

## **Rule 9020-6 LOSS MITIGATION PROGRAM RESOLUTION**

(a) LMP participants shall seek the Court's authorization to enter into any agreement reached during the LMP process, including, but not limited to, a stipulation, sale, plan of reorganization, amended plan of reorganization, or loan modification, by way of a motion that complies with W.PA.LBR 9010-3 and W.PA.LBR 9019-1.

(b) Dismissal of the bankruptcy case shall not be made a requirement of an agreement reached through the LMP.

(c) Consent to the resolution shall be acknowledged in writing by an authorized representative of the Creditor, the debtor, and the debtor's attorney, if applicable.

(d) If parties agree to a final or long-term loan modification, the debtor shall file a Motion to Authorize the Loan Modification, which shall be served immediately on any applicable trustee and all creditors whose claims are secured by liens against the Eligible Property. The motion shall contain a detailed analysis of the proposed loan modification, and shall include a Loan Modification Summary (substantially in the form of Local Bankruptcy Form 48). A copy of the loan modification agreement shall accompany the motion. In a Chapter 13 case, the proposed order shall include the following provisions, where applicable:

- (1) If the loan modification approved by the Court impacts on the provisions of the debtor's Chapter 13 plan, a modified plan shall be filed within fourteen (14) days of the entry of the order approving the loan modification.
- (2) If the loan modification approved by the 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 (14) days of the entry of the order approving the loan modification.

(e) In addition to the requirements of Subsection (d), above, as part of the Motion to Authorize the Loan Modification, the Creditor shall attach a certification stating the following:

- (1) an escrow analysis was performed in connection with the offer of a loan modification.
- (2) approval of the loan modification will bring any arrearages in the Debtor's escrow account obligations current as of the effective date of the loan modification.

- (3) the Debtor's timely loan payment per month will adequately satisfy all escrow requirements over the ensuing 12 months (including but not limited to, all projected disbursements from the account together with the two-month's minimum balance required under the Real Estate Settlement Procedures Act (RESPA)) without the need for an increase in the escrow payment (unless such payment is solely caused by an increase in the tax or insurance obligations funded from the account).

(f) Where a debtor is represented by counsel, a resolution may be authorized by the Court without further notice, or upon such notice as the Court directs. Where a debtor is not represented by counsel, prior to authorizing a resolution the Court may conduct a hearing at which the debtor shall appear in person. To be authorized by the Court, a proposed resolution must be in the best interests of the debtor and the bankruptcy estate.

(g) In the event a debtor satisfies all payment obligations under a trial/interim loan modification order, the Creditor shall extend an offer to enter into a final loan modification agreement within fourteen (14) days of receipt of the last interim payment. If the debtor accepts the offer, then the debtor immediately shall file and serve a Motion to Authorize the Loan Modification pursuant to W.PA.LBR 9020-6(d). If the debtor rejects the offer, then the debtor immediately shall file and serve either a Motion to Extend the Loss Modification Period (pursuant to W.PA.LBR 9020-5(b)) or a Motion to Terminate the Loss Modification Program (pursuant to W.PA.LBR 9020-5(c)) that sets forth the specific reasons for rejecting the offer.