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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO

U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
IN RE:

ADMINISTRATION OF)
CHAPTER 13 CASES IN)
THE AKRON BANKRUPTCY COURT)

ADMINISTRATIVE ORDER NO. 19-04

ALAN M. KOSCHIK
BANKRUPTCY JUDGE

**ADMINISTRATIVE ORDER GOVERNING
CONDUIT MORTGAGE PAYMENTS IN CHAPTER 13 CASES**

This Standing Order is effective for all Chapter 13 cases filed in the United States Bankruptcy Court, Northern District of Ohio, Akron location only, on or after March 1, 2016, concerning all mortgage loans (the "Mortgage Loan") evidenced by term promissory notes encumbering real property owned by the Debtor (the "Real Property").

1. As used in this Administrative Order, the following definitions shall apply:
 - a. "Arrearage" is the total amount past due on the Mortgage Loan as of the commencement of the Debtor's case (the "Petition Date"), as stated in the Real Property Creditor's filed proof of claim, or such other total amount as may be determined by the Court. The Arrearage shall exclude the initial Conduit Payment, even if due prior to the Petition Date during the same month as the Petition Date, unless the Debtor's Proposed Chapter 13 Plan provides otherwise.
 - b. "Trustee" is the Standing Chapter 13 Trustee.
 - c. "Debtor" is the Chapter 13 Debtor or Debtors.
 - d. "Conduit Payments" are the Mortgage Payments on a Mortgage Loan that first become due under the applicable loan documents, including any applicable grace period, after the Petition Date. It shall include the Mortgage Payment that is due during the month that includes the Petition Date (whether the due date is before or after the Petition Date). The Conduit Payments shall be paid by the Debtor to the Real Property Creditor through the Trustee.
 - e. "Mortgage Payments" are those regular, periodic payments that are owed by the Debtor to the Real Property Creditor as set forth in the documents evidencing the Mortgage Loan that is the basis of the Real Property Creditor's claim. These payments are limited to the principal and interest owed on the Mortgage Loan, unless the Real Property Creditor has

imposed a pre-petition escrow requirement for the prepayment of property taxes and insurance, in which case the Mortgage Payment will consist of principal, interest, property taxes, and insurance premiums.

- f. “Real Property Creditor” is an entity entitled to enforce a note given by the Debtor, which note is secured by a mortgage on Real Property owned by the Debtor (including, for purposes of this Administrative Order, manufactured and mobile homes that serve as the Debtor’s primary residence). For purposes of this Administrative Order and the payment of Conduit Payments, the Real Property Creditor includes the holder of the note or its legally-authorized and disclosed agent, such as a loan servicer.
2. Unless the respective Mortgage Loan is excused from this Administrative Order as set forth below, all Mortgage Payments shall be made by the Debtor to the Trustee for disbursement by the Trustee as Conduit Payments and all applicable Chapter 13 Plans shall so provide prior to confirmation. A Mortgage Loan on the Debtor’s primary residence may be excused from the provisions of this Administrative Order and the requirement of Conduit Payments if the Debtor is less than two (2) months delinquent on the respective Mortgage Loan and files with the Court a declaration under penalty of perjury as to those facts. Other Mortgage Loans may be excused from the provisions of this Administrative Order and the requirement of Conduit Payments for good cause shown upon a motion filed with the Court, after notice and a hearing, including notice to the Real Property Creditor and the Trustee. The plan payment to be paid by the Debtor to the Trustee shall include the Conduit Payment(s), inclusive of Trustee’s fees. Nothing in this Administrative Order shall automatically require the portion of the plan payment attributable to Mortgage Payments for the Debtor’s commercial or rental real property to be paid to the Trustee via the Debtor’s wage order, it being understood that those properties may generate income separate from the Debtor’s wage income from employers that may be the Debtor’s preferred source for that portion of his/her plan payments. Regardless of the source of the Debtor’s plan payments, or portions thereof, the Trustee shall process Conduit Payments in accordance with the provisions of this Administrative Order.
3. The Trustee is authorized to deduct from any payments collected under 11 U.S.C. § 1326, the authorized percentage fee on the funds collected as necessary costs and expenses, together with any fee, charge, or amount required under § 1326.
4. The Debtor must complete the Authorization to Release Information to the Trustee Regarding Secured Claims Being Paid by the Trustee (Exhibit A) (the “Authorization”) and forward this document to the Trustee’s office (not to Court) within 7 days after the bankruptcy petition is filed or provide the form to the Trustee at the Debtor’s 341 meeting of creditors. Notwithstanding this provision, Real Property Creditors are authorized and directed to release to the Trustee information concerning their Mortgage Loans to the Debtor even if an Authorization is not presented by the Trustee or if no such Authorization has been

