

## LBR 3015-3 Conduit Mortgage Payments in Chapter 13 Cases

(a) Definitions. “Conduit payments” are post-petition Mortgage payments made by the Debtor to the Trustee for payment to the Mortgagee under a confirmed Chapter 13 plan. “Debtor” includes both debtors in a joint case. “Gap payment” is the first Mortgage payment that comes due post-petition. “Mortgage” includes deeds of trust. “Mortgagee” is the holder of a Mortgage, including but not limited to a Mortgage on Debtor’s principal residence. “Trustee” is the Chapter 13 Trustee.

(b) Required Conduit Payments; Gap Payment. Conduit payments are required if Debtor (i) was more than two months delinquent on the petition date; (ii) becomes delinquent before plan confirmation; or (iii) becomes more than two months delinquent after plan confirmation. If Debtor is making Conduit payments and the monthly Mortgage payment increases, Debtor will increase the Conduit payment by the same amount, plus the Trustee’s fee, within 30 days of the Mortgage payment increase. If Debtor’s plan provides for Conduit payments, it must provide for treatment of the Gap payment.

(c) Affidavit Regarding Mortgage Payments. If the Debtor’s plan proposes direct Mortgage payments instead of Conduit payments, Debtor must file with the plan an Affidavit Regarding Mortgage Payments demonstrating Debtor’s eligibility. *Note: LBF 3015-3(c) was created for compliance with this rule.*

(d) Trustee Duties. On plan confirmation, the Trustee will make Conduit payments based on the Mortgagee’s allowed proof of claim and may make partial payments until the Trustee receives sufficient funds to make full payments. Any notice filed pursuant to B.R. 3002.1(b) or (c) shall be treated as an amendment to the Mortgagee’s claim. The Trustee is authorized to disburse Conduit payments in the adjusted amount as soon as practicable after the time to object expires without objection, or after resolution of any objection. The plan will be deemed modified to reflect the new payment amount. Any notice pursuant to B.R. 3002.1(b) filed more than 21 days of the effective date of the new Mortgage payment will be deemed allowed if no objection is filed within 21 days of the notice filing date. Should any new Conduit payment render the plan infeasible, the Trustee may file a motion to amend or modify the plan or to dismiss/convert the case.

(e) Mortgagee Duties. At least 45 days before any name or address change, the Mortgagee shall send the Trustee a notification, using Official Form B2100A/B. Mortgagee shall apply all Mortgage payments received post-petition as provided under the plan. Even if such payments are placed in suspense, forbearance, or similar account, they will be deemed to have been applied to the Mortgage debt. If a confirmed plan is modified to require Conduit payments, Mortgagee must, within 21 days after court approval of the modification file a supplemental proof of claim stating, as of the approval date, the amount of the post-petition Mortgage payment and the amount of any post-petition delinquency.

(f) Plan Modification That Includes Conduit Payments. If the Debtor seeks to modify a confirmed plan to include Conduit payments, the proposed plan modification must include the name and address of the Mortgagee, the street address of the mortgaged property, when the Trustee is to start making payments, and the amount and proposed treatment of any post-petition delinquency.

#### LBR 3015-4 Arrearages in Chapter 13 Cases

On plan confirmation, any prepetition Mortgage arrearage provided for in the plan shall be deemed current, precluding the Mortgagee from charging late payments or other default-related fees and services. Upon the entry of a discharge order, the prepetition Mortgage arrearage paid under a confirmed Chapter 13 plan shall be deemed cured unless the Court orders otherwise or the Mortgagee timely files a B.R. 3002.1(g) statement to the contrary.