

Loan Modification Management Program Procedures
United States Bankruptcy Court for the Western District of North Carolina

1. **Purpose.** These procedures and forms implement the Loan Modification Management Program (“LMM” or “LMM Program”). The Loan Modification Management Program is designed to function as a forum for debtors and creditors to reach a consensual resolution when a debtor’s property is at risk of foreclosure. The goal of the Loan Modification Management Program is to facilitate communication and the exchange of information in a confidential setting under the supervision of the United States Bankruptcy Court for the Western District of North Carolina (the “Bankruptcy Court”).

2. **Definitions.** The following definitions shall be applicable to the LMM and the procedures described herein:
 - a. **Adequate Protection Payments:** An amount equal to 80% of the contractual principal and interest payment plus one-twelfth of the annual escrow amounts for property taxes and insurance (including mortgage insurance, if applicable) due on account of a claim of a Creditor for an Eligible Loan.

 - b. **Creditor:** Any holder, servicer, or trustee of an Eligible Loan.

 - c. **Debtor:** Any individual debtor in a case filed under Chapter 13 of the Bankruptcy Code, including joint debtors. Where a Debtor is represented by an attorney, the term “Debtor” may mean the Debtor’s attorney on behalf of the Debtor unless the context requires otherwise.

 - d. **Document Preparation Software:** A secure online program maintained and operated by the Portal Manager that facilitates the preparation of the Initial LMM Package by populating the Standard LMM Documents and generating a customized checklist of required additional forms and supporting documents that a Debtor needs to initiate a loss mitigation review with a Creditor. The use of the Document Preparation Software ensures that the initial submission to the Creditor is complete and accurate and should expedite the Creditor’s review. By requiring its use by the Debtor prior to the filing of the Motion for Loan Modification Management (LMM Form 1) (“Motion for LMM”), the Debtor will signify to the Bankruptcy Court and the Creditor that the Debtor is prepared to engage in the LMM in good faith and provide the necessary information to the Creditor.

 - e. **Document Preparation Software Fee:** The non-refundable fee required by the Portal Manager for providing access to documents managed by the Portal Manager. The Document Preparation Software Fee shall be set by the Portal Manager and, as of March 8, 2021, is the amount of \$60.

- f. Eligible Loan: Any loan, lien, or extension of money or credit secured by an Eligible Property, regardless of whether the loan is considered to be subprime or non-traditional, was in foreclosure prior to the bankruptcy filing, is the first or junior deed of trust or lien on the Eligible Property, and/or has been pooled, securitized, or assigned to a Creditor or trustee.
- g. Eligible Property: The Debtor's principal residence as defined by 11 U.S.C. § 101(13A).
- h. Facilitator: An independent, nonpartisan attorney, licensed to practice law in North Carolina and admitted to the Western District of North Carolina, who has demonstrable skill and experience in consumer bankruptcy loss mitigation to assist the Bankruptcy Court with facilitating compliance by the parties with the LMM.
 - i. Without limiting the generality of the foregoing, a Facilitator should:
 - 1. Have experience in the practice of consumer bankruptcy in the Western District of North Carolina, as an attorney representing consumer debtors or mortgage servicers or as a trustee;
 - 2. Have knowledge of the forms and supporting documents required by Creditors to complete a loss mitigation analysis;
 - 3. Have understanding of the various loss mitigation programs offered by Creditors and the terms of their availability to Debtors;
 - 4. Have the ability to accept electronic payment for the Facilitator Fee;
 - 5. Have competence in computer technology and use of the Portal; and
 - 6. Have sufficient staff dedicated to the LMM to ensure oversight of submission of documents to the Portal by the Required Parties and compliances with these procedures.
 - ii. The Office of the United States Bankruptcy Administrator for the Western District of North Carolina (the "BA") shall maintain and publish a list of approved Facilitators, as well as an application to be approved to serve as a Facilitator. In conjunction with the Clerk of Court for the United States Bankruptcy Court for the Western District of North Carolina, the BA will supervise the assignment of an approved Facilitator to a Debtor who initiates the LMM.
- i. Facilitator Fee: The non-refundable fee payable to the Facilitator for the fulfillment of the services provided herein, which shall be payable upon the terms set forth herein. The Facilitator Fee as of April 1, 2019 is set at the amount of \$500.

