establish feasibility and be prepared to prove 1. The amount of the pro-rated tax refund is reliable and will continue to be for the term of the Plan; and 2. It is realistic for the Debtor to be able to rely on the use of the refund for certain expense.

of income from such employment. Debtor shall comply with the requirements of Title 11, United States Code, and all applicable Local Bankruptcy Rules regarding operation of the business and duties imposed upon the debtor.

**III. DESIGNATION AND TREATMENT OF CLASSES OF CLAIMS:** See Paragraph F of the Additional Terms, Conditions and Provisions for additional information regarding the order in which claims are to be paid.

A. CLASS ONE – TRUSTEE FEES as determined by statute.

B. CLASS TWO – ADMINISTRATIVE CLAIMS, INCLUDING ATTORNEYS FEES AND COSTS:

1. **PRE-CONFIRMATION ATTORNEY FEES:** At confirmation of the Plan, Counsel shall elect to either:
  - a. In lieu of filing a separate fee application pursuant to 11 USC §327 and §330, accept the sum of \$\_\_\_\_\_ for services rendered plus \$\_\_\_\_\_ for costs advanced by Counsel, for total Attorney Fees and Costs of \$\_\_\_\_\_ through the Effective Date of the Plan. The total Attorney Fees and Costs less the sum of \_\_\_\_\_ paid to Counsel prior to the commencement of this case as reflected in the Rule 2016(b) Statement leaving a net balance due of \$\_\_\_\_\_, will be paid as an Administrative Expense Claim; **or**
  - b. Request an award of compensation for services rendered and recovery of costs advanced by filing a separate Application for Compensation for services rendered up through the date of entry of the Order Confirming Plan pursuant to 11 USC §327 and §330. If Counsel elects to file a fee application pursuant to this sub-paragraph, the Trustee shall escrow \$\_\_\_\_\_ for this purpose. See Paragraph B of the Additional Terms, Conditions and Provisions for additional information.
2. **POST-CONFIRMATION ATTORNEY FEES:** See Paragraph D of the Additional Terms, Conditions and Provisions for additional information.
3. **RETENTION OF OTHER PROFESSIONALS FOR POST-PETITION SERVICES:** Debtor  has retained or  intends to retain the services of \_\_\_\_\_ (name of person to be retained) as \_\_\_\_\_ (capacity or purpose for retention) to perform professional services post-petition with fees and expenses of the professional to be paid as an Administrative Expense. See Paragraph C of the Additional Terms, Conditions and Provisions for additional information.
4. **OTHER ADMINISTRATIVE EXPENSE CLAIMS:** Any administrative expense claims approved by Order of Court pursuant to 11 USC §503 shall be paid as a Class Two administrative claim. See Paragraph E of the Additional Terms, Conditions and Provisions for additional information.

C. **CLASS THREE – SECURED CLAIMS TO BE STRIPPED FROM THE COLLATERAL AND TREATED AS UNSECURED CLAIMS TO BE PAID BY TRUSTEE.** If the Debtor and the Lienholder agree to the lien strip, the Debtor and Lienholder shall file a Stipulation in the bankruptcy case and submit a proposed Order accomplishing the lien strip. If the Debtor does not have the agreement of the Lienholder, then Debtor shall timely file an Adversary Proceeding as required by the Administrative Orders, Guidelines and Procedures promulgated by the Bankruptcy Court for the Eastern District of Michigan. See Paragraph G and Paragraph N of the Additional Terms, Conditions and Provisions for additional information.

Creditor	Collateral

**D. CLASS FOUR - SECURED CLAIMS ON WHICH THE LAST CONTRACTUAL PAYMENT IS DUE BEYOND THE LENGTH OF THE PLAN. 11 USC §1322(b)(5).**

1. **Continuing Payments that come due on and after the date of the Order for Relief** (See Paragraph P, Paragraph L and Paragraph EE of the Additional Terms, Conditions and Provisions for additional information):

<u>Creditor</u>	<u>Collateral</u>	<u>Monthly Payment</u>	<u>Direct, Via Trustee or Surrendered</u>

2. **Pre-Petition Arrearages to be paid by Trustee: Those amounts which were due as of the filing of the Order for Relief:**

<u>Creditor</u>	<u>Collateral</u>	<u>Arrears Amount</u>	<u>Estimated Average Monthly Payment</u>	<u>Months to Cure From Confirmation Date</u>

**E. CLASS FIVE - SECURED CLAIMS ON WHICH THE LAST PAYMENT WILL BECOME DUE WITHIN THE PLAN DURATION. 11 USC §1322(c)(2).** (See Paragraph H, Paragraph L and Paragraph O of the Additional Terms, Conditions and Provisions for additional information):

1. **Creditors to be paid Equal Monthly Payments, 11 USC §1325(a)(5)(B):**

<u>Creditor/Collateral</u>	<u>Indicate if modified or surrendered</u>	<u>Market value of collateral</u>	<u>Interest rate (Present Value Rate)</u>	<u>Total to be paid including Interest</u>	<u>Monthly Payment</u>	<u>Direct or Via Trustee</u>

2. **Creditors not to be paid Equal Monthly Payments, 11 USC §1325(a)(5)(A):**

<u>Creditor/Collateral</u>	<u>Indicate if "crammed", modified or surrendered</u>	<u>Market value of collateral</u>	<u>Interest rate (Present Value Rate)</u>	<u>Total to be paid including interest</u>	<u>Estimated Average Monthly Payment</u>	<u>Direct or Via Trustee</u>

F. CLASS SIX – EXECUTORY CONTRACTS AND/OR UNEXPIRED LEASES. 11 USC §§365, 1322(b)(7): – Debtor assumes the executory contracts and unexpired leases listed in subparagraph 1. (See Paragraph K of the Additional Terms, Conditions and Provisions for additional information):

1. Continuing Lease/Contract Payments:

<u>Creditor</u>	<u>Property</u>	<u>Monthly Payment</u>	<u>Lease/Contract expiration date</u>	<u>Direct or Via Trustee</u>

2. Pre-petition Arrearages on Assumed Executory Contracts and Leases (to be paid by Trustee):

<u>Creditor</u>	<u>Property</u>	<u>Arrears Amount</u>	<u>Estimated Average Monthly Payment</u>	<u>Months to Cure From Confirmation Date</u>

3. Debtor rejects the executory contracts and unexpired leases listed in this subparagraph 3. Any unexpired lease or executory contract that is neither expressly assumed in Class 6.1 above or expressly rejected below shall be deemed rejected as of the date of confirmation of debtor’s chapter 13 plan to the same extent as if that unexpired lease or executory contract was listed below. (See Paragraph K of the Additional Terms, Conditions and Provisions for additional information):