signed by the Debtor and delivered to the Trustee. The Debtor's consent for the Real Property Creditor to release information to the Trustee pursuant to an Authorization shall not excuse the Real Property Creditor from its obligations to disclose similar information to the Debtor as required by law and/or the loan documents pertaining to the respective Mortgage Loan.

5. Unless the Debtor's Proposed Chapter 13 Plan states otherwise, the Trustee is authorized to pay the first Conduit Payments to the Real Property Creditor for the month the case is filed, regardless of whether the payment's monthly due date, after any applicable grace period, is before or after the Petition Date.
6. The Trustee will not make payments to the Real Property Creditor on the Arrearage until such time as a proof of claim is filed with the Court *and* the Chapter 13 plan is confirmed.
7. If the Debtor (and the Real Property Creditor, if an agreed order) has/have provided the Trustee an Adequate Protection Order for Payments to be Made Prior to Confirmation, and the Order has been approved by the Court, the Trustee is authorized to disburse Conduit Payments, as if the Chapter 13 plan has been confirmed, once the Real Property Creditor has filed a proof of claim (Official Form 410), including, but only in the case of a Real Property Creditor holding a mortgage on the Debtor's primary residence, a Mortgage Proof of Claim Attachment (Official Form 410A). The Trustee shall commence disbursements as soon as practicable and is not required to make partial payments to Real Property Creditors.

If neither the Debtor nor the Real Property Creditor has provided the Trustee an Adequate Protection Order for Payments to be Made Prior to Confirmation, the Trustee shall escrow the funds until the plan is confirmed and the Real Property Creditor has filed a proof of claim (Official Form 410), including a Mortgage Proof of Claim Attachment, if required (Official Form 410A). Once the plan is confirmed and the Real Property Creditor has filed a proof of claim, with an Attachment, if required, the Trustee shall, provided the Debtor has funded the plan adequately, process payment in a lump sum payment or payments until the Real Property Creditor's claim is caught up in payments.

After the Trustee has processed payments to bring the Real Property Creditor current with respect to Conduit Payments, the Trustee shall, provided the Debtor adequately funds the plan, make a distribution monthly to the Real Property Creditor until the case is completed, dismissed, or converted. A sample Adequate Protection Order is available on the Chapter 13 Trustee's webpage at www.chapter13info.com.

8. If at the time the Debtor's Chapter 13 Plan is confirmed, the Real Property Creditor has not filed a proof of claim, or has filed a claim but failed to include, if required, an Attachment that includes the amount of the Mortgage Payment, the

Trustee shall be authorized to use his best efforts to pay the Conduit Payment using the amount stated in the Debtor's Plan and the last known address for submitting payments to the Real Property Creditor, provided such information is reliable, in the Trustee's reasonable judgment. The Trustee is authorized to adjust the Conduit Payments after the Real Property Creditor files a proof of claim with the required Attachment. As practical, the Trustee is authorized to adjust future Conduit Payments up or down should a properly filed claim with the required documentation indicate a payment which is different from the amount in the Debtor's Plan.