- j. Final Report: The report to be filed at the conclusion of the LMM per section 9(c).
- k. Initial LMM Package: The Standard LMM Documents and all of the forms and supporting documentation that the Creditor requires to initiate the assessment of a Debtor's loss mitigation options. The Creditor shall be responsible for providing the Creditor's Initial LMM Package to the Facilitator, as more particularly provided in section 8(b).
- l. LMM Period: The time during which the LMM is in effect prior to its expiration or termination by order of the Bankruptcy Court.
- m. Loss mitigation: The full range of solutions that may prevent either the loss of a Debtor's Eligible Property to foreclosure, increased costs to the Creditor, or both, including but not limited to, loan modification, loan refinance, forbearance, short sale, or surrender of the Eligible Property in full satisfaction of obligations arising under an Eligible Loan.
- n. Portal: A secure online service maintained and operated by the Portal Manager that allows LMM documents and communications between the Required Parties to be submitted, retrieved, and tracked. The Portal must be accessible to the Bankruptcy Court, the Bankruptcy Administrator, the Chapter 13 trustee, and the Facilitator. Submitting documents to the Portal provides transparency in the loan modification process by making information immediately available to all parties through a secure website. To ensure that all Required Parties may obtain access to the Portal in a timely manner, registration on the Portal by any Required Party (including, without limitation, registration by the Creditor as provided in section 8(b)(i)) must be capable of being completed in three business days.
- o. Portal Manager: An independent, nonpartisan organization that has demonstrable skill and experience in consumer bankruptcy loss mitigation to assist the Bankruptcy Court with managing the LMM. Without limiting the generality of the foregoing, the Portal Manager should:
 - i. Have extensive knowledge of the forms and supporting documents required by Creditors to complete a loss mitigation analysis;
 - ii. Have extensive understanding of the various loss mitigation programs offered by Creditors and the terms of their availability to Debtors;
 - iii. Own or be able to provide access to the Document Preparation Software; and
 - iv. Own or be able to provide access to the Portal.

- p. Portal Submission Fee: The non-refundable fee charged by the Portal Manager for the submission of an Initial LMM Package. The Portal Submission Fee shall be set by the Portal Manager and, as of March 8, 2021, is the amount of \$60.
 - q. Required Parties: The Debtor, the Debtor's attorney (if any), the Creditor, the Creditor's North Carolina legal counsel (if any), the Chapter 13 trustee, the Facilitator, and any co-obligor, co-borrower, or third-party obligor.
 - r. Standard LMM Documents: The industry standard forms that are generally required by Creditors to initiate a review of a Debtor's loss mitigation options, which include, but are not limited to, the following:
 - i. HAMP Request for Mortgage Assistance;
 - ii. Uniform Borrower Assistance Form (Form 710);
 - iii. IRS Form 4506-T;
 - iv. Hardship Letter; and
 - v. Dodd-Frank Certification.
3. **Eligibility**. Any debtor who currently has a case pending under Chapter 13 and proposes to pay the on-going contractual mortgage payment through disbursements by the Chapter 13 trustee is eligible to participate in the LMM Program with respect to any Eligible Property. Individuals who seek to modify a loan under the LMM must have paid their bankruptcy filing fee in full prior to filing a Motion for LMM. In addition, the Debtor must have funds available to pay the costs for the Document Preparation Software Fee, Portal Submission Fee, and one-half of the Facilitator Fee.
4. **Ineligibility**. The Bankruptcy Court may, after notice and a hearing, resolve any disputes regarding eligibility of the Debtor to apply for loss mitigation, the application process, or any other matters related to the LMM Program.
5. **Additional Parties**.
- a. Co-debtors, Creditors, and Third Parties. Where the participation of a co-debtor, additional creditors, or another third party may be necessary or desirable, any party may request, or the Bankruptcy Court may direct, that such party participate in loss mitigation to the extent that the Bankruptcy Court has jurisdiction over the party.
 - b. Bankruptcy Administrator. The Bankruptcy Administrator may participate in the LMM to the extent such participation would be consistent with the Bankruptcy Administrator's duties under the Bankruptcy Code.
6. **Commencement of LMM**. The Debtor, the Creditor, or the Bankruptcy Court may seek referral to the LMM Program beginning as of the filing date of the Chapter 13 case and continuing for a period of up to twelve months thereafter unless the Bankruptcy Court orders otherwise. Cases that are pending at the time of the implementation of the LMM program in this district may seek referral to the Program for a period of up to twelve months following the Program implementation date.