<u>Creditor</u>	<u>Property</u>

G. CLASS SEVEN – PRIORITY UNSECURED CLAIMS. 11 USC §§507, 1322(a)(2).

1. Domestic Support Obligations: Continuing Payments that come due on and after the date of the Order for Relief:

<u>Creditor</u>	<u>Monthly Payment</u>	<u>Direct or Via Trustee</u>

2. Domestic Support Obligations: Pre-Petition Arrearages due as of the filing of the Order for Relief:

<u>Creditor</u>	<u>Arrears Amount</u>	<u>Estimated Average Monthly Payment</u>	<u>Direct or Via Trustee</u>

3. All Other Priority Unsecured Claims [11 U.S.C. §1322(a)(2)]

<u>Creditor</u>	<u>Amount</u>	<u>Direct or via Trustee</u>

H. **CLASS EIGHT – SEPARATELY CLASSIFIED UNSECURED CLAIMS. 11 USC §1322(b)(1):** *(To be paid by Trustee): (See Paragraph M of the Additional Terms, Conditions and Provisions for additional information):*

Creditor	Amount	Interest Rate	Reason for Special Treatment

I. **CLASS NINE - GENERAL UNSECURED CLAIMS** *(to be paid by Trustee): – See Paragraph N of the Additional Terms, Conditions and Provisions for additional information.*

- This Plan shall provide a total sum for distribution to creditors holding Class 9 General Unsecured claims in an amount that is not less than the Amount Available in Chapter 7 shown on Attachment 1, Liquidation Analysis and Statement of Value of Encumbered Property (the "Unsecured Base Amount"). This Plan shall provide either (i) the Unsecured Base Amount; or (ii) will continue for the full Plan Length as indicated in Paragraph II.A of this Plan, which ever yields the greater payment to Class 9 Unsecured Creditors. See Attachment 2, Chapter 13 Model Worksheet, Line 8, for additional information concerning funds estimated to be available for payment to Class 9 Unsecured Creditors.
- This Plan shall provide a dividend to holders of Class 9 General Unsecured Claims equal to 100% of allowed claims.

If neither box is checked or if both boxes are checked, then the plan shall pay the Unsecured Base Amount.

IV. **OTHER PROVISIONS:**

- A.  if the box to the immediate left is "checked", creditors holding claims in Class Seven, Eight and Nine shall receive interest on their allowed claims at the rate of \_\_\_\_% per annum as required by 11 USC §1325(a)(4).
- B. Insert as necessary.

**Comment [CJ3]:** Insert the substance of changes made to provisions of the Model Plan by including the changed provision or indicating the language that was stricken.

\_\_\_\_\_  
Attorney for Debtor

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State and Zip Code

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Debtor

\_\_\_\_\_  
Joint Debtor

\_\_\_\_\_  
Date

**ATTACHMENT 1**

**LIQUIDATION ANALYSIS AND STATEMENT OF VALUE OF ENCUMBERED PROPERTY:**

TYPE OF PROPERTY	FAIR MARKET VALUE	LIENS	DEBTOR'S SHARE OF EQUITY	EXEMPT AMOUNT	NON-EXEMPT AMOUNT
PERSONAL RESIDENCE					
REAL ESTATE OTHER THAN PERSONAL RESIDENCE					
HHG/PERSONAL EFFECTS					
JEWELRY					
CASH/BANK ACCOUNTS					
VEHICLES					
OTHER ( <i>itemize</i> )					
OTHER ( <i>itemize</i> )					
OTHER ( <i>itemize</i> )					

Amount available upon liquidation..... \$ \_\_\_\_\_

Less administrative expenses and costs ..... \$ \_\_\_\_\_

Less priority claims ..... \$ \_\_\_\_\_

Amount Available in Chapter 7 ..... \$ \_\_\_\_\_

**ATTACHMENT 2**

CHAPTER 13 MODEL WORKSHEET  
LOCAL BANKRUPTCY RULE 3015-1(B)(2) E.D.M.

- 1. Proposed length of Plan: \_\_\_\_\_ months
- 2. Initial Plan Payment:  
\$ \_\_\_\_\_ per month x \_\_\_\_\_ months = \$ \_\_\_\_\_ (subtotal)  
  
Step Payment #1  
\$ \_\_\_\_\_ per month x \_\_\_\_\_ months = \$ \_\_\_\_\_ (subtotal)  
  
Step Payment #2  
\$ \_\_\_\_\_ per month x \_\_\_\_\_ months = \$ \_\_\_\_\_ (subtotal)
- 3. Additional Payments: \$ \_\_\_\_\_ per \_\_\_\_\_ = \$ \_\_\_\_\_ (subtotal)
- 4. Lump Sum Payments = \$ \_\_\_\_\_ (subtotal)
- 5. Total to be paid into Plan (total of lines 2 through 4) \$ \_\_\_\_\_
- 6. Estimated Disbursements other than to Class 9 General Unsecured Creditors
  - a. Estimated Trustee Fees \$ \_\_\_\_\_
  - b. Estimated Attorney Fees and costs through confirmation of plan \$ \_\_\_\_\_
  - c. Estimated Attorney Fees and costs Post-confirmation through duration of Plan \$ \_\_\_\_\_
  - d. Estimated Fees of Other Professionals \$ \_\_\_\_\_
  - e. Total mortgage and other continuing secured debt payments \$ \_\_\_\_\_
  - f. Total non-continuing secured debt payments (including interest) \$ \_\_\_\_\_
  - g. Total Priority Claims \$ \_\_\_\_\_
  - h. Total arrearage claims \$ \_\_\_\_\_
- 7. Total Disbursements other than to Class 9 General Unsecured Creditors (Total of lines 6.a through 6.h) \$ \_\_\_\_\_
- 8. Funds *estimated* to be available for Class 9 General Unsecured Creditors (Line 5 minus Line 7) \$ \_\_\_\_\_
- 9. Estimated dividend to Class 9 General Unsecured Creditors in Chapter 7 proceeding (see liquidation analysis on Page 6) \$ \_\_\_\_\_

**Comment [CJ4]:** The worksheet should adequately account for anticipated attorney fees both pre and post-confirmation based on the complexities of each individual case.

COMMENTS:

**V. ADDITIONAL TERMS, CONDITIONS AND PROVISIONS**

**THE FOLLOWING PROVISIONS ARE APPLICABLE TO ALL  
CHAPTER 13 CASES FILED IN THE UNITED STATES BANKRUPTCY  
COURT FOR THE EASTERN DISTRICT OF MICHIGAN FILED  
ON OR AFTER JANUARY 1, 2013**

- A. **DEBTOR'S OBLIGATION TO REMIT TAX REFUNDS:** Debtor shall not alter any withholding deductions/exemptions without Court approval. If the Internal Revenue Service or any State taxing authority remits to the Trustee any sum which the Debtor is not required to remit pursuant to this Plan, then upon written request of the Debtor and concurrence of the Trustee, the Trustee shall be authorized to refund those sums to the Debtor from funds first available without further motion, notice or Order of Court. The Trustee shall not be required to recoup or recover funds disbursed to creditors prior to receipt of the Debtor's written request.

