

WESTERN DISTRICT PRACTICE POINTERS

09-30-2024

CLAIMS:

A claim must be timely filed to receive payments. Rule 3004 permits the debtor (or their attorney) to file a claim for a creditor within 30 days after the bar date elapses.

If a claim is dealt with in Section III C of the plan, then the plan determines the amount paid the claim. For claims addressed in other sections of the plan, the filed claim determines the amount. If the plan is silent with respect to interest rate, the claim rate will be used. Government claims are paid the statutory rate. The filed amount or claim amount is on the NDC website; however, you will need to use the 'balance due' or 'principal owed' to verify the amount that will be paid.

Secured claims not mentioned in the plan as secured will not be paid.

PAYMENTS:

The local plan requires employer wage orders if the debtor is employed. Payments generally take 5-7 business days to post when mailing them to our bank lockbox in Chicago, IL. Please do not mail a payment as 'Priority' as it does not expedite the process. If the debtor is not employed and wishes to pay online, tfsbillpay.com can be used. TFS holds a payment for 2-5 business days before forwarding it to the trustee.

PLAN:

You must use the local plan as well as the Request to Amend or Request to Modify. All three documents can be found on the US Bankruptcy Court website under the forms tab. Any request to Amend or Modify must include the revised plan (using the new local form).

Please use 7.5% (divide by 0.925) as our fee % when calculating plan amounts.

The first plan payment is due 30 days after the petition is filed. The code requires the debtor to remain in the plan for a full 36 months (below median) or 60 months (above median), unless 100% of creditors have been paid. That clock starts ticking with the 1st payment due date.

See the 2023 Plan Changes Highlights and Trustee Plan Tip sheet available on the trustee website for other information.

341 MEETING:

Debtors must appear by Video. Both a clear copy of government issued photo ID (driver's license, Military ID card, passport) and proof of social security number (social security card, W-2, 1099, etc.) must be forwarded to the trustee's office seven days prior to the 341 Meeting. If these documents are not available ahead of time, the 341 Meeting, the Meeting may be adjourned until both documents can be verified. See the AttyFAQ and 341 Meetings pages on the trustee's website for additional information.

Complete copies of Federal & State taxes for the most recent tax year must be provided to the Trustee at least 10 days prior to the 341 Meeting. Pursuant to USC § 1308 taxes for the prior four (4) years must have been filed. Failure to do either of these may result in adjournment of the 341 Meeting and or dismissal of the case.

An Amended Fee Disclosure must be filed if substitute counsel appears at the 341 Meeting whether additional compensation is paid or not.