a. By Debtor.

- i. Confirm Eligibility. Prior to filing a Motion for LMM (LMM Form 1), the Debtor shall perform reasonable due diligence to confirm that the Debtor may be eligible for loss mitigation and confirm all information necessary to make the certifications required on the Certification of LMM Eligibility and Readiness (LMM Form 2).
- ii. Complete Document Preparation Software. Prior to filing a Motion for LMM, the Debtor shall complete the tasks required by the Document Preparation Software and pay the Document Preparation Software Fee to the Portal Manager. The Debtor's Initial LMM Package shall be completed and ready for signature and submission before filing a Motion for LMM unless the Creditor is not registered in the Portal or is newly registered.
- iii. Contract for Representation in LMM. Prior to filing a Motion for LMM, if represented by an attorney, the Debtor shall execute a Supplemental Agreement to Attorney-Client Agreement for Chapter 13 Bankruptcy Services and Limited Power of Attorney for Participation in Bankruptcy Court Loan Modification Management Program (LMM Form 3) ("Contract for Representation in LMM") with such attorney detailing the costs, fees, duties, and limitations on representation.
- iv. Proposed Chapter 13 Plan. If the Debtor elects to seek referral to the LMM Program prior to confirmation of a Chapter 13 plan, the Debtor shall include the following nonstandard provision in the proposed Chapter 13 plan:

"The Debtor has filed or will file, within the first twelve months following the filing of this case, a Motion for Loan Modification Management (LMM Form 1). Pursuant to the LMM Program, mortgage creditors have twenty-one days from service of such motion to object to participation. During the pendency of the LMM Program, the mortgage creditor shall be entitled to adequate protection payments paid or held in reserve on account of its claim in the amount equal to 80% of the contractual principal and interest payment plus one-twelfth of the annual escrow amounts for property taxes and insurance (including mortgage insurance, if applicable)."
- v. Modification of Chapter 13 Plan. If the Debtor's Chapter 13 plan has already been confirmed, the Debtor shall additionally plead sufficient details in the Motion for LMM (LMM Form 1) to satisfy the requirements for modification of such plan pursuant to 11 U.S.C. § 1329.
- vi. Pro Se Debtor Obligations. All pro se debtors shall have the same duties under the LMM Program as debtors who are represented by counsel. Nothing in these rules shall be construed to require the Portal Manager,

Facilitator, or any other party to provide advice or assistance to a debtor who participates in the LMM Program pro se.