If Debtor is married and Debtor's spouse is not a joint-debtor in this case, Debtor's Tax Refund(s) for any calendar year shall be 50% of the aggregate net Tax Refunds received by Debtor and Debtor's Non-filing spouse, regardless of whether Debtor and spouse file a joint tax return or file separate tax returns.

- B. **ALLOWANCE AND PAYMENT OF PRE-CONFIRMATION ATTORNEY FEES:** If Class 2.1 of the Plan indicates that Counsel intends to file a Separate Application for compensation for services rendered up through the date of entry of the Order Confirming Plan pursuant to 11 USC §327 and §330, the Trustee shall withhold the amount designated in Class 2.1 from funds remaining after payment of claims required to be paid prior to attorney fees pending further Order of Court.
- C. **RETENTION AND COMPENSATION OF OTHER PROFESSIONALS FOR POST-PETITION PRE-CONFIRMATION SERVICES:** If Class 2.3 indicates that Debtor has retained or intends to retain the services of any Professional (as that term is defined in 11 USC §327) to perform professional services after the commencement of this case, Debtor will file a timely Application to Employ Professional Person stating the identity of the person to be retained and the capacity or purpose for retention, accompanied by a Certification of Disinterestedness signed by the Professional and obtain Court permission to retain the Professional. The Professional may seek compensation in an amount not to exceed \$400.00 by filing a Proof of Claim designated as an Administrative Expense without further notice, hearing or Order of Court. If the Professional seeks compensation in excess of \$400.00, the Professional shall file an Application for Compensation for services rendered pursuant to 11 USC §327.

**Comment [CJ5]:** Model Plan fails to specify "Federal Tax Refunds." Altering this paragraph by adding "Federal" can clarify the ambiguity.

**Comment [CJ6]:** This definition of "Tax Refund" may be troublesome for some debtors based on their marital circumstances and cases should be evaluated individually to determine if this can and should be altered to define the Debtor's "Tax Refund" as what he or she receives or is entitled to receive individually.

**Comment [CJ7]:** This section only references the election of a fee application in Class 2.1 of the Plan. Often, the Order Confirming Plan will contain a fee application election. Add "or the Order Confirming Plan. . ." after "If Class 2.1 of the Plan"

D. **POST-CONFIRMATION ATTORNEY FEES & COSTS BY SEPARATE APPLICATION:** Counsel reserves the right to file Applications for compensation for services rendered subsequent to the Confirmation of this Plan. ~~Upon entry of an Order Awarding Post-Confirmation Attorney Fees, if Debtor's Plan will not complete within 60 months of the date of the Order Confirming Plan, all unpaid Attorney fees and costs shall be paid by the Trustee only after a plan modification that allows Debtor's Plan to complete within 60 months from the date of the Order Confirming Plan is approved with notice as is appropriate to parties in interest.~~

E. **PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS:** Administrative Expense Claims as defined in 11 USC §503, other than those claims provided for in Paragraphs B, C and D of these Additional Terms, Conditions and Provisions, will be deemed allowed and will be paid only upon entry of a specific Order of this Court determining the allowance and amount of that claim.

F. **ORDER OF PAYMENT OF CLAIMS:** All claims for which this Plan proposes payment through the Trustee shall be paid in the following order to the extent that funds are available:

- Level 1: Class 1
- Level 2: ~~Class 5.1~~ and 6.1
- Level 3: Class 2.1 and 2.3
- Level 4: Class 2.2 and 2.4
- Level 5: Classes 4.1
- Level 6: Classes 4.2, 5.2 and 6.2
- Level 7: Class 7
- Level 8: Classes 3, 8 and 9.

Each level shall be paid as provided in this Plan before any disbursements are made to any subordinate class. If there are not sufficient funds to pay all claims within a level, then the claims in that level shall be paid *pro rata*.

G. **SECURED CLAIMS TO BE STRIPPED FROM THE COLLATERAL AND TREATED AS UNSECURED:** Claims for which the creditor holds a mortgage or security interest but where the Bankruptcy Court has entered a Final Judgment or Order declaring that upon completion of this Plan the secured claim will be "stripped" from the Property. These claims will be paid as a General Unsecured Creditor as provided in Class 9 of the Plan.

**Comment [CJ8]:** The 2<sup>nd</sup> sentence can be stricken. Be mindful that any requests for fees must still comply with 11 USC 330 and 331. The worksheet should adequately account for pre-and post-confirmation fees, on a case-by-case basis depending on complexity of case. Failure to do so may give rise to an objection to fees based on the effect on feasibility. Further, in the event a case already infeasible/underfunded and fees are continually sought with no action being taken to address the infeasibility, a fee request may be scrutinized based on its lack of benefit to the estate.

Judge Shefferly has ruled that a Plan is confirmable with the second sentence stricken, as suggested. It appears striking the second sentence is an acceptable practice and has not been objected to by any of the Trustee's following Judge Shefferly's ruling.

**Comment [CJ9]:** Using the "Strike" effect to demonstrate the change helps identify the change being made. In Best Case Editor, to "Font" and click "Strike."

**Comment [CJ10]:** The order of payment of claims can/should be changed on a case-by-case basis to the advantage of any particular debtor, based on the anticipated claims and other material factors.

**Comment [CJ11]:** Note that if you elect class 5.1 for a secured creditor ("Equal Monthly Payments") the claim will be paid in advance of attorney fees.

H. **CLASS 5.1 AND CLASS 6.1 CREDITORS SPECIFIED TO RECEIVE EQUAL MONTHLY PAYMENTS:** Creditors identified in Class 5.1 or Class 6.1 will receive Equal Monthly Payments to the extent funds are available at the date of each disbursement. If more than one creditor is scheduled in Class 5.1 and Class 6.1 and the funds available in any disbursement are insufficient to pay the full Equal Monthly Payments to all of the listed creditors, payments shall be made on a *pro rata* basis determined by the ratio of the Equal Monthly Payment specified to each creditor to the total amount of Equal Monthly Payments to all creditors scheduled in Class 5.1 and Class 6.1. The amount of the Equal Monthly Payment to any creditor shall be the amount stated in Class 5.1 or Class 6.1 as may be applicable; ~~provided that if any creditor identified in Class 5.1 or Class 6.1 files a Proof of Claim that specifies a monthly payment amount at variance with the Equal Monthly Payment amount set forth in the Plan, the amount of the monthly payment specified in the Proof of Claim shall control and shall become the Equal Monthly Payment for that creditor.~~

The monthly post-confirmation disbursement to any creditor designated in Class 5.1 or Class 6.1 will not exceed the Equal Monthly Payment amount for that creditor for the month in which disbursement is being made plus any previously unpaid Equal Monthly Payments accruing before the date of disbursement.

