

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA

**FOR CHAPTER 13 PRACTITIONERS:
PROPOSED ADDITION TO MODEL CHAPTER 13 PLAN**

A previous notice alerted the Chapter 13 bar to concerns about settlements of trustee motions to dismiss that might trigger the need for the filing and notice of a motion to modify the plan. See the Court's notice of November 5, 2012, entitled "For Chapter 13 Practitioners: Recent Developments Regarding Motions to Modify Plan."

Informal dialogue with the trustees and the bar resulted from that memo and led to suggestions for satisfying the requirements of Fed.R.Bankr.P. 2002 and 3015(g) while reducing the burden of distribution that would fall on debtors' counsel. (Those discussions also resulted in the suspension of the deadline given in that earlier memo.)

The Judges have proposed, and the trustees have blessed, an addition to the model Chapter 13 plan that would give creditors notice that they might not receive future notices of an agreement between the debtors and the trustee for curing any plan defaults - unless the creditor requests such notice. The proposed language reads as follows:

14. PLAN DEFAULTS AND MOTIONS TO MODIFY. The Debtor(s) may fall behind on plan payments. If that happens, the Debtor(s) and the Trustee may agree that the Debtor(s) will increase the payment amount each month or that the time period for making payments will be extended, not to exceed 60 months. Creditors will not receive notice of any such agreement unless the total amount that the Debtor(s) will pay to the Trustee goes down. Any party may request in writing, addressed to the Trustee at the address shown on the notice of the meeting of creditors, that the Trustee give that party notice of any such agreement. Agreements under this section cannot extend the term of the plan more than 6 additional months.

Any other modification of the plan shall be proposed by motion pursuant to 11 U.S.C. 1329. Service of any motion to modify this plan shall be made by the moving party as required by Fed.R.Bankr.P. 2002(a)(5) and 3015(g), unless otherwise ordered by the Court.

The Court now solicits the comments of the bar on this proposed addition. Comments can be sent to Local_Rules_Comments@insb.uscourts.gov until December 28th, 2012. If after the comment period the Court elects to proceed with the change, you will receive further notice on the effective date of a new model plan form.

December 11, 2012

/s/ Kevin P. Dempsey
Clerk