- vii. Motion for LMM. Upon completion of the Debtor's Initial LMM Package, the Debtor may request the commencement of the LMM by filing a Motion for LMM (LMM Form 1). The Motion for LMM shall be served pursuant to Federal Rules of Bankruptcy Procedure 7004 and 9014 on the Chapter 13 trustee, the Bankruptcy Administrator, the Creditor, and all other creditors whose claims are secured by liens against the Eligible Property. A Certification of LMM Eligibility and Readiness (LMM Form 2), a fully executed Contract for Representation in LMM (LMM Form 3), and a proposed Order for Loan Modification Management (LMM Form 4) (the "LMM Order") shall be attached to any Motion for LMM.
 - b. By Creditor. Any creditor seeking to commence the LMM must file a Motion for LMM (LMM Form 1) including a proposed Order for Loan Modification Management (LMM Form 4) with the Bankruptcy Court and serve the motion and proposed order pursuant to Federal Rules of Bankruptcy Procedure 7004 and 9014 on the Debtor, the Debtor's counsel (if any), the Chapter 13 trustee, and the Bankruptcy Administrator.
 - c. By the Bankruptcy Court. The Bankruptcy Court may order the assignment of a loss mitigation matter to the LMM on its own motion.
7. **Opportunity to Object**. The deadline for filing an objection to a Motion for LMM is twenty-one days from the service of the Motion for LMM. Objections shall identify the grounds for the objection, which may include unavailability of loss mitigation options, ineligibility of the Debtor, or the Creditor declining to participate in the LMM Program, with specificity. If no objection is filed, the Bankruptcy Court may enter an LMM Order without further notice or hearing.
8. **LMM Participation and Duties**.
- a. General. Upon entry of the LMM Order, the moving party shall serve a copy of the LMM Order on the Required Parties and file a certificate of service indicating the parties (including any parties in addition to the Required Parties) that were served with the LMM Order. Upon the entry of the LMM Order, the following shall apply:
 - i. Good Faith Requirement. The Required Parties shall act in good faith throughout the entirety of the LMM Period, including, but not limited to, promptly responding to all inquiries through the Portal and providing all requested documentation and information. A party failing to participate in good faith may be subject to sanctions and/or termination of the LMM after notice and a hearing.

- ii. Deadlines. The Required Parties shall comply with all deadlines set forth in the LMM Order. Any deadlines may be extended by order of the Bankruptcy Court or by stipulation of the parties.
- iii. Communication through Portal. During the LMM Period, unless otherwise permitted by the Bankruptcy Court, all material communications between the Required Parties shall be conducted exclusively through the Portal. Any litigated matters required by or incidental to the LMM process, however, shall be considered as separate matters not subject to the Portal requirement. For example, all motions, including motions to compel mediation or motions related to discovery, and notices must be filed with the Bankruptcy Court and not through the Portal.
- iv. Authorized Parties. A person with complete knowledge of the file so as to be reasonably capable of answering questions related to the LMM shall attend all LMM-related hearings and conferences before the Bankruptcy Court on behalf of each participating party.
- v. Automatic Stay. Any Creditor seeking relief from the automatic stay with respect to real property subject to the LMM Program prior to the conclusion of the LMM Period shall, in its motion, set forth the reasons why relief is appropriate prior to the conclusion of the LMM Period. If a relief from stay motion pursuant to 11 U.S.C. § 362(d) is pending when an LMM Order is entered, or if such a motion is filed during the LMM Period, the Bankruptcy Court may condition the stay upon fulfillment of the Debtor's obligations under the LMM Order. If the Debtor fails to comply with the Debtor's LMM duties or the LMM Order, the Creditor may file a Motion to Terminate the LMM Program (LMM Form 10).
- vi. No Delay. The referral of a case to the LMM Program does not relieve the parties from complying with any other court orders or applicable provisions of the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, or the Rules of Practice and Procedure of the United States Bankruptcy Court for the Western District of North Carolina (the "Local Rules"). Notwithstanding a matter being referred to the LMM Program, the bankruptcy case shall not be stayed or delayed without further order of the Bankruptcy Court.
- vii. Confidential Communications. All communications and information exchanged during the LMM Program shall be privileged and confidential and shall be inadmissible in any subsequent proceeding as provided by Federal Rule of Evidence 408.

b. Creditor's Duties upon Commencement of LMM.