I. **APPLICATION OF DISBURSEMENTS BY CREDITORS:** Creditors shall apply all disbursements under the Plan only in the manner consistent with the terms of the Plan and to the account(s) or obligation(s) as designated on the voucher or check provided to the Creditor with each disbursement.

J. **COMPLETION OF PLAN:** For purposes of 11 USC §1328, the Debtor shall be deemed to have completed all payments under the Plan:

1. Upon the expiration of the Plan Length as defined in Paragraph II.A of the Plan commencing on the date of entry of the Order Confirming Plan; **and**
2. Debtor has remitted all Plan payments (as defined in Paragraph II.A and II.B of the Plan) coming due after the date of entry of the Order Confirming Plan; **and**
3. Debtor has remitted all Federal Income Tax Refunds as required by Paragraph II.C of the Plan and Paragraph A of these Additional Terms, Conditions and Provisions; **and**
4. Debtor has remitted a sum sufficient to pay all allowed claims as amended and/or supplemented as provided in the Plan.

K. **EXECUTORY CONTRACTS AND/OR UNEXPIRED LEASES:**

1. Any executory contract or unexpired lease not expressly assumed in Class 6.1 or in the Order Confirming Plan shall be deemed rejected effective as of the Effective Date of this Plan.
2. Upon rejection of any Executory Contract or Unexpired Lease, the property and debtor's interest in the rejected executory contract or unexpired lease will no longer be property of the estate and the stay under 11 USC §362(a) ~~and the co-debtor stay under 11 USC §1301~~ shall automatically terminate as to such property. ~~Any claims arising from the rejection of an executory contract or unexpired lease shall be treated as a general unsecured claim in Class Nine, subject to further Order of Court.~~
3. For all assumed executory contracts and unexpired leases, confirmation of this Plan shall constitute a finding that this Plan complies with all requirements for assumption of the executory contracts and unexpired leases being assumed, including all requirements set forth in 11 USC §365(b).
4. Upon the termination of the Lease (whether as a result of the expiration of the contractual lease term, repossession of the property which is the subject of the Lease, or otherwise), the Lessor shall have the right to file a Supplemental Claim for any damages or charges permitted under or pursuant to the Lease.
5. If Class 6.1 provides for the Continuing Lease/Contract Payments to be made by the Trustee, the Supplemental Claim as filed and allowed shall be paid by the Trustee over the remaining term of the Plan.
6. If Class 6.1 provides for the Continuing Lease Payments to be made directly by the Debtor to the Lessor, the Supplemental Claim as filed and allowed shall be paid directly by the Debtor to the Creditor over the remaining term of the Plan. If there is a balance outstanding on the Supplemental Claim as of the completion of Debtor's confirmed Chapter 13 Plan, this balance shall not prevent or preclude the entry of a discharge in this case; instead, this balance shall be deemed non-dischargeable and Debtor shall be responsible for payment of the remaining balance of the Supplemental Claim following the entry of a Discharge.

L. **SECURED CLAIMS – POST-PETITION FEES, COSTS AND CHARGES:**

**Comment [CJ12]:** The last sentence of the 1<sup>st</sup> paragraph provides that if a creditor sets forth a payment amount in their POC that is at variance with the plan, the POC payment amount shall control as to the equal monthly payment (EMP). Your Plan likely re-amortizes the debt at a new interest rate over the term of the plan. As such, you will likely want your EMP set forth in the Plan to prevail. To effectuate this, strike the last sentence of the first paragraph after the semi-colon.

**Comment [CJ13]:** Some practitioners are concerned about Plan provisions that affect a non-filing co-debtor. You can consider striking “and the co-debtor stay under 11 USC §1301” in this paragraph.

**Comment [CJ14]:** Consider limiting the time that a creditor can seek a deficiency (e.g., 60 days from disposition of collateral).

1. Any Supplement to Claim that is filed with the Court as to which there is no objection filed or as to which any objection has been overruled, shall be deemed allowed.
2. If Class 4.1, 5.1 or 5.2 provides for the Creditor's Secured Claim to be paid by the Trustee, the Supplement to Claim as filed and allowed shall be paid by the Trustee over the remaining term of the Plan.
3. If Class 4.1, 5.1 or 5.2 provides for the Creditor's Secured Claim to be paid directly by the Debtor to the Creditor, the Supplement to Claim as filed and allowed shall be paid directly by the Debtor to the Creditor before completion of the Plan. If there is a balance outstanding on the Supplement to Claim as of the completion of Debtor's confirmed Chapter 13 Plan, this balance shall not prevent or preclude the entry of a discharge in this case; instead, any unpaid balance shall be non-dischargeable.

M. **SEPARATELY CLASSIFIED UNSECURED CLAIMS:** Claims classified as "Separately Classified Unsecured Claims" are unsecured claims that qualify for discriminatory and preferred treatment pursuant to 11 USC §1322(b)(1). The basis for separate classification is specified in Paragraph III.H of the Plan. Each Separately Classified Unsecured Claims shall receive payments that total 100% of the allowed amount of the claim plus interest if specified in Class Eight of the Plan. See also Paragraph F of the Additional Terms, Conditions and Provisions for additional information concerning the timing of payments to be made on these claims.

N. **GENERAL UNSECURED CREDITORS:** Unless Class 9 of the Plan provides a dividend to holders of General Unsecured Claims equal to 100% of allowed claims, the Plan shall produce a total sum for distribution to General Unsecured Creditors (the "Unsecured Base Amount"). The Unsecured Base Amount shall be not less than the aggregate amount which creditors in this class would have received had the estate of the debtor been liquidated under Chapter 7 of Title 11, United States Code. See 11 U.S.C. §1325(a)(4). Each holder of a duly filed and allowed General Unsecured Claim shall receive the holder's Pro Rata share of the Unsecured Base Amount, based on the Creditor's Claim as a fraction of the total General Unsecured Claims duly filed and allowed. The Pro Rata dividend for each holder of an allowed unsecured claim will be calculated by the Trustee upon review of allowed claims.

This Plan shall provide either the total Unsecured Base Amount or shall continue for the Plan Length as stated in Paragraph II.A of the Plan, whichever will offer the greater dividend to general unsecured creditors.

