

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA**

IN RE:)
)
PROCEDURES IN AID OF THE)
ADMINISTRATION OF CHAPTER 13)
CASES FILED ON OR AFTER)
DECEMBER 1, 2017)

STANDING ORDER

Having concluded that the following procedures are needed in order to implement the provisions of the United States Bankruptcy Code, it is hereby ORDERED as follows with respect to all chapter 13 cases filed on or after December 1, 2017:

A. PROCEDURE FOR RENT DEPOSITS. Any deposit of rent made by or on behalf of a debtor pursuant to 11 U.S.C. § 362(l)(1)(B) must be in the form of a certified check or money order payable to the order of the lessor and must be delivered to the Clerk of Court upon the filing of Official Forms 101 and 101A. Debtor must file a copy of the judgment for possession along with Official Forms 101 and 101A. Upon the Clerk's receipt of a copy of the judgment for possession and the certified check or money order payable to the order of the lessor, the Clerk is directed to promptly transmit the certified check or money order to the lessor by certified mail, return receipt requested, to the address listed for the lessor on Official Form 101A.

B. INTERVIEW WITH TRUSTEE'S OFFICE. Within 4 days after receipt of the "Notice of Appointment of Trustee and Meeting of Creditors," debtor shall contact the office of the appointed chapter 13 trustee ("Trustee") for an interview appointment and to make arrangements for the commencement of payments under the plan.

C. COLLISION INSURANCE ON VEHICLES SUBJECT TO LIENS. Debtor shall maintain collision insurance on any vehicle owned by debtor which is subject to a lien. In the event debtor fails to comply with this requirement, the Trustee is authorized to direct that such vehicle be stored until evidence of proper insurance coverage is submitted to the Trustee. Debtor shall immediately comply with any such directive from the Trustee.

D. INCURRING DEBT. Debtor must obtain the approval of the Trustee before incurring any debt of \$3,500.00 or less. Debtor must obtain approval of the Court before incurring any debt greater than \$3,500.00. All credit cards shall be canceled.

E. TAX RETURNS. Debtor shall timely file all required tax returns, including federal and state income tax returns, and shall pay all taxes when due. Debtor shall provide copies of postpetition tax returns to the Trustee within 10 days of the Trustee's request. Debtor's failure to provide postpetition tax returns constitutes cause for conversion to chapter 7 or dismissal of the case under 11 U.S.C. § 1307(c).

With the prior written consent of the Trustee, debtor may obtain professional preparation assistance for either prepetition or postpetition tax returns if the charge for the assistance will be less than \$1,000.00. The preparer's invoice(s) shall be submitted to the Trustee. If the Trustee believes an invoice is reasonable, the Trustee is authorized to pay the invoice as an administrative claim. If the Trustee does not believe an invoice is reasonable, the Trustee shall notify debtor, and debtor or the professional shall file an application for compensation with the Court. Debtor must obtain Court approval before employing a tax professional where the charge for the assistance will equal or exceed \$1,000.00.

F. DOMESTIC SUPPORT OBLIGATIONS. Debtor shall remain current on all postpetition domestic support obligations, if any. Debtor's failure to pay postpetition domestic support obligations constitutes cause for conversion to chapter 7 or dismissal of the case under 11 U.S.C. § 1307(c).

G. CONDUIT PAYMENTS. All payments on any claim secured by real property shall be disbursed by the Trustee if the account is in arrears as of the petition date. All payments on any claim secured by personal property will be disbursed by the Trustee, unless otherwise ordered by the Court.

H. WAGE DEDUCTIONS. The employer of debtor shall deduct and remit funds from the wages, salary, or commissions of debtor as directed by the Trustee.

I. REPORTING INCOME TO TRUSTEE. Debtor shall promptly report to the Trustee and amend the petition schedules to reflect any significant increase in income.

J. REPORTING RECEIPT OF PROPERTY TO TRUSTEE. Debtor shall promptly report to the Trustee and amend the petition schedules to reflect any substantial acquisitions of property such as inheritance, gift of real or personal property, or lottery winnings.