- i. Registration on Portal. If a Creditor has not already registered, the Creditor and the Creditor's North Carolina counsel (if any) shall register on the Portal and provide the Creditor's most current Initial LMM Package to the Portal Manager within ten days after entry of the LMM Order. The Portal Manager will promptly upload and post the Creditor's Initial LMM Package on the Portal. A newly-registered Creditor shall also provide any Initial LMM Package or its own loss mitigation documents and requirements directly to the Debtor and the Debtor's Attorney. Registration on the Portal is a one-time event, and a Creditor and the Creditor's North Carolina counsel (if any) will not have to re-register for each subsequent matter. The Creditor, however, is responsible for providing any updates or changes to the Creditor's Initial LMM Package if and as necessary.
- ii. Acknowledge Receipt of Initial LMM Package. Within seven days after the Debtor submits a completed Initial LMM Package to a Creditor on the Portal, the Creditor shall: (i) acknowledge receipt of the Debtor's completed Initial LMM Package on the Portal; and (ii) designate its single point of contact and outside legal counsel (if any) on the Portal. The designated single point of contact and outside legal counsel (if any) shall have all requisite authority (within the investor's guidelines) to settle any and all issues that may arise during the LMM Period.
- iii. Payment of LMM Facilitator Fee. Within seven days after the Debtor submits the completed Initial LMM Package to the Creditor on the Portal, the Creditor shall pay one-half of the applicable Facilitator Fee directly to the Facilitator.
- iv. Process Debtor's Application. Upon receipt of the Debtor's Initial LMM Package, the Creditor shall promptly review the Initial LMM Package to determine the Debtor's eligibility for any loss mitigation options which may be available to the Debtor. In the event that the Creditor requires additional (or corrected) documentation, the Creditor shall promptly notify the Debtor through the Portal of such requirements and promptly respond to the Debtor's submissions thereof as well as any inquiries made by the Debtor.
- v. Servicer Transfer. In the event that the Creditor transfers a loan subject to the LMM Program, the Creditor shall promptly provide a copy of the LMM Order to the new holder of the loan (the "Successor Creditor"), and the Successor Creditor shall promptly comply with the provisions of Federal Rule of Bankruptcy Procedure 3001(e). Without limiting the generality of the foregoing, the Successor Creditor shall accept all documentation and information previously accepted by the original Creditor. Further, the Creditor shall file an Ex Parte Motion to Substitute LMM Creditor (LMM Form 5) with notice to the parties, submit an Order Substituting LMM Creditor (LMM Form 6), and transfer the submission on the Portal to the Successor Creditor.

vi. Payment Changes. During the LMM Period, the Creditor shall comply with the requirements of Federal Rule of Bankruptcy Procedure 3002.1(b) regarding Notices of Payment Changes. Upon compliance by the Creditor, the Chapter 13 trustee shall adjust the Adequate Protection Payment as follows:

1. For payment changes due to adjustments needed in the escrow account, the Adequate Protection Payment shall remain at 80% of the contractual principal and interest payment plus any increase or decrease in the monthly escrow payment;
2. For payment changes due to adjustments for interest rate changes, the Adequate Protection Payment shall be recalculated to reflect 80% of the new principal and interest payment plus any escrow payment as applicable.

c. Debtor's Duties upon Commencement of LMM.

- i. Submit Initial LMM Package. Within seven days after the entry of the LMM Order or the Creditor's registration on the Portal, whichever occurs later, the Debtor shall upload the Initial LMM Package and a copy of the LMM Order to the Portal.
- ii. Payment of Portal Submission Fee and Facilitator Fee. Within seven days after the entry of the LMM Order or the Creditor's registration on the Portal, whichever occurs later, the Debtor shall pay the Portal Submission Fee directly to the Portal Manager and one-half of the Facilitator Fee directly to the Facilitator.
- iii. Document Submissions. The Debtor shall promptly provide any additional documents requested by and/or answer any questions from the Creditor, the Facilitator, or the Portal Manager.
- iv. LMM Reports. The Debtor will complete the Final Report as more particularly provided in section 9(c).

d. Trustee's Duties.