O. **VESTING, POSSESSION OF ESTATE PROPERTY AND LIEN RETENTION:** Upon the Effective Date of the Plan, all property of the estate shall vest in the debtor and shall cease to be property of the estate. ~~The debtor shall remain in possession of all property during the pendency of this case unless specifically provided herein, and shall not seek to sell, transfer or otherwise dispose of such property (except in the ordinary course of debtor's business) without prior Court approval.~~

P. **SURRENDER OF COLLATERAL:** Those claims that are treated pursuant to 11 USC §1325(a)(5)(C) (surrender of collateral) are so designated in this Plan. Upon confirmation, the Automatic Stay and Co-Debtor Stay is lifted as to the collateral and any creditor to whom the property is surrendered and the collateral shall no longer constitute property of the estate. No disbursements shall be made by the Trustee to any creditor whose claim is secured by the collateral being surrendered unless the holder of such claim files a Proof of Claim (or Amended Proof of Claim) after the Effective Date of the Plan setting forth the amount of any deficiency remaining after disposition of the collateral. Any allowed deficiency claim shall be paid as a general unsecured claim in Class 9 of the Plan. See *Federal Rule of Bankruptcy Procedure 3002.1*.

Q. **PROHIBITION AGAINST INCURRING POST-PETITION DEBT:** While this case is pending, the debtor shall not incur a debt in excess of \$2,000.00 without first obtaining approval of either this Court or of the Chapter 13 Trustee. If the Chapter 13 Trustee stipulates to entry of an Order allowing Debtor to incur post-petition Debt, Debtor shall be permitted to file the stipulation signed by the Trustee and to submit an Order to the Court on an *ex parte* basis without notice to Creditors or other parties in interest.

R. **UNSCHEDULED CLAIMS:** If an unscheduled proof of claim is filed, the Trustee is authorized to exercise sole discretion to classify the claim into one of the existing classes under this Plan and to schedule the claim for payment within that class, without prejudice to debtor's right to object to the allowance of the claim and/or to modify the plan to provide a different treatment.

**Comment [CJ15]:** Vesting of property in the debtor vs. the estate vs. another entity should be a case specific determination based on facts specific to each case. Plan can/should vest property in the estate or other entity based on facts of case.

**Comment [CJ16]:** The 2<sup>nd</sup> paragraph of V.O. restricts the ability of the debtor to sell/transfer of the property when no such restriction is imposed upon the debtor by the code. Consider striking the second sentence.

**Comment [CJ17]:** Some practitioners are concerned about Plan provisions that affect a non-filing co-debtor. Consider striking "and Co-Debtor Stay" in this paragraph.

**Comment [CJ18]:** Consider limiting the time that a creditor can seek a deficiency (e.g., 60 days from disposition of collateral).

- S. **PROOFS OF CLAIM FILED AT VARIANCE WITH THE PLAN:** In the event that a proof of claim is filed and allowed that is at variance with the provisions of this Plan, the following method is to be employed to resolve the conflict:
1. Regarding claims for which the Plan does not propose a "cramdown" or modification, the proof of claim shall supersede the Plan as to the claim amount, percentage rate of interest, monthly payments, valuation of collateral and classification of the claim.
  2. As to claims for which the Plan proposes a "cramdown" or modification, the proof of claim governs only as to the claim amount, but not valuation or any other contractual term.
  3. If a proof of claim is filed that is at variance with this Plan or related schedules, the Trustee shall automatically treat that claim as the holder indicated, unless provided otherwise in the confirmed Plan; these Additional Terms, Conditions and Provisions; or by Order of Court.
  4. As to claims specified in Class 3 (Secured Claims to be Stripped from the Collateral), the Proof of Claim shall control only as to the allowed amount of the claim. See also Paragraph G of the Additional Terms, Conditions and Provisions for additional information concerning payments to be made on these claims.
- T. **TAX RETURNS AND TAX SET-OFFS:** All tax returns which have become due prior to the filing of the Plan have been filed. The Internal Revenue Service and the United States Department of Treasury are prohibited from setting off against post-petition Tax Refunds for payment of pre-petition tax obligations.
- U. **DEBTOR DUTY TO MAINTAIN INSURANCE – REMEDY FOR FAILURE TO MAINTAIN INSURANCE:** Debtor shall maintain all insurance required by law and contract upon property of the estate and the debtor's property. ~~After confirmation of this Plan, if the debtor fails to maintain insurance as required by law or contract, any party in interest may submit a notice of default, served on debtor, debtor's counsel and the Chapter 13 Trustee, permitting 10 days from service of the notice in which to cure the default. If the default is not cured within the time permitted, the party in interest may submit an Order Granting Relief from the Automatic Stay as to the collateral to the Court along with an affidavit attesting to the debtor's failure to cure, and the stay may thereafter be lifted without further motion, notice or hearing.~~
- V. **SECURED CREDITORS, LESSORS AND PARTIES TO EXECUTORY CONTRACTS UPON ENTRY OF ORDER LIFTING AUTOMATIC STAY:** Any secured creditor and any party to an assumed executory contract or unexpired lease as to whom the automatic stay is lifted shall not receive any further disbursements until a proof of claim for the balance remaining after liquidation of the collateral is filed.
- W. **PROVIDING FUTURE TAX RETURNS TO TRUSTEE:** Debtor shall timely file each Federal Income Tax Return required to be filed under applicable law during the pendency of this case, and shall provide to the Trustee a copy of each Return at the same time the Return is filed with the taxing authority.

**Comment [CJ19]:** Note that the Plan does not contain a provision that deems a claim "filed" as the prior plan used in this district did. As such, in the event a Creditor does not file a proof of claim, the Debtor must file a proof of claim on the Creditor's behalf to ensure it is treated. Debtor filed proof of claims are governed by FRBP 3004. A proof of claim filed by the Debtor on behalf of a creditor must include documentation supporting the claim.

**Comment [CJ20]:** You may not want the claim to supersede as to valuation of collateral in V.S.1. If creditor sets forth a certain valuation of collateral with no knowledge of condition/value and the value exceeds the debt, it could affect the liquidation analysis/exemptions.

Consider the following change:  
 "Regarding claims for which the Plan does not propose a "cramdown" or modification, the proof of claim shall supersede the Plan as to the claim amount, percentage rate of interest, monthly payments, and classification of claim, **but not** as to valuation of collateral."

**Comment [CJ21]:** The second sentence effectively provides a "future default" for insurance when no such provision appears in the Code. Consider striking the second sentence.