9. Any Conduit Payment paid or tendered to the Real Property Creditor shall be applied to the next unpaid post-petition payment due under the terms of the note. Late charges provided for by the terms of the note shall not accrue after the Petition Date unless the Debtor defaults on his/her payments under the Chapter 13 Plan and such default causes a delay in the distribution of Conduit Payments to the Real Property Creditor.
10. The Real Property Creditor shall accept ALL Conduit Payments made by the Trustee and said payments shall be deemed timely made by the required contractual due date regardless of when the Trustee makes the monthly disbursement. Real Property Creditors are prohibited from charging additional interest or fees of any kind as it is presumed that Conduit Payments are timely made by the required contractual due date. As long as the Debtor timely makes the required Chapter 13 Plan payment to the Trustee, and the Debtor's Chapter 13 case has neither been converted to Chapter 7 nor dismissed without reinstatement, the Real Property Creditor shall not deem the Mortgage Loan Conduit Payments delinquent and shall not charge any additional fees without seeking and obtaining an order by the Court.
11. The Trustee shall disburse payments monthly for the preceding month, if practical. The date of the actual disbursement, however, is at the discretion of the Trustee. Real Property Creditors shall accept Conduit Payments made by the Trustee as being timely made by the contractual due date regardless of when the Trustee disburses funds, unless the Debtor defaults on his/her payments under the Chapter 13 Plan and such default causes a delay in the distribution of Conduit Payments to the Real Property Creditor.
12. If the Real Property Creditor proposes a change in the Conduit Payments due to a change in the escrow portion of the Conduit Payment for insurance and/or taxes, change in the interest rate pursuant to a variable rate note, or other reason, the Real Property Creditor shall file with the Court before the effective date of any change of the Conduit Payment written notice of the terms of the change of payment in a document that substantially conforms with Official Form 410S1 (Supplement 1). A party in interest shall have an opportunity to object to the proposed change in payment by filing an objection within 21 days after the notice is filed. The Real Property Creditor shall serve by mail a copy of the notice to the

Debtor and, if not served electronically through the Court's CM/ECF system, the Trustee and Debtor's attorney. If no objection is filed by a party in interest to the Real Property Creditor's Notice of Mortgage Payment Change within 21 days after the notice is filed, the Trustee is authorized to disburse the new Conduit Payment. The Trustee is not authorized to honor a change in the Conduit Payment unless the Real Property Creditor files the notice with the Court, along with a certificate of service.

13. If the Real Property Creditor proposes an increase in the Conduit Payment that makes the plan unfeasible, the Trustee shall file a Motion to Modify the Debtor's Plan to effectuate the change in the Debtor's plan payment. Should the new Conduit Payment jeopardize the feasibility of the plan, the Trustee may seek dismissal or conversion of the case, whichever the Trustee deems appropriate.
14. As soon as practicable before a change of the Real Property Creditor payee, or the address to which payments should be made, the Real Property Creditor shall file with the Court a document that substantially conforms to Exhibit B, Notice of Transfer of Servicing, and/or Exhibit B-1, Notice of Transfer of Claim (Other than for Security), and serve it on the Trustee, the Debtor, and the Debtor's attorney.
15. Within 45 days after the Debtor's Chapter 13 case is filed, the Real Property Creditor shall file a 12-month summary of the activity on the loan, including any advances or expenses incurred by the Real Property Creditor in connection with the servicing of the note or mortgage that the Real Property Creditor claims is chargeable to the Debtor. Any Real Property Creditor who holds a mortgage on the Debtor's primary residence, and who has filed a proof of claim with the Mortgage Proof of Claim Attachment (Official Form 410A), shall be excused from this requirement.
16. If the Debtor has made or believes he/she has made all payments to the Real Property Creditor required under the confirmed Chapter 13 Plan and this Order, any party in interest may file a motion seeking an order of the Court determining that all pre-petition and/or post-petition defaults to the Real Property Creditor are deemed cured and all payments made on the Mortgage Loan through the date of plan completion are current. Such motion shall be served on the Debtor, the Real Property Creditor, and the Trustee. Should the Debtor's Mortgage Loan be deemed current by the Court, said order will extinguish and discharge any right of the Real Property Creditor to recover any amount alleged to have arisen before the Petition Date, and thereafter through the date of plan completion, or to declare a default of the Mortgage Loan, including with respect to the note, mortgage, or other loan documents, with no Arrearage, escrow deficiency, late charges, costs, expenses, or attorneys' fees owing, except to the extent that the Court orders otherwise. All parties in interest, in particular the Real Property Creditor, shall have 21 days to object to such Motion. In the event of a timely objection, the Court will set the motion for hearing.