K. OPERATING A BUSINESS. In all cases in which debtor operates a business:

1. Debtor is authorized to operate the business pursuant to 11 U.S.C. § 1304, except as otherwise ordered by the Court.
2. Debtor may not use, sell, or lease property except in the ordinary course of business without prior approval of the Court.
3. Debtor is required to segregate all money which has been withheld from

employees or collected from third parties for payment of taxes as required by federal and state law. Debtor shall deposit the collected funds, together with debtor's share of payroll taxes, in a separate bank account immediately upon collection and shall pay the taxes when due.

4. Debtor shall file with the Trustee by the tenth day of each month a report and summary of operations of the business during the preceding calendar month. This report must include an accounting of receipts and disbursements, debts incurred, credit extended, contractual obligations assumed; a profit and loss statement; the dates and amounts of all deposits; and any other information required by the Trustee.
5. Debtor shall attend such meetings and provide such information and reports as reasonably requested by the United States Bankruptcy Administrator for the Middle District of North Carolina (the "Bankruptcy Administrator").

L. TRANSFERS OF PROPERTY. Debtor must obtain the approval of the Trustee before transferring any interest in personal property having a value between \$1,500.00 and \$2,500.00. Debtor must obtain approval of the Court before transferring any interest in personal property having a value of \$2,500.00 or greater.

M. PRECONFIRMATION ADEQUATE PROTECTION PAYMENTS. All adequate protection payments required by 11 U.S.C. § 1326(a)(1) shall be paid as follows:

1. Not later than 30 days after the date of the order for relief, debtor shall commence paying directly to the lessor all payments scheduled in a lease of personal property or portion thereof that become due after the order for relief. Absent a timely objection to confirmation of the proposed plan, debtor shall be presumed to have made such payments as required by 11 U.S.C. § 1326(a).
2. Debtor shall provide in the chapter 13 plan that § 1326(a)(1)(C) preconfirmation adequate protection payments to a creditor holding an allowed claim secured by personal property to the extent that the claim is attributable to the purchase of such property by debtor shall be disbursed by the Trustee, unless the Court orders otherwise.
3. Debtor shall list in the chapter 13 plan the name, address, last four digits of the account number, and the amount of the adequate protection payment proposed for each secured creditor entitled to receive a § 1326(a)(1)(C) preconfirmation adequate protection payment.
4. All adequate protection payments paid through the Trustee shall be subject to an administrative fee in favor of the Trustee equal to the Trustee's statutory percentage commission then in effect, and the Trustee shall collect such fee at the

time of the distribution of the adequate protection payment to the claimant.

5. Adequate protection payments to a creditor who is listed in the plan as a secured creditor shall not be required until a proof of claim is filed by such creditor which complies with Rule 3001 of the Federal Rules of Bankruptcy Procedure.
6. The Trustee shall not be required to make preconfirmation adequate protection payments on account of any claim the collateral for which is listed in the plan as having a value of less than \$2,000.00.
7. Adequate protection payments which are made through the Trustee shall be made in the ordinary course of the Trustee's business, according to the Trustee's standard monthly distribution schedule, from funds in the case as they become available for distribution to claimants.
8. If a chapter 13 case is dismissed prior to confirmation, the Trustee shall make the preconfirmation adequate protection payments proposed in the plan or as modified pursuant to 11 U.S.C. § 1326(a)(3) from any funds that were received on or before the date of the entry of the order of dismissal, provided that the creditors to receive such payments have filed proofs of claim that comply with Rule 3001 of the Federal Rules of Bankruptcy Procedure, and the claims have not been objected to by debtor or the Trustee.

N. COMPLIANCE WITH CERTAIN FILING REQUIREMENTS OF 11 U.S.C. § 521.

Debtor shall be required to file or produce the documents described in 11 U.S.C.