- X. **DEADLINES IN EVENT OF CONVERSION:** In the event of conversion of this case to a case under Chapter 7 of the United States Bankruptcy Code, the rights of the Chapter 7 Trustee and all creditors (including but not limited to the right to object to exemptions and the right to object to discharge pursuant to 11 USC §727 and/or dischargeability pursuant to 11 USC §523) will be determined as if the Petition was filed on the date of conversion. The date of the Order converting this case to one under Chapter 7 will be treated as the date of the Order For Relief and all applicable deadlines shall be determined as if the post-conversion Meeting of Creditors pursuant to 11 USC §341 was the initial Meeting of Creditors.
- Y. **OBJECTIONS TO PROOFS OF CLAIM:** Any party-in-interest shall have the right to object to Proofs of Claim. Confirmation of this Plan shall not constitute a waiver of any objection and shall not constitute or have any *res judicata* or collateral estoppel effect on or against any objection to Proof of Claim. If any objection to Proof of Claim is filed and sustained, in whole or in part, after the Trustee has begun making disbursements under this plan as confirmed, Trustee shall have no obligation or duty to recoup any payments or disbursements made to the creditor whose Proof of Claim was the subject of the objection.
- Z. **CREDITOR'S AUTHORIZATION TO CONTACT DEBTOR:** Notwithstanding the provisions of the Automatic Stay and Co-Debtor Stay, creditors holding claims in Classes 4 and 5 for which the Debtor proposes to retain the collateral and parties to any assumed unexpired lease or executory contract in Class 6 may contact Debtor for purposes of sending periodic statements and annual or periodic summaries of accounts including but not limited to account reconciliations pursuant to the Real Estate Settlement Procedures Act.
- AA. **IDENTITY OF DISBURSING AGENT:** All claims in all classes of creditors shall be paid by the Trustee as Disbursing Agent except those claims which are specified to be paid directly by either the Debtor or a third party, in which event the Debtor or third party making those payments shall be the Disbursing Agent for those claims.
- BB. **SPECIAL PROVISIONS APPLICABLE TO GOVERNMENTAL UNITS RESPONSIBLE FOR ENFORCING DOMESTIC SUPPORT OBLIGATIONS:** Notwithstanding the provisions of 11 U.S.C. §362 and §1327, the Automatic Stay is modified to permit any governmental unit or agency responsible for enforcing a domestic support obligation to send notices, to take other actions to the extent not inconsistent with the terms of the Plan, and to collect domestic support obligations from property that is not property of the estate.
- CC. **PRE- AND POST-PETITION LITIGATION AND CAUSES OF ACTION:** Debtor and the Chapter 13 Trustee shall have concurrent standing to prosecute all Pre- and Post-Petition causes of action, including but not limited to actions arising under Title 11, United States Code. Any compromise or settlement of any litigation or cause of action shall be subject to the provisions of Federal Rule of Bankruptcy Procedure 9019. Any proceeds or damages recovered by or on behalf of the Debtor shall be retained pending Order of the Bankruptcy Court.
- DD. **SUBSTANTIVE CONSOLIDATION OF JOINTLY FILED CASES:** If this case has been filed jointly by a husband and wife pursuant to 11 USC §302, entry of an Order Confirming Plan shall also constitute an Order for Substantive Consolidation of the debtors.
- EE. **NON-APPLICABILITY OF FEDERAL RULE OF BANKRUPTCY PROCEDURE 3002.1:** The requirements and provisions of Federal Rule of Bankruptcy Procedure 3002.1 shall not apply to any property that the Plan as confirmed surrenders to the Creditor as provided in 11 USC §1325(a)(5)(C); or to any property as to which the Automatic Stay is lifted for purposes of allowing the secured creditor to exercise rights and remedies pursuant to applicable State Law, regardless of whether the Order Lifting Automatic Stay is entered before or after entry of an Order Confirming the Plan.
- FF. **TIME TO CURE PARAMOUNT:** For any class of claims where the Months to Cure From Confirmation Date may be specified, if the Plan does not specify the number of months to cure, the Months to Cure From Confirmation Date shall be the Plan Length specified in Paragraph II.A of the Plan. For any class of claims or creditors for which the Plan specifies an Estimated Average Monthly Payment that is inconsistent with or contradicts the Months to Cure From Confirmation Date, the Months to Cure From Confirmation Date shall control. The Chapter 13 Trustee is authorized to make any changes to the amount of disbursements to the creditor to implement this provision.

**Comment [CJ22]:** The provision is prejudicial to the debtor and inconsistent with FRBP 1019. The Model Plan unconditionally extends parties' rights to object to exemptions following conversion. However, FRBP 1019(2)(B) specifically states that the deadline is not reset if the plan was confirmed for over a year.

Suggestion 1: Strike the entire paragraph as superfluous and prejudicial to debtor

Suggestion 2: Modify paragraph for consistency with FRBP 1019:  
 "In the event of conversion of this case to a case under Chapter 7 of the U.S. Bankruptcy Code, the rights of the Chapter 7 Trustee and all creditors (including but not limited to the right to object to discharge pursuant to 11 USC §727 and/or pursuant to 11 USC §523) will be determined as if the Petition was filed on the date of conversion, subject to the exceptions of Fed.R.Bankr.P. 1019 (2)(B). The date of the Order converting this case to one under Chapter 7 will be treated as the date of the Order for Relief and all applicable deadlines shall be determined as if the post-conversion Meeting of Creditors pursuant to 11 USC §341 was the initial meeting of creditors, subject to the exceptions of Fed.R.Bankr.P. 1019 (2)(B)."

**APPENDIX B**

**PROPOSED NATIONAL CHAPTER 13 PLAN**

**SIGNIFICANT PROPOSED RULES AND FORMS CHANGES – INCLUDING A  
NEW FORM NATIONAL MODEL CHAPTER 13 PLAN – SPEAK UP NOW**

The Judicial Conference Advisory Committee on Bankruptcy Rules has just published important proposed amendments to the bankruptcy rules and forms. Comments are due by February 15, 2014. These amendments dramatically change the content and timing of proofs of claims and include a new form for the Chapter 13 Plan. The proposed amendments and committee reports are posted at

[www.uscourts.gov/rulesandpolicies/rules.aspx](http://www.uscourts.gov/rulesandpolicies/rules.aspx). The Chapter 13 Plan form is tied to rule changes that would not become effective until December 1, 2015. Most of the other proposed form changes could become effective December 1, 2014. The Advisory Committee through its chair, Gene Wedoff, has reached out robustly to the entire bankruptcy community for comments and suggestions about these important changes. Comments may be submitted electronically at

[www.uscourts.gov/RulesAndPolicies/rules/proposed-amendments.aspx](http://www.uscourts.gov/RulesAndPolicies/rules/proposed-amendments.aspx).

A copy of the proposed national Chapter 13 Plan follows.

United States Bankruptcy Court
District of

In re:

Case No: \_\_\_\_\_

Debtor(s)

Check if this is an amended plan

Official Form XXXX
Chapter 13 Plan

Date: \_\_\_\_\_

Check all that apply:

- The plan seeks to limit the amount of a secured claim, which may result in a creditor's lien receiving a partial payment or no payment at all, as set out in Part 2, Section 7.
The plan requests the avoidance of a judicial lien as set out in Part 2, Section 9.
The plan requests the avoidance of a nonpossessory, nonpurchase-money security interest as set out in Part 2, Section 10.
The plan sets out non-standard provisions in Part 10.

