

# PUBLIC ANNOUNCEMENT

United States Bankruptcy Court for the Western District of Pennsylvania

## IMPORTANT NOTICE #2 - REGARDING LOSS MITIGATION PROGRAM

*In IMPORTANT NOTICE #1 REGARDING LOSS MITIGATION PROGRAM, the need to provide adequate notice to the Court and Trustee prior to the effective date of any modification was addressed. This Notice sets forth an example of the timeframe for notifying the Court and Trustee.*

Specifically, when trial payments are included as part of a modification process, the Chapter 13 Trustee must be notified and given sufficient time to effect a change to the distribution in accordance with the trial period payments. In order to effect a payment change, the Chapter 13 Trustee **must** be notified at least seven (7) days in advance of the her normal distribution date (the 25<sup>th</sup> of the month) of a modification agreed upon by the Parties. Additionally, at least 14 days in advance of that is needed to complete the trial modification approval process with the Court.

Implementing a trial payment period beginning on June 1, 2013, the required timeframe would be as follows:

June 1, 2013	Debtor's 1 <sup>st</sup> modification payment due.
May 25, 2013	Trustee's anticipated distribution date.
May 18, 2013	Notice to Chapter 13 Trustee of a modification. (7 days prior to the 25 <sup>th</sup> ).
May 4, 2013	Motion to the court regarding modification. (14 days prior to the 18 <sup>th</sup> ).

Based upon this example, the approval process for a LMP modification, with the first payment due on June 1<sup>st</sup>, must begin prior to May 4, 2013. Any motion for approval after the example cutoff date of May 4, 2013, requires that the date for beginning the modification payments be pushed out to the first of the next month (in this example July 1, 2013).