17. At the conclusion of the case, the Trustee shall file a “Notice of Final Cure” and Request for Discharge allowing the Real Property Creditor twenty-one (21) days to file either (1) a statement stating affirmatively that they are in agreement that all Mortgage Payments are current and all of the Arrearage has been cured or (2) an objection to the notice of final cure that expressly states the basis for the objection. Should the Real Property Creditor fail to respond to the Notice of Final Cure as required by Rule 3002.1, the discharge order subsequently entered by the Court will have the effect of deeming the Mortgage Loan current as of the date of the Trustee’s Notice of Final Cure and that order will bar the Real Property Creditor from asserting any action in any court that there is a payment default predating the Notice of Final Cure filed by the Trustee.
18. Nothing in this Administrative Order shall relieve any party from complying with any obligation under the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules of the District and Bankruptcy Court for the Northern District of Ohio, or any Administrative or General Orders in force in the United States Bankruptcy Court located in Akron, Ohio.
19. Debtors and their counsel may monitor the payments made by the Trustee, without charge, through the National Data Center. The Trustee shall ensure that the payment history can be accessed from the Trustee’s webpage at www.chapter13info.com. Creditors may monitor payments through the National Data Center; there is a charge for creditors. The Trustee shall ensure, however, that Creditors may also access the data, without charge, through the Trustee’s Bankruptcy Link Program (application required and is also on the Trustee’s webpage).
20. If the Debtor has completed their plan payment obligations, but the Trustee has not been able to make monthly Conduit Payments due to the failure of the Real Property Creditor and/or its successors to file required transfer notices and/or change of addresses with the Court (and serve the Trustee with such transfer notice of change of address), the Trustee is authorized to file a motion to turn the undistributed funds over to the unclaimed funds account of the United States Bankruptcy Court, Northern District of Ohio, pursuant to the applicable Local Rules and General Orders of the Court. The Trustee’s motion shall be served on all addresses in the proof of claim filed by the Real Property Creditor, or to any new addresses contained in the most recent Notice of Change of Address form filed with the Court by the Real Property Creditor, and all statutory agents for the Real Property Creditor. This procedure will allow the Debtor to have a Court Order stating that their funds are on deposit with the United States Bankruptcy Court, Northern District of Ohio, should the Real Property Creditor take action against the Debtor in state court based on funds the Real Property Creditor and/or its successor failed to collect through the Chapter 13 Bankruptcy due to the Real Property Creditor and/or its successor’s failure to timely file required transfer notices and/or change in addresses.

21. Even if the Debtor obtains Court authority for a temporary suspension of his/her plan payments, the Debtor shall not be excused from that portion of his/her monthly plan payment necessary to ensure that the Trustee is able to make the monthly Conduit Payments to the Real Property Creditors. The Court will not approve a proposed payment suspension that would excuse the Debtor's failure to make plan payments necessary to permit the Trustee to pay the monthly Conduit Payments. Failure to make these minimum payments shall be unexcused defaults that may result in consequences unless the Real Property Creditor voluntarily excuses them.
22. Should a Debtor in a previously-confirmed non-conduit plan seek to modify the plan post-confirmation to make the plan provide for Conduit Payments, said modified plan shall be subject to this Administrative Order. However, Debtors with existing, non-conduit plans will not be required to convert them to conduit plans simply because they move to modify other aspects of their plan.
23. The Trustee is authorized and directed to process Conduit Payments prior to all other disbursements under the plan. The Trustee shall process the Conduit Payment on the Debtor's primary residence prior to all other Conduit Payments.
24. These procedures may be varied in a particular case only by order of the Court.

DATED: May 20, 2019

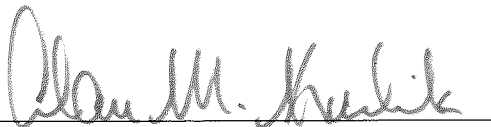

Alan M. Koschik
United States Bankruptcy Judge

EXHIBIT A

**AUTHORIZATION TO RELEASE INFORMATION
TO THE TRUSTEE REGARDING SECURED CLAIMS
BEING PAID BY THE TRUSTEE**

**SEND TO TRUSTEE ONLY
DO NOT FILE WITH THE COURT**

Debtor(s): _____

Case No: _____

The Debtor(s) authorize any and all lien holder(s) and insurers on real property of the bankruptcy estate to release information to the Chapter 13 Trustee in this bankruptcy filing.

The information to be released includes, but is not limited to, the amount of the post-petition monthly installment, annual interest rate, loan balance, escrow amounts, amount of the contractual late charge, and the mailing addresses for payments. Any information, protected by the E-Government Act, such as Social Security numbers, shall not, however, be released.

This information will only be used by the Trustee and his/her staff in the administration of the bankruptcy estate and may be included in motions before the Court.

This authorization is without prejudice to the Debtor(s) continued right as borrower or insured to obtain the same information from the same lienholder(s) and insureds.

Debtor's Signature

Date

Joint Debtor's Signature

Date

EXHIBIT B

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION (AKRON)**

In re:) Case No.
Debtor Name,)
)
)
Debtor.) **NOTICE OF TRANSFER**
) **OF SERVICING**
)
) (no hearing required)

The servicing of the note securing a mortgage represented by Proof of Claim No. _____
filed on _____ in the amount of \$ _____, by _____,
Transferor, with the address of _____ has been
transferred to _____, Transferee
(Loan No. _____).

Chapter 13 Trustee payments and Conduit Payments should be sent to _____
_____ at _____.

Dated: _____

By: _____

CERTIFICATE OF SERVICE

Creditor (Transferee), _____, certifies that it has served a copy of this Notice by ordinary U.S. mail or served electronically through the Court's ECF System on this _____ day of _____ 2016.

Debtor(s)

Name
Street Address
City, State, Zip

Debtor's Attorney

Name
Street Address
City, State, Zip

Trustee

Name
Street Address
City, State, Zip

Transferor

Name
Street Address
City, State, Zip

U.S. Trustee

Name
Street Address
City, State, Zip

Certifier

EXHIBIT B-1

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION (AKRON)**

In re:) Case No.
Debtor Name,)
)
) **NOTICE OF TRANSFER**
) **OF CLAIM (Other than for Security)¹**
Debtor.)
)
) (no hearing required unless objection filed
) under Fed. R. Bankr. P. 3001(e)(2))

A proof of claim has been filed in this case. The transferee evidences, by way of the attached documentation, that the claim has been transferred, other than for security, as stated in this notice.

Original Claim Information:

Name of Claimant: _____

Name of Payee [if different from claimant]: _____

Payment Address: _____

Last 4 digits of Account No: _____

Claim No. on Court's Registry: _____

Amount of Claim as of petition date: _____
Total debt Arrears

Transferee Information:

Name of Claimant: _____

Name of Payee [if different from claimant]: _____

Payment Address: _____

Name/Address for Notices [if different from payment address]: _____

Phone No: _____

¹ This Notice must be used when any of the original payment information in a proof of claim changes. However, it should not be used for an amendment to the amount of the claim. For changes in the amount of the claim or the arrears, an amended proof of claim must be filed.

Last 4 digits of Account No: _____

I, _____, declare under penalty of perjury that the information provided in this Notice is true and accurate to the best of my knowledge. I also declare that a copy of this Notice has been mailed to the Transferor and that proof of the transfer is attached.

By: _____
Type or Print Name of Transferee/Agent of Transferee

Date: _____

Signature

CERTIFICATE OF SERVICE

Creditor (Transferee), _____, certifies that it has served a copy of this Notice by ordinary U.S. mail or served electronically through the Court's ECF System on this _____ day of _____, 2016:

Debtor(s)

Name
Street Address
City, State, Zip

Debtor's Attorney

Name
Street Address
City, State, Zip

Trustee

Name
Street Address
City, State, Zip

Transferor

Name
Street Address
City, State, Zip

U.S. Trustee

Name
Street Address
City, State, Zip

Certifier