- i. Adequate Protection Payments. Upon the entry of the LMM Order, the Chapter 13 trustee shall begin disbursing Adequate Protection Payments to the Creditor if the Debtor's Chapter 13 plan has been confirmed and the Creditor has filed a valid proof of claim. If the Debtor's Chapter 13 plan has not been confirmed or the Creditor has not filed a valid proof of claim when the Bankruptcy Court enters the LMM Order, the Chapter 13 trustee shall begin reserving Adequate Protection Payments for the Creditor. The

amount of the Adequate Protection Payments shall be set out in the Motion for LMM (LMM Form 1) filed by the Debtor and in the LMM Order (LMM Form 4).

- ii. *Trial Modification Payments.* Beginning with the first month of the trial modification period and continuing thereafter, the Chapter 13 trustee shall begin making the trial payments, cease making Adequate Protection Payments to the Creditor, and continue to reserve cure payments on all existing prepetition and administrative arrearage claims pending further order of the court.
 - iii. *Payments on Permanent Loan Modification.* Upon approval of a permanent loan modification, the trustee shall disburse the ongoing payments to the Conduit Creditor pursuant to Local Rule 3003-1.
- e. Facilitator's Duties.
- i. Monitoring of Communications. The Facilitator shall monitor all Portal communications between the Debtor and the Creditor to ensure that each party is performing its obligations and duties as required by the LMM Program, including, without limitation:
 - 1. Confirming that the Debtor has provided the correct Initial LMM Package;
 - 2. Facilitating the communication and document exchanges between the Creditor and the Debtor to ensure that the loss mitigation review is proceeding in accordance with the terms and deadlines of the LMM Program;
 - 3. Tracking and monitoring the deadlines for each party; and
 - 4. Preparing for, scheduling, and conducting LMM Conferences as more particularly described in section 9(b).
 - ii. Reporting Non-compliance. The Facilitator shall promptly report any non-compliance with the terms of the LMM Program by any of the Required Parties to the Bankruptcy Court within seven days of the failure of a Required Party to comply with any duties set forth in this section. The Facilitator shall report the non-compliance by filing a Certificate of Non-compliance in Loan Modification Management Program (LMM Form 7) ("Certificate of Non-compliance") with the Bankruptcy Court. The Certificate of Non-compliance shall provide details of the Required Party's non-compliance along with any supporting evidence.

9. LMM Process.

a. Duration.

- i. Initial Duration. The LMM Period shall be 180 days from the date of the LMM Order unless otherwise specified in the LMM Order.
- ii. Extension. A request to extend the LMM Period shall be made by way of a Motion to Extend the LMM Period (LMM Form 8). A proposed Order Granting Motion to Extend LMM Period (LMM Form 9) and a complete and current printout of the account history from the Portal shall be attached to the motion. A request to extend the LMM Period shall be served on all Required Parties on fourteen days' notice of opportunity for hearing pursuant to the Local Rules.
- iii. Early Termination. A request to terminate the LMM Period prior to its expiration shall be made by way of a Motion to Terminate the LMM Program (LMM Form 10). A proposed Order Terminating LMM Program (LMM Form 11) and a complete and current printout of the account history from the Portal shall be attached to the motion. A request to terminate the LMM Program shall be served on all Required Parties on fourteen days' notice of opportunity for hearing.

b. LMM Conferences.