Notice to Interested Parties: Your rights may be affected. Your claim may be reduced, modified, or eliminated.

You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

If you oppose the Plan treatment of your claim or any provision of this Plan, you or your lawyer must file an objection to confirmation at least seven days before the hearing on confirmation, unless otherwise ordered by the Bankruptcy Court. The Bankruptcy Court may confirm this plan without further notice if no objection to confirmation is filed. See Bankruptcy Rule 3015.

Part 1: Plan Payments and Length of Plan

- Debtor(s) will pay to the trustee \$ \_\_\_\_\_ per month for \_\_\_\_\_ months, and \$ \_\_\_\_\_ per month for \_\_\_\_\_ months.
Payments to the trustee will be made from future earnings in the following manner:
Debtor(s) will agree to entry of a payroll deduction order.
Debtor(s) will make payments directly to the trustee.

**DETROIT CONSUMER BANKRUPTCY CONFERENCE 2013**

3. Additional payments to the trustee will be made as follows (check all that apply):

Debtor(s) will turn over to the trustee:

any tax refunds received during the plan term

any tax refunds in excess of \$ \_\_\_\_\_ received during the plan term

Other sources of funding, including the sale of property (describe source, amount and date when available):

\_\_\_\_\_

4. The estimated total amount of plan payments is \$ \_\_\_\_\_.

5. The estimated term of the plan is \_\_\_\_\_ months.

**Part 2: Treatment of Secured Claims**

6. **Cure of Default and Maintenance of Payments.** The debtor(s) will cure the default and maintain the contractual installment payments on the secured claims listed below. The allowed claim for the arrearage amount, if any, will be paid under the plan, with interest if specified, at the rate stated.

Name of creditor	Collateral	Current installment payment (including escrow payment)	Interest rate on arrearage (if applicable)	Amount of arrearage to be paid	Monthly plan payment on arrearage or other payment arrangement
		Payment: \$ _____  Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)			
		Payment: \$ _____  Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)			

7. **Determination of Allowed Secured Claims and Claim Modification.** The claims listed below are allowed secured claims only to the extent of the value of the creditor's interest in the collateral as provided under 11 U.S.C. § 506(a). Unless a creditor timely objects to confirmation, the value of the creditor's interest in the collateral shall be the amount of the allowed secured claim listed below, and it will be paid in full under the plan with interest at the rate stated below. The portion of any allowed claim that exceeds the amount of the allowed secured claim shall be treated as an unsecured claim under Part 4 of this plan. If the amount of a creditor's allowed secured claim is listed below as having no value, the creditor's allowed claim shall be treated in its entirety as an unsecured claim under Part 4 of this plan. The holder of any allowed secured claim, other than a mortgage treated in Part 2, Section 6, shall retain the lien until the earlier of (a) payment of the underlying debt determined under nonbankruptcy law, or (b) discharge under 11 U.S.C. § 1328(a), at which time the lien shall terminate and be released by the creditor. See Bankruptcy Rule 3015.

**AMERICAN BANKRUPTCY INSTITUTE**

Name of creditor	Amount of creditor's claim	Collateral	Value of collateral	Amount of claims senior to creditor's claim	Interest rate	Amount of creditor's secured claim to be paid	Monthly plan payment

8. **Secured Claims Not Subject to 11 U.S.C. § 506.** The claims listed below were either (1) incurred within 910 days before the petition date and secured by a purchase money security interest in a motor vehicle acquired for the personal use of the debtor or (2) incurred within one year of the petition date and secured by a purchase money security interest in any other thing of value. These claims will be paid in full under the plan with interest at the rate stated below.

Check if applicable:

Other secured claims not subject to 11 U.S.C. § 506 that are not listed below are provided for in Part 10 below.

Name of creditor	Collateral	Interest rate	Amount of claim to be paid	Monthly plan payment

9. **Judicial Lien Avoidance.** The judicial liens securing the claims listed below impair exemptions to which the debtor(s) would have been entitled under 11 U. S. C. § 522(b). A judicial lien securing a claim listed below shall be avoided to the extent that the lien impairs such exemptions upon entry of the order confirming the plan. The amount of the lien that is avoided will be treated as an unsecured claim in Part 4. The amount of the lien that is not avoided will be paid in full as a secured claim under the plan. See 11 U. S. C. § 522(f) and Bankruptcy Rule 4003(d).

**DETROIT CONSUMER BANKRUPTCY CONFERENCE 2013**

Name of creditor	Collateral	Judgment date and date of lien recording	Lien recording information	Amount of lien not avoided and paid as secured claim	Interest rate (if applicable)	Monthly plan payment (if applicable)
				a. Amount of judicial lien \$ _____ b. Amount of all other liens \$ _____ c. Value of claimed exemptions + \$ _____ d. Total. Add a, b, and c \$ _____  e. Value of debtor's interest in property \$ _____  Extent of exemption impairment (check applicable box):  <input type="checkbox"/> <b>Line d is greater than Line e.</b> The entire lien is avoided.  <input type="checkbox"/> <b>Line d is less than Line e.</b> A portion of the lien is avoided.  Amount of lien not avoided: \$ _____		
				a. Amount of judicial lien \$ _____ b. Amount of all other liens \$ _____ c. Value of claimed exemptions + \$ _____ d. Total. Add a, b, and c \$ _____  e. Value of debtor's interest in property \$ _____  Extent of exemption impairment (check applicable box):  <input type="checkbox"/> <b>Line d is greater than Line e.</b> The entire lien is avoided.  <input type="checkbox"/> <b>Line d is less than Line e.</b> A portion of the lien is avoided.  Amount of lien not avoided: \$ _____		

10. **Nonpossessory, Nonpurchase-money Security Interest Avoidance.** The nonpossessory, nonpurchase-money security interests securing the claims listed below impair exemptions to which the debtor(s) would have been entitled under 11 U. S. C. § 522(b). A security interest securing a claim listed below shall be avoided to the extent that the security interest impairs such exemptions upon entry of the order confirming the plan. The amount of the security interest that is avoided will be treated as an unsecured claim in Part 4. The amount of the security interest that is not avoided will be paid in full as a secured claim under the plan. See 11 U. S. C. § 522(f) and Bankruptcy Rule 4003(d).

