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George R. Hodges
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA

In Re:)   Case No. 06-20015
)   Chapter 13
LETTY L. HALVORSON,
)
              Debtor(s).   )
_____)

ORDER ALLOWING MODIFICATION TO CHAPTER 13 PLAN

This matter is before the court on the Chapter 13 Trustee's motion for a Plan modification requiring payment of interest on the filed unsecured claims; and debtor's objection thereto. The court has concluded that the Trustee's modification should be allowed.

The debtor filed her Chapter 13 case and proposed a Plan that would pay her unsecured creditors about 25% of their scheduled claims. After a minor modification that Plan was confirmed. After the conclusion of the bar date for filing claims, the Trustee determined that a large unsecured creditor failed to file a claim. Consequently, the debtor was required to pay 100% of the filed claims. The Trustee seeks also to

require payment of interest on those claims based upon 11 U.S.C. § 1325(a)(4). The debtor contends that, since the case did not require a 100% distribution at filing, interest should not now be required.

The court concludes that the time for determining the distribution required is after the claims bar date, and not the date the case was filed. Section 1325(a)(4) refers specifically to "each allowed unsecured claim" (Emphasis added) which only exists after the claims bar date. Consequently the Trustee's Motion to modify the debtor's Plan should be allowed.

It is therefore **ORDERED** that:

1.   The Trustee's Motion to Modify the debtor's Chapter 13 Plan is allowed;

2.   The debtor is required to pay 100% of her allowed unsecured claims plus 8% interest on those claims;

3.   The debtor's plan payment is modified to $145 per month; and

4.   The Trustee may further modify the debtor's required plan payments consistent with this Order, if necessary.