- i. Scheduling. In the event that the Debtor and the Creditor are not able to reach mutually agreeable terms, then upon consultation with the parties and their attorneys (if any), the Facilitator shall fix a reasonable date and time for an LMM Conference and shall give the parties at least seven days' advance written notice of the date and time of the LMM Conference. The Facilitator shall report the scheduling of the LMM Conference on the Portal. The Facilitator may (in his or her sole discretion) schedule multiple LMM Conferences.
- ii. Appearances. Attendance at the LMM Conference by the Debtor and the Creditor is mandatory. All Required Parties may appear at the LMM Conference remotely unless otherwise agreed to by the parties or directed by the Facilitator.
 1. Debtor Represented by Attorney. If the Debtor is represented by an attorney, then the Debtor, the Debtor's attorney, and any co-obligor, co-borrower, or other third party obligated on the note or deed of trust may participate in the LMM Conference by telephone provided that they are physically present with the Debtor's attorney and present identification to the Debtor's attorney during all LMM Conferences.

2. Translator. The Debtor shall provide a translator at the Debtor's own expense in the event one is necessary, unless otherwise required by the Americans with Disabilities Act.
 3. Creditor. The Creditor shall appoint a designated representative to appear on behalf of the Creditor.
 4. Settlement Authority. All parties attending the LMM Conference shall be ready, willing, and able to sign a binding settlement agreement and have the ability to scan, send, and receive documents by facsimile, email, or other electronic means.
- iii. Failure to Appear. In the event that a Required Party fails to appear at a scheduled LMM Conference, the Facilitator may file a Certificate of Non-compliance (LMM Form 7) with the Bankruptcy Court. The Bankruptcy Court reserves the right to treat such non-compliance as a failure to act in good faith under the LMM, 11 U.S.C. § 1325(a)(3), (a)(5)(A) and/or (a)(7), 12 C.F.R. § 1024.41, North Carolina General Statute § 45-105, and the North Carolina Commissioner of Banks Rules 702 and 703.
- c. LMM Reports.
- Final Report. Within seven days after the conclusion of the LMM Period, the Debtor, on notice to the Creditor, shall file and serve a Final Report with an attached printout of the current and complete account history from the Portal. The Final Report shall be completed in accordance with the instructions provided on the Portal.
- d. Debtor Payments. Any Debtor participating in the LMM Program shall be required to make any payments due to a Creditor through the Chapter 13 trustee, including, but not limited to, Adequate Protection Payments, trial modification payments, and final modification payments, unless otherwise ordered by the court.

10. LMM Resolution.

- a. Trial Loan Modification Agreement. If the parties reach a trial loan modification agreement, the Debtor shall file a Motion to Approve Trial Loan Modification Agreement (LMM Form 12) and a proposed Order Approving Trial Loan Modification (LMM Form 13) within fourteen days after the parties reach such agreement. The Motion to Approve Trial Loan Modification Agreement shall be served upon all interested parties with fourteen days' notice of opportunity for hearing pursuant to the Local Rules. Once entered by the Bankruptcy Court, the Debtor shall serve a copy of the Order Approving Trial Loan Modification on the Required Parties and shall file a certificate of service.