§ 521(a)(1)(B)(iv) only if requested in writing to do so by the Bankruptcy Administrator, the Trustee, or a party in interest. If such a request is made, the requested documents shall be delivered to the party making the request within 7 days, but they are not required to be filed with the Court. If debtor does not comply with the written request within 7 days, the failure to comply will constitute "cause" under 11 U.S.C. § 1307(c). This means the case may be converted to chapter 7 or dismissed.

O. CERTIFICATION AT MEETING OF CREDITORS. At the 11 U.S.C. § 341 meeting of creditors, each debtor shall testify or execute a written certification under penalty of perjury stating the following:

1. whether debtor is current on payment of all postpetition domestic support obligations as required by 11 U.S.C. § 1325(a)(8);
2. whether debtor has complied with the tax return filing requirements of 11 U.S.C. § 1308(a); and
3. whether debtor's statement of his or her average income for the 6 month period before the month in which the petition was filed is consistent with the amount of

income reflected on the payment advices or other evidence of payment received by debtor from any employer of debtor within 60 days before the petition date.

P. DISCLOSURE OF VALUATION METHOD. If a value is stated for property listed in Official Form B106A/B, the method of valuation used shall be stated in Official Form B106A/B.

Q. TILL RATE OF INTEREST. The standing chapter 13 trustees shall establish the presumptive rate of interest in accordance with *Till v. SCS Credit Corp.*, 541 U.S. 465 (2004). If debtor is proposing a variance from this rate, debtor or Trustee shall file a request for hearing on confirmation with the Court.

R. TREATMENT OF FUNDS FOLLOWING CONVERSION. In the event debtor converts the case to a case under chapter 7, the Trustee is authorized to retain possession of any funds collected but not yet disbursed at the time of conversion pending: (a) final determination as to whether debtor converted the case in bad faith, and (b) final determination as to whether all or any portion of the collected but undisbursed funds constitute prepetition wages or property acquired by debtor prepetition.

S. NOTICING COSTS. The Trustee is authorized reimbursement for the Trustee's costs of noticing in a chapter 13 case at the rate of one dollar (\$1.00) per notice and for actual certified mail noticing costs. Such noticing and mailing costs shall not be charged against the Trustee's statutory percentage fee. The Trustee shall maintain a record of all notices for which the Trustee will be reimbursed including the type of notice, the date of such notice, the amount of notices mailed, and the total amount the Trustee will be reimbursed for the notice. Detailed information regarding noticing costs shall be included in the Trustee's Final Report in each chapter 13 case.

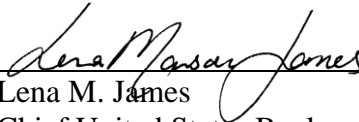
T. RECORDING NOTICE ON THE PUBLIC RECORDS. The Trustee is authorized to record on the public records any documents the Trustee deems advisable for the purpose of giving notice of the case.

IT IS FURTHER HEREBY ORDERED that the Court's prior March 11, 2016, Standing Order Regarding Procedures in Aid of the Administration of Chapter 13 Cases and the Court's prior March 11, 2016, Amended Standing Order Regarding Terms and Provisions Incorporated into Chapter 13 Confirmation Orders each shall remain in full force and effect with respect to all chapter 13 cases filed on or before November 30, 2017.

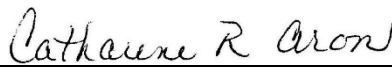
IT IS FURTHER HEREBY ORDERED that the Court's prior January 25, 2018, Standing Order Regarding Procedures in Aid of the Administration of Chapter 13 Cases IS VACATED.

IT IS FURTHER HEREBY ORDERED that this order shall remain in effect until otherwise ordered by the Court.

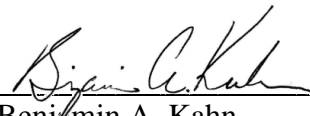
Dated this the 1st day of April, 2020.



Lena M. James
Chief United States Bankruptcy Judge



Catharine R. Aron
United States Bankruptcy Judge



Benjamin A. Kahn
United States Bankruptcy Judge