

**Instructions for the  
TXNB Chapter 13 Plan and AAPDs  
Effective October 1, 2016  
(Updated 11/30/16)**

The new Chapter 13 plan for the Northern District of Texas is district-wide. There are, however, two different AAPD forms which will be described after the plan instructions.

The TXNB plan is listed twice on the Plans tab for convenience when using the separate AAPD forms. The Plan form is the same, the AAPD forms are different.

**Disclosures Page:** BankruptcyPRO will check the appropriate box for Special Provisions depending upon whether you have added any. It will also check the box regarding limiting the secured claim based on a valuation if you have a creditor in **Section E(1)(A) Secured Creditors—Paid by the Trustee, Section E(1)(B) Secured Creditors—Paid by the Trustee (pro rata)**, or **Section F Secured Creditors—Collateral to be Surrendered** and the amount being paid through the plan is less than the claim amount, or, in the case of collateral to be surrendered, there would be a deficiency.

**Conduit Payments:** One of the new features in the Plan effective October 1, 2016 is the conduit mortgage payments. The mechanisms to get the creditors into the desired paragraphs in the Plan are discussed below for each individual section.

You will end up with three creditors for the mortgage, one for the regular payments, one for the prepetition arrearage, and one for the Post-Petition Arrearage (Gap payments).

To pay the ongoing mortgage through the plan, go to the Creditors tab in the Plan. Double click on the creditor and choose Long-Term Debt. Enter the payment amount on the Fixed Payments tab. Start the payments for this creditor after the gap period. If you have entered the contract payment on the Creditor Information tab in the creditor, you can use the Use Contract Payment amount button at the bottom of the Fixed Payments tab. The Long Term Debt setting causes BankruptcyPRO to use the fixed payment amount for the plan calculator, rather than looking at the amount of the note. That way BankruptcyPRO will not try to pay off the entire house note during the life of the plan. Be sure to enter the payments on the Fixed Payments tab.

**NOTE:** The **Exclude from Plan** checkbox on the Plan tab in a creditor does exactly what it says it does. If that box is checked, the creditor will not be included in the Plan. Any options listed below assume that the checkbox is **NOT** checked.

**Section I**

**Section B:**

**Clerk's Filing Fees (through the Plan):** This information (if necessary) is entered in the Plan calculator on the Admin. Costs tab.

**Domestic Support Obligations:** These are entered as priority creditors with the priority type set to Domestic Support Obligations.

### **Section C:**

#### **Attorney Fees:**

Total Attorney fees and Total Paid are entered on the Fee Disclosure window (F Button). The balance due will need to be entered as a priority creditor with the type of priority set to "Attorney fees for this case". You can have BankruptcyPRO add this creditor automatically from the Attorney Fee Disclosure dialog by clicking on the Add To Creditor List button at the bottom right of the window. In order for BankruptcyPRO to calculate fees to the attorney in the plan, you must be a creditor, but it is an option as to whether that creditor appears on the Schedules/Matrix. Check the corresponding boxes on the form if you wish to exclude the attorney creditor from the schedules and/or the matrix.

### **Section D:**

#### **Section D(1): Pre-Petition Mortgage Arrearage:**

When you click on the Make Arrearage Claim button on the Plan tab in a mortgage creditor (Principal Residence and/or Real Property, Retain Collateral), BankruptcyPRO asks for the amount of the arrearage claim. It creates a separate secured claim for that amount where the claim and value are equal. The claim is then treated as fully secured in the plan. Enter the Date Arr. Through in the Plan Summary Remarks tab in the creditor.

**Section D(2): Current Post-Petition Mortgage Payments disbursed by the Trustee:** These are set as Principal Residence and/or Real Property, Retain Collateral on the Plan tab in the Creditor. This is a conduit payment. Enter the date for the First Conduit Payment Due Date in the Plan Summary Remarks box on the Plan tab in the creditor. Then, on the Plan tab, check the box on the right hand side to Pay Adequate Protection. Check Use Manual Amounts and enter the contract payment amount. To pay the ongoing mortgage through the plan, go to the Creditors tab in the Plan. Double click on the creditor and choose Long-Term Debt. Enter the payment amount on the Fixed Payments tab. If you are using a Two-Month Gap, start the long term debt payments in Month 2. If you are using a One-Month Gap, start the long-term debt payments in Month 1. Note: The Trustee disburses the Month 2 Payment in Month 1; and the Month 3 Payment in Month 2. Start the payments for this creditor after the gap period. If you have entered the contract payment on the Creditor Information tab in the creditor, you can use the Use Contract Payment amount button at the bottom of the Fixed Payments tab. The Long Term Debt setting causes BankruptcyPRO to use the fixed payment amount for the plan calculator, rather than looking at the amount of the note. That way BankruptcyPRO will not try to pay off the entire house note during the life of the plan. Be sure to enter the payments on the Fixed Payments tab.