- b. Final Loan Modification Agreement. If the parties agree to a final or long-term loan modification, the Debtor shall file a Motion to Authorize Final Loan Modification (LMM Form 14), which shall be served immediately on the Chapter 13 trustee and all creditors whose claims are secured by liens against the Eligible Property. The motion shall contain a detailed description of the proposed loan modification and shall include a Final Loan Modification Summary (LMM Form 15). A copy of the loan modification agreement shall accompany the motion. The proposed Order Granting Motion to Authorize Final Loan Modification (LMM Form 16) shall include the following provisions, where applicable:
 - i. If the loan modification approved by the Bankruptcy Court impacts the provisions of the Debtor's Chapter 13 plan, a motion to modify plan shall be filed within fourteen days of the entry of the Order Granting Motion to Authorize Final Loan Modification;
 - ii. If the loan modification approved by the Bankruptcy Court results in a material change in the Debtor's expenses, the Debtor shall file an amendment to the impacted schedules reflecting income and expenses (Schedules I and J) within fourteen days of the entry of the Order Granting Motion to Authorize Final Loan Modification.
- c. Additional Provisions.
 - i. No Dismissal. Dismissal of the bankruptcy case shall not be made a requirement of an agreement reached through the LMM.
 - ii. Consent. Consent to the resolution of the LMM shall be acknowledged in writing by an authorized representative of the Creditor, the Debtor, and the Debtor's attorney, if applicable.
 - iii. Bankruptcy Court Review and Approval. LMM participants shall file a motion seeking approval from the Bankruptcy Court to enter into any agreement reached during the LMM process, including, but not limited to, a stipulation, sale, plan of reorganization, amended plan of reorganization, or loan modification. If a Debtor is represented by counsel, a resolution may be approved by the Bankruptcy Court pursuant to a notice of opportunity for hearing pursuant to Local Rule 9013-1(e). If a Debtor is not represented by counsel, the Bankruptcy Court will conduct a hearing at which the Debtor shall appear in person prior to approving a resolution. The Bankruptcy Court will not approve a proposed resolution unless it is in the best interests of the Debtor and the bankruptcy estate.

11. LMM Fees.

- a. Compensation for Debtor's Counsel.

i. *Presumptive Non-base Fee.* Debtor's counsel may accept a presumptive non-base fee pursuant to Local Rule 2016-2(c)(1)(B) in a reasonable amount not to exceed \$2,000 to be paid in cases resulting in a successful (as determined by the Bankruptcy Court) loan modification. Debtor's counsel must indicate a selection of the presumptive non-base fee in the Motion for LMM. These fees are in addition to fees and costs incurred in the representation of the Debtor in the bankruptcy case. These non-base fees shall be considered to be earned in the following amounts for the corresponding events:

- \$1,000.00 upon entry of the LMM Order (LMM Form 4);
- \$500.00 upon entry of the Order Approving Trial Loan Modification (LMM Form 13); and
- \$500.00 or the remainder of the total fee upon entry of the Order Granting Motion to Authorize Final Loan Modification (LMM Form 16).

The presumptive non-base fee compensates the Debtor's counsel for the following services:

- Filing of the Motion for LMM (LMM Form 1) and preparation of the LMM Order (LMM Form 4);
- Preparation of the Initial LMM Package;
- Preparation of any additional forms that may be required throughout the LMM Period;
- Submission of all required documentation through the Portal;
- Filing of other required pleadings and preparation of proposed orders and settlement papers, including, as applicable, the various LMM motions and motions to modify Chapter 13 plans, with no duplicative compensation for such pleadings from the non-base fee schedule provided in Part 2 of Appendix D of the Local Rules;
- Communicating with the Creditor, the Facilitator, and the Portal Manager, including communications through the Portal;
- Attendance at LMM Conferences and Bankruptcy Court hearings related to the LMM;
- Review of all modified loan documents; and
- Review and modification, if necessary, of the Chapter 13 plan following completion of the LMM.

ii. *Hourly Fee Application.* Alternatively, Debtor's counsel may seek approval for reasonable compensation on an hourly basis for all reasonable and necessary work involved in connection with the LMM process and may file an application for allowance of attorney's fees and costs with the Bankruptcy Court.

- b. Facilitator Fees. The Facilitator shall be entitled to a fee in the amount of \$500 due and payable as set forth herein.

- c. Creditor Fees. If a proposed LMM resolution provides for a Creditor to receive payment or reimbursement from the Debtor of any fee, cost, or charge that arose from the LMM process, all such fees, costs, and charges shall be disclosed to the Debtor prior to approval of the resolution. The Creditor's counsel may be entitled to receive a reasonable fee for all work involved with the LMM and shall clearly delineate such fee in the LMM resolution or by a Notice of Fees, Expenses, and Charges pursuant to Federal Rule of Bankruptcy Procedure 3002.1(c).