Name of creditor	Collateral	Amount of security interest not avoided and paid as secured claim	Interest rate (if applicable)	Monthly plan payment (if applicable)
		a. Amount of security interest \$ _____ b. Amount of all other liens \$ _____ c. Value of claimed exemptions + \$ _____ d. Total. Add a, b, and c \$ _____  e. Value of debtor's interest in property \$ _____  Extent of exemption impairment (check applicable box):  <input type="checkbox"/> <b>Line d is greater than Line e.</b> The entire security interest is avoided.  <input type="checkbox"/> <b>Line d is less than Line e.</b> A portion of the security interest is avoided.  Amount of security interest not avoided: \$ _____		

**AMERICAN BANKRUPTCY INSTITUTE**

		a. Amount of security interest                   \$ _____ b. Amount of all other liens                    \$ _____ c. Value of claimed exemptions                + \$ _____ d. Total. Add a, b, and c                        \$ _____  e. Value of debtor's interest in property      \$ _____  Extent of exemption impairment (check applicable box):  <input type="checkbox"/> <b>Line d is greater than Line e.</b> The entire security interest is avoided.  <input type="checkbox"/> <b>Line d is less than Line e.</b> A portion of the security interest is avoided.  Amount of security interest not avoided:    \$ _____		
--	--	--	--	--

11. **Surrender of Collateral.** The debtor(s) elect to surrender to the creditors listed below the personal or real property that is collateral for the claim. The debtor(s) consent to termination of the stay with respect to the collateral upon confirmation of the plan. Any allowed unsecured claim resulting from the disposition of the collateral will be treated in Part 4 below.

Name of creditor	Collateral

**Part 3: Treatment of Administrative and Other Priority Claims**

12. **Trustee's Fees.** Fees of the standing trustee will be paid in full, without interest. These fees are estimated to be \_\_\_\_\_% of plan payments; and during plan term, they are estimated to total \$\_\_\_\_\_.
13. **Attorney's Fees.** Fees of the attorney, in the amount of \$\_\_\_\_\_, will be paid in full, without interest.
14. **Other Priority Claims.** The allowed priority claims listed below will be paid in full.

Name of creditor	Basis for priority treatment	Amount to be paid

**DETROIT CONSUMER BANKRUPTCY CONFERENCE 2013**

15. **Domestic Support Obligations Paid Less than Full Amount.** The allowed priority claims listed below based on a domestic support obligation will be paid less than the full amount of the claim in accordance with 11 U.S.C. § 1322(a)(4).

Name of creditor	Amount to be paid

16. **Interest.** Interest on allowed priority claims listed in line 15 will (check the applicable box):

- Not be paid
- Be paid at an annual percentage rate of \_\_\_\_\_ % in accordance with 11 U.S.C. § 1325(a)(4), and is estimated to total \$ \_\_\_\_\_.

**Part 4: Treatment of Nonpriority Unsecured Claims**

17. **Cure of Default and Maintenance of Payments.** The debtor(s) will cure the default and maintain the contractual installment payments on the unsecured claims listed below on which the last payment is due after the final plan payment. The allowed claim for the arrearage amount will be paid under the plan.

Name of creditor	Current installment payment	Amount of arrearage to be paid
	Payment: \$ _____  Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	
	Payment: \$ _____  Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	

18. **Separately Classified Nonpriority Unsecured Claims.** The nonpriority unsecured allowed claims listed below are separately classified and will be treated as follows:

Name of creditor	Basis for separate classification	Treatment	Amount to be paid

**AMERICAN BANKRUPTCY INSTITUTE**

--	--	--	--

19. **Nonpriority Unsecured Claims.** Nonpriority unsecured allowed claims that are not separately classified will be paid not less than (check the applicable box):

- The sum of \$ \_\_\_\_\_ to be distributed on a *pro rata* basis
- \_\_\_\_\_ percent of allowed claims
- The funds remaining after disbursements have been made to all other creditors provided for in this plan, to be distributed on a *pro rata* basis.

20. **Interest.** Interest on allowed unsecured claims, including separately classified claims, will (check the applicable box):

- Not be paid
- Be paid at an annual percentage rate of \_\_\_\_\_ % in accordance with 11 U.S.C. § 1325(a)(4), and is estimated to total \$ \_\_\_\_\_.

**Part 5: Executory Contracts and Unexpired Leases**

21. All executory contracts and unexpired leases are rejected, except those listed below, which are assumed and will be treated as provided for below or under another specified provision of the plan.

Name of creditor	Property description	Treatment (refer to other plan section if applicable)	Current installment payment	Amount of arrearage to be paid
			Payment: \$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	
			Payment: \$ _____ Disbursed by: <input type="checkbox"/> Trustee <input type="checkbox"/> Debtor(s)	

**Part 6: Order of Distribution**

22. The trustee will pay allowed claims in the following order:

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_

**Part 7: Summary of Plan Disbursements**

23. From the payments received from the debtor(s), the trustee will make the following estimated disbursements on allowed claims:

- 1) Current installment payments on secured claims (Part 2, Section 6 total): \$ \_\_\_\_\_
- 2) Arrearage payments on secured claims (Part 2, Section 6 total): \$ \_\_\_\_\_
- 3) Allowed secured claims (Part 2, Section 7 total): \$ \_\_\_\_\_
- 4) Secured claims not subject to 11 U.S.C. § 506 (Part 2, Section 8 total): \$ \_\_\_\_\_
- 5) Judicial liens not avoided (Part 2, Section 9 total): \$ \_\_\_\_\_
- 6) Security interests not avoided (Part 2, Section 10 total): \$ \_\_\_\_\_
- 7) Administrative and other priority claims (Part 3 total): \$ \_\_\_\_\_
- 8) Current installment payments on unsecured debts (Part 4, Section 17 total): \$ \_\_\_\_\_
- 9) Arrearage payments on unsecured debts (Part 4, Section 17 total): \$ \_\_\_\_\_
- 10) Separately classified unsecured claims (Part 4, Section 18 total): \$ \_\_\_\_\_
- 11) Nonpriority unsecured claims (Part 4, Section 19 total): \$ \_\_\_\_\_
- 12) Interest on allowed unsecured claims (Part 4, Section 20 total): \$ \_\_\_\_\_
- 13) Total of (1) through (12) above: \$ \_\_\_\_\_

**Part 8: Claims of Governmental Units**

24. This plan is not binding with respect to any claim of a governmental unit that is (a) timely filed after confirmation of this plan, and (b) inconsistent with the treatment of such claim under this plan.

**Part 9: Vesting of Property of the Estate**

25. Property of the estate shall revert in the debtor(s) upon (check the applicable box):

- Plan confirmation
- Closing of case
- Other: \_\_\_\_\_

**Part 10: Non-standard Plan Provisions**

*In accordance with Bankruptcy Rule 3015(c), non-standard provisions are required to be set forth below.*

**Part 11: Signatures**

Debtors (sign only if not represented by an attorney)

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

Debtors' Attorney

\_\_\_\_\_ Date \_\_\_\_\_