**Section D(3): Post-Petition Mortgage Arrearage (Gap payments should go here.):** To enter the Gap payments in paragraph d(3), choose Make Arrearage claim on the Plan tab in the ongoing mortgage creditor. This will cause the Plan tab checkboxes to be set to Principal

Residence and/or Real Property as they were in the original creditor, and will check the box for Arrearage. Enter the amount for the payments. Set the user class at the bottom right to PostPetArr. ~~Then, on the Plan tab, check the box on the right hand side to Pay Adequate Protection. Check Use Manual Amounts and enter the contract payment amount.~~ In the Plan Summary Remarks box at the top of that tab, enter the Due Date(s) for the Plan.

Any additional Post-Petition Mortgage Arrearage (should it occur), can be added as a new, separate creditor. The Plan tab will be set to Principal Residence and/or Real Property, Retain Collateral, and For Arrearage. On the Creditor Information tab, at the bottom right, set the User Class to PostPetArr. It should show on the dropdown.

### **Section E:**

**E(1)(A). Secured Creditors—Paid by the Trustee.** These will be secured creditors you have not set to Direct Pay on the Plan tab. The pay method is not pro rata. This can be a cram down. Either hanging paragraph does not apply, or the amount in plan is less than the claim amount.

**E(1)(B). Secured Creditors—Paid by the Trustee.** Exactly the same criteria as E(1)(A), except the pay method is pro rata.

**E(2)(A). Secured 1325(a)(9) Claims Paid by the Trustee—No Cram Down:** These creditors will need to be set to Secured, in the plan and the pay method is not pro rata. Check the box at the bottom right on the plan tab that the Hanging paragraph applies. The amount to be paid in the plan must be greater than or equal to the claim amount.

**E(2)(B). Secured 1325(a)(9) Claims Paid by the Trustee—No Cram Down:** Exactly the same criteria as E(2)(A), except the pay method is pro rata.

**F. Secured Creditors—Collateral to be Surrendered.** These creditors will be set to secured, surrendered and not notice only. You can enter the treatment in the Plan Summary Remarks box on the Plan tab in the creditor.

**G. Secured Creditors—Paid Directly by Debtor.** These creditors will be secured, direct pay, not surrendered, not avoid lien and not notice only.

**H. Priority Creditors Other than Domestic Support Obligations.** This section will include Priority creditors in the plan not addressed above.

**I. Special Class.** Special Class Unsecured creditors being paid through the plan. To enter the Justification, click on the Special button for the Plan. You'll see the data entry box on that tab.

**J. Unsecured Creditors.** Unsecured creditors paid through the plan. Bifurcated portions of Secured and Priority Creditors will also display.

**K. Executory Contracts.** To get the stairsteps to show in this section, you must have a creditor in the plan which is tied to the contract. Only arrearages on executory contracts will be treated in the Plan. The plan calculator will use the amounts in the creditor rather than the amount in the Executory Contract data if a claim is created.

When the Plan is selected, the Special button for the plan will show the option for a 1-Month Gap, or a 2-Month Gap. There will also be a tab for the Certificate of Service where you can select the parties you wish to show.

## Authorization for Adequate Protection Disbursements

### DFW

For a creditor to appear in the AAPD, the Pay Adequate Protection checkbox must be checked on the Plan tab in the creditor.

The AAPD for the DFW Trustees does not reflect any priority creditors. The Pay Adequate Protection checkbox on the Plan tab in the creditor must be checked for a creditor to appear in the AAPD.

**Motor Vehicles:** BankruptcyPRO will recognize a creditor as a motor vehicle creditor using a couple of methods. These are both found in the Creditor dialog in the case, not in the plan calculator. The first is using the Form 122C tab. If the creditor is assigned as Vehicle 1 or 2 on that tab, BankruptcyPRO will recognize it as a vehicle creditor. There is also a checkbox labeled Motor Vehicle on the Creditor Information tab toward the bottom on the right. If any of these items are selected, BankruptcyPRO will recognize the creditor as a motor vehicle creditor and list it in the correct section of the AAPD, if the Pay Adequate Protection checkbox is checked on the Plan tab in the creditor.

**Current Post-Petition Mortgage Payments (Conduit):** The creditors are set as Principal Residence and/or Real Property, Retain Collateral on the Plan tab in the Creditor. This is a conduit payment. In other words, a creditor that appears in the plan in Section D(2) and for which adequate protection is being paid through the Trustee. The Special button that appears when the TXNB plan is selected contains the options for the gap. You can choose a 1-month, or a 2-month gap.

### Wilson

For a creditor to appear in the AAPD, the Pay Adequate Protection checkbox must be checked on the Plan tab in the creditor.

The AAPD for the Robert Wilson does reflect Domestic Support Obligation Creditors. These creditors will be entered as priority creditors, with the type of priority set to Domestic Support Obligation.

**Motor Vehicles:** Motor Vehicles are not listed separately on the Wilson AAPD.

**Current Post-Petition Mortgage Payments (Conduit):** The creditors are set as Principal Residence and/or Real Property, Retain Collateral on the Plan tab in the Creditor. This is a conduit payment. In other words, a creditor that appears in the plan in Section D(2) and for which adequate protection is being paid through the Trustee. The Special button that appears when the TXNB plan is selected contains the options for the gap. For the Wilson AAPD, you should choose a 2-month gap.