

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
_____ DIVISION**

IN RE:)
)
XXXXX XXXX XXXXXXXX,) CASE NO. XX-XXXXX
)
Debtor)
)

ORDER AVOIDING THE SECURITY INTEREST OF _____

This case is before the Court for consideration of a motion to avoid a nonpossessory, nonpurchase-money security interest pursuant to 11 U.S.C. § 522(f) and Federal Rules of Bankruptcy Procedure 4003(d) and 9014 held by _____ (“Respondent”). Having considered the motion and other matters of record in this case, the Court concludes:

1. All parties in interest have received due notice of the motion, and no party has timely objected to the relief requested in the motion.
2. The Respondent holds, or may hold, a nonpossessory, nonpurchase-money security interest that impairs an exemption to which the Debtor would have been entitled under 11 U.S.C. § 522(b) and N.C. Gen. Stat. 1C-1601(a)(2), (4), (5), or (7) with respect to the following property (the “Property”):
 - () household furnishings, household goods, wearing apparel, appliances, books, animals, crops, musical instruments, or jewelry that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor;
 - () implements, professional books, or tools, of the trade of the debtor or the trade of a dependent of the debtor; or
 - () professionally prescribed health aids for the debtor or a dependent of the debtor.
3. (If the Property is subject to other liens, state the amount of those liens).
4. The value that the Debtor’s interest in the Property would have had in the absence of any liens as of the date of the filing of the petition was \$_____.

5. Because the sum of the security interests/liens and the value of the exemption that the Debtor would be entitled to claim if there were no security interests/liens on the Property exceeds the value of that the Debtor's interest in the Property would have had in the absence of any liens by a sum that equals or exceeds the amount of the security interest sought to be avoided, the Respondent's security interest may be completely avoided pursuant to 11 U.S.C. § 522(f)(1).

OR

5. Because the sum of the security interests/liens and the value of the exemption that the Debtor would be entitled to claim if there were no security interests/liens on the Property is \$_____, which exceeds the value of that the Debtor's interest in the Property would have had in the absence of any liens by \$_____, which is less than the amount of the Respondent's security interest of \$_____, such security interest may be avoided pursuant to 11 U.S.C. § 522(f)(1) to the extent of only \$_____, and the rest of such lien remains in effect.

Therefore, it is

ORDERED that the nonpossessory, nonpurchase-money security interest in the Property held by_____ is hereby AVOIDED AND CANCELLED as to the Property; it is further

ORDERED that Respondent's security interest has no further force or effect as to the Property unless the case is dismissed and Respondent's security interest is reinstated under 11 U.S.C. § 349(b)(1); and, it is further

ORDERED that this order may not be recorded until such time as the Debtor has received a discharge or a final decree has been entered, but, absent further order of the Court, in no event may this order be recorded if the case is dismissed.

OR

ORDERED that the nonpossessory, nonpurchase-money security interest in the Property held by_____ is hereby AVOIDED IN PART, to the extent that \$_____ of Respondent's security interest has no further force and effect against the Property unless the case is dismissed and Respondent's security interest is reinstated under 11 U.S.C. § 349(b)(1); it is further

ORDERED that the balance of Respondent's security interest remains as a nonpossessory, nonpurchase-money security interest against the Property to the extent enforceable under state law; and, it is further

ORDERED that this order may not be recorded until such time as the Debtor has received a discharge or a final decree has been entered, but, absent further order of the Court, in no event may this order be recorded if the case is